



## FINANCIAL SPONSORSHIP GRANT PROGRAM

*Updated April 2023*

### What is Financial/Fiscal Sponsorship?

Financial/Fiscal sponsorship is an arrangement between an existing 501(c)(3) nonprofit organization and an individual or entity lacking the ability to receive grants from foundations, government agencies and individual tax-deductible donations.

The clearest, though not the only, benefit to participating in financial sponsorship is that individuals are able to access charitable funding for their project while forgoing the time consuming and expensive process of creating and running a 501(c)(3) organization themselves. This especially applies to independent filmmakers for whom setting up a nonprofit for a particular project is rarely necessary.

The Financial sponsor agrees to provide financial services, budgetary oversight, production resources and assume limited legal and financial responsibility for, the activities of groups or individuals engaged in work that furthers the financial sponsor's mission, in this case, to champion creative independence in visual storytelling and support a community of artists who embody diversity, innovation and uniqueness of vision.

### Benefits of a Fiscal Sponsorship

- Access to St. Louis Filmworks's Membership offerings, including filmmaker networking events, continuing education opportunities, and online filmmaking resources (i.e.: access to community of advisors and mentors).
- Ability to offer your supporters a variety of ways (cash, check, credit card, digital wallets such as Venmo) to give a cash or in-kind **tax-deductible** donations.
- Opportunity to apply for other non-profit grants without becoming a 501(c)(3) such as the specialized state and federal government grants.
- Sustained promotion from SLFW throughout the lifecycle of your project, through our existing platforms and communication.
- Promotion of your project via your individualized online donation page.

### How it Works

The program is open to independent narrative, documentary or series projects of any length and at any stage of development as well as arts education programs.

1. Submit a Financial Sponsorship Grant Program (FSGP) Application. Applications are accepted on a rolling basis throughout the year.

2. Applications are reviewed by our FSGP oversight committee to select recommended finalist to the SLFW Board of Directors for final approval during monthly board meetings.
3. Financial Sponsor Grant applicants will be notified by the Board of Directors of their decision each cycle. Those NOT accepted may apply again or submit another project in the next cycle.
4. Financial Sponsor Grant Recipients will be notified upon approval with an Acceptance Award Letter by the Board of Directors.
5. **FSGP Artist Recipients will ...**
  - a. Be given our FSGP Guidelines for soliciting cash and in-kind donations for the approved project.
  - b. Be asked to complete and submit the FSGP Agreement within the first 30 days following the date of their acceptance letter.
  - c. Be asked to submit a donation 'ask' campaign strategy.
  - d. Provide a designated bank account to receive grant monies as a bank-to-bank transfer.
  - e. Set up a fundraising webpage or social media links where all donations for the designated project must be paid directly to SLFW through our FSGP donor platform.
  - f. Start raising money and in-kind donations for the designated project.
  - g. **Submit a monthly report** of all expenditures and in-kind\* donations offered for the designated project to SLFW.

*\* It is the Donor's income tax responsibility to determine deductibility and/or valuation for their in-kind donation. SLFW recommends the practice that all in-kind donations are verified by a financial professional for their tax-deductible value.*

*\* Any single in-kind donation greater than 15K in value must be verified by a financial industry professional for it to be a tax-deductible value prior to donation.*

- h. Report your disbursed fiscal sponsorship funds as income to the IRS in your LLC's tax return based off the SLFW end of year report and 1099.
- i. Return any Financial Sponsor Grant monies unused for qualified expenses for the designated project to SLFW grant fund within 90 days disbursement.
- j. Retain all tangible or intangible property, including copyrights, obtained or created by Project as part of this Project will remain the property of the Artist.
- k. List SLFW with a back end "Special Thanks to St. Louis Filmworks, Fiscal Sponsor" credit. Please use our logo whenever possible. You can find our logo files and style guide [HERE](#).

