



New York Foundation for the Arts
Fiscal Sponsorship Manual
Emerging Organizations

Table of Contents

Table of Contents

Welcome	4
Working with NYFA Fiscal Sponsorship	5
What is Fiscal Sponsorship?	5
Making Changes	5
Annual Contract Renewal Procedures	5
Fiscal Sponsorship Internal	6
Registering for Products & Services	6
Acknowledgement Letters	6
Tax Acknowledgement Letters	6
In-Kind Acknowledgment Letters	6
Raising Funds with Fiscal Sponsorship	7
Fundraising – Roles & Responsibilities	7
NYFA Fiscal Sponsorship Fundraising Language	8
Foundations/Corporations	8
Individual Contributors and Benefit Events	8
Benefit Events & Auctions	10
Benefit Events	10
Auctions	10
Online Fundraising Using NYFA Income Buttons	11
How it works	11
Crowdfunding	12
Raising Money from Individuals	13
Proposal Writing Guide	15
Letter of Inquiry (LOI)	15
General Proposal Writing	17
Preparation	17
Commonly Requested Elements of a Proposal	17
Formatting Issues	18

Financial Procedures	19
Overview of Financial Services	19
Financial Processing and Procedures Online	20
4 Ways NYFA Can Accept Incoming Funds	21
1. Checks	21
2. Online Donations	21
3. Donation via Wire	21
4. Stock Donations	22
Outgoing Funds	23
3 Types of Payment Requests on NYFA.org	23
Out-of-Cycle Checks	24
Payroll	25
Additional Resources	26
Candid (Formerly the Foundation Center)	26
Materials for the Arts	27
tdf Costume Collection	28
Nonprofit Business Resources	30
Sample Letters	31
Acknowledgment Letter	31
Contribution Letter	32



Welcome

Congratulations and Welcome to NYFA Fiscal Sponsorship!

We're excited to begin our relationship with you and watch your project come to fruition. To help you along the way, we have compiled a handbook for you which includes Information about our services built for you, fees for working with us, and resources available to you through our partnership.

The NYFA Fiscal Sponsorship team is available for complimentary fundraising strategy sessions and grant proposal reviews to help you fundraise for your organization. We also offer resources and professional development workshops to help you build your fundraising skills.

NYFA is an exclusive fiscal sponsor, so your organization cannot work with another fiscal sponsor while working with us.

Working with NYFA Fiscal Sponsorship

What is Fiscal Sponsorship?

Fiscal sponsorship is a fundraising tool. NYFA extends its 501c3 status to support arts organizations, collectives and individual artists through our program.

Your contract with NYFA outlines our relationship and it is your responsibility to maintain the terms of this agreement.

If you have any questions about what activities are permissible or how to do them through our program, please contact our staff at sponsorship@nyfa.org.

Making Changes

You must stay in contact with NYFA staff to let us know about changes to your organization. We understand that changes happen. Please contact us immediately if there are changes to:

- The organization's mission or focus is shifting or new programs are added / changed.
- The Project Director (or Project Director name change, e.g., you legally change your name) There is only 1 project director per organization, and this person is the contract holder. If there are changes to leadership at the organization, you must notify NYFA.
- The Contact information of Project Director (including email, phone number, address).
- The Co-signatories to your account. NYFA allows up to two co-signs and assigning this status allows NYFA staff to share information about your account and outgoing payment requests.
 - The Project Director (contract holder) can give access to the NYFA.org portal information to other team member(s), but ultimately the liability and permission to control the account and NYFA relationship remains with the contract holder.
- Your Legal status (i.e., if you receive 501c3 status).

Annual Contract Renewal Procedures

To keep your organization in good standing with fiscal sponsorship, you must renew each year. There are two requirements to renew:

1. **An annual renewal fee is \$100.**
2. **Annual Status Report about your organization's activities.** NYFA will send you an Annual Status Report form each fall. It will include questions about your organization's mission, budget, fundraising and grants, earned income, programs and events, audience, challenges, and goals for the next year.

Fiscal Sponsorship Internal

NYFA maintains a Fiscal Sponsorship Internal website to provide resources and program information to our sponsored organizations. This is the link:

<https://sites.google.com/a/nyfa.org/fiscal-sponsorship/welcome>

On this site you will find important program announcements, update and access to materials, as well as how-to guides and videos for using our online portal.

This site is only for projects and organization's currently enrolled in our program.

Registering for Products & Services

You are not allowed to use the name 'New York Foundation for the Arts' or 'NYFA' when registering for products or services. This includes bank accounts, insurance, rentals, charity websites (ex. Justgive.com, PayPal, etc.).

Further information about how to describe your relationship with NYFA is included in [NYFA Fiscal Sponsorship Fundraising Language](#).

Acknowledgement Letters

Tax Acknowledgement Letters

NYFA will acknowledge to donors all contributions of cash or property of \$250 or more received on behalf of the organization where the check for the grant or contribution was made payable to New York Foundation for the Arts (NYFA). For contributions over \$250 made online using a credit card, donors may use the confirmation email they receive as an acknowledgement. NYFA will not send a separate acknowledgement letter. NYFA does not formally acknowledge contributions under \$250; contributors can use a copy of their cancelled checks or credit card statement for tax purposes.

For organizations that have their own 501(c)(3) NYFA will not acknowledge donations of any size. You are responsible for generating your own acknowledgement letters on your organization's letterhead.

