



POLICY ON FISCAL SPONSORSHIP

In response to the frequent questions NFF staff have received regarding fiscal sponsorship, and to provide guidance to unincorporated groups looking to find a sponsor, the National Forest Foundation (NFF) has developed a formal policy for applicants who are not incorporated as a 501(c)(3) with the IRS along with a Best Practice to help guide a group through the process.

First, the NFF distinguishes between fiscal sponsorship and fiscal agency according to the following definitions:

Fiscal Sponsor: *a nonprofit organization that assumes legal, financial and programmatic responsibility for the activities of groups or individuals engaged in work that furthers the fiscal sponsor's mission and their own respective purposes.*

Fiscal Agent: *A nonprofit who acts as an "agent" on behalf of a project or unincorporated group and who merely acts as an intermediary or "pass through" entity. In many cases, the agent's mission does not necessarily align with that of the project or group.*

As in the past, the NFF will only make grants to unincorporated groups working under a fiscal sponsorship agreement with a nonprofit who has agreed to take on the legal, financial and programmatic responsibility for the project's activities. Due to the significant responsibility involved in a fiscal sponsorship relationship, the NFF strongly encourages both parties to establish a written agreement.

For more information on Fiscal Sponsorship, including a template Fiscal Sponsorship Agreement, see our Tool: [Fiscal Sponsorship – Doing it Right](#).