6. **SLFW will ...**
- a. Create a restricted designated account for the collection of charitable gifts, grants and contributions to be used for the grant recipient's designated project.
  - b. Record and manage all cash and in-kind donations for the awarded project.
  - c. Grant all qualified amounts to the recipient (or responsible legal entity) that SLFW may receive from Donors for the Project to the recipient, less our programs administrative handling charges.
  - d. Send the recipient monthly financial reports of donations collected on their behalf.
  - e. Transfer the grant funds collected to-date by the last day of each month the project is active to the recipient minus administration fees and direct expensed paid on behalf of project.
  - f. Send donors their tax-deduction letters needed to claim the tax deductions.
  - g. **Monitor all projects for appropriateness of expenditures and budgetary solvency and routinely reviews project fund balances down to the level of individual grants.**
  - h. **Reports all income of the Fund on its IRS Form 990 annual tax return.**

### Who Can Apply?

St. Louis Filmworks supports emerging storytellers that further our mission; including interactive media, podcasts, film festivals and more. Applicants are NOT required to film their entire movie in the Greater St. Louis area. However, applicants must plan to utilize as many the resources, crew and local talent as possible within the greater St. Louis region's film and entertainment ecosystem in prepping, producing and distributing the designated project for the Fiscal Sponsorship.

### Eligibility

- Project must represent an artistic contribution to the film or media art form
- The applicant must be a producer and/or director of the project, must hold artistic, budgetary, and editorial control, and must own the copyright of the proposed project.
- The project may be in any stage of development, production, post production or distribution.
- Projects must be seeking funding from individual, foundation, government or corporate sources that give only to nonprofit organizations with IRS tax-exempt status.
- Crowdfunding campaigns to be combined with fiscal sponsorship are also eligible.
- Applicant does not need to live in the United States or be a U.S. citizen to apply for fiscal sponsorship. If you are located outside of the US please contact [info@stlouisfilmworks.org](mailto:info@stlouisfilmworks.org) to discuss how we can work with you.

## How to Apply

Financial Sponsorship applications are accepted on a rolling basis through our online application form <https://form.jotform.com/230375082832050>. Applicants must submit the following materials for consideration with your complete application form: (Please see our application form for more details)

- Project Title and Log Line
  - Key Creative Personnel Bio
  - Project Treatment / Proposal / Plan
  - Fundraising Strategy
  - Budget
  - Work Sample
  - A non-refundable application fee of \$45\*
- *Please do NOT include your script with your application. As much as we would like to read your script, we do not have the bandwidth to read scripts for every application.*

## Project Review Criteria

St. Louis Filmworks Financial Sponsorship Grant Program (FSGP) is looking for unique projects from talented filmmakers ranging from first-time directors to those more firmly established in the indie film community. The project's viability, both financial and artistic as well as your team's collective expertise and the overall proposal presentation, will be considered by our review committee.

We will also be seeking projects that will utilize our local film and media production ecosystem as much as possible. Our ultimate goal is, however, to work with you to get your film funded, finished and seen. Your written proposal and budget should show us how you plan to make that happen.

## Elements we look for in a project we will sponsor:

- Project tells a compelling story
- Project takes an innovative approach to the subject matter
- Project director has the access required to tell the story in a compelling way
- A well-written proposal that follows the application instructions and gives a clear picture of the film's story and themes
- Project director and/or team are experienced and capable of completing the project
- Audience is identified with a realistic plan for reaching and engaging that audience
- Project has a realistic and well-planned fundraising strategy for using fiscal sponsorship, fundraising outside of the fiscal sponsorship program, and a reasonable chance of raising sufficient funds to complete the project
- Industry standard formatted budget is thorough and realistic

## Program Fees

1. SLFW basic annual membership is required to participate in the program, **\$75** annual fee.
2. A one-time Fiscal Sponsorship Application Fee of **\$45**
3. SLFW Admin fee of up to 5%\* on per donation amount. (See Sliding Scale below)