In-Kind Acknowledgment Letters

To receive a letter of acknowledgment for an in-kind contribution, the project director or donor must email sponsorship@nyfa.org and describe exactly what goods they have donated, the number of goods and their condition. In return, NYFA will send an acknowledgment letter, which will thank them for their contribution. No mention of the value of these items will be made – that determination is up to the individual and their accountant.

Raising Funds with Fiscal Sponsorship

Fundraising – Roles & Responsibilities

NYFA will:

- Notify you via email of upcoming major grant deadlines and any special procedures.
- Consult on your fundraising strategy. We will be happy to meet with you to review your fundraising plan and contribute ideas.
- Review your proposal materials and provide feedback. We advise that you send your current materials to fiscalsponsorship@nyfa.org and set up an appointment for two weeks in advance.
- Provide you with “Fundraising Language” – brief sentences that you can plug into your fundraising materials that explain your project’s relationship with NYFA. Statements can be found in this manual.
- Provide you with support materials you need for grant proposals on [Fiscal Sponsorship Internal](#).
- If a funder requests something from NYFA that you do not have and is not available on [Fiscal Sponsorship Internal](#) we will be happy to provide it to you.
- Please give us adequate notice, 2 weeks is preferred, if you do need to pick up or need us to mail you support materials.
- Copy you on any correspondence we receive from funders on behalf of your project
- Send you reminder emails in advance of reporting deadlines
- Submit reports you have prepared to funders

You are responsible for:

- Researching grant opportunities
- Developing a fundraising plan for your project
- Completing grant proposals.
- Keeping NYFA aware and informed about project progress.
- Preparing necessary reports, on time, with NYFA’s assistance as needed. Please be sure to add reporting due dates to your calendar.
- Returning yearly status reports and paying contract renewal fee.
- Updating NYFA staff about any changes as they occur.

All funders are different! Some will require what may seem like endless specialized materials; others only want the basics. **Read the guidelines and supply the funders with the material they are requiring.** Fiscal Sponsorship staff is happy to help you navigate the questions.

NYFA Fiscal Sponsorship Fundraising Language

Below please find several examples of language you can use to describe your organization's relationship with NYFA Fiscal Sponsorship to funders.

Foundations/Corporations

In the narrative portion of most grant proposals, or in letter proposals, you need only include a brief paragraph about NYFA Fiscal Sponsorship describing our relationship. The funder will almost always require additional information about Fiscal Sponsorship, usually in the form of attachments (such as our audited financial statement). They will tell you exactly what you need. The paragraph should be similar to this:

[Organization Name] is a sponsored organization of New York Foundation for the Arts (NYFA). NYFA is a 501(c)(3), tax-exempt organization founded in 1971 to work with the arts community throughout New York State and the United States to develop and facilitate programs in all disciplines. NYFA will receive grants on behalf of [Organization Name], ensure the use of grant funds in accordance with the grant agreements, and will provide program or financial reports as required.

Individual Contributors and Benefit Events

The IRS requires that charitable organizations inform potential contributors of the potential deductibility of their check. In cases where no benefit or service is provided to the donor, this is simple. When the donor receives something in return -- attends a performance or a reception, receives a gift, or qualifies for membership benefits -- our obligation becomes more complex. Below are several examples of language to use in solicitations for different situations.

Donation without Goods or Services

[Organization Name] is a sponsored organization of New York Foundation for the Arts (NYFA), a 501(c)(3), tax-exempt organization. Contributions on behalf of the [Organization Name] must be made payable to the "New York Foundation for the Arts (NYFA)", and are tax-deductible to the extent allowed by law.

(Add language about to whom the check should be mailed.)

Donation with Goods or Services

The following example is of a benefit performance followed by a reception. In the solicitation (a letter, brochure, invitation, etc.) you may list the different levels of support or ticket prices, and the benefits that go with them (e.g., "Benefactor" tickets receive priority seating, and the reception, while "Member" tickets only receive priority seating).

In large, readable print please note:

Tax-deductible information on the reverse side of return card.

On the reverse, you could then put the following:

[Organization Name] is a sponsored organization of “New York Foundation for the Arts (NYFA)”. NYFA is a 501(c)(3), tax-exempt organization. Contributions on behalf of the [Organization Name] must be made payable to “New York Foundation for the Arts (NYFA)”. The value of attending the performance is \$xx; the value of attending the reception is \$xx. The amount of your contribution that will be acknowledged for tax purposes will be \$xx for Benefactor’s tickets, and \$xx for Members tickets.

If everyone receives the identical benefits, you can simply put:

[Organization Name] is a sponsored organization of “New York Foundation for the Arts (NYFA)”. NYFA is a 501(c)(3), tax-exempt organization. Contributions on behalf of the [Organization Name] must be made payable to “New York Foundation for the Arts (NYFA)”. The value of attending the performance is \$xx; the value of attending the reception is \$xx. Any amount you contribute above \$xx will be acknowledged for tax purposes.

Can I tell donors that donations made to New York Foundation for the Arts are 100% tax-deductible?

No. This language should not appear on your website or in any fundraising materials. NYFA issues a tax acknowledgement for all donations received for your organization. Since the amount a donor can deduct depends on their own tax situation, NYFA cannot guarantee that a donation will be 100% tax deductible.

If you have any questions about the language, look, valuation, or any other aspect of soliciting a contribution, contact Fiscal Sponsorship staff at sponsorship@nyfa.org. If you are utilizing NYFA’s Income Buttons, this fundraising language should also be used on your website.

Benefit Events & Auctions

Please note that the following does not constitute legal advice.

