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## Guidelines for Fiscal Sponsorships

All grant monies awarded by the Indiana Arts Commission (IAC), or one of its Regional Arts Partners (RAP), must pass through a 501(c)(3) organization. Fiscal sponsorship makes it possible for an organization without its own 501(c)(3) designation to apply for a grant. An organization without 501c3 status can apply if it finds a 501c3 organization willing to sponsor its application by serving as a fiscal agent. This option is only allowed for IAC project support grant programs: Arts Project Support (APS) and Art in the Parks and Historic Sites (APHS).

Organizations cannot serve as a fiscal agent to more than one applicant/grantee in a fiscal cycle, without pre-authorization from the IAC. However, a fiscal agent can be an applicant/grantee in the same grant program.

### Role Definition

Applicant: A **non** 501c3 organization - working toward a 501c3 designation or functioning as a non-profit group - seeking funding to carry out an arts project or activity. (For-profit entities and individual artists are not eligible.)

Fiscal Agent: A 501c3 nonprofit organization, or public entity, that sponsors the applicant by providing fiduciary oversight, financial management, and other administrative services to help build the capacity of charitable projects.

### Things to Consider

The grant application must be written and submitted by the Applicant - the organization that will be carrying out the proposed project.

- When completing the application, questions should be answered on behalf of the Applicant/project NOT the Fiscal Agent. If any questions are asking about the Fiscal Agent's organization, it will be clearly noted in the question instructions. In almost all questions, we want to know about the group/organization/ project that is applying, not the Fiscal Agent.

- A Memorandum of Understanding (MOU) between the applying organization and Fiscal Agent is a required upload in all fiscally sponsored applications. Not sure what an MOU is? [Click here to learn more](#) or [click here to view a sample MOU](#).
- Applicants are required to upload a copy of their Fiscal Agent's financial statement in the grant application.
- The applying organization must obtain approval from the Fiscal Agent before submitting the grant application. Once submitted, a copy of the completed application will be posted to the Fiscal Agent's dashboard for reference.
- The Applicant is responsible for all activities associated with the application. Fiscal sponsorship is not intended to be a partnership.
- If the arts project is funded, the grant agreement will be between the Funder (the IAC or RAP) and the Fiscal Agent. The Fiscal Agent will be responsible for signing the grant agreement. A copy of the completed grant agreement will be uploaded to the document section of both the Applicant and Fiscal Agent's dashboard.
- As the financially responsible party, payment will be made to the Fiscal Agent, who then disperses the funds to the Applicant.
- It is the Applicant's responsibility to complete the final grant report. However, if the Applicant fails to complete a final report, the Fiscal Agent is ultimately liable for being out of compliance and may receive a penalty
- The fiscal agent may charge a small administrative fee, which should be included in the Applicant's budget.

### **Creating Your Online Account**

When registering in the online system as a Fiscally Sponsored organization, the applicant **must** include the name of your Fiscal Agent in parenthesis following the Applicant's organization name. For example XYZ Company would register as XYZ Company (ABC Nonprofit).

- When filling out the contact and address fields during the registration process, be sure to use **the Applicant's** organizational information, not the Fiscal Agent's. There will be a separate section in the application to provide information about the Fiscal Agent.
- Fiscal Agents **must** be registered in the online system separate from the applying organization.

For further questions about fiscal sponsorship, contact the Grants Manager at 317-232-1278 or [dpoelsma@iac.in.gov](mailto:dpoelsma@iac.in.gov).