Donation \$	Adm Rate	Donation	Admin Fee	Grant TL
< \$249K	5%	\$ 10,000	\$ 500	\$ 9,500
\$250K - \$499K	4%	\$ 250,000	\$ 10,000	\$ 240,000
\$500K - \$999K	3%	\$ 500,000	\$ 15,000	\$ 485,000
>1 Mil	2.5%	\$ 1,000,000	\$ 25,000	\$ 975,000

\* An additional \$25 flat rate administrative costs may be deducted from your monthly cash donations if your In-Kind donations that exceeds ten donated services a month to cover the additional admin costs.

4. Online donations incur a credit card processing fee of 2.2% plus \$0.30 for each transaction. This fee is passed on from the credit card processor and is not a SLFW fee. Online donors have the option of covering the Paypal or other digital wallet fees.
5. Email [info@stlouisfilmworks.org](mailto:info@stlouisfilmworks.org) for ACH, wire or Zelle instructions, account numbers are not posted online.
6. Bounced Checks will incur usually a \$25 fee that will deducted from project funds.
7. All fees are subtracted from the gross amount before SLFW receives the funds. SLFW is not responsible for changes in the credit card fee.

	SLFW	SLFW	Stripe	Stripe	Stripe	Stripe/Plaid	Paypal	Paypal	Venmo	Apply Pay	Google Pay	PNC
	Appl. Fee	Admin Fee	CC %	Per Trans	Amex	ACH	Fee	Per trans.	ACH/Debit	Debit / CC	Debit / CC	Wire Transfer
Domestic Fees	\$45	2.5-5%	2.2%	\$ 0.30	3.5%	0.08 (\$5 cap)	2.0%	\$ 0.49	0.08	0-2.5%	0-2.5%	\$45 Per Trans.
Distribution Processing Time	1x	Mthly	3 BD		3 BD	7 BD	0-3 BD		0-3 BD	0-3 BD	0-3 BD	0-3 BD
Max per Day/Week Limit						2K pt / 10K pw						5K pd / 10K pw

8. Applicants utilizing SLFW Fiscal Sponsorship to apply for other **3<sup>rd</sup> Party Grants** will incur a **Flat Rate Administration Fee of \$50** for each grant applied for whose awarded grant funds flow through SLFW.

## Acceptable Donations:

### 1. Monetary

An **individual** or **business** may make a monetary donation to SLFW and designate it our Financial Sponsor grant recipient. It will be 100% tax deductible **so long as** there is if no goods++ or services are given in exchange for the donation by SLFW.

However: If the donor is given any product or service in exchange for their monetary donation, face value or costs of the product or service provided must be subtracted from the value of the donated product or service total on their tax-deductible letter.

- For example ... If the donor is provided two tickets (valued at \$10 each) to the premier of the artist's movie for a \$50 donation, the donor would only be allowed to take a tax deduction of \$30 (\$50 - \$20 ticket value = \$30)

### 2. In-Kind Donation

An **individual** or **business** may donate any products or services to SLFW for a designated FSGP recipient so long as no good or services were given in exchange for that donation.

However: If the donor is given any product or service in exchange for their in-kind donation, the face value or costs of the product or service provided must be subtracted from the value of the donated product or service total on their tax-deductible letter.

- For example ... If the donor is provided two tickets (valued at \$10 each) to the premier of the artist's movie for donating the use of their car for filming valued at \$500, the donor would only be allowed to take a tax deduction of \$480 (\$500 - \$20 ticket value = \$480)
  - SLFW recommends all in-kind donations be reviewed by a financial professional to verify tax-deduction value.
  - Volunteered time by crew is not considered tax-deductible. However, see Barter Services below for donation of services.

**Helpful Tip:** Individuals do NOT have to claim payment for the rental of their property as 'other income' on their tax return for up to two weeks of use for a film or media production.

