



**SOCIAL IMPACT
COMMONS**

Fiscal Sponsorship & the IRS

A Spectrum of Policy Considerations for Fiscal Sponsors



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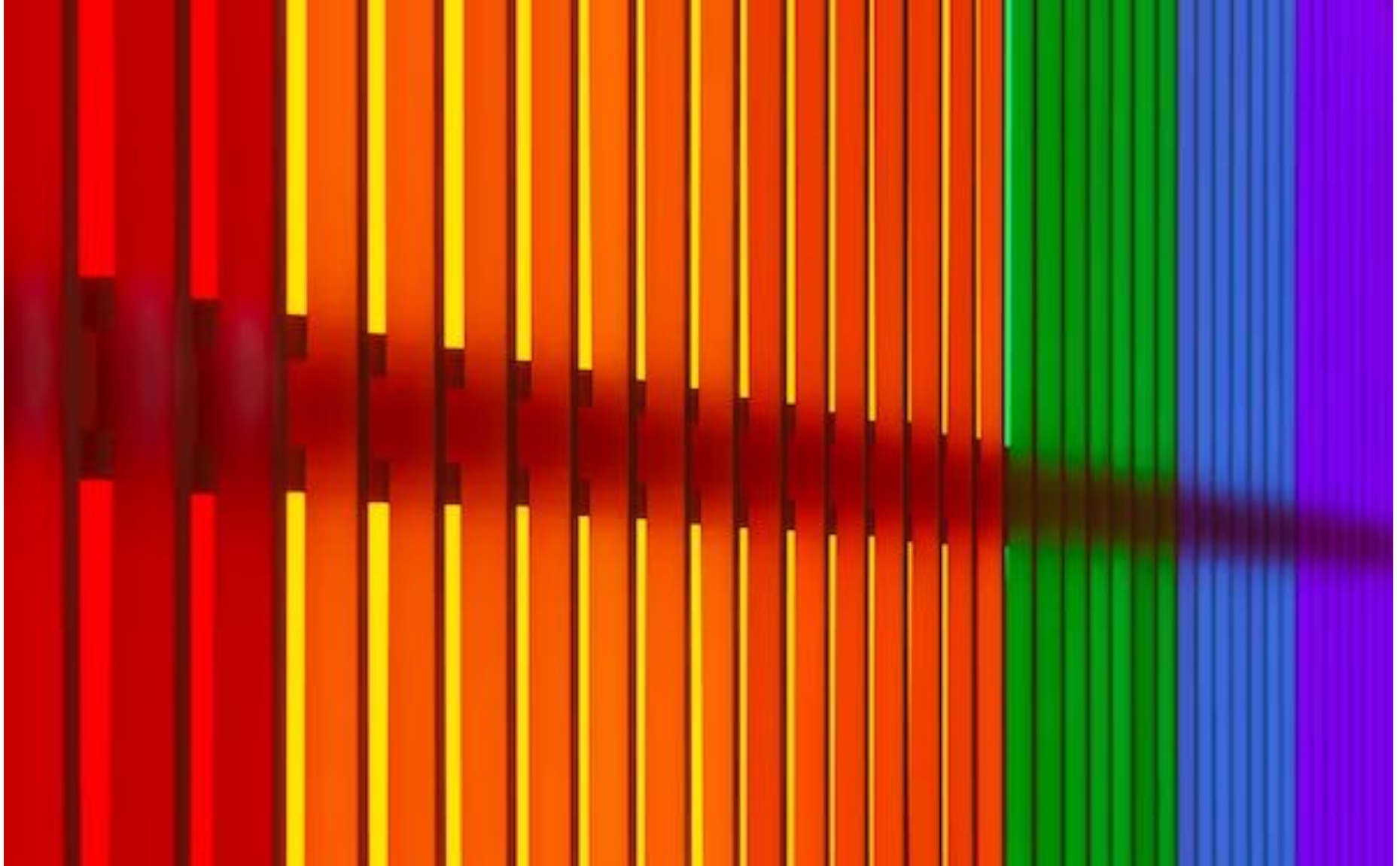


The Big Question?

[The IRS is seeking comments](#) (Nov 28th deadline) on its forms related to public charities including the Form 1023 for exemption and the Form 990 annual information return. This begs the question - **Should fiscal sponsors recommend any changes and if so, what?**



Spectrum of Policy Positions



Hands Off!