If you are planning a benefit event, auction, or raffle, you must speak to someone at NYFA Fiscal Sponsorship at least 8 weeks in advance about your plans.

Benefit Events

The rewards from hosting a benefit event can be great, from raising money for your project to personalizing your time with your audience in a formal but celebratory space. It is essential to plan carefully though. Planning and hosting an event is very labor intensive. We recommend that before you decide to host an event, you consult with someone you know who has put together a benefit in the past – the experience of others can help you avoid pitfalls and know what to expect.

Reminders:

- You may need to obtain liability insurance for your event. Be sure to talk to your insurance agent about any activities that may present unusual risk. If you provide anything of value to event attendees, you must notify people on your invitations that a portion of their contribution is not tax deductible. For example, if you charge \$100 for a ticket to an event, and serve a dinner which has a fair market value of \$50 per person, \$50 of the ticket price for the event is not tax deductible. Contact sponsorship if you have questions.
- For detailed information about determining fair market value, see IRS Publication 561, Determining the Value of Donated Property, online at: www.irs.gov/publications/p561/
- Invitations (and any event-related printed materials):
- You must show Fiscal Sponsorship staff a draft of any benefit event-related materials before they are printed. It is standard to mail out invitations to a benefit event six weeks in advance.
- By New York State law, your invitation must include the following text: “A copy of NYFA’s latest annual report may be obtained, upon request, from NYFA or from the Office of the Attorney General, Charities Bureau, 120 Broadway, New York, NY 10271.”

Auctions

Auctions and sales of artwork are an enormous amount of work. According to the IRS: *“Donors who purchase items at a charity auction may claim a charitable contribution deduction for the excess of the purchase price paid for an item over its fair market value. The donor must be able to show, however, that he or she knew that the value of the item was less than the amount paid.”* For more information, visit www.irs.gov/charities.

Online Fundraising Using NYFA Income Buttons

The NYFA.org Dashboard includes an 'Income Button' feature that allows projects to collect dynamic contributions through online fundraising. This income processing tool allows projects to create customized buttons for donations, mixed income, and earned income.

You can run a crowdfunding-style campaign through your NYFA page, to offer donors the benefit of a tax-deduction while receiving a small thank you gift.

How it works

- You submit income button requests to NYFA through the NYFA.org portal.
- NYFA staff approves buttons or contacts you for corrections within 2 business days.
- After the buttons are approved, custom HTML code is available for use to copy and paste through the Income Button page of the NYFA.org portal.
- This code can be embedded in the HTML code of your personal website, blog, newsletter, or NYFA.org project page. In addition to flexible embedding options, creating a button through the 'Income Buttons' can be a useful tool for tracking donations earmarked for a specific part of your project.
- Donors who contribute online through NYFA income buttons receive the benefit of a tax deduction. Money raised online through crowdfunding websites such as Kickstarter, is considered earned income and is not eligible for tax deduction.

For detailed instructions about how to create a [Donation or Mixed Income](#) button review the Income Processing Button Feature PDF on the [FS Internal](#) Website.

The Fiscal Sponsorship team is available to assist with your questions about how to create the buttons, as well as offer ideas about how to build a successful online individual giving campaign. Email us at: sponsorship@nyfa.org.

Definitions

- **Donated Income** – This is considered a straight donation. No goods or services are given in exchange for the contribution. It is fully tax-deductible. ONLY straight donations should be processed through a donation button, this includes the orange DONATE button on your project profile.
- **Earned Income** – This represents an exchange of money for goods or a service. It is not tax-deductible at all. This most often occurs in product or ticket sales.
- **Mixed Income** – This includes a mix of donated and earned income, only the donation is tax-deductible. It is most common in campaigns that offer a small gift as a thank you or in benefit ticket sales. Example: a contribution of \$100 is made; the donor gets a mug (\$15 value) as a thank you. The earned income is \$15 and the donation is \$85. For detailed information about determining fair market of your perks, [click this link to view IRS Publication 561, Determining the Values of Donated Property](#).

Crowdfunding

Crowdfunding campaigns are a great way to connect with your audience to offer ways for them to support your project at a wide range of donation options. A successful campaign will help people feel connected to your work, create growing enthusiasm for the work, and help you see how your audience is connecting with your ideas. The value of this is more than just the money coming in.

Money raised on crowdfunding websites such as Kickstarter or Indiegogo, are considered earned income. If Running a campaign through your NYFA page, rewards offered in the campaign have a cash value. Only the amount of the donation above the cash value of the rewards is tax-deductible. Income buttons on your page will allow you to separate the earned income from the donation amount.

If you would like to start building your crowdfunding campaign email our team at sponsorship@nyfa.org. We would love to help you as you develop your strategy.

Before launching your campaign please consider:

- The amount of your fundraising goal
- The timeframe for the campaign (including pre-campaign teaser time)
- What you think your reward levels might be
- The specific focus of fundraising for your campaign (crowdfunding is most successful if you are raising money for a specific part of your project, as opposed to the project in general)

You can review crowdfunding basics on Indiegogo's site here:

<https://www.indiegogo.com/how-it-works>

Or learn how to begin a campaign here at Kickstarter: <https://www.kickstarter.com/learn>

Both platforms offer invaluable insights into how to successfully run a campaign regardless of where you end up fundraising. It is useful to look at if deciding about how to run your campaign.

