

Federation of Community Councils
Fiscal Sponsorship Policy
July 2024

The Federation of Community Councils (FCC) is recognized as the Project Sponsor.

1. Mission & Purpose

- 1.1. The fiscal sponsorship mission of the FCC is to support the community councils in their mission to involve citizens in the governmental process, represent the diverse interests of their area, resolve community issues, or advise the city on policies. The FCC resolves to do this through fiscal sponsorship that follows the federal, state, and local guidelines set out for nonprofits.
- 1.2. The FCC acknowledges that as a 501(c)3, it is responsible for a higher standard of integrity as a steward for charitable, taxpayer, and other funds entrusted to it for the public benefit, and on behalf of the long-term interests of the community councils.
- 1.3. The FCC, through its programs, services, staff, and decisions, works to promote the benefit of the public.

2. Legal, Tax, & Regulatory Compliance

- 2.1. **The FCC is an incorporated non-profit entity and understands it is required to follow federal and state law and remain in good standing.**
- 2.2. The FCC will only engage with projects that support the FCC mission and follow federal, state, and local laws.
- 2.3. The FCC, when overseeing public policy activities of its projects, complies with federal, state and local lobbying limitations and reporting requirements and informs its project leaders and staff of such requirements.

3. Fiscal Integrity

- 3.1. Financial Solvency and Resilience. The FCC maintains sufficient financial resources to assure continuous, uninterrupted operation.
- 3.2. Annual Budget. The FCC prepares an annual administrative operating budget that is reviewed and approved by its board of directors.
- 3.3. Uses of Project Funds and Assets. The FCC, with the exception of the agreed-upon administrative overhead charges to sponsored projects, and the exercise of its variance powers, does not expend funds dedicated for project purposes for any other purpose, unless ordered by a court of law or government agency.
- 3.4. Responsibility for Specific Costs. The FCC discloses any charges outside administrative overhead, such as bank fees, or those for fee-for-service activities, for which projects are liable.
- 3.5. Systems for Handling Funds. The FCC, for all funds in its care, establishes and maintains sound systems, policies, procedures, and internal controls that are based on generally accepted financial and accounting principles and regulations including project expense sign offs and approvals; written project agreements; and clear, line-item project budgets covered under written agreement elsewhere.
- 3.6. Project Fund Accounting. The FCC establishes and maintains the means to account for and report on each of its sponsored project's funds separately, providing regular and timely fund documentation to project leaders for

management, stewardship and reporting purposes. The FCC maintains the capability of reporting project financial activity at multiple levels of specificity, including down to the level of individual grants.

3.7. Project Fund Monitoring. The FCC monitors all projects for appropriateness of expenditures, for 501(c)3 compliance and for fiscal solvency, and routinely reviews project fund balances down to the level of individual grants.

4. **Administrative & Operational Integrity**

4.1. Operational Policies and Procedures. The FCC maintains clear written operational policies and procedures for the fiscal sponsorship program, orienting all project leaders about their intent and practical implementation.

4.2. Sufficiency of Staffing. The FCC hires, trains, and develops operational staff, management, and leadership necessary to operate its fiscal sponsorship program, subject to appropriation.

4.3. Compliance with Terms of Grants and Contracts. Fund disbursement will occur only after The FCC ensures that projects comply with financial and administrative requirements of grants and government contracts.

4.4. Legal Signatory. The Executive Director and/or FCC Chair is responsible for reviewing, approving, and signing all grant contracts.

4.5. Document Retention.

4.5.1. The FCC retains and protects its financial and personnel records, required minutes of board meetings, and all other documents in accordance with all applicable laws.

4.5.2. The FCC retains and protects financial records pertaining to its fiscally sponsored projects in accordance with all applicable laws.

