



A Health Equity Foundation

Fiscal Sponsorship

The Colorado Trust primarily awards grants to organizations that qualify for exemption as a public charity under Section 501(c)(3) of the Internal Revenue Code. However, The Trust recognizes that not every charitable endeavor has the infrastructure required to become a formal tax exempt organization. Additionally, The Trust promotes collaboration and often times public charity organizations working together on a common endeavor need to identify a *Fiscal Sponsor* or lead organization to accept grant funding on behalf of a collaborative model. Therefore, The Trust will consider funding a Fiscal Sponsor for a project conducted by an organization or collaboration that is not recognized as a public charity by the IRS.

The Role of the Fiscal Sponsor

The Fiscal Sponsor must have 501(c)(3) non-profit tax status. The Sponsor is considered the Grantee by The Trust, and therefore is responsible for all legal aspects of the grant. As the Grantee, the Fiscal Sponsor agrees to be accountable to The Trust for the programmatic and financial outcomes of the grant. All information requested in the application for the applicant organization, including the EIN number, is that of the Fiscal Sponsor.

Fiscal Sponsors should be well-informed of the risks and have the organizational structure and capacity to manage and accept these risks before agreeing to serve as a Fiscal Sponsor. The mission statement of the Fiscal Sponsor must align with the mission statement of the *Sponsored Organization* (project, organization, individual or collaborative) it represents.

The Trust's Grant Contract is between The Trust and the Fiscal Sponsor. However, a condition of the grant requires the Fiscal Sponsor and the Sponsored Organization it serves to establish the clearest possible understanding regarding each of their roles and responsibilities, and requires a copy of an agreement between the Fiscal Sponsor and Sponsored Organization prior to releasing grant funds. Attached is a sample Fiscal Sponsor Agreement that may be used for this purpose. Alternative agreements may be used; however, all of the components in this agreement must be included.

Fiscal Agents

The Trust does not award grants to organizations affiliated with Fiscal Agents unless the charitable organization has qualified for exemption as a public charity under Section 501(c)(3) of the Internal Revenue Code (the "Grantee"). The exempt organization (Grantee) may contract with a Fiscal Agent to provide various administrative services for the Grantee. However, The Trust's contract is between The Trust and the tax exempt 501(c)(3) Grantee and not the Fiscal Agent. The Grantee is accountable to The Trust for all programmatic and financial outcomes of the grant.

If you have any questions, [click here to email a Grants Management Specialist](#), or call (303) 837-1200 to speak to one.