

MEHAF

MAINE HEALTH ACCESS FOUNDATION

Fiscal Sponsorship Policy

MeHAF will consider awarding a grant to an organization acting as a fiscal sponsor for another entity. Fiscal sponsorship generally entails a nonprofit organization (the “fiscal sponsor”) agreeing to provide administrative services and oversight to, and assume some or all of the legal and financial responsibility for, the activities of a group (the “sponsored organization”). Related to grants, a fiscal sponsor is a 501(c)(3) nonprofit organization that provides fiduciary oversight, financial management, and other administrative services for another organization or project that does not have its own tax-exempt status with the Internal Revenue Service (sponsored organization). In some circumstances, an organization that does have its own tax-exempt status may also choose to apply through a fiscal sponsor.

Two things must be true in all fiscal sponsorship relationships. (1) The proposed work must be aligned with the fiscal sponsor’s charitable mission or purpose and (2) the fiscal sponsor must maintain full discretion and control over any awarded grant funds. Fiscal sponsors must have the organizational capacity to manage and accept the risks involved with fiscal sponsorship. Sponsored organizations must be qualified to carry out the proposed work or project.

When a Fiscal Sponsor is involved in making a grant application to MeHAF, the sponsor serves as the grant applicant, provides their EIN and attests to their 501(c)(3) tax-exempt status, which MeHAF will independently verify. If a grant is awarded, the Fiscal Sponsor will be required to sign a grant agreement stipulating all legal terms of the award. The grant will be made payable to the Fiscal Sponsor as the tax-exempt organization representing the sponsored organization. Grant funds received by the Sponsor must be reported as the income of the Sponsor for tax and financial reporting purposes.

The Fiscal Sponsor assumes legal and financial responsibility for the grant funds and assumes fiduciary responsibilities for the project as though it were a project of the Fiscal Sponsor. It will be the Fiscal Sponsor’s responsibility to ensure that all reports and submissions are provided in a timely manner to MeHAF for any grant that is approved. Therefore, it is extremely important that the Fiscal Sponsor and the sponsored organization have an agreement in place. MeHAF provides a template agreement for this purpose, developed by the Maine Association of Nonprofits, and requests that all fiscally sponsored applications use this agreement or one that contains substantially similar provisions. A copy of the agreement must be submitted as part of the grant application process.

Policy Adopted:	Policy Reviewed:	Policy Amendment Approved:
Program & Grants Committee, January 2025		