If you are looking to build a crowdfunding campaign that captures recurring donations (i.e. monthly, quarterly) Patreon is a good resource. Learn more here:

<http://blog.patreon.com/tag/patreon-101>

Raising Money from Individuals

Individuals represent by far the largest source of philanthropic funding. Their contributions are about 70% of recorded annual giving each year. Individuals can contribute money to your organization by:

- sending a check
- donating online through the orange NYFA 'DONATE' button
- donating online through an income button you create and embed
- sending a wire to NYFA
- sending a stock transfer to NYFA
- *NYFA does not accept cash donations.*

While donor cultivation and prospect research are two large fields of knowledge with which you may want to familiarize yourself, there are some simple things that you can do immediately:

- Always keep a mailing list. Make sure to get the names and email addresses of those that come to your events. If you have a website that represents your work or project make it possible for people to sign up for information about your upcoming events. Mailchimp or Constant Contact are standard platforms that will link into your site.
- If appropriate to your project, consider a grassroots approach to growing your mailing list. Ask those already on it to provide names and addresses of friends you may contact that might be interested in your work. Ask dedicated supporters to sign these letters.
- Make it easy for people to give to your project. Along with your letter provide a donation form for ease of return. On the form include all relevant information, including:
 - To whom the check should be made payable: New York Foundation for the Arts
 - What part of the donation is tax deductible if applicable (see "[Charitable Contributions](#)" in this handbook)
 - Create a contribution letter (see "[Sample Contribution Letter](#)" in this manual). You could make this part of a form you create, so that the donor only needs to fill in the blanks.
 - The address to mail the completed form when completed
- In your fundraising materials, be specific about what a donation will do for the project (i.e. "a donation of \$50 dollars pays for one hour of rehearsal with 4 dancers"). This will help the donor understand what kind of difference they are making to the project.

- Be sure to follow up with donors! Send an acknowledgment letter or thank you note to everyone. For individuals that have given more, consider invitations to special events or other ways to involve them in the project. All of your donors are listed on NYFA.org. Thanking donors is part of your relationship building and key to fundraising.

Is possible to make in-kind contributions to NYFA Fiscal Sponsorship?

- Donors can make in-kind contributions of goods or services to NYFA on behalf of your organization.
- Only tangible goods (something you can hold in your hand, i.e. supplies, materials, property, costumes) are eligible for the benefit of a tax-deduction. The IRS does not consider the value of someone's time or services tax-deductible – so contributions of editing or space rental are not tax-deductible.
- For additional information, see IRS publication, "Publication 526: Charitable Contributions", available to download at www.irs.gov.

Proposal Writing Guide

Letter of Inquiry (LOI)

Sometimes funders prefer to be approached through a short letter as opposed to a full proposal- this is a letter of inquiry or LOI. Your goal with this letter is to encourage them to ask you for a full proposal.

Many organizations are collecting LOIs through online submissions. Each process is specific to the funder – some may have specific questions to address. The best thing you can do is review the requirements of each funder before drafting your letter.

Fiscal sponsorship staff is happy to read a draft of your letter of inquiry and provide feedback within two weeks.

An LOI should demonstrate the appropriateness of your project to a potential funder. If it is in letter format it should be one page, two pages max. The letter should be as clear and concise as possible. You may want to use topic headings, but make them specific to your project and do not overuse them. Avoid attaching other information along with the letter—let it speak for itself.

The following describes the key elements of a Letter of Inquiry:

Greeting

- Address the letter to the appropriate person. If you don't know who this is, find out.

Synopsis

- Synopsis of the project (in one or two sentences)
- Requested funding amount
- Write in the active tense (“an award will fund this project”, not “an award would be used to fund this project”)

NYFA Fiscal Sponsorship

- Include a very brief paragraph that explains your fiscal sponsorship arrangement with NYFA Fiscal Sponsorship, e.g.:

[Organization Name] is a sponsored organization of “New York Foundation for the Arts (NYFA)”. NYFA is a 501(c)3 tax exempt organization founded in 1971 to work with the arts community throughout New York State to develop and facilitate programs in all disciplines. NYFA Fiscal Sponsorship will receive grants on behalf of [Organization Name], ensure the use of grant funds in accordance with the grant agreements, and will provide program or financial reports as required.

Mission

- Avoid legalese. Be as concise and clear as possible about your mission.
- Show how the proposed project relates to the mission.

History

- Show in concrete terms what you have done in the past
- Accomplishments
- Use dates, other awards, specific events as examples of your movement forward, your success

Need

- Demonstrate need through concrete statistics
- Specific Project
- Discuss the specific ways that you will use the money

Fundraising Strategy

- Indicate other fundraising that you have done or will do for this project (show the range of individuals to foundations if possible)
- Note funding already received, if applicable (this shows that you are capable of completing the project)

Timeline

- Indicate projected start and end date (allow sufficient time between letter and start date to not appear pushy)
- If there is information about when grants are given, make sure that your project start date makes sense with award dates

Leadership

- Identify the key people involved in the project and provide very brief biological information that highlights their ability to achieve the project
- In particular, identify outside people being brought in to work on the project if applicable (this shows that you have done the research and are making plans to fulfill your goals)

Closing and Salutation

- Indicate the next step (“look forward to submitting a full proposal”)
- Identify the contact person
- Summarize the project’s impact (one sentence)

General Proposal Writing

Each proposal you write will be directed at a particular funder and will adhere to the guidelines set forth by that funder. The following are some elements that almost all proposals will require and some general concepts to keep in mind.

