



Model A/B: Direct Comprehensive Sponsorship Model (Fiscal Sponsorship Fund) Overview

DESCRIPTION OF SERVICES & FEES FOR MODEL A/B (FSF)

Introduction

Many important marine conservation and/or restoration projects exist or are in development that may be small or are supported by a small number of donors, such that they may not be able to qualify on their own for the IRS characterization of a 501(c)(3) entity. Or, a project may not want to go through the process of setting up a 501(c)(3) corporation and subsequently managing that corporation. Many projects may not have, or want, sufficient personnel to handle all of the administrative aspects that lawful operation of a project requires, in addition to performing the activities of a project and meeting its objectives.

By establishing a “fiscal relationship” with The Ocean Foundation (TOF), we can help reduce the complexity of operating a successful project and enable groups and individuals to concentrate on programs and goals instead of administration. By becoming a fiscally sponsored project of TOF, a project or individual can acquire the organizational infrastructure of a major NGO and free individuals to conduct work in an effective and results-oriented way. Our staff members provide financial, administrative, legal, and project counseling support so that project leaders can focus on program planning, fundraising, and outreach. Becoming a TOF Fiscal Sponsorship Project can be a temporary step before creating an independent organization or a long-term relationship for running and managing your project.

All Fiscal Sponsorship Projects have their own dedicated Fund account within TOF’s Funds. As the legal entity of record that provides the 501(c)(3) status, TOF assumes all financial and legal responsibility for the activities related to the project, as well as maintains full discretion and control over all funds that its Sponsored Projects raise and are deposited into their dedicated Fund accounts. Our Fiscal Sponsorship Funds are not entities separate from TOF, but rather fall under the umbrella of and are managed by TOF.

Once you become a sponsored project of TOF, we delegate the responsibility for the day-to-day activities of the project to the project leaders and work closely with you to monitor the performance of the project. The IRS has very specific requirements for fiscal sponsorship arrangements, and if these requirements are not satisfied, then any donation of funds to a fiscal sponsor for a project could be deemed non-tax-deductible. TOF stays abreast of the IRS regulations and best practices in the field of fiscal sponsorship to ensure that our organization, our projects, and our donors are never at risk.

If you choose to enter into a fiscal sponsorship relationship with TOF, we will evaluate your program to ensure it meets our sponsorship criteria. The most important evaluation criterion is that the project furthers TOF’s mission to protect and restore ocean environments—a main IRS requirement for fiscal sponsorship. We will also require your project to enter into a written agreement with TOF, which clearly defines our relationship and the roles and responsibilities of each party. Additionally, it clearly states that TOF retains ultimate control of all funds donated to us, and we are accountable for ensuring that the funds are used only for charitable purposes and that all IRS criteria are satisfied.

TOF Services

TOF provides the following services for the Model A/B (FSF) sponsorship type.

| GENERAL SPONSORSHIP | FINANCIAL MANAGEMENT |
|--|---|
| <p>Legal Standing</p> <ul style="list-style-type: none"> • 501(c)(3) status for tax-deductible donations and foundation funding • Governing board of directors • 50-state solicitation charitable solicitation registration | <p>General Ledger</p> <ul style="list-style-type: none"> • GL reports, income statements, cash balance, AR reports, grant-level records, custom reporting* |
| <p>Office</p> <ul style="list-style-type: none"> • Conference rooms, office equipment, and tenant services* | <p>Financial Reporting & Compliance</p> <ul style="list-style-type: none"> • IRS-990, Secretary of State filings, lobbying, OFAC, export control, Patriot Act compliance, annual and consolidated audits |
| <p>Outreach & Communications</p> <ul style="list-style-type: none"> • Featured in TOF annual report, blog, and social media • Dedicated project page on TOF website | <p>Bookkeeping & Accounting</p> <p><i>Cash Receipts & Accounts Receivable</i></p> <ul style="list-style-type: none"> • Fund acceptance, banking reconciliation, donor acknowledgements, fund notifications <p><i>Accounts Payable</i></p> <ul style="list-style-type: none"> • Bi-monthly check runs, vendor management, wire transfers, expedited AP* |
| PROJECT RELATIONS | GRANTS MANAGEMENT |
| <p>Staff Expertise</p> <ul style="list-style-type: none"> • Dedicated program staff as primary contact • Credentialed staff in finance, HR, payroll, risk, and grants • Access to TOF President and legal counsel as needed* | <p>Foundation Grants Administration</p> <ul style="list-style-type: none"> • Application review, grant oversight, compliance monitoring, deadline alerts, and monthly financial reporting |
| <p>Thorough Communications</p> <ul style="list-style-type: none"> • Proactive, responsive communication via email, phone, and meetings | <p>Government Grant Administration</p> <ul style="list-style-type: none"> • Application review, budget compliance, audit support, OMB compliance, reimbursable reporting, and federal platform training |
| <p>Learning & Networking</p> <ul style="list-style-type: none"> • Peer collaboration, partner connections, fundraising, and program development consultation, capacity building* | <p>Individual Donor Administration</p> <ul style="list-style-type: none"> • Dedicated donation page, recurring pledge fulfillment, and contribution acknowledgements |
| HUMAN RESOURCES | RISK MANAGEMENT |

