

## What is Fiscal Sponsorship?

Fiscal Sponsorship is a fundraising tool that provides an alternative to establishing your own 501 (c)(3) nonprofit corporation in order to access funding for your non-commercial project from various grant-making organizations that require nonprofit status from its applicants. The funding, when received, is given to this nonprofit, tax-exempt umbrella organization. This organization, acting as the filmmaker's fiscal sponsor, administers and accounts for funding on behalf of the filmmaker and his or her project.

The fiscal sponsor is legally responsible for the funds received on behalf of sponsored projects. It must insure that the funds are used for the activities/work agreed upon by the donor and the recipient, and that the donor reporting requirements are met in a timely fashion.

While fiscal sponsorship can save you from the long and arduous process of becoming a 501 (c)(3) nonprofit tax-exempt organization and broadens your funding options, it is important to note that fiscal sponsors do not provide funding themselves, and do not research and apply for grants on behalf of a project or filmmaker.

***What fiscal sponsorship is not:*** *Fiscal sponsorship is NOT a cash grant. It is a tool for helping secure funding, the burden of which still remains with the individual filmmaker.*

## Why should I choose NOVAC as a fiscal sponsor?

- NOVAC has been supporting the work of local, independent filmmakers for 40 years.
- We are not interested in creative control of your project; we are interested in supporting you getting funding for *your* vision.
- We have a straightforward review process, with rolling deadlines and quarterly approval reviews.
- There is a low application fee of \$40, once you're a NOVAC member.
- We create easy pathways for individuals and grant-makers to make donations to your project.
- NOVAC fiscal sponsor projects receive strategic guidance on fundraising, production, distribution and outreach for your project, from NOVAC staff and networked professionals as necessary.
- NOVAC fiscal sponsor projects join a roster of locally-produced projects that include *Land of Opportunity, If the Children are OK, Murder through the Eyes of a Child, Eat to the Beat, Least Favorite Love Songs, Uniquely Clarence* and more.

## What is NOVAC?

NOVAC is a 501 (c)(3) organization founded in 1972. We cultivate a sustainable local film community by providing access to training, resources and locally-generated content. In addition to training, community education and networking events, NOVAC offers local filmmakers many support services including low-cost equipment rental, facility rentals, job referrals and fiscal sponsorship.

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## How exactly does fiscal sponsorship with NOVAC work?

You apply for fiscal sponsorship, and NOVAC staff and board review your project; if you are accepted, we will sign a project agreement and NOVAC will provide you with a letter of support and all the relevant financial documents you will need for grant applications. Once your NOVAC-sponsored project has been awarded a grant or receives a contribution, the funds are distributed and mailed to NOVAC. We then deposit the funds in our tax-exempt bank account. Within the next 15 days, a check is written to the Project Director or the production company. Checks are disbursed to one name only.

### Your responsibilities:

- Provide Social Security and/or Tax ID information to NOVAC once admitted to our fiscal sponsorship program.
- Handle your own production accounting.
- Conform to the production guidelines specified in the grant when using received funds.
- After making use of the full grant, or at the end of the calendar year, supply NOVAC, with an expense report that indicates how funding re-granted by us was spent.
- Maintain proper tax records, allowing NOVAC, to provide tax authorities with the necessary paperwork in the event of an audit.
- Credit NOVAC, as a fiscal sponsor in the end credits of your film (as articulated in the fiscal sponsorship agreement).

NOVAC will report to the Internal Revenue Service all funds granted to the filmmaker, and it is his/her responsibility to pay any taxes due on the funds. If a grant-making organization or individual produces a check payable to the wrong party, the fiscally-sponsored filmmaker is responsible for following up with the grant-making party to ensure that they write a new check payable to "NOVAC" In addition, the initial fiscal sponsorship agreement is valid through a predetermined expiration date, at which time the sponsored filmmaker may seek to renew the fiscal sponsorship.

## Am I eligible?

In order to be eligible to apply to NOVAC's Fiscal Sponsorship Program, you must meet the following criteria:

- Your project must be a film, video or multimedia project.
- You must be a U.S. citizen with a Social Security number or have a production company with a U.S. Federal ID number.
- You cannot be a full-time student.
- The project proposal must reflect your ability to develop a high quality project.
- You must be a current NOVAC member. To become a NOVAC member, check out the membership page on NOVAC's web site.

We will review your application using the following criteria:

- We have a special affinity for local productions, so priority will be given to projects based in Louisiana, with a Louisiana/Gulf South focus, and with Louisiana-based crew.
- Is the subject matter relevant to the mission of NOVAC, as presented above?
- Is the proposal engaging and clearly written?
- Does the project present a realistic budget?
- Is the apparent fundraising ability of the project director adequate? Does he or she identify appropriate potential sources of funding for the project?
- Are the key project personnel sufficiently experienced, and how feasible is the

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- completion of the project?
- Is there potential for distribution of the final project?

