

THE INCUBATOR: Fiscal Sponsorship

A Brooklyn Innovation Institute Program



ROSA Vocal Group: Joanna Schubert, Astrid Kuljanic, Raquel Rivera, Carolina Mama. Picture by Erin Patrice O'Brien.

WHAT IS IT?

The Incubator: Fiscal Sponsorship is a program through our Brooklyn Innovation Institute which allows individuals and organizations to raise funds for [non-profit activities](#) [1], through tax-deductible/charitable contributions and grants.

Brooklyn Arts Council offers fiscal sponsorship to individuals and organizations for cultural projects with strong [artistic merit](#) [2] that align with our Mission, Capacity, Culture, & [Values](#) [3]. This Program is our imagining of an improved model for economic thriving, a pipeline to empower artists, a nexus of resources, and an economic development space for much-needed incubation...hence the name!

The Incubator is designed to provide individualized attention to sponsored projects (and the people who lead them), so a maximum of 30 projects are sponsored annually. This “boutique” approach allows for intentional relationships and builds the kind of sustainability and support network that we offer all other constituents at BAC.

APPROVED PROJECTS GENERALLY FIT THE FOLLOWING CRITERIA:

- Artistic projects that are undertaken by individual artists or collectives who are New York City-based
- Activities of cultural organizations that are in the process of incorporating as nonprofits
- Specific cultural projects undertaken by for-profit organizations that are nonprofit in nature and demonstrate strong benefit to New York City residents
- Feasibility of project/organization description, budget, & fundraising plan
- Are a strategic addition to our “Mixed Bag” Sponsor Portfolio, representative of the diversity of our great city, representing all arts disciplines and emerging → established artists
- Are actively fundraising and have clear community engagement & impact strategies within their projects

FOR FISCALLY SPONSORED ARTISTS AND COLLECTIVES, BROOKLYN ARTS COUNCIL CAN:

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- Provide additional promotional assistance through our digital platforms; and
- Connect leaders of fiscally sponsored projects to the many other programs, services, and Professional Development opportunities BAC offers throughout the year.

[1] Activities may be defined as nonprofit in nature when they are undertaken for the greater good of the public and community, rather than for the financial benefit of individuals or shareholders. By acting as a fiscal sponsor, BAC makes it possible for foundations, corporations, government agencies and individual donors to support such non-commercial projects through tax-deductible, charitable contributions.

[2] We use Americans for the Arts’ [“Aesthetic Perspectives”](#) framework to evaluate Artistic Merit.

[3] BAC champions Economic Equity (Thriving), Wellness, Social Justice, and Creativity in its Programming & Organizational Strategy.

SOUNDS GREAT...I'D LIKE TO APPLY!

New applications are Reviewed and Accepted March through June, with a July 1st start date each year. [APPLY HERE!](#)

APPLICATION REQUIREMENTS:

- Projects and emerging organizations must have a minimum budget of \$5,000;
- Student projects are not eligible. Applicants cannot be enrolled in a graduate or undergraduate degree program;
- Applicant must have a US Social Security Number or federally registered EIN number;
- Projects must be non-profit in nature with a measurable public benefit (i.e. screening, talks, performances, exhibitions, workshops, etc.);
- Applications may be in any artistic discipline, genre, or medium.
- Accepted applicants receive a 1-year [contract](#), which can be renewed annually upon the completion and approval of an [Annual Report](#), 30 days before the contract date each year. They'll also be asked to fill out an [Acceptance Form](#) in Submittable to activate their Sponsorship.

WHAT'S EXPECTED?

Once projects are accepted, BAC enters into a contractual agreement with the leader(s) of the fiscally sponsored project. This Contract is valid for one year, after which it is eligible for renewal. It should also be used as a companion resource to this Info Packet, solidifying detailed information of expectations and practices.

As explained in the contractual agreement, leaders of fiscally sponsored projects need to adhere to BAC's requirements [before](#) soliciting funds from institutions and individuals, requesting fund disbursements from BAC, and fulfilling grant obligations once funds are raised. Project leaders will be expected to stay in close contact with BAC's Programs Department, especially during active fundraising periods.

Keep accurate records of your expenses and bills paid, and track funds raised, and payments made against your project Budget (to make it easy, [here's a template](#)). You'll use these records to submit an [Annual Report](#) to BAC [30 days before your contract renewal date](#). The report must contain a narrative update of your project along with a detailed budget noting how your contributed income was spent in the prior year.

May of each year, which is most likely when Annual Reports will be due for most Sponsees, is an opportunity to renew sponsorship or begin the off-boarding process. This is also when BAC will evaluate fundraising efforts and Sponsee portfolio fit -- if the Sponsee/Project has gone dormant or has not completed necessary Reporting or Budgeting requirements, BAC reserves the right to end Sponsorship.