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|---|--|
| Employment Administration <ul style="list-style-type: none"> • New hire processing, employee changes, and separations | Liability Management <ul style="list-style-type: none"> • Comprehensive liability, D&O, and fidelity insurance; contract review, signatory authority, asset management |
| Benefits Administration <ul style="list-style-type: none"> • Health, welfare, retirement (401K), and COBRA plan design and administration | |
| Payroll Processing & Reporting <ul style="list-style-type: none"> • Web-based timesheets, payroll input and audit, direct deposit, GL reporting, W-2 and 1099 processing | Government Compliance <ul style="list-style-type: none"> • Regulatory tracking, state registrations, lobbying compliance guidance, and expense reporting |
| HR Policies & Compliance <ul style="list-style-type: none"> • Employee handbook, performance management, ERISA/FLSA/EEO compliance, workers' comp, and unemployment insurance | |

**Items marked with an asterisk may be optional or entail an additional fee.*

TOF Fees & Fundraising Requirements

BASE & GOVERNMENT SPONSORSHIP RATE

TOF charges projects 15% on all incoming funds from private (non-governmental) sources up to US\$2,000,000. This includes foundations, businesses, individuals, etc.

Funding beyond US\$2,000,000 from private sources will be charged at the following rates:

- 12% for income between US\$2,000,000 and US\$4,000,000
- 8% for income above US\$4,000,000

A total of fifteen percent (15%) will be withheld from all incoming funds derived from U.S. federal sources associated with a Catalog of Domestic Assistance ("CFDA") number through a combination of the *de minimis* indirect rate and reasonable direct charges for TOF;

MINIMUM ANNUAL FUNDRAISING REQUIREMENT

All projects are required to raise a minimum of US\$25,000 per fiscal year. Our fiscal years run from July 1 - June 30 of the following year.

ADDITIONAL SERVICE FEE

Due to the added costs surrounding specific services, the following will be charged an additional administrative fee:

- US\$17 per outgoing domestic wire transfer and \$27 per outgoing international wire transfer, in addition to merchant processing fees and bank fees, will be charged to the project;
- US\$10 per outgoing check will be charged to the project;
- US\$6.50 per month for Clicktime (online time-tracking application) per full-time employee;
- Insurance for unique program activities or extenuating circumstances will be billed directly to the project for which they are applicable, and the total cost will depend on the insurance coverage needed;
- US \$100 for each manual payment request required outside of the normal recurring pay cycles. As a note, this option is subject to review and approval by TOF's President and Accounting Director.

Any additional services, including legal counsel, fundraising, financial management or other support outside of those covered in this document, and agreed to in advance with the project, are offered either as a one-time fee or a percentage fee, depending on the service(s) requested by the project.

Get In Touch

Want to learn more about our Fiscal Sponsorship Program? Feel free to get in touch with our FSP Team by emailing fspmgmt@oceanfdn.org.