4.5.3. The FCC retains and protects all grant records in accordance with grant requirements.

4.6. Unallowable Activities for sponsored projects.

4.6.1. Discrimination.

4.6.1.1. The FCC and Sponsored Project will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, age, sex, sexual orientation, gender identity or marital status or who is a "qualified individual with a disability" (as that phrase is defined in the Americans With Disabilities Act of 1990). The FCC and Sponsored Project will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, or mental or physical impairment/disability. Such action shall include, without limitation, employment, upgrading, demotion or transfer, recruitment or recruiting advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The FCC and Sponsored Project agrees to post, in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

4.6.1.2. The FCC and Sponsored Project shall state, in all solicitations or advertisements for vendors to work under this agreement, that all qualified applicants will receive equal consideration for employment

without regard to race, color, religion, national origin, ancestry, age, sex or marital status, or mental or physical impairment/disability;

- 4.6.1.3. The FCC and Sponsored Project shall comply with any and all reporting requirements that applies, that the Anchorage Office of Equal Employment Opportunity Contract Compliance may establish by regulation;
 - 4.6.1.4. The FCC and Sponsored Project shall include the provisions of this section in every subcontract or purchase order under this agreement, so as to be binding upon every such subcontractor or vendor of The FCC and Sponsored Project under this agreement, and:
 - 4.6.1.5. The FCC and Sponsored Project shall comply with all applicable federal, state and municipal laws concerning the prohibition of discrimination including, but not limited to Title 5 and Title 7, Chapter 7.50, of the Anchorage Municipal Code.
- 4.6.2. Conflict of Interest.
- 4.6.2.1. No member of the Board of Directors shall cast a vote on any matter which could financially benefit such member, or any organization such member may represent;
 - 4.6.2.2. Each member shall avoid organizational conflict of interest, and all personnel shall avoid personal conflict of interest and appearance of conflict of interest in activities involving the procurement of grant funds; and
 - 4.6.2.3. No funds shall be paid to any non-governmental individual, institution or organization to conduct an evaluation of the grant if such individual, institution or organization is associated with the grant as a consultant or technical advisor.
- 4.6.3. Gifts and Kickbacks.
- 4.6.3.1. No officer, employee or agent of The FCC and Sponsored Project shall solicit or accept gifts, gratuities, favors, or anything of monetary value from any actual or potential sub-recipient, contractor, community council, or other individual served through the grant. For purposes of this section, the definition of gift shall be interpreted in accordance with the Municipal Ethics Code, AMC 1.15.050. This section of the Ethics Code is attached as Appendix
- 4.6.4. Nepotism.
- 4.6.4.1. The FCC and Sponsored Project shall not hire a person in an administrative capacity or staff position under the grant if a member of that person's immediate family is engaged in an administrative capacity for the FCC and Sponsored Project or is a member of the Board of Directors. The term "immediate family" means: wife, husband, son, daughter, mother, father, brother, brother-in-law, sister, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, aunt, uncle, niece, nephew, step-parent, and step-child. The term "person in an administrative capacity" includes those persons who have overall administrative responsibilities for a grant including all appointed or elected officials who have a responsibility for obtaining and/or approval

of any funds received.

4.6.5. Political Patronage.

4.6.5.1. There shall be no selection of vendors or contractors based on political patronage or affiliation.

4.6.5.2. The FCC and Sponsored Project agrees that it shall not expend any municipal funds for the support, opposition, or endorsement of candidate(s) for any state or municipal office, or endorse or oppose any candidate(s) for state or municipal office even if such endorsement or opposition does not require expenditure of funds.

4.6.6. Limitations on Religious Activities.

4.6.6.1. The FCC and Sponsored Project agrees that if it represents that it is, or may be deemed to be, a religious or denominational institution or organization or an organization operated for religious purposes which is supervised or controlled by or in connection with a religious or denominational institute or organization, that in connection with all services provided under this grant agreement:

4.6.6.1.1. It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;

4.6.6.1.2. It will not discriminate against any person applying for such services on the basis of religion and will not limit such services or give preference to persons on the basis of religion.

4.6.6.1.3. It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing and exert no other religious influence in the provision of such service.

4.6.6.1.4. The portions of a facility used to provide such services under this agreement, in whole or in part, shall contain no sectarian or religious symbols or decorations.

5. Assessing and Selecting Projects

5.1. Mission Fit. The fiscal sponsorship mission of the FCC is to support the community councils in their mission to involve citizens in the governmental process, represent the diverse interests of their area, resolve Community Issues, and/or advise the city on policies. The FCC resolves to do this through fiscal sponsorship that follows the federal, state, and local guidelines set out for exempt organizations.

5.2. Project Assessment Criteria and Guidance.

5.2.1. All projects and funding under the Fiscal Sponsorship Agreement must be reviewed and approved by the Executive Director.

