

2026 SER LOLF Proposed SOP - Fiscal Sponsorship

Article VIII- Fiscal Sponsorship

Section 1. Authority and Purpose

The Foundation is authorized to serve as a fiscal sponsor under the **Model C (Pre-Approved Grant Relationship)** structure in furtherance of its charitable mission and purposes as a nonprofit organization recognized under Section 501(c)(3) of the Internal Revenue Code.

Fiscal sponsorship activities shall be conducted to support charitable projects, programs, or initiatives that are consistent with the Foundation's mission and exempt purposes, including those proposed or operated by affiliated or unaffiliated groups, chapters, or organizations that do not themselves hold 501(c)(3) status.

Section 2. Nature of the Relationship

Under the Model C fiscal sponsorship structure:

- a. The Foundation shall receive grants, donations, or other charitable funds for approved sponsored projects;
- b. The Foundation shall retain full legal and fiduciary responsibility for all funds received.
- c. The sponsored project shall remain a separate entity and shall not be deemed a program, agent, or employee of the Foundation.
- d. The Foundation shall exercise variance power and discretion over the use and distribution of all sponsored funds.

Section 3. Approval and Oversight

All Model C fiscal sponsorship arrangements must:

- a. Be reviewed and approved in advance by the Board of Directors or its authorized designee;
- b. Be memorialized in a written fiscal sponsorship agreement and, when applicable, a grant-specific addendum;
- c. Include appropriate reporting, recordkeeping, and oversight requirements to ensure funds are used solely for charitable purposes consistent with the Corporation's mission.

The Board may adopt policies and procedures governing fiscal sponsorship eligibility, application review, administrative fees, risk management, and compliance.

Section 4. Compliance and Restrictions

All fiscal sponsorship activities shall comply with:

- a. Applicable federal and state laws and regulations;
- b. IRS requirements applicable to Section 501(c)(3) organizations;
- c. Prohibitions against private inurement and impermissible private benefit;
- d. Restrictions on political campaign activity and limitations on lobbying.

Sponsored projects shall not represent themselves as independent tax-exempt organizations and shall not use the Foundation's name or tax-exempt status except as expressly authorized in writing.

Section 5. Fees and Administration

The Foundation may assess reasonable administrative fees for fiscal sponsorship services to offset accounting, reporting, compliance, and oversight costs. Such fees shall be established by policy and applied consistently.

Section 6. Amendment and Termination

Fiscal sponsorship arrangements may be amended or terminated in accordance with the terms of the applicable written agreement and Foundation policies. Upon termination, remaining funds shall be distributed in a manner consistent with donor intent, grant requirements, and applicable law.