What: Don't engage in any policy recommendations involving fiscal sponsorship.

Why: These inner workings should be outside the purview of any regulatory body. Were already compliant. Don't poke the bear!

Pros: Low profile status quo is a comfortable posture and doesn't require additional effort. Can always reassess down the road if need be.

Cons: Missed opportunities to understand the nonprofit sector. More transparency is in the public interest. Be at the table when FS gets looked at.



Work into existing framework

What: Modify existing 990 questions - but not add new schedule - to get a better understanding of total number of nonprofit programs out there; including fiscal sponsors.

Why: Achieves balance of more transparency while not creating separate class of nonprofits called fiscal sponsors.

Pros: Unlock a treasure trove of insights into a rapidly evolving nonprofit sector. Puts fiscal sponsors (i.e. those in the know) at the table when creating the parameters.

Cons: Don't poke the bear!



What: Have a new schedule on the 990 with special reporting obligations for fiscal sponsors similar to reporting requirements for donor advised funds.

Why: Fiscal Sponsorship is a unique enough set of practices that special classification and guardrails is in the public interest.

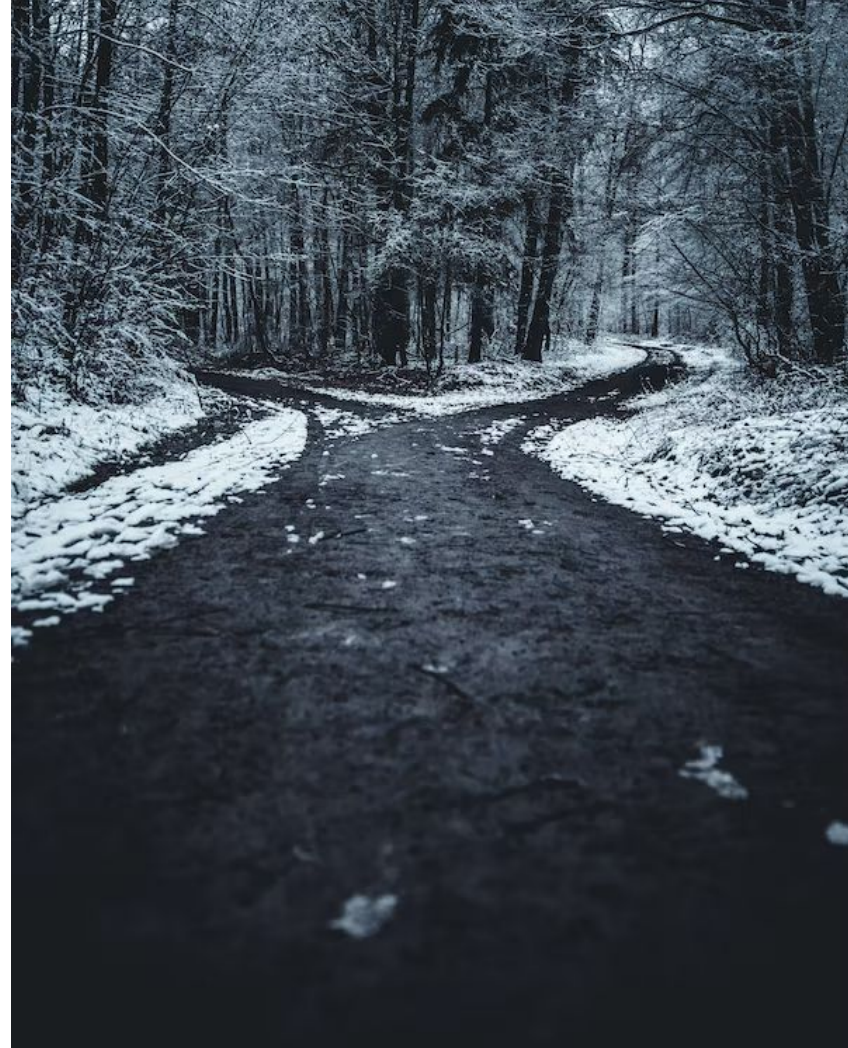
Pros: Maximum transparency. May promote awareness, validation, and investment in fiscal sponsor practices.

Cons: Administrative burden. Be careful what you ask for! May result in poorly designed and unnecessary rules and regulations.



Alternative paths to consider?

- **Candid profiles?**
- **A dynamic FS Directory?**
- **Other?**



So. . . where do you land?





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