



Introduction to Fiscally Sponsored Projects (FSP) with the Community LIFE Network (CLN)

Getting Started

You are reading this document because you have an idea, project, or program that you feel needs a bank account and fiscal sponsorship to better function to accomplish your goals. Before we jump in to how to request 501(c)(3) fiscal sponsorship from the CLN, let's first take a minute to think about why a project would need 501(c)(3) fiscal sponsorship in the first place, and whether an other fiscal sponsorship partner may be a better fit for your project.

Why ask for Fiscal Sponsorship with a 501(c)(3) charity like the CLN?

In deciding whether or not to search for 501(c)(3) fiscal sponsorship, the primary reason should be because you have some type of community or social project (not political) that needs a bank account, wants to write a grant, or needs tax-exempt status to accept a donation. Some projects want to be a non-profit simply for status within the community. Although you need non-profit status to legally submit non-profit grants and accept tax-deductible donations, if you don't currently have that need, the only technical reason that you would benefit from non-profit status as an organization that has money, is if you plan on "making profit" (expenses are less than revenue). Let's explain this a little further...

If your group does not have money or does not plan on fundraising, you do not need 501(c)(3) status. If your group does not currently need to submit a grant to a foundation, or does not already have a donor who needs a tax-deductible write-off, the only reason you would need 501(c)(3) status is if you are making LOTS of money that would be considered "profit" and would otherwise need to pay taxes. If you simply want to set up an organization and have a bank account, but otherwise do not plan on

fundraising LOTS of money AND making actual profit (profit requires making more money than even the cost of paying workers / employees, including yourself), then you can accomplish all your goals by just having a partnership status instead of a non-profit status which is MUCH less work and fewer restrictions and regulations on your money.

Feel free to contact us for more information about our "sister" umbrella partnership organization and its sponsorship options, or if you would like information about the umbrella political committee we work with, as an alternative to getting 501(c)(3) fiscal sponsorship. It is possible that 501(c)(3) status is not what you need, depending on what your project is, and if that is the case, our umbrella CommUnity Network can help you find the type of organizational status and fiscal sponsorship that you need, just email: support@unitynet.info or call Jay at 415-323-5833. Of course it is also possible, but rare, that there are multiple aspects of your project goals, or multiple sub-projects with some parts that would fit better into a simple partnership or political committee, but with other parts that may still need 501(c)(3) status. If you feel that 501(c)(3) status is possibly what you need, or even just part of what you need, feel free to move forward with your request to the CLN, and we can work out the details later.

So if you have established that you want to write grants to foundations, need to accept tax-deductible donations, and have a community project that is NOT political in nature, then the Community LIFE Network 501(c)(3) non-profit charity sponsorship may be the right choice for you. In general the CLN is just one of thousands of options of non-profits you could choose from, and we encourage you to research other possible non-profit sponsorship options online so you have a better idea of what we offer and the alternatives.

Link: <http://www.fiscalsponsordirectory.org/>

Who is eligible for CLN Fiscal Sponsorship?

Any individual or group of individuals who are actively engaged in an idea, project, or program that operates physically or legally within the United States. If your program does not operate physically or legally within the United States, the Community LIFE Network would not have jurisdiction

to function as a legal entity to sponsor your project. If you need local non-profit sponsorship in another country, we may be able to help you find one, but it depends on the country. If international sponsorship is enough for your project, we certainly will consider your request no matter where in the world you are, but there may be additional restrictions on your project.

How to become a Fiscally Sponsored Project (FSP) of the CLN?

It is simple to become a FSP of the CLN, all you need to do is submit a short proposal to the CLN Board. We will go over the three parts (Description, Leadership, % Revenue) of this short proposal that is usually just an email. You should do your best to keep the proposal down to just a few sentences, or a maximum of a 1/2 page, and it is fine to have links to as much supporting documentation as you want.

Proposal Description

The description should just be a few short sentences describing your idea, project or program. If you are an existing program or project that has been around for a while, you also should give a few sentences on your history and how you got started. If it is a new program there is no need to give us history. In the description you may also want to make a quick note of any possible legal issues or concerns that may arise from your program, but there is no need to explain them, as we will want to talk to you about it before the proposal goes to the Board, and get supporting documentation.

Proposal Leadership

A few sentences or two on each of the 1-3+ people who would be the current leadership of the project. This could include experience, degree, passions, or other applicable information about an individual's background.

% revenue

Lastly the % revenue is the amount of money that would be transferred over to the umbrella non-profit to pay for administrative and overhead costs for the entire non-profit to support all our sponsored projects. Many non-profits have their sponsored projects budget a 15% fee for all revenue, and although that seems high, it is a reasonable estimate of overhead costs. Instead of establishing a pre-set fee, we allow each project itself to decide what the best % revenue fee they think would work

for their group, as long as it is reasonable and the CLN Board approves it. Typically this will be about 5%, but can be up to as much as 20%, or as little as 1%(or even less), if that is applicable to your projects situation. Whatever % is established at the time of the FSP proposal approval by the CLN Board, that % will be set as the exact % revenue that will be given to the CLN as an administrative fee, from all funds that pass through the FSPs accounts regardless on how that money was raised or spent. If you want different types or different amounts of donations to have different % of revenue, that needs to be worked out ahead of time and included in your proposal, but most organizations have a single %. At anytime in the future your organization can propose to change your % revenue as a new official proposal to reconsider your fiscal sponsorship to the CLN Board, but the Board can reject it and you can lose your fiscal sponsorship if agreement cannot be reached on changing the % revenue administrative fee.

Choosing the right % revenue administrative fee, and re-proposing fiscal sponsorship to change the % revenue.