A Note About Online Submissions

More and more, funders are using online portals for submissions. Each funder is using their own portal, which means sometimes you will submit the application yourself and sometimes NYFA staff will submit on your behalf. When you wish to apply for a funding opportunity, please allow NYFA staff two weeks to review. **When a NYFA email or EIN is required to create a login NYFA staff must submit on your behalf. If an 'authorizing official' is required, NYFA must submit on your behalf.**

Preparation

- Do your homework. Before you begin writing gather all the relevant materials that you may need both about your own work and your project and also about the funder to whom you are applying.
- Research your funder and assess if your project aligns with their goals and meets the eligibility requirements. Not every project will fit with every grant. Be honest with yourself and thoroughly research the opportunity.

Commonly Requested Elements of a Proposal

- Summary (introduction to the project, includes request amount and how the project relates to the mission of the funder)
- Statement of Need (why is this project necessary)
- Project Description (how it will be implemented and evaluated)
- Budget
- Key Staff Information (resumes or brief bios and title or description of role in the project)
- Conclusion

Things to keep in mind

- Address both the goals and objectives of the project. The goal may be conceptual and abstract—something that you hope will flow from the project. Objectives, on the other hand, should be specific, tangible and measurable. Use numbers and dates.
- If your work involves some interaction with a community, define the constituents of that community in concrete terms.
- **You may want to include a timetable that clearly shows the sequence of events. This will help the reader visualize the implementation of the project and see that you have thought forward.**
- Describe the administration of the project and the relevant staff involved - brief bios or resumes will suffice.
- If your project is unique, spell out how and why. Demonstrate that you have an understanding of what else is out there in your field and how your work shifts

- from that norm. If there is a project similar to yours in the field, address the relationship of your project to it.
- Make the funder feel that the project will happen with or without their money. Since many funders will not give enough to fund an entire project, you need to show that you are confident that you will complete the project and have a reasonable funding plan. Grantmakers will not fund a project that could fall apart purely because one funder rejected your proposal.
 - Use active verbs.
 - Avoid the passive voice.

Formatting Issues

- In narrative sections use subject headings or questions pulled directly from the application, if possible, to frame your proposal.
- Allow for some white space on the page. Use bullets or numbers when appropriate (for example, when listing multiple goals of the project).
- Use a font that is large enough to be comfortably read.
- You might not be able to rely on spacing, bolding, underlining, or italics when submitting online. Each application is different and will need to be looked at submitting your application.

Financial Procedures

Overview of Financial Services

NYFA is here to help coordinate your organization's finances and offer you technical assistance as you grow your nonprofit. You know your organization and its needs best. As the manager of a growing nonprofit, you are responsible for building your business.

NYFA provides the following services:

- Creation of a designated account for your organization's financial activity
- Recordkeeping of all cash receipts and disbursements
 - Record all contributed income
 - Record all earned income
 - Classify all expenses and payments to vendors
 - Record all reimbursements to organization staff
 - Vendor information and W-9 forms on file
- Processing payment and deposit requests
- Providing the organization's account balance updates, when requested
- Generating year end expense reports
- Vendor 1099 processing services, if eligible
- Payroll processing is available for a processing fee

Your Responsibilities:

As an incorporated organization, it is your responsibility to become familiar with the requirements of your business. These include but may not be limited to:

- Filing income taxes at year end
 - We recommend you meet with an accountant before filing
 - Track vendor information and independent 1099 requirements, including those processed on your behalf by NYFA
 - Determining which tax forms to file
 - Where you file and what forms you use depends on the size, nature, and location of your business and activities
- Paying payroll taxes and unemployment for employees, if any
- Purchasing appropriate forms of insurance for your organization
- Keeping a record of all of your checks and submitting Deposit Requests through the online portal, and then mailing or dropping off your checks to NYFA.

Financial Processing and Procedures Online

Proper financial procedures must be followed in order that NYFA, charged with the responsibility of conducting financial activity in accordance with the laws of the State of New York, does not jeopardize its legal tax-exempt status. NYFA cannot process transactions with items missing and will neither cash a check submitted to us for deposit, nor make funds available to a project without all proper procedures being followed. All payment requests and deposits with missing information will be contacted through email to obtain required information parts before processing.

Check Writing Schedule:

For payment requests received by Fridays at 5:00 PM, checks will be available on the following Tuesdays after 4:00 PM. You will specify on your request form if you will pick up the check at NYFA, or where you would like it mailed.

Checks requested outside of the normal check writing schedule are subject to an out-of-cycle fee of \$50, and must be requested at least 24 hours in advance of receipt. Approval of these requests are subject to the availability of the Finance Department.

Fees and Charges:

- The NYFA Administrative Fee deducted from the total of funds received through your account in fiscal sponsorship is based on a graduated fee schedule:
 - 8% for \$0 – \$500,000
 - 6% for \$501,000 – \$2,000,000
 - 4% for \$2,000,001 and greater

- One-time registration fee of \$100
- Annual contract renewal fee of \$100. NYFA staff will contact you to renew each fall.
- Quarterly account maintenance fee of \$45 which is auto-deducted.
- Credit Card Processing Fee is 3% of total transaction
- NYFA will also charge the Organization directly for any liabilities or direct expenses it may incur on behalf of the Organization, including but not limited to bank charges and special service fees.
 - Out of Cycle Checks \$50
 - Wire Transfers \$50
 - Stop Payment \$50
 - Bounced (Returned) Checks \$30

