



Neighborhood Matching Fund Fiscal Sponsor

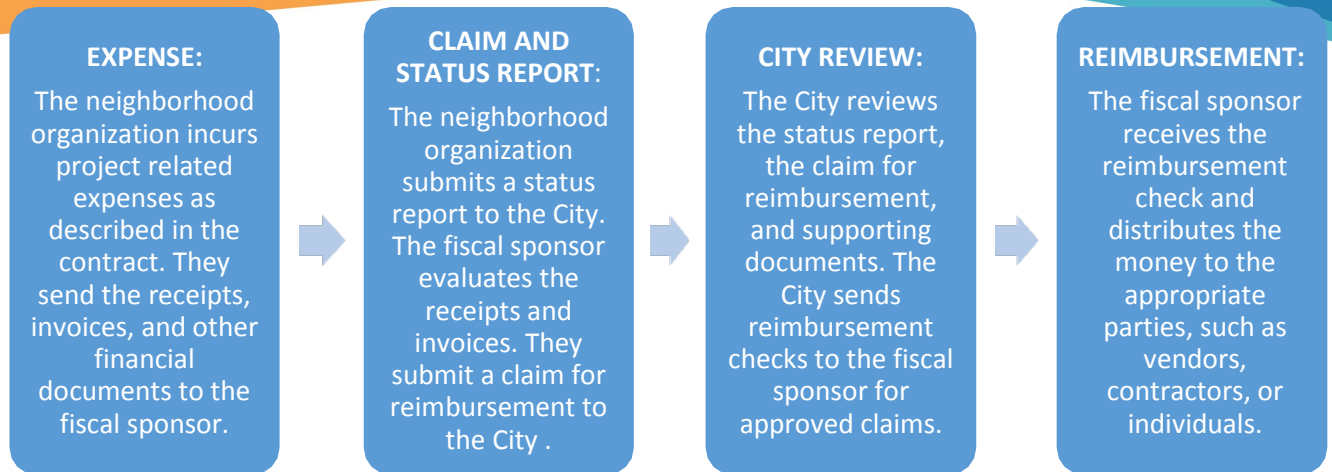
A fiscal sponsor is an organization or business that agrees to fulfill a specific role in the successful completion of a Neighborhood Matching Fund (NMF) project. The fiscal sponsor acts as the **trustee of funds** provided by the City and **assumes the financial responsibilities** for the funding award. The fiscal sponsor handles and is accountable for all of the project's funds including public funds, private funds, and donations from the community.

The Fiscal Sponsor is required to:

- Have a federal Employer Identification Number (EIN), also referred to as a tax identification number.
- Have a mission that aligns with the goals of the awarded project.
- Comply with Internal Revenue Service (IRS) requirements.
- Sign the NMF Agreement (contract) for the project, along with the City and neighborhood organization representatives.
- Register with our NMF online portal, Webgrants (<https://webgrants.seattle.gov/index.do>)

The Fiscal Sponsor assumes the following responsibilities:

- Acting as trustee of the funds paid by the City and disbursing such funds to the neighborhood organization in accordance with the budget.
- Making payments for all project-related expenses as well as providing up-front cash to pay for project costs until reimbursement is received from the City.
- Accepting and depositing checks from the City of Seattle for allowable project costs.
- Maintaining a financial accounting system and records for the project that identify all expenditures of NMF funds and income related to the project.
- Preparing and submitting claims.
- Maintaining a third-party liability insurance policy.
- Coordinating selection processes and/or subcontracting process if required.
- Complying with applicable prevailing and minimum wage requirements of Washington State law.
- Complying with the City's Social Equity requirements for the life of the project.
- Providing a tax identification number for the organization or business to allow the City to send appropriate tax records to the (IRS).
- Ensuring compliance with IRS requirements applicable to the project and the awarded funds.



Selecting a Fiscal Sponsor:

If the neighborhood organization does not have the capacity to function as its own fiscal sponsor, it must:

- Contact an NMF Project Manager to discuss how to identify organizations who might serve as a fiscal sponsor.
- Contact prospective organizations to request and discuss fiscal sponsor services.
- Negotiate a scope of work and fee for fiscal sponsor services. NMF generally supports fiscal sponsorship fees that are between 3% and 10% of the total award amount. Fees are normally in the range of 5% to 7% for non-construction projects. Capital projects may be up to 10% depending on complexity. Please consider the project complexity, the length of your project, and any other relevant factors when negotiating and evaluating proposed fees. Contact an NMF Project Manager for more information about evaluating proposed fees.

For more information, please contact the Neighborhood Matching Fund at 206-233-0093 or NMFund@seattle.gov.