

Initial questions relating to fiscal sponsorship program

Big picture

1. Is this the best strategy for working with people who bring good ideas to you? Or does it make sense to offer other forms of support (contract work, partnership) instead of full sponsorship?
2. Is offering sponsorship fully aligned with your mission, vision, and values, or do you risk drifting away from your core through establishing a sponsorship program?
3. Are you comfortable that you understand the IRS requirements and other implications of sponsorship?
4. Are you okay with assuming financial and legal responsibility for the projects you sponsor?
5. Are there already existing sponsors who could take on mission-aligned projects, or are you filling a gap in the sector?

Project screening and selection

1. What are the criteria and screening process for assessing mission alignment, financial viability, and personnel capability of potential projects?
2. What's the screening process for determining that projects will not conflict with ongoing projects or relationships with partners and funders?
3. Will you define certain fields, topics, or geographies as off-limits to projects?
4. What's the screening process for determining possible conflicts or concerns of Board members about a project?

Support and administration

1. Do you have the capacity to take on the extra administrative work and to exercise discretion and control over funding?
2. Do you have in place systems for monitoring project spending and activities, reviewing contracts, and the like?
3. Do you have in place systems for appropriate reporting of project activities in your financial statements?
4. Do you have the systems in place for proper handling and accounting of project funds?
5. Do you have in place appropriate platforms for projects to understand and comply with your financial reporting, internal controls, IT security, contracting, and other internal systems?
6. Will the Board delegate to management the ability to approve and terminate projects, or are you imagining Board review?
7. How do you think about quality control and protection of your brand?

8. Will project employees be offered compensation packages and benefits on the same basis as other employees?
9. Do you know where you would slot project employees in the compensation and reporting structures?
10. Will establishing a sponsorship program have a material impact on your insurance costs or risk management profile?
11. Do you have adequate systems in place to assess risk and mitigate exposure through insurance or other risk management methods?
12. Do you expect project funding sources to be comparable to those for your core programs?

External communication

1. May projects use your name beyond identifying themselves as being sponsored by you?
2. Will you describe projects on your website, social media, and other external communication platforms?

Sponsorship terms

1. What are the appropriate minimum financial requirements (e.g., size, fundraising performance, cash position)?
2. What is the fee structure?
3. Will you require projects to put in place advisory committees or comparable bodies?
4. Will projects be allowed to engage in lobbying activities?
5. Do you expect turnover in project staff and does it make sense to include a provision relating to project director succession?
6. Do you expect projects to carry out periodic evaluation of project effectiveness, stakeholder relationships, and the like?
7. Will projects be allowed to use volunteers, students, interns, and the like?
8. Are there specific events or conditions where you would want to terminate a sponsorship quickly, and are you comfortable with terminating a project?

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