### Donor Payment Options:

SLFW accepts - Cash, Check, Credit Card, Paypal, Digital Wallet (Google & Apple Pay), Text Link Payments, ACH Bank and Wire Transfers

**Distribution of Funds:**

1. The Artist must supply the Sponsor with the Project's dedicated bank's account name, type of account, routing number and account number to the Sponsor within 30 days of being approved for the Sponsor's Financial Grant program.
2. The Sponsor shall collect donated funds up to the 25<sup>th</sup> of each month and distribute the current month's total through a bank-to-bank transfer to the Project's bank account identified by the Artist on the last day of each month the project is active.
3. The Sponsor will maintain books and financial records for the Project in accordance with generally accepted accounting principles. The Project's revenue and expenses shall be separately recorded in the books of the Sponsor.
4. The Sponsor shall send the Artist monthly financial reports of donations collected on their behalf and deposited in the Project's designated account.
5. The Artist may submit a **special distribution request form** if funds are needed to meet a specific payment deadline. Approval of request will be left to the sole discretion on the Sponsor.
6. Artist and Sponsor will maintain all financial records relating to the Project according to generally accepted accounting principles, retain records as long as is required by law, and make records available to auditors as required by law.

## FAQ's

### 1. Does having a fiscal sponsor make me or my project a nonprofit or a 501(c)(3)?

No. Having a fiscal sponsor does not make an individual or project a nonprofit or a 501(c)(3). Only the IRS can make a 501(c)(3) ruling.

### 2. What mentions of payment can a donor utilize as a Fiscal Sponsor?

SLFW accepts - Cash, Check, Credit Card, Paypal, Digital Wallet (Google & Apple Pay), Text Link Payments, ACH Bank and Wire Transfers

### 3. What are the Fees associated with a SLFW Fiscal Sponsorship?

- A one-time Fiscal Sponsorship Application Fee of **\$45**
- SLFW Admin fee of up to 5%\* on per donation amount.
- Credit Card / Wire Transaction fees\* - these are pass through fees that generally run 2.2% plus .30 cents per transaction.

\* See **Program Fees Section** for Admin Fee Scale and Transaction Fees

### 4. What does the fiscal sponsorship fee and application fee cover?

A fiscal sponsorship program creates a significant amount of administrative, legal, and accounting work. The fee covers our administrative and related overhead costs.

### 5. Where do donors send checks for my project?

**Checks MUST be made out to: St. Louis Filmworks**

Have donors write (**Your Project Title**) on the check Memo Line

Mail Checks to:      **St. Louis Filmworks**  
**5062 Winona Avenue,**  
**St. Louis, MO 63109-2456**

### 6. Does SLFW have any creative control over the sponsored project.

The fiscally sponsored project remains a separate entity retaining creative control. The fiscal sponsor does not take any ownership of any part of the results of the project's work.

### 7. Will SLFW help me with our fundraising campaign?

As your Fiscal Sponsor, SLFW will ...

1. Set up a donation website for your project on the GiveLively platform.
2. List the website under our Fiscal Sponsorship campaign page and announce rewarded fiscal sponsored project on our social media account.
3. Provide a Funding Strategy Course as well as feedback and advice on your funding strategy.

SLFW does NOT actively campaign for donations for your project. This is the responsibility of the recipient and the reason why we required a budget and funding plan in our application process to ensure you are prepared to reach your funding goals.

#### **8. How and when are tax receipts sent to donors?**

In compliance with IRS rules, tax receipts for donations are issued for the amount SLFW receives after credit card fees, if applicable, are deducted. SLFW will send donors their tax receipt in PDF format by email at the end of each month. For online donations the tax letter is immediately emailed from the GiveLively platform.

#### **9. How do I account for project funds received on my taxes?**

Funds received via fiscal sponsorship are considered income by the IRS. You are responsible for accurately reporting this income to the IRS. Individuals and LLC's will receive a 1099 by January 31 each year. SLFW will send you a report by February of each fiscal year detailing the funds you received in the previous fiscal year.