4 Ways NYFA Can Accept Incoming Funds

1. Checks

- **Must be made payable to "New York Foundation for the Arts" with your organization's name in the memo line. Checks that are not payable to "New York Foundation for the Arts" may not be deposited and will be returned to you.**
- **A grant/contribution letter and/or contract from the donor must be included with all checks made payable to "New York Foundation for the Arts" for amounts of \$2,500 or more.** The letter must be addressed to New York Foundation for the Arts and state that the funds should be restricted to your organization's activities. NYFA will not cash the check, nor make funds available to you until such a letter is supplied. Please include the exact wording from *Sample Contribution Letter* to create your own contribution letter using our proper wording to ensure donations are directed to your project.
- Checks issued in foreign funds will not be accepted by NYFA. Bank wires or credit card transactions are the preferred method to receive foreign funds.
- Your organization is responsible for collecting all check donations/earned income and creating deposit requests in the NYFA.org portal. Checks can be dropped off or mailed to NYFA, after you keep a copy for your records and thank you notes.
 - Remember to include a donor letter for checks over \$2,500.00.
 - If you are depositing multiple checks, the deposit form allows you to include multiple checks in one Deposit Request.
- **Checks are deposited weekly on Fridays and made available in your account after the check clears.**

2. Online Donations

Credit card donations can be received through your NYFA.org project directory page. The donations are recorded by the credit card processing service, Authorize.net. Project directors will receive an email every time an Authorize.net donation is submitted through their portal.

On a weekly basis, the NYFA finance department will process all credit card donations that have cleared through the credit card processing service. Each credit card transaction is charged a 3% credit card fee - the 3% fee will be charged prior to the NYFA Administrative Fee. Your NYFA.org account will be updated to reflect the availability of funds under 'Posted Transactions.'

3. Donation via Wire

For a wire transfer from a donor or vendor to your Fiscal Sponsorship account, there is no bank fee. You must notify Fiscal Sponsorship and Finance staff when a wire transfer will be coming to NYFA- email us at sponsorship@nyfa.org. The Finance team will also need to know the amount (if known) and bank name/donor. Donors should add in your organization's name under the "remarks" section of the wire. Keep in mind that contributions of \$2,500 or more from any source, and contributions of any size from a foundation or government agency, must be accompanied by a contribution letter. *Please see Sample Contribution Letter.*

4. Stock Donations

NYFA also allows projects to accept stock donations. Typically, when a donation of this type is received, you'll need to let Fiscal Sponsorship know and supply the donor with NYFA's brokerage information.

After NYFA receives the stock, our broker sells it immediately and then the net profit is deposited in the project's account. Therefore, the proceeds will vary based upon the market. A stock donation is recorded by Finance as a Deposit and project directors can view this record, and download a .CSV file in your NYFA.org account.

If you need to use a wire transfer or receive a stock donation, please contact Fiscal Sponsorship staff to get the required account information. Contributions of \$2,500 or more from any source, and contributions of any size from a foundation or government agency, must be accompanied by a contribution letter. Please see *Sample Contribution Letter*.

Outgoing Funds

Payment requests are processed on a weekly schedule. Requests received by 5:00 PM on Fridays generate checks made available after 4:00 PM Tuesday. Any check requested outside of this cycle will be charged a \$50 fee. To draw down on funds from your account, you may submit a **Payment Request** on NYFA.org

Please be aware that **NYFA cannot provide certified checks.**

3 Types of Payment Requests on NYFA.org

1. **Vendor Payment:** Choose this payment type if you are paying any independent contractor or business providing services/goods to the project. Reminders:
 - A detailed invoice must accompany your request, even if you are paying yourself.
 - You may use the blank, generic independent contractor invoice or you can create your own invoice, as long as it contains the same information.
 - Please note that the invoice must bill your project, not NYFA. Therefore, the “To” portion of the invoice should contain your project information or your name. We cannot process invoices addressed to NYFA, as we did not procure these services.
 - When paying a vendor for the first time, you must **ALWAYS** include a Form W-9 for the vendor (available irs.gov for a downloadable/writable pdf form) with your payment request.
 - If you pay any of your project’s independent contractors directly out of pocket, YOU will be responsible for processing all required 1099’s at the end of each year. NO EXCEPTIONS!
2. **Reimbursement:**
 - Choose this option if someone spent his or her own money for a project expense and now you want the Organization to pay that person back. You must provide a scanned copy of a receipt for each reimbursable item.
 - **When submitting receipts for reimbursement, any individual receipt over \$250 must be accompanied NYFA Fiscal Sponsorship is updating our policy for reimbursement requests in order to streamline the process. Your receipt should include:**
 - 1. Name of vendor (*person or company you paid*)
 - 2. Transaction date (*when you paid*)
 - 3. Detailed description of goods or services purchased (*what you bought*)
 - 4. Amount paid

- 5. Form of payment (*how you paid*)

If any of the above information is not included on the receipt, please include an additional proof of payment that provides these details including a credit card or bank statement. Please note that a bank statement does not replace a receipt.

