



FISCAL SPONSORSHIP GUIDELINES

ABOUT DANCE NEW JERSEY

Dance New Jersey is a service organization committed to reaching new audiences and promoting the energy, excitement and excellence of dance and dance education in the State. Its membership includes the vast array of dance companies, individual dance artists and educators that make New Jersey their home.

Dance New Jersey provides a number of programs and membership services in support of its mission. These include distributing information, raising visibility for dance, and strengthening the field through professional development and technical assistance for individuals and organizations. In all its endeavors, Dance New Jersey strives to accomplish its mission and objectives in a manner that is fiscally sound and financially sustainable, and reflective of both artistic as well as educational excellence in the field of dance.

ABOUT THE FISCAL SPONSORSHIP PROGRAM

Dance New Jersey as a tax-exempt 501(c)(3) organization, offers a program of fiscal sponsorship to a limited number of qualified individual dance artists and emerging dance companies who are **members in good standing of Dance New Jersey**. The Fiscal Sponsorship Program is designed to assist individual choreographers and emerging dance companies in gaining access to funding opportunities and other resources available only to 501(c)(3) non-profit organizations. This program is provided as a service to members who currently do not have the legal status to pursue funding through foundations, corporations, governments and individuals for their projects or their organizations. Admittance to the program is determined on an annual basis, through an application and review process.

Dance New Jersey's Fiscal Sponsorship Program adheres to all IRS regulations. There is no fee to apply, however a flat set up fee will be charged for all projects or companies accepted into the program. An administrative fee will be charged on a sliding scale based on all funds received by Dance New Jersey on behalf of the sponsored individual or company.

RELATIONSHIP BETWEEN DANCE NEW JERSEY AND SPONSORED PROJECT

Projects that are fiscally sponsored by Dance New Jersey are considered **independent contractors**; they retain their own identity and are not considered part of Dance New Jersey as a program and/or subsidiary. Artists, organizations and projects retain creative control and ownership. The Project is responsible for tax reporting and liability issues, as specified in the Letter of Agreement.

Fiscal Sponsorship is **not** a grant program- and does not provide direct funding for individual dance artists and new dance companies. Dance New Jersey staff or board does not engage in fundraising activities for participants in the program. Fiscal Sponsorship is limited to the use of Dance New Jersey's 501 (c) (3) status for the Sponsored Project or Organizations' own fundraising in strict accordance with the signed Letter of Agreement.

APPLICATION REQUIREMENTS AND ELIGIBILITY

Dance New Jersey has established an application procedure and approval process for sponsored projects and organizations in order to insure that all sponsored projects are conducted in accordance with IRS regulations. Because Dance New Jersey is legally responsible for the funds that are received on behalf of a sponsored project, we must insure that the funds that are raised are used for charitable activities, and that the donor reporting requirements will be met by the project.

All successful applicants and participants to the Fiscal Agent Sponsorship program must meet eligibility requirements and submit an application for approval.

- **Eligibility:** Any individual dance artist or emerging dance company who is a Member in good standing of Dance New Jersey, and is ready to begin fundraising (as demonstrated by the successful meeting of the application and evaluation criteria), is eligible to apply. Student projects are not eligible for this program.
- **Acceptance to the Program:** Dance New Jersey will only accept organizations and projects into the Fiscal Sponsorship Program that are consistent with its mission, and that demonstrate an ability to effectively operate and implement the project as described in the application. Once accepted, all participants in the Fiscal Sponsorship Program must sign a Letter of Agreement which articulates the relationship between Dance New Jersey and the sponsored project or organization, as well as the fees applied for services provided. This ensures that both entities understand and will adhere to high administrative as well as artistic standards in accomplishing the project. *The fiscal sponsorship may be revoked at any time if the terms of the agreement are not fulfilled.*

- **Obligations and Reporting Requirements of the Sponsored Project or Organization:** The Sponsored Project or Organization must provide Dance New Jersey with copies of grant applications, solicitation letters and all requests for funding *at least two weeks prior* to the grant or mailing deadline. Sponsored projects must submit periodic reports describing programs and services of the Project in accordance with a schedule that is agreed upon and articulated in the Letter of Agreement. All sponsored projects shall be operated in a manner consistent with Dance New Jersey's tax-exempt status and as described in the agreement. No material changes in the purposes or activities of the Project shall be made without prior written permission of Dance New Jersey and in accordance with any requirements imposed by funding organization.
- **Fiscal Procedures and Financial Reporting:** Funds raised for the sponsored project and organization will be disbursed in accordance with Dance New Jersey's fiscal policies and procedures. Funds will not be disbursed without the appropriate financial forms and documentation. Unincorporated projects will receive a 1099 federal tax form stating the taxable income for the year. Incorporated projects and organizations are responsible for reporting the income on their corporate tax return. Projects that raise funds through Dance New Jersey are legally responsible for reporting that funding as income to the IRS. Funds received through a fiscal sponsor are considered income and are potentially subject to taxes.
- **Credit to Dance New Jersey:** The Sponsored Project or Organization must give proper credit to Dance New Jersey as its Fiscal Agent in all solicitations, publicity and/or program materials in the following form: "Dance New Jersey serves as fiscal agent for the (Sponsored Project or Organization), adding, as appropriate, "with funding provided by (funders'; names

LIMITS TO NUMBERS OF FISCAL SPONSORSHIP PROJECTS UNDERTAKEN

The Board of Trustees of Dance New Jersey oversees all policies with regard to the Fiscal Sponsorship Program, and reserves the right to limit the number of fiscal agent projects that can be undertaken and successfully managed in any given fiscal year. Each year the program will be evaluated and a maximum number of projects will be determined based on the program's current capacity, and the number of qualified applicants eligible to be served.

