



Model C: Pre-Approved Grant Relationship (Friends of Fund) Overview

DESCRIPTION OF SERVICES & FEES FOR MODEL C (FOF)

Introduction

Most U.S. grantmakers and donors (including foundations, government entities, businesses, individuals, and others) require their grantees to have the IRS characterization of a 501(c)(3) entity, which ensures the good standing of an organization and allows for tax deductibility of donations. Additionally, many donors are wary of granting to international organizations and are unable to carry out the due diligence required by the U.S. government to ensure an international charity's good standing.

Considering that the oceans cover over 70% of the world's surface, The Ocean Foundation understands that the recovery, conservation, and protection of the world's oceans is a global effort. Many important marine conservation and/or restoration organizations exist throughout the world that could greatly benefit from the financial support offered by U.S. donors. Through our Friends of Fund program, The Ocean Foundation gives international entities the ability to access financial support from U.S. donors and tap into a critical source of funding that they would otherwise not be able to access. Our Friends of Fund program also enables domestic organizations to reach out to U.S. grantmakers and donors that require 501(c)(3) status, all the while operating independently of TOF.

All Friends of Funds have their own dedicated fund account within TOF. As the Legal Entity of record that provides the 501(c)(3) status, TOF maintains full discretion and control over all funds that its sponsored organizations raise and are deposited into their dedicated fund accounts. 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 an international entity 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 organization to ensure that it meets our sponsorship criteria. The most important evaluation criterion is that your work furthers TOF's mission to protect and restore ocean environments—a main IRS requirement for fiscal sponsorship. We will also require your organization 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 C (FOF) 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	<p>General Ledger</p> <ul style="list-style-type: none">• GL reports, income statements, cash balance, AR reports, grant-level records, custom reporting*

<ul style="list-style-type: none"> • 50-state charitable solicitation registration 	
Outreach & Communications <ul style="list-style-type: none"> • Featured in TOF annual report, blog, and social media • Dedicated project page on TOF website 	Financial Reporting & Compliance <ul style="list-style-type: none"> • IRS-990, Secretary of State filings, lobbying, OFAC, export control, Patriot Act compliance, annual and consolidated audits
	Bookkeeping & Accounting <i>Cash Receipts & Accounts Receivable</i> <ul style="list-style-type: none"> • Fund acceptance, banking reconciliation, donor acknowledgements, fund notifications <i>Accounts Payable</i> <ul style="list-style-type: none"> • Bi-monthly check runs, wire transfers, and expedited AP*
PROJECT RELATIONS	GRANTS MANAGEMENT
Staff Expertise <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* 	Foundation Grants Administration <ul style="list-style-type: none"> • Application review, grant oversight, compliance monitoring, deadline alerts, and monthly financial reporting
Thorough Communications <ul style="list-style-type: none"> • Proactive, responsive communication via email, phone, and meetings 	Government Grant Administration <ul style="list-style-type: none"> • Application review, budget compliance, audit support, OMB compliance, reimbursable reporting, and federal platform training
Learning & Networking <ul style="list-style-type: none"> • Peer collaboration, partner connections, fundraising, and program development consultation, capacity building* 	Individual Donor Administration <ul style="list-style-type: none"> • Dedicated online donation page with secure processing, recurring pledge fulfillment, and contribution acknowledgements

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

TOF Fees & Fundraising Requirements

BASE SPONSORSHIP RATE

TOF charges sponsored organizations 12% on all incoming funds from private (non-governmental) sources. This includes foundations, businesses, individuals, etc.

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

- 10% for income between US\$2,000,000 and US\$4,000,000
- 8% for income above US\$4,000,000

GOVERNMENT SPONSORSHIP RATE

A total of 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 sponsored organizations are required to raise a minimum of US \$10,000 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 \$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 organization, are offered either as a one-time fee or a percentage fee, depending on the service(s) requested by the organization.

Get In Touch

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