



Fiscal Sponsorship

What it is and why we do it

What is fiscal sponsorship?

- When a new project or organization is just beginning and wants to seek funding as a non-profit, but does not yet have the federal “501c3” designation, an established non-profit with that designation can include the new project or organization under the umbrella of their 501c3 designation. This inclusion is called “fiscal sponsorship” because the more established organization is basically sponsoring the newer group/project/organization with regard to federal tax status and filing.
 - This can take many forms, with the new project having more or less control over the accounting for their work.
 - Some new projects don’t intend to ever become a separate 501c3, others are very close to filing their application and have already started to get grant money that needs to be put somewhere and accounted for with the IRS.

Why we do it:

- We were once a new project, and we understand.
 - There is a tension when a new project is forming between the project-work and the governing-work. Often, they are both very demanding and rarely does one project have the capacity to do both at once.
 - Having a fiscal sponsor instead of completing an application for 501c3 status allows the new project to focus its energy on the project-work.
- We value learning and being responsive and see fiscal sponsorship as a tool for that.
 - We believe that the learning that comes from focusing on the project-work is very valuable and can inform whether and how the project eventually applies to form their own 501c3.
 - Some projects may be better suited to another corporate status, or may be short-lived, or may evolve in an unexpected way.
- Birth justice requires innovation and equity.
 - For everyone to have equitable access to quality, life-affirming, human-rights oriented perinatal care it will take a lot of creativity, experimentation, learning, taking risks and trying new things.
 - We believe that fiscal sponsorship lowers barriers to entry for innovative projects.
 - This is particularly important so that people and ideas who have been excluded from or neglected by the status quo and who are directly impacted and most proximate to the problem can help offer solutions. Their ideas may be some of the most important.
- One of Elephant Circle’s unique contributions to the Birth Justice Movement is our ability to leverage legal expertise with an equity, human-rights, and reproductive justice approach. This is one of the many ways we are putting our legal expertise to use for the community.