- **NYFA can only reimburse receipts up to one year old from the date submitted.** Reimbursements should not be the general way you do business – only for special situations.
 - Utility payments should be submitted as reimbursements. (For Example: Verizon, Con-Edison, Time warner, etc). You must upload a copy of an invoice/bill in pdf form.
 - If you would like NYFA to prepare your 1099s at the end of the year, please **do not pay for services as an out-of-pocket expense**. NYFA should issue all checks for vendors directly to the business or independent contractors.
3. **Cash Advance (For Special Circumstances Only!):** A cash advance is only to be used in case of **emergencies or travel where you will not have access to banking**. Cash Advance requests must be accompanied by a general budget outlining the intended use of the funds.
- **Cash Advance Requests will not be approved if the amount requested exceeds 50% of your account balance.**
 - Only one Cash Advance can be outstanding at any period of time.
 - **If you use a Cash Advance, you will be responsible for reconciling it.** Please submit the following documents as you would a Reimbursement to reconcile a cash advance:
 - Copies of receipts or invoices must be submitted for all expenses paid from the Cash Advance. Submitting only a credit card statement is NOT sufficient.
 - A bank/credit card statement(s) must be submitted.
 - If you would like NYFA to prepare 1099s for your vendors at the end of the calendar year, do not pay for services from your cash advance as NYFA needs to issue all checks for services directly to the business or independent contractor.

Out-of-Cycle Checks

In the event that an emergency arises and a check is needed outside of the normal check run schedule, NYFA can issue an out-of-cycle check.

- There is a \$50 fee per out-of-cycle check. This fee is automatically deducted from your account at the time of the check's issue.

- NYFA asks that you provide at least 24 hours' notice when requesting an out of cycle check.
- Approval of out-of-cycle checks are subject to the availability of Finance and Fiscal Sponsorship staff.

Payroll

Payroll services are available from Automatic Data Processing, Inc. (ADP) through NYFA.

Cost: The cost for payroll services varies, depending on the number of employees you are paying through the service. Please contact Finance Staff for fee structure.

Your Role:

- Provide NYFA with information requested to set up your organization and any new employees with ADP
- Provide NYFA with a timesheet on a biweekly basis; this biweekly summary must include payee names, dates, and the hours they are being paid for, and their hourly or salary wages
- Match all employee contributions to FICA and State/Federal Unemployment Insurance (ADP and NYFA will deduct this from your account automatically)

NYFA Fiscal Sponsorship's Role:

- Collect information needed by ADP
- Run biweekly payroll
- Receive payroll reports and post to the Emerging Organization account
- Distribute payroll checks and notices in the manner indicated by the Emerging Organization

Schedule:

- Payroll is processed biweekly.
- Direct Deposit is available, or you can pick up your checks at NYFA, or have us mail the checks to your organization.

Setting up Payroll Services:

Contact Fiscal Sponsorship and Finance staff. You will need to provide information about your organization and employees, including an EIN, W4's and other tax forms and copies of proof of ID.

Additional Resources

Candid (Formerly the Foundation Center)

www.candid.org

32 Old Slip 24th Floor
New York, NY

The Foundation Center is a resource available to grantseekers and always a valuable place to begin researching grants and opportunities for your project.

At the physical library, you can:

Use FC Search, a searchable database of grants and opportunities
Speak to knowledgeable reference librarians that will help guide your search

In addition to the listings of foundations and grant opportunities, the Center provides a great deal of training workshops and classes (most for free, some for a small fee). Including but not limited to:

Grantseeking Basics

- Prospect Research Basics: Researching Individual Donors
- Proposal Writing Basics and Proposal Writing Seminar
- Proposal Budgeting Basics and Proposal Budgeting Workshop
- Foundation Fundamentals
- FC Search Training Programs

Candid's web site provides an even greater breadth of information on many topics related to fundraising and the nonprofit sector. Some of the most useful sections are:

- PND (Philanthropy News Digest), which includes:
 - News - headlines and links to news from the funding world
 - RFP Bulletin - up to date listings of Requests for Proposals, listed by field
 - Job Corner - up to date nonprofit job postings, listed by state
 - Find Funding - find an address, web site, or detailed financial information for a funder, you know, or search for new ones
- Grantspace – Training classes both virtual and in person, resources including writing samples, research on specific topics ranging from proposal writing to starting a nonprofit.
- Online librarian— email a trained staff member a question if it is not already answered in the FAQs

Materials for the Arts

www.mfta.org

33-00 Northern Boulevard, 3rd Floor
Long Island City, NY 11101

Materials for the Arts (MFTA), a City of New York program funded by the Department of Cultural Affairs, the Department of Sanitation and The Board of Education, provides durable goods (things like furniture and equipment) and non-durable goods (things like paper, that will be used up) to NYFA's Fiscally Sponsored organizations the five boroughs of New York City free of charge.

If you wish to arrange a visit to the Materials for the Arts warehouse, You must have a current fiscally sponsored project with NYFA; if your sponsorship is not current, your Materials for the Arts account will also become inactive.

You will need to apply for an account with Materials for the Arts online. Go to www.mfta.org and click on Recipients, then click on Apply Now. As a sponsored project, you do not need to provide a 501(c)(3) letter, but you will need a current sponsorship letter from NYFA. If you do not have a Board of Directors, list instead the active members of your project.

Once you are registered with Materials for the Arts online, you will be able to use the www.mfta.org website to schedule appointments to shop in the warehouse, view the current Direct Donations listing of items which you can pick up directly from donors, update your wish list to receive alerts when specific items become available, and update your contact information.

Like your sponsorship with NYFA, your relationship with Materials for the Arts is made project by project. The goods that you receive for a project may be used for the specified project only; MFTA cannot provide materials for day-to-day studio use. All materials must be used and stored within the five boroughs of New York City. If you receive durable goods, they must be returned to MFTA upon completion of the project. In addition, you may not discard durable goods.