You are responsible for maintaining your own financial records. We advise everyone to consult a tax professional about the tax implications of receiving funds through fiscal sponsorship. Keep all receipts and payment records to show how the funds are spent on project expenses. The IRS determines your tax rate based on your individual or company taxes and income. Funds raised but not yet paid to a project are not considered taxable income as long as SLFW holds the funds.

#### **10. I do not live in the US and don't have a US tax ID, how do I get one?**

An EIN is a nine-digit number (for example, 12-3456789) assigned to employers, sole proprietors, corporations, partnerships, estates, trusts, certain individuals, and other entities for tax filing and reporting purposes. Anyone can apply for an employer identification number (EIN). SLFW is not qualified to answer questions on behalf of the IRS so please direct any questions about the EIN application process to the IRS.

#### **11. Who is responsible to pay the project expenses?**

SLFW distributes donated grant money to the sponsored project, the project creators pay all the project expenses directly.

## **12. What happens to unused money granted by SLFW for the sponsored project?**

SLFW monitors all projects for appropriateness of expenditures and budgetary solvency and routinely reviews project fund balances down to the level of individual grants. All funds granted by the Fiscal Sponsor (SLFW) must be used on the designated project. Any money NOT used within 90 days of disbursement must be returned to the SLFW Fiscal Grant program fund.

## **13. Can we have both a Fiscal Sponsorship and Investors for our project?**

A Donor can NOT receive profits from the project. Fiscal Sponsor donors contribute money to your project through SLFW and receives a tax-deduction receipt in return but no profit or ownership in the project.

An Investor contribute money to your project with the intention of receiving their investment principle, plus a return at the end. An investor can NOT contribute their investment through SLFW to receive a tax receipt for invested funds.

## **14. Can I apply for fiscal sponsorship if I have more than one project?**

Yes, but each project must apply for sponsorship separately and have a separate TFC membership. If you are applying for sponsorship of more than one project, we will need to see that you have sufficient resources, staff and organization to manage multiple projects at the same time.

## **15. Does SLFW accept matching donations?**

Yes. Many companies have matching gift programs and can help you double your donation to a project of your choosing. Sometimes these programs will match a donation up to a year after it was originally made. Donors should check with their employer—if they have a matching gift program, the employer will provide instructions, every company has their own procedure. You or your donor can look up companies [HERE](https://doublethedonation.com/match/voices4freedom-a4wJ4?mpid=qwm0xd):

<https://doublethedonation.com/match/voices4freedom-a4wJ4?mpid=qwm0xd>

## **16. What is SLFW full legal name and Tax ID?**

**St. Louis Filmworks** is a 501c3 organization. Tax ID: **EIN# 37-1977670**

Mailing Address: **5062 Winona Avenue, St. Louis, MO 63109-2456**

For more information or additional questions, please contact SLFW – Attention: Financial Sponsorship Department at [info@StLouisFilmworks.org](mailto:info@StLouisFilmworks.org).

## Notices

*The Sponsor reserves the right to modify or amend (a) the Guideline at any time, provided that such modification or amendment shall be effective twenty (20) business days after (x) written notice (either in writing or by email) describing such modification or amendment is provided to the Artist and (y) the modified or amended Guideline are published on the website described in this paragraph 25 and (b) this Agreement at any time, provided that any modification or amendment of this Agreement shall be effective forty (40) business days after (x) written notice (either in writing or by email) describing such modification or amendment is provided to the Artist and (y) the modified or amended Agreement is published on the website described in this paragraph 25. Notwithstanding the foregoing, this paragraph 25 and the Guidelines that relate hereto shall not be modified or amended without the prior written consent of the Sponsor and the Artist. By signing below, both parties agree to execute this Agreement on the day and year first written above.*