## **Is there a fee?**

Fiscal sponsor applicants must be NOVAC members in good standing (\$55/year basic membership). At the point of application, there is a \$40 fee. Upon receipt of grant or donation funds, NOVAC will charge a service commission of 6% of all funds made payable to “NOVAC.” Please note that if you are applying for grants, such as the National Endowment for the Arts, National Endowment for the Humanities, New York State Council on the Arts, and other similar governmental granting organizations, we will charge a 7% service commission. As soon as funds clear in NOVAC’s bank account, a check in the amount of 94% (or 93%, depending to the source of the funding, as explained above) of the total funds will be made payable to the Project Director or the production company.

NOVAC will issue the Project Director a 1099 Independent Contractor tax form at the end of the year for the entire amount of the grant. It is the responsibility of the Project Director to account for the money as income and expenses for tax purposes.

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## How can I apply for Fiscal Sponsorship?

### APPLICATION REQUIREMENTS

The following material must be included in your Application Package to our Fiscal Sponsorship Program:

- Project Proposal (The requirements for the project proposal are listed below. This portion of the application allows us to see exactly what you anticipate sending to funders. If there is a specific grant you will be applying for, feel free to send us the proposal you will use for that funder.)
- Producer reel / work sample and statement on how the sample relates to your current project
- \$40 Application Fee
- References (Please include a contact list with phone numbers and email addresses for two personal or professional references.)
- Treatment and Script (Applications for dramatic or narrative projects must also include a treatment and the first 10 pages of your script or a look book.)

### Proposal Guidelines

The project proposal should be exactly what you anticipate submitting to funders. It should be typed, and written using clear and precise language. While your proposal may differ slightly in format and length, your proposal must contain all elements listed below:

- **INTRODUCTION:** Describe why your project is important, and, in a sentence or two, summarize what you are trying to accomplish. This paragraph should also contain a concise description of the project that clearly states the format and intended length of the finished piece.
- **PROJECT DESCRIPTION:** Describe the format and style of your project, the subject matter, a statement of financial need, and a visual treatment. Tell us why you think the project is important and how you got involved. If there have been other projects on the same topic, tell us how yours is different.
- **FUNDRAISING STRATEGIES:** Tell us how you plan to fund your project. Give specific names of foundations, corporations and agencies to which you will apply. Include a comprehensive list of potential donors that specifies the amounts that you plan to request from each. Be certain to include as much details about any funding you have already received or that is secured and make clear whether the funds are pending or have already been received. Be sure to explain if you are going to solicit donations from individuals, or if you are planning fundraiser events. If available, please include information on other projects you have for which you have successfully raised funds and the funders from whom you have received grants. Applications without a thorough fundraising plan will not be considered. Additionally, if you have not already identified appropriate sources for funding your project, we strongly encourage you to apply at a later date once you have a complete fundraising strategy.
- **DISTRIBUTION STRATEGIES:** Define your primary audience and how you hope to reach them. Describe them in as much detail as possible, and tell us what venues, distributors or alternative strategies will you use and why. Funders want to see who will benefit from the work they fund so be as specific as possible in this section. It is extremely important to include detailed information and avoid generalizations about your audience.
- **BUDGET:** Include the total budget for your project needs, accounting for all phases of

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production, crew costs, equipment, etc. Include in-kind items as well. Try to be as realistic as possible. Consider the viability of the project and its fundability. Make sure your budget is consistent with your other descriptions.

- **TEAM BIOGRAPHIES:** Even if this is a personal project, film/video production is a group effort, and funders want to know the credentials of your team. If you do not have previous experience as a director or producer, make sure the rest of the people associated with the project are highly qualified. Include a comprehensive bio for yourself and all additional primary personnel.
- **SAMPLE REEL:** The sample reel can be footage from the current project that you are trying to get funded. If you have not made a sample reel, submit the director or main producer's previous work. A strong sample strengthens your request for funding tremendously, while a weak one reflects negatively on your abilities as a director and will not bode well for the quality of the finished project. Sample reels may be submitted via links to online reels, or on DVD/BluRay
- **DRAMATIC OR NARRATIVE PROJECTS:** Applications for dramatic or narrative projects must also include a treatment and the first 10 pages of the script or a look book.

We strongly encourage you to contact NOVAC prior to submitting your application if you have any questions about the application process. All inquiries should be directed to:

Ashley Charbonnet, NOVAC

Phone: (504) 940-5780

Mail: NOVAC Fiscal Sponsorship Program 532 Louisa Street, New Orleans 70117

E-Mail: [Ashley@novacvideo.org](mailto:Ashley@novacvideo.org)

## When are the deadlines?

NOVAC accepts fiscal sponsorship applications on a rolling basis. You may submit your project for review at any time. Please keep in mind NOVAC makes fiscal sponsorship decisions quarterly.

## What if I need more information?

After reviewing this material, if you have any additional questions, please contact Ashley Charbonnet at [ashley@novacvideo.org](mailto:ashley@novacvideo.org).