LIMITS TO DURATION OF PARTICIPATION IN FISCAL SPONSORSHIP PROGRAM

The Board of Trustees will also regulate the duration (i.e., number of consecutive years) that an organization may use the fiscal sponsorship service based on the volume of requests pending, and the circumstances of the current pool of sponsored projects. The program is designed to serve the needs of unincorporated individuals, and emerging dance companies and organizations. It is not the intent of the Fiscal Sponsorship Program that organizations use the service in lieu of obtaining their own official IRS status. The eligibility of ongoing projects and activities undertaken by an unincorporated individual or collaboration among individuals will be evaluated on a case by case basis.

APPLICATION CATEGORIES

1. Individual Dance Projects: Dance artists working on a specific project within a specific time period, under the direction of a choreographer or project director are eligible to apply.

2. Emerging Dance Companies: Dance Companies and organizations that are incorporated but do not yet have their official IRS 501 (c) (3) status, and have someone in the position of an administrator with a clear sense of organizational mission and purpose are eligible to apply. Organizations that are only seeking nonprofit funding for a single project or one-time grant should apply in the Individual Dance Project category.

APPLICATION REVIEW PROCESS

Dance New Jersey has established an application process in order to determine whether the individual or organization is capable of accomplishing the activities associated with fundraising solicitation, program implementation and adequate monitoring and reporting on the use of grant funds.

Application Form: An applicant must complete an application in either the Individual Dance Project category, or in Emerging Dance Companies category.

Evaluation Criteria: The primary criteria for determining acceptance into the Fiscal Sponsorship program for both individuals as well as organizations includes:

- Clarity of purpose or mission
- Successful demonstration of the readiness of the applicant to fundraise.

Review Process: Because Dance New Jersey is legally responsible for any and all grants and contributions it receives on behalf of the sponsored project or organization, we have established a three-part review system that considers each application carefully:

1. Applications for Fiscal Sponsorship are first reviewed by members of Dance New Jersey's Program Committee upon receipt of an application.
2. Recommendations of the Program Committee are considered by the Executive Committee at its next regularly scheduled meeting.
3. The application is then sent to the Board of Trustees for final approval.

Timeline: Although applications will be accepted at any time during the year, applicants should allow 6 to 8 weeks for the application process to take place. Applicants will be notified as to the status of their application in writing.

ADMINISTRATIVE FEES

In order to support the costs of managing the Fiscal Sponsorship Program, Dance New Jersey must charge a nominal fee for services provided as follows:

Individual Dance Projects

- No fee to apply; if accepted, one-time contract and set-up fee of \$75
- Annual contract renewal fee of \$45 (optional and subject to the successful completion of the conditions outlined in the original Letter of Agreement)
- 8% of the first \$10,000 to come to Dance New Jersey for the project
- 6% of funds between \$10,000 and \$ 50,000
- 4% of funds above \$ 50,000
- The Project will be charged directly for any liabilities or direct expenses incurred by Dance New Jersey on behalf of the Project, including but not limited to bank charges and postage fees.
- The only funds that go to Dance New Jersey are contributed funds that are required to go to a 501(c)(3). **Dance New Jersey does not provide record and bookkeeping and/or tax filing services at this time.** Individuals must be able to maintain detailed and complete financial records and provide regular reports on their project to Dance New Jersey.

Emerging Dance Organizations

- No fee to apply; if accepted, one-time set-up fee of \$75
- Annual contract renewal fee of \$45 (optional and subject to the successful completion of the conditions outlined in the original Letter of Agreement)
- 8% of the first \$10,000 to come to Dance New Jersey for the project
- 6% of funds between \$10,000 and \$ 50,000
- 4% of funds above \$ 50,000
- The Project will be charged directly for any liabilities or direct expenses incurred by Dance New Jersey on behalf of the Project, including but not limited to bank charges and postage fees.
- The only funds that go to Dance New Jersey are contributed funds that are required to

go to a 501(c)(3). **Dance New Jersey does not provide bookkeeping and tax services at this time.** Organizations are responsible for maintaining their incorporation and making sure their state filings are current. Organizations must be able to maintain detailed and complete financial records and submit regular reports on their project and activities to Dance New Jersey.

If you would like additional information about Dance New Jersey's Fiscal Sponsorship program, please call Dance New Jersey at (973) 222-8844 or email Executive Director Sarah Weber Gallo at sarah.dancenj@gmail.com.