

# Appendix A. Fiscal Sponsorship & Umbrella Organizations

## A. Purpose

This section establishes a framework allowing a single non-profit organization (the “Fiscal Sponsor” or “Umbrella Organization”) to submit and/or receive multiple grant awards on behalf of distinct “Sponsored Projects” under the Borough’s Community Grants Program. The framework preserves accountability, prevents double-funding, and ensures each Sponsored Project is separately evaluated on merit, outcomes, and public benefit.

## B. Definitions

1. **Fiscal Sponsor / Umbrella Organization:** A nonprofit entity in good standing that provides administrative, financial, and compliance oversight for one or more distinct Sponsored Projects that may lack independent tax-exempt status or choose to operate under a sponsor’s organizational systems.
2. **Sponsored Project:** A distinct program, service, or initiative operating under a Fiscal Sponsor, with its own scope, budget, outcomes, and responsible manager, delivered for public benefit within the Borough.
3. **Administrative Fee:** A reasonable percentage retained by the Fiscal Sponsor to cover actual costs of sponsorship (e.g., accounting, compliance, insurance).

## C. Eligibility

### 1. Fiscal Sponsor Eligibility

A Fiscal Sponsor must meet all existing Community Grants Program applicant eligibility requirements, including nonprofit status in good standing with the IRS, State of Alaska and Ketchikan Gateway Borough, and:

- Execute a **Fiscal Sponsorship Agreement** with each Sponsored Project, meeting the requirements in Section E.
- Maintain adequate insurance coverage and risk controls appropriate to the Sponsored Projects.
- Comply with reporting, monitoring, audit, and records retention requirements per the Borough’s Community Grants program guidelines.

### 2. Sponsored Project Eligibility

Each Sponsored Project must independently satisfy all existing Community Grants program requirements, including:

- Serve a public purpose consistent with the Community Grants Program goals, objectives (Animal Protection, Education, Economic Development, Recreation or Transportation) and legal use of Borough funds.
- Have a defined scope of work, timeline, outcomes, performance measures, and line-item budget.
- Not duplicate funding requests already submitted as another project by the Fiscal Sponsor (see Section G.4).
- Comply with all Community Grants program requirements and applicable laws, including procurement, conflicts of interest, and allowable cost principles defined in the grant award.

## D. Allowance for Multiple Applications/Awards

1. A Fiscal Sponsor may submit multiple applications in the same cycle on behalf of different Sponsored Projects.
2. Each Sponsored Project application shall be reviewed, scored, and considered independently by the Grants Committee using the existing funding criteria.
3. Each Sponsored Project is reviewed and scored on its own merit; multiple awards to a single Fiscal Sponsor are not guaranteed.

## E. Fiscal Sponsorship Agreement(s)

To qualify as a Fiscal Sponsor, the organization must provide the following with each application:

### 1. Fiscal Sponsorship Agreement(s)

A fully executed Fiscal Sponsorship Agreement between the Fiscal Sponsor and each Sponsored Project that includes at minimum:

- Parties, effective dates, and term.
- Scope of services provided by the Fiscal Sponsor (financial management, reporting, legal oversight, HR/payroll if applicable).
- Requirement that all grant funds are received and administered by the Fiscal Sponsor in a restricted account for the Sponsored Project.
- Compliance obligations (laws, regulations, Borough grant terms).
- Reporting schedule and access rights of the Borough to inspect records (per KGB Community Grants program guidelines).
- **Administrative fee**—amount or formula, and a statement that the fee must be reasonable and reflect actual costs.
- Audit cooperation clause and subrecipient monitoring roles (if applicable).
- Termination, suspension, and closeout provisions.
- Signatures by authorized representatives of both parties.

## F. Grant Agreement(s)

### 1. Award Instruments

- The **grant agreement is executed with the Fiscal Sponsor**.
- A Borough-approved **Sponsored Project Scope & Budget** is attached and incorporated by reference.
- Payment is made to the Fiscal Sponsor, who administers funds per the agreement.

## G. Funding, Fees, and Anti-Duplication Controls

1. **Separate Budgets:** Each Sponsored Project must have a standalone budget and cost center.
2. **Allowable Costs:** Defined in the grant agreement; all costs must be necessary, reasonable, and allocable to the specific Sponsored Project.

3. **Administrative Fee:**
  - Must be **disclosed in the application**, reflect actual administrative costs, and be **reasonable**
    1. Maximum 10% of Sponsored Project's total award amount
  - Fee must be charged **only once** per Sponsored Project; no stacking of overhead.
4. **Anti-Duplication:**
  - The Fiscal Sponsor must certify the Sponsored Project is **not seeking or receiving overlapping Borough grant funds** for the same scope during the same grant period.
  - If multiple Borough programs/funds are involved, the Sponsor must disclose all sources and certify non-duplication.
5. **Caps:**
  - **Sponsor Cap:** Maximum total Borough grant dollars per Fiscal Sponsor per cycle: \$50,000
  - **Project Cap:** Maximum award per Sponsored Project (e.g., \$25,000).
  - **Project Count Limit:** There is no limit on the number of projects that can be submitted by a sponsor, but a \$25,000 cap in total sponsored projects funding is in place.

## **H. Monitoring, Reporting, and Audit**

1. **Reporting**
  - The Fiscal Sponsor shall submit on behalf of the Sponsor Project the required grant reporting per the Community Grants Program guidelines.
2. **Financial Management**
  - Maintain separate accounts or sub-accounts for each Sponsored Project; no commingling.
  - Maintain source documentation for all expenditures (invoices, payroll records, timekeeping, procurement files) per program reimbursement requirements.
3. **Site Visits & Desk Reviews**
  - The Borough may conduct monitoring, site visits, and desk reviews and request corrective actions, per standard Borough grant agreements.
4. **Records & Retention**
  - Retain all records for at least **six (6) years** after closeout, or longer if required by law or audit.
5. **Audit Rights**
  - The Borough reserves the right to audit the Fiscal Sponsor's records related to the Sponsored Projects.
  - If audit findings identify questioned costs, the Fiscal Sponsor is responsible for repayment.
6. **Remedies**
  - The Borough may withhold payment, suspend, or terminate funding for non-compliance or performance failure.