You will be responsible for filing related tax returns, complying with federal regulations such as employment taxes, and acquiring any necessary insurance, legal, or fiscal assistance for your project. Artistic control of, and proprietary rights to, any supported project rest exclusively with the artist.

Finally, this relationship is what you make of it! Though BAC offers streamlined services in comparison to other Sponsors in the field, mutual care is still the focus. We appreciate clear communication and check-ins throughout the year as you, your organization, and/or your project evolve. Let us know how we can help become better stewards of your work. Email lnordvig@brooklynartscouncil.org with updates, questions, news, or to set up a call. And we always love amplifying our Sponsees' amazing work, so please [let us know](#) when/where your projects are happening!

SPONSEE SPOTLIGHT:

TRANSLASH WITH FOUNDER/CREATOR IMARA JONES



Combining the words “transgender” and “backlash,” [TransLash](#) is a cross-platform journalism, personal storytelling and narrative project aimed at using the power of media to:

- 1) strengthen transgender communities of color at a time of backlash and
- 2) humanize and increase support for this community amongst the public-at-large.

With content that averages 750,000 engagements every month, TransLash boasts a podcast, video documentary, and written journalism approaches to support and impact Trans lives. Imara has secured funding from foundations like Ford, Soros, Wellspring, Novo, Heising-Simons, & The New York Women’s Foundation, as well as from Pop Culture Collaborative. BAC is so proud to be part of the #TransLashFamily!

WHO DOES WHAT?

There are **three** main players in The Incubator:

- You, our Sponsee
- Brooklyn Arts Council (Programs, Operations, & Communications Staff)
- ArtsPool, BAC’s Bookkeeping Partner

ROLE / TASK	SPONSEE	BROOKLYN ARTS COUNCIL	ARTSPOOL
Applying for Sponsorship	X		
Reviewing Applications, Notifications, Onboarding		X	

Accepts Donations (cash, checks, ACH)		X	
Issues Acknowledgements & Thank You Letters		X	
GiveLively Campaign Set Up		X	
Monthly Reporting & Payouts (Recording Donations & Deposits)			X
Annual Programmatic Reporting & Budgets	X		
Grants Management: Initiation, Submission, Implementation, Reporting	X		
Grants Management: Review (Proposals, Final Reports), Notifications, & Acceptance/Contracts		X	
Off-Boarding/Transition out of Sponsorship with BAC	X	X	X

HOW MUCH DOES IT COST?

Brooklyn Arts Council retains 6% [1] of all funds accepted on behalf of fiscally-sponsored projects. We're able to keep costs low in comparison to the rest of the field because we offer streamlined services and it's central to our mission of Accessibility.

Donations are only tax-deductible for the donor if they are made directly to BAC, in support of your project.

[1] Sometimes a different fee is dictated by a specific funding agency. (New York State Council on the Arts, for instance, has required organizations providing fiscal sponsorship to retain 8% for some grant programs). Should BAC incur any additional fees related to a fiscally sponsored project, such as (but not limited to) processing credit card contributions, canceling a check, or processing a bounced check from a donor, these will be deducted from project income, as well.

WE ACCEPT CONTRIBUTIONS ON YOUR BEHALF IN THREE WAYS:

1. BAC has chosen GiveLively as our individual donation management system

- All donations are released together once per month in the first week of each month
- Your GiveLively Campaign Page is built by the BAC Programs Manager, upon request, at the time of Acceptance/Contracting ([here's an example](#))
- Donors may give via [Credit Card](#) and the following charges will be applied to your account through a 3rd-party service called Stripe:
 - 2.2% + \$.30 for MasterCard and Visa transactions
 - 3.5% for American Express
 - 0.8% capped at \$5 for ACH payment
- [Crowdfunding Transparency & Tips](#) - it is more economical for you to utilize a separate crowdfunding site of your choice for smaller amounts (under \$100); GiveLively/BAC Governance works to your financial advantage when the amounts are higher so that you don't get hit with fees that eat into your donations

2. Checks

- [Paid out 7-10 days after deposit](#)
- Donations made by check can be mailed directly to our office or submitted to us by you.
- **Checks must be made out to "Brooklyn Arts Council" with the name of your project in the memo line.

2. Grants

- [Paid out 7-10 days after deposit](#)
- Larger grants have a modified set of policies and practices regarding payout with an eye toward risk-management for both Sponsee & Sponsor, and in adherence with the funder's requirements. These guidelines are laid out at the time of the Grant Agreement. The standard schedule is an 80% initial installment, followed by a 20% payout when you've submitted your Final Report to the Funder.