Every two years NYFA is asked to account for all the materials given to our sponsored artists. Please note that we may call you to follow up on a donation and that you should be able to tell us where it is and how it is being used.

tdf Costume Collection

www.tdf.org
34-12 36th St
Astoria, NY 11106

The Theatre Development Fund's Costume Collection provides professional costumes to nonprofit organizations for affordable prices. The inventory includes more than 85,000 costumes and accessories as well as a costume library, three workrooms available for rental and a collection of antique costumes for study.

You may reserve costumes one month prior to the show's opening and can check them out three weeks prior to opening.

Costumes (note: not per item, but based on what one person would wear on stage) are priced on a sliding scale based on seating capacity of the performance space and the length of the run of the production.

To get costumes you can mail order or visit the warehouse.

To mail order

Send sketches, research, measurements and a costume plot and the staff will select costumes for you. Call the staff to discuss.

To visit the warehouse

Call at least one day in advance to make an appointment.

The Process

Inform NYFA that you would like to use the costume collection. NYFA will have you sign a letter of agreement between yourself and tdf Costume Collection. You are then free to call and make an appointment.

Grant Proposal & Fundraising Resources:

In addition to NYFA Source, there is a great deal of information on the Internet about proposal writing in particular and fundraising in general. Below are some of the sites that we find helpful:

The Candid's Workshops and tutorials about proposal writing:

<https://grantspace.org/topics/proposal-writing/>

Helpful general information including a section of advice from funders:

<http://www.grantproposal.com>

Management Assistance Program (MAP) for Non-Profits and Authenticity Consulting library of non-profit fundraising information and links:

http://www.managementhelp.org/fndrsng/np_raise/np_raise.htm

Corporation for Public Broadcasting's guide to proposal writing:

<http://www.cpb.org/grants/grantwriting.html>

Instructions and samples of various forms of proposals:

<http://www.npguides.org/>

Tony Poderis' very extensive library of fundraising resources:

<http://www.raise-funds.com/library.html>

Online site of the print magazine, includes great articles and advice columns about a diversity of fundraising strategies:

www.grassrootsfundraising.org

Artsmanager.org has a strategic planning primer, case histories written by arts managers in the field, and a list of web resources that address management issues.

www.artsmanager.org

Nonprofit Business Resources

Internal Revenue Service

[Tax information for charities and other nonprofits](#)

[Applying for 501\(c\)\(3\) tax exempt status](#)

Small Business Association

<http://www.sba.gov/>

Resources, counseling, training and support for owners of small businesses.

Nolo Legal Books and Resources

<http://www.nolo.com/legal-encyclopedia/nonprofits/>

Books, resources and podcasts from a lawyer's perspective on nonprofit management.

Center for Nonprofit Management

<http://www.cnm.org>

Tennessee-based organization dedicated to creating and sustaining nonprofit excellent.

They provide consulting services and a variety of resources, including a nonprofit start-up checklist: <http://www.cnm.org/Resources/Nonprofit-Start-up.aspx>

[Best Practices for Nonprofits](#)

There specific nationwide standard for best practices in nonprofits, but this is a good starting point for developing strategies for your organization

Independent Sector

<http://www.independentsector.org/>

A membership organization, Independent Sector is the leadership forum for charities, foundations, and corporate giving programs committed to advancing the common good in America and around the world. Resources include documents, publications and webinars on governance, ethics, and strengthening nonprofit management, many offered free of charge. They also host an annual conference.

Sample Letters

Acknowledgment Letter

This is a sample of the letter NYFA sends to those who contribute \$250 or more to your sponsored project. This template is updated regularly.

«Date»

«AddressBlock»

«GreetingLine»:

On behalf of the staff, board of trustees, and the thousands of artists we serve each year, thank you for your gift of <<amount>> received on <<date>>. Your generosity will go a long way towards the realization of <<project name>>, a sponsored entity of the Fiscal Sponsorship Program of the New York Foundation for the Arts (NYFA).

<<organization name>> is one of more than 600 independent artists' projects and 75 emerging arts organizations that have been selected to receive funds using NYFA's tax-exempt status. In addition to this status, NYFA Fiscal Sponsorship provides development resources, legal and tax-related assistance, and much more, valuing one-on-one and long term relationships. NYFA Fiscal Sponsorship is also an online community and fundraising platform.

Please visit www.nyfa.org to stay involved with the projects and artists you champion and to learn more about our other programs and services.

We deeply appreciate your assistance in helping our time's most vital artists to flourish.

Sincerely,

Mark Rossier
Director of Grants

P.S. This letter serves as your receipt from NYFA. Since you received no goods or services, the entire amount of your gift is tax-deductible according to federal law. For more information about your donation, please feel free to contact the Development office at 212.366.6900 x211.

Contribution Letter

A contribution letter, grant letter or contract must be included with checks in any amount from foundations and government agencies made payable to "New York Foundation for the Arts", and with all checks in the amount of \$2,500 or more made payable to "New York Foundation for the Arts" with your name in the memo line of the check.

NYFA Fiscal Sponsorship will not cash the check or make funds available to your organization until such a letter is supplied.

Following please find a sample contribution letter.

Date _____

Fiscal Sponsorship
New York Foundation for the Arts
20 Jay Street, Suite 740
Brooklyn, NY 11201

To Whom It May Concern:

Please find enclosed a contribution for the "New York Foundation for the Arts" in the amount of \$ _____. It is my wish that this contribution be used to support _____, an organization that you sponsor.

Sincerely,

Signature _____

Donor Name _____

Address _____
