

Fiscal Sponsorship Explained

Why Technical Assistance Partnership of Arizona (TAPAZ)?

Founded in 2001, we build nonprofit organizational capacity and relationships with others in the nonprofit sector. We pride ourselves on being the only professional, full-service fiscal sponsor in Arizona focused on groups with health and human service missions.

Why choose Fiscal Sponsorship?

Establishing and managing an independent 501(c)(3) can be an expensive and time-consuming process. Fiscal sponsorship is an efficient, cost-effective way to implement a project's mission while having "an outsourced accountant" handle the accounting function. Other reasons to consider fiscal sponsorship are that some grant applications have specific requirements such as being established for a particular number of years, having two or more years of audited financials, or receiving public charity status.

What is Fiscal Sponsorship?

Fiscal sponsorship provides behind-the-scenes functions such as accounting, grant application assistance, and other back-office services. The cost of these services are covered by a small administrative charge applied to the revenues (e.g. grants, contracts, donations) of the sponsored program. Fiscal sponsorship allows TAPAZ to accept and disburse funds for a project's activities. We also send recognition letters to donors, provide grant tracking, write checks, process payroll, assist with reviewing and submitting funding requests such as grant applications, provide monthly reporting, assist in budget development, and front working capital to entities if they have a secure funding source.

What types of Fiscal Sponsorship are offered?

Comprehensive (Full) Fiscal Sponsorship: The fiscally-sponsored project becomes a program of TAPAZ, which maintains all legal and fiduciary responsibility for this sponsored project, its employees and activities. This allows unincorporated groups and alliances to engage in their mission work without building a new, separate corporate entity. Grants are applied for in the name of TAPAZ, and donations are made directly to TAPAZ. Funds are then disbursed to execute the program goals.

Grant-specific Fiscal Sponsorship: TAPAZ provides administration and support exclusively for a specific grant being applied for by an existing organization that may have other programs running outside of the sponsored project.

Turn Over

What is the relationship between TAPAZ and its sponsored projects?

Because the projects are legally part of TAPAZ and integral to our mission, projects are able to receive charitable donations and grants available only to tax-exempt organizations. TAPAZ is legally and financially responsible for all our projects and activities.

Are there fees involved with becoming a sponsored project?

Yes. Fees are 7% of the total funds received for the project. For Federal Government grants, an additional 3% is added to cover greater auditing and reporting requirements. The goal of TAPAZ is to charge enough to cover the cost of providing high-quality, professional services. Sustained financial support from Vitalyst Health Foundation allows TAPAZ to maintain these reasonable rates.

What if the organization has a 501(c)(3) designation from the IRS?

This is not a problem. Often nascent or smaller nonprofits lack certain requirements such as an audit to apply for competitive grants. By becoming a sponsored project for a particular grant opportunity (Grant-specific Fiscal Sponsorship), organizations will have the benefit of TAPAZ's audit and track record.

Who can request fiscal sponsorship of a project?

Any person, group, association, alliance, or organization.

How to tell if a non-profit is a good match for TAPAZ's Fiscal Sponsorship?

1. Is it a group or organization with committed individuals working to grow its mission, budget, and organizational capacity?
2. Is it a group that is targeting grants or annual budgets in excess of \$25,000?
3. Could the group or entity benefit from the services provided by TAPAZ?

How to get started?

Complete the questionnaire on our website at (www.tapaz.org), under Fiscal Sponsorship, click Become a Sponsored Project. Providing this information will allow our staff to help determine which path might be best.

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Referring Fiscal Sponsorships

Here's how to tell if a group or organization is a good match for TAPAZ's Fiscal Sponsorship Program:

1. Is it a group or organization with committed individuals working to grow its mission, budget, and organizational capacity?
2. Is it a group that is targeting grants or annual budgets in excess of \$25,000?
3. Could the group or entity benefit from the services provided by TAPAZ?

How to introduce TAPAZ (Explain benefits of Fiscal Sponsorship):

1. Since 2001, only professional, full-service fiscal sponsor in Arizona.
2. TAPAZ will serve as the accounting department for a particular grant or the entire operation so the entity's focus can be directed on the actions necessary to accomplish the stated mission.
3. TAPAZ will assist in applying for funds such as grants, contracts and donations.
4. TAPAZ will provide audited financials, financial reporting, and analysis to keep a group or organization on track.
5. TAPAZ offers funds (working capital) to cover current expenses and payroll while waiting for grant reimbursement.

A great referral for us includes the following:

1. Grant Writers
2. Non-Profit Organizations
3. CPAs
4. Attorneys
5. Financial Advisors
6. Non-profit Consultants
7. Association Professionals

How to get started?

Direct individuals to complete the questionnaire on our website at (www.tapaz.org), under Fiscal Sponsorship, click Become a Sponsored Project. Providing this information will allow our staff to help determine which path might be best for fulfilling the group mission. Let us do the work – introduce us.

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