NOTE: We do not provide Vendor Payout Services. BAC will deduct its fee from contributions for fiscally sponsored projects and send a check for the balance directly to the main project leader, who then pays for project expenses.

THE PROCESS

Collect → Inform → Reconcile → Transfer

After approval of the grant or individual/corporate solicitation, you will be notified by a monthly email when a donation(s) has been received by mail or designated through Givelively.org.

[Donors should be advised to specify which project they are supporting](#) - if they fail to name the project then it may be assumed to be a general gift to BAC and not attributed to your project.

BAC sends a written acknowledgement to the donor for all donations of \$250 or more. Donations [5] under \$250 will receive an email acknowledgement only.

If a donation is made online and the donor does not provide a mailing address, the donor will receive an acknowledgement by email only. You will receive a copy of the acknowledgement letter or email for donations of \$250 or more.

Fiscal Sponsees are encouraged to send their own personal thank you letters to donors to help cultivate good will and continued support...feel free to get creative!

If you have received donations in the prior month, BAC's Operations Manager will send you a monthly fundraising report at the beginning of the following month documenting the donations you have received and the fees deducted. You will not receive reports for months when no donations were collected. Collected donations/grants will be paid out/regranted based on the Timeline described in the previous section. At the beginning of each calendar year, you or your organization will be issued a federal 1099 statement noting the total contributions and grants that BAC received on your behalf and paid to you in the prior year. You will be responsible for reporting this income on your organizational/individual tax forms.

WHERE CREDIT IS DUE

Please utilize the following [logos](#) when acknowledging Brooklyn Arts Council and use the following credit line to note your relationship:

"[The Project] is a fiscally sponsored project of Brooklyn Arts Council" adding if necessary "with funding provided by _____ (funders)." and "Donations to Brooklyn Arts Council for [The Project] are tax deductible."

You may also need BAC's [501c3 Letter](#) or [Tax-Exempt Form](#).

GOING FOR GRANTS

ALL grant proposals and fundraising letters must be reviewed by BAC staff prior to submission or mailing.

Often, the grants timeline to submit is tight -- we get it! But, in order to adequately review, Draft Proposals and Budgets must be sent to the Programs Manager **no less than 7 business days prior to the grant deadline date** (or the date you intend to mail/submit online). We want you to be successful in your efforts and are happy to help guide you during the editing process -- just copy and paste the application questions (and requests for supporting documents) into a Google Doc so comments/edits can be made directly and you can see changes in real time. If materials are submitted with less than 7 business days to go before the deadline, BAC cannot guarantee that we will be able to approve your submission.

[5] A written acknowledgement of donations of in-kind goods or services—in the form of facilities, equipment, supplies, services, and other expendable property—can be sent to a donor upon request. You must request the value of goods or services from the donor. BAC will describe the in-kind donation and value of donation (provided by donor to sponsee) in the acknowledgement.

If you are awarded the grant/s (hurray!), you will be asked to follow all funder Guidelines when it comes to Reporting, Budgeting, and documenting your Projects and eligible expenses/spending. Record as-you-go throughout the year so that you can easily submit documentation of compliance both for them and in your BAC Annual Report.

As experienced re-granters, we are happy to provide advice when it comes to Grants Administration and organizing tips, tricks, and hacks - just ask!

MATERIALS FOR THE ARTS (MFTA)

Materials for the Arts is New York City's largest creative reuse center dedicated to supporting arts and cultural organizations.



materials for the arts
NYC DEPARTMENT OF CULTURAL AFFAIRS

If you would like to “shop” for free materials for your project, BAC will need to set you up as an authorized guest with the MFTA online database and schedule your appointment. Please email the Programs Manager to be put on the list and provide availability for the next three weeks. Anyone who is not authorized online will be turned away. For Hours & Directions, click [here](#).

Warehouse Shopping & Curbside Pickup hours are exclusively by appointment only in thirty-minute increments. Guests are traditionally allowed to bring up to two helpers with them for a shopping appointment. In order to make an appointment, BAC must have names of **each** person who will be in attendance. As a guest of BAC you are only allowed to receive **Consumable Goods** (these include: craft items, books, paper, office supplies, paint, architectural supplies, and hardware).

You'll need to follow all instructions given in any MFTA confirmation emails, bring a photo ID, come prepared with a vehicle, and maybe packing supplies. Upon checkout at MFTA, you will receive an **invoice of materials**, detailing the items as well as the donor information for each. **Please provide BAC a copy so we can complete [thank you letter\(s\)](#) to each donor on the invoice within 10 business days.**