First of all, don't worry too much about what % revenue fee you decide on at the beginning of your sponsorship. It can always be changed later down the road, but don't be too nonchalant about it either, as to change it you will be re-proposing your entire fiscal sponsorship to the CLN Board, and the Board will re-consider your fiscal sponsorship status in the context of the new % revenue that you are proposing. As long as the % revenue is reasonable in the context of the projects relationship with the whole non-profit, it will be approved. Because you can change your % revenue fee at any time, we suggest starting at the highest level you feel comfortable with, as the likelihood that a project will ever consider raising their % revenue fee in the future is almost nil, so we would rather have you consider lowering it in the future, than start so low that you consider raising it, but can't get the approval from your leadership committee. Although 10% or even 15% is a perfectly reasonable % revenue fee for a typical non-profit, we certainly understand if this is too high for your project, and we would expect you to submit a proposal with a 5%-10% revenue fee. If you feel that even 5% is too high, feel free to propose a smaller % revenue fee, but you may want to give an explanation as to why you feel that you should be paying less than

other projects and why the costs to support your program would be less than other projects.

Spin-Offs and long-term internal fiscal sponsorship.

Any fiscally sponsored project always has the option to Spin-off their project at anytime (bottom-up), and separate from the CLN into their own or different non-profit, or into a not-for-profit organization or partnership. Additionally the CLN Board can decide to spin-off any project (top-down) into its own non-profit or not-for profit organization or partnership at any time. Neither the CLN Board nor the fiscally sponsored project need get approval to initiate a spin-off, and therefore your interest in being a spin-off, or not, does not need to be part of your proposal. But it is important to communicate and be clear with the CLN leadership about your projects long term aspirations and whether you would want to stay as an internal project, or would like to eventually spin-off into your own organization. If you do want to be a spin-off, it is important to initiate this process as early as possible, as it can take many years to smoothly transition into your own legal entity, especially if you have to submit an application to the IRS for your own 501(c)(3) charity approval. We are more than happy to help you accomplish this goal if you want. Additionally, a FSP that intends to spin-off has more leniencies in following the policies of the CLN for FSPs, as a spin-off project will eventually need to create all its own internal policies. Additionally, a FSP that does not follow the CLN policies will be spun-off anyways, as there is no reason to be fiscally sponsored by the CLN if you do not have the intention to learn and collaborate with us on our policies to ensure smooth functioning and long-term stability of the umbrella non-profit itself.

General Overview of Responsibilities if Approved

If your project is approved as a FSP of the CLN, then your group's leadership committee will have specific responsibilities to follow, which are explained within the CLN policies. Not all policies will be applicable to all FSPs, depending on the type, size, and status of your projects current activities. Here is a preliminary list of the most important policies and responsibilities your project will have.

- Make a Budget and get it Approved
- Grant Approvals and Reporting
- Personnel Reporting (Workers, Volunteer or Paid)
- Quarterly and Annual Project Reporting
- Financial Documentation
- Activities Documentation
- Documenting Decisions of your projects "Leadership Committee"
- Appointing a Project Representative to the CLN Leadership Council
 - This representative will be involved in approving other project proposals as well as presenting proposals from your project.
- There may be other responsibilities depending on your project.

If your project is approved for sponsorship, you will receive much more detailed information on exactly what and how to follow the CLN polices.

A Little About the Community LIFE Network



If you would like more information about the Community LIFE Network, you can visit the website at <http://CommunityLIFENetwork.org> but for now here is a few points you may want to know:

The CLN is an umbrella non-profit, so although it does have internal projects that are related to its purpose and goals, all of its internal projects are organized as FSPs just like all other sponsored projects. The mission of the Community LIFE Network is to help our communities network together and find solutions to overcome the crises of the 21st century. The most important component and "center piece" of the CLN is the "LIFE" part, which stands for "LIFE Support." Of course the CLN supports all life and the sustainability of the earth, but our specialization in networking is to help support the LIVES of individual people, especially community leaders, to meet their basic needs, build opportunities, and accomplish their goals. That is why it is so important for us to help individuals and small groups make their ideas and projects easier to accomplish by offering fiscal sponsorship. Our goal is not just to give you a bank account and pressure you into unwelcome policies, instead we want to support you to accomplish your projects and help you with reporting as needed. You can use your

successes to help network with others to improve their lives as well. We believe that by networking through individual lives we can make the world a better place.

Although there is a lot more to learn about running and launching a successful project, we feel that this short information sheet is more than enough information to get you started in your consideration of requesting fiscal sponsorship from the Community LIFE Network.

Questions? Contact Us:

If you have any questions, concerns, or just want to talk about your possible project, feel free to contact us anytime:

cln@communityLIFENetwork.org or 415-323-5833 (Jay)



A little about the CommUnity Network:

The Community LIFE Network is a member in a larger umbrella network called the CommUnity Network. The goal of the larger CommUnity Network is to build Unity between all peoples and social movements of the world to work towards societal transformation. The CommUnity Network is synchronized in supporting the effort of the CLN, but the CLN is a separate legal autonomous entity. By using the principles of sustainability, grassroots activism, and collaborative decision making, the CommUnity Network supports a framework for prioritization and establishment of new community projects and programs that help find solutions to the greatest problems of the 21st century. This can go beyond just 501(c)(3) non-profit charity projects, which is why the CLN has direct connections to help support projects that want other types of sponsorship besides just non-profit, including political committees, and not-for-profit projects, as well as entrepreneurial innovations that can be for-profit endeavors that help communities.

For more information about the CommUnity Network: <http://UnityNet.info>

For more information about the Theory behind Unity: <http://UnityTheory.net>