5.2.2. Fiscal Sponsorship will only be available to Assembly recognized Community Councils of Anchorage.

5.2.2.1. Other groups or persons wishing to engage with the FCC in fiscal sponsorship are required to partner with a community council.

5.2.2.2. The community council chair or president will be the project leader and primary contact listed for any project and shall assist in oversight of

funding.

- 5.2.2.3. Groups or persons organizing for the purpose of obtaining Assembly recognition must get prior authorization by the FCC Executive Committee before fiscal sponsorship can be provided.
 - 5.2.3. No Projects can have employees. Any staff must be temporary independent contractors for services.
 - 5.2.4. Any payment expected to be in excess of \$600 will need to provide a W9 before payment can be made.
 - 5.2.5. Proof of Workman's Compensation may be required.
 - 5.3. The FCC will endeavor to accept all Sponsored Projects that support the work of Community Councils. However, the FCC retains the right to refuse projects, in its sole discretion.
 - 5.4. Project Leadership Fit. The FCC shall evaluate the capability, potential, experience, and integrity of project leaders to assure a constructive, mutually respectful working relationship between FCC staff and project leaders.
 - 5.4.1. Projects are required to keep the FCC apprised of a primary contact with a working phone number and email address.
 - 5.4.2. Changes in primary contact without notifying the FCC within two weeks could result in closure of the project.
 - 5.4.3. Lack of response from primary contact or delegate within one month could result in closure of project.
 - 5.4.4. The FCC retains the right to refuse projects if regular communication with the project leader cannot be maintained or the project leader has previously proven unreliable.
 - 5.5. Project Sponsorship Application. The FCC requires sponsorship applicants to submit a detailed written project plan that articulates the civic, social, and/or community benefits the project intends to pursue.
 - 5.6. Sponsored Projects must submit a scope of work and any relevant grant application paperwork to the FCC prior to submitting the application to a grantor.
 - 5.7. Application must be submitted by or with the approval of the council chair or president.
 - 5.8. Sponsored Projects must agree to a 6% administration fee for projects and donations up to \$100,000 and 4% administration fee above \$100,000. This fee must be built into any budget submitted to the grantor.
 - 5.9. Letters of tax deduction – IRS Receipt – will only be provided to donations of an individual gift over \$250.
 - 5.10. Applications must be signed by the Executive Director or FCC Chair.
 - 5.11. Written Mutual Understanding. Any community council wishing to partner with the FCC for a Sponsored Project must have a Memorandum of Understanding (MOU) on file prior to any sponsorship taking place.
 - 5.11.1. MOUs must be re-signed within 90 days of the election of a new chair or president.
 - 5.11.2. Sponsored Projects are obligated to adhere to the FCC fiscal sponsorship program's policies and operational procedures.
- 6. Commitment to Projects**

- 6.1. Responsibility. The FCC acts as the legally accountable organization that maintains a restricted fund for the benefit of the purposes of its mission-driven Sponsored Projects.
 - 6.2. Financial Oversight. The FCC commits to timely reporting on the projects restricted funds to grantors and project leaders.
 - 6.3. Relating to Project Funders. The FCC, in partnership with project leaders, seeks to assure that project funders receive the timely, accurate and comprehensive reports on project performance that they require.
 - 6.4. Sponsor-Donor Communication. The FCC communicates as necessary and appropriate with project donor(s), institutional grantors, or funding agency(ies) in ways that supplement project leader communications.
 - 6.5. Continuous Reciprocal Communication. The FCC establishes and maintains processes for ensuring frequent communication between sponsor administrative staff and project leaders analyzing and addressing issues critical to the success of the project.
 - 6.5.1. The FCC requires being included on any communications with grantor and sponsored projects relating to the fiscal sponsorship of the project.
 - 6.5.2. The FCC will reach out to the sponsored project before any report is made to the grantor to inquire on changes to the project.
 - 6.5.3. The FCC staff and sponsored project must meet at least once yearly to communicate about project status.
 - 6.6. Training, Counsel and Technical Assistance. The FCC will endeavor to make available to project leaders, staff and volunteers training, counsel and technical assistance relevant to the pursuit of project success.
 - 6.7. Disposition of Project Assets. The FCC, when terminating or separating projects, will consult with the original donors where appropriate or required; transfer remaining restricted funds and/or project assets to a successor; and/or otherwise reach a responsible decision about disposition of remaining project assets that concurs with the original purposes for which they were acquired.
- 7. Expectations of Projects**
- 7.1. Ethical Conduct. The FCC expects that all project personnel will act with high standards of ethical conduct.
 - 7.2. Active Project Fundraising. The FCC expects project leaders to conduct the primary work of resource development.
 - 7.2.1. Donations
 - 7.2.1.1. Donations must be made out to “Federation of Community Councils, Inc”.
 - 7.2.1.2. Donors can denote the Community Council they wish the funding to go towards.
 - 7.2.1.3. Donations will otherwise be considered for general use and not restricted.
 - 7.2.1.4. Donations will be held in a bank account overseen by the FCC and allocated for Community Council donations.
 - 7.2.1.5. The FCC will keep record of donations and expenses.
 - 7.2.2. Bank Accounts
 - 7.2.2.1. No bank accounts may be established or continue to operate using

