

FISCAL SPONSORSHIP



What is Fiscal Sponsorship?

Fiscal Sponsorship is a fundraising tool that provides an alternative to establishing your own 501 (c)(3) nonprofit corporation in order to access funding for your non-commercial project from various grant-making organizations that require nonprofit status from its applicants. The funding, when received, is given to this nonprofit, tax-exempt umbrella organization. This organization, acting as the filmmaker's fiscal sponsor, administers and accounts for funding on behalf of the filmmaker and his or her project.

The fiscal sponsor is legally responsible for the funds received on behalf of sponsored projects. It must insure that the funds are used for the activities/work agreed upon by the donor and the recipient, and that the donor reporting requirements are met in a timely fashion.

While fiscal sponsorship can save you from the long and arduous process of becoming a 501 (c)(3) nonprofit tax-exempt organization and broadens your funding options, it is important to note that fiscal sponsors do not provide funding themselves, and do not research and apply for grants on behalf of a project or filmmaker.

What fiscal sponsorship is not: Fiscal sponsorship is NOT a cash grant. It is a tool for helping secure funding, the burden of which still remains with the individual filmmaker.

Why should I choose NOVAC as a fiscal sponsor?

- o NOVAC has been supporting the work of local, independent filmmakers for 45 years.
- o We are not interested in creative control of your project; we are interested in supporting you getting funding for *your* vision.
- o We have a straightforward review process, with rolling deadlines and quarterly approval reviews.
- o There is a low application fee of \$40.
- o We create easy pathways for individuals and grantmakers to make donations to your project.
- o NOVAC fiscal sponsor projects receive support in fundraising, expertise in producing and help in outreach and distribution from NOVAC staff.
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What is NOVAC?

NOVAC is a 501 (c)(3) organization founded in 1972. We cultivate a sustainable local film community by providing access to training, resources and locally-generated content.

How exactly does fiscal sponsorship with NOVAC work?

Once your NOVAC sponsored project has been awarded a grant or receives a contribution, the funds are distributed and mailed to NOVAC. We then deposit the funds in our tax-exempt bank account. Once a month, a check is written to the Project Director or the production company. Checks are disbursed to one name only.

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Your responsibilities:

- Provide Social Security and/or Tax ID information to NOVAC once admitted to our fiscal sponsorship program.
- Handle your own production accounting.
- Conform to the production guidelines specified in the grant when using received funds.
- After making use of the full grant, or at the end of the calendar year, supply NOVAC, with an expense report that indicates how funding re-granted by us was spent.
- Maintain proper tax records, allowing NOVAC, to provide tax authorities with the necessary paperwork in the event of an audit.
- Credit NOVAC, as a fiscal sponsor in the end credits of your film.

NOVAC will report to the Internal Revenue Service all funds granted to the filmmaker, and it is his/her responsibility to pay any taxes due on the funds. If a grant-making organization or individual produces a check payable to the wrong party, the fiscally-sponsored filmmaker is responsible for following up with the grant-making party to ensure that they write a new check payable to "NOVAC" In addition, the initial fiscal sponsorship agreement is valid through a predetermined expiration date, at which time the sponsored filmmaker may seek to renew the fiscal sponsorship.

Am I eligible?

In order to be eligible to apply to NOVAC's Fiscal Sponsorship Program, you must meet the following criteria:

- Your project must be a film, video or multimedia project.
- You must be a U.S. citizen with a Social Security number or have a production company with a U.S. Federal ID number.
- You cannot be a full-time student.
- The project proposal must reflect your ability to develop a high quality project.
- You must be a current NOVAC member. To become a NOVAC member, check out the membership page on NOVAC's website.

We will review your application using the following criteria:

- Is the subject matter relevant to the mission of NOVAC, as presented above?
- Is the proposal engaging and clearly written?
- Does the project present a realistic budget?
- Is the apparent fundraising ability of the project director adequate? Does he or she identify appropriate potential sources of funding for the project?
- Are the key project personnel sufficiently experienced, and how feasible is the completion of the project?
- Is there potential for distribution of the final project?

Is there a fee?

In addition to a \$40 application fee, NOVAC will charge a service commission of 6% of all funds made payable to "NOVAC." Please note that if you are applying for municipal grants, such as the National Endowment for the Arts, National Endowment for the Humanities, and other similar

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governmental granting organizations, we will charge a 7% service commission.

How can I apply for Fiscal Sponsorship?

The following material must be included in your Application Package to our Fiscal Sponsorship Program:

- Project Proposal (The requirements for the project proposal are listed below. This portion of the application allows us to see exactly what you anticipate sending to funders. If there is a specific grant you will be applying for, feel free to send us the proposal you will use for that funder.)
- \$40 Application Fee
- Activate NOVAC membership

Proposal Guidelines

The project proposal should be exactly what you anticipate submitting to funders. It should be typed, and written using clear and precise language. While your proposal may differ slightly in format and length, your proposal must contain all elements listed below:

- **Documentary Projects:** Use the International Documentary Association's documentary core application template
https://www.documentary.org/sites/default/files/images/pages/The_Documentary_Core_Application_Checklist.pdf
- **Narrative Projects:** Please use the International Documentary Association's documentary core application template and also include a script sample.
https://www.documentary.org/sites/default/files/images/pages/The_Documentary_Core_Application_Checklist.pdf
- **Other Projects:** Contact Rachel Witwer at rachel@novacvideo.org

We strongly encourage you to contact NOVAC prior to submitting your application if you have any questions about the application process. All inquiries should be directed to:

Rachel Witwer, NOVAC

Mail: NOVACFiscal Sponsorship Program, 532 Louisa Street, New Orleans 70117

E-Mail: rachel@novacvideo.org

When are the deadlines?

NOVAC accepts fiscal sponsorship applications on a rolling basis. You may submit your project for review at any time.

What if I need more information?

After reviewing this material, if you have any additional questions, please contact Rachel Witwer at rachel@novacvideo.org.