the FCC EIN number outside of accounts created and controlled by the Executive Committee and Executive Director.

7.2.3. Grants

7.2.3.1. Grants will be primarily provided through reimbursement.

7.2.3.2. Grant funds shall be held in FCC accounts and not in accounts outside FCC control.

7.3. Project Reports. The FCC expects project leaders to assume responsibility for reporting orally and in writing to the FCC and project donors, and for maintaining relationships with donors.

7.4. Project Requests for Payment.

7.4.1. Sponsored Projects wishing to submit for reimbursement must provide the original receipt to FCC as soon as possible.

7.4.2. The Executive Director will review all requests to confirm they comply with the mission of the FCC, 501(c)3 tax requirements, and any other funding requirements.

7.4.2.1. Any denial of a request can be reviewed by the FCC Executive Committee by request of the project leader.

7.4.3. Receipts cannot be submitted against multiple grants or funding sources.

7.4.4. Receipts must be notated to include the name of the project, which funding source they wish to be used against, the full name, the physical address, the email address, and phone number of the purchaser.

7.4.5. Receipts must have the total, the vendor, the date of purchase, and an itemized list of items purchased.

7.4.6. Reimbursements cannot be made for alcohol, cigarettes, or personal use unless strictly listed in the grant.

7.4.7. Fuel or fuel cards reimbursements must list the number of gallons, the price per gallon, and the total.

7.4.8. Reimbursement checks will be made out to the purchaser.

7.4.9. Payment to contractors and vendors must have a W9 and Workman's Comp on file, if applicable, before the check will be mailed.

7.4.10. Requests of \$600 or more will require a W9 on file for the purchaser.

7.4.11. Checks will be mailed either to the purchaser or be available for pickup during business hours at the FCC office.

7.4.12. Checks will be made on a net-30 basis, after reimbursement by the grantor is finalized.

7.5. Request for usage of donations held by FCC.

7.5.1. The Project will follow any appropriate FCC policies regarding reimbursement request, check request, or petty cash requests.

7.5.1.1. The Executive Director will review all requests to confirm they comply with the mission of the FCC, 501(c)3 tax requirements, and any other requirements.

7.5.1.1.1. Any denial of a request can be reviewed by the FCC Executive Board by request of the project leader.

7.5.1.2. Reports on the status of the funds will be created annually by the FCC staff and submitted at the end of the calendar year. They will be

provided to the project leader in the first quarter of the following year.

7.5.1.2.1. Additional reports can be requested by a project leader with 15-day notice.

7.6. Public Policy Engagement. The FCC provides and expects project leaders to understand and comply with the required legal and ethical guidelines when engaging in lobbying and public policy advocacy activities.

7.6.1. The FCC recognizes a lobbyist as defined in Alaska Stat. § 24.45.171.

7.6.2. The FCC follows US Code 26 U.S.C. § 4911 and all other relevant codes in regard to possible lobbying.

7.6.3. The FCC will not accept projects or donations for the purposes of paid lobbying, nor will the FCC approve expenses for lobbying within projects.

7.7. Disclosure and Communication of Project Status. The FCC requires projects to clearly disclose and state in writing their affiliation with the FCC in all grant proposals, solicitations, and published or online materials.

7.8. Injurious Activities. The FCC expects that no project will knowingly engage in any activity that jeopardizes the sponsor's corporate, nonprofit or tax -exempt status or otherwise creates injurious liability.

7.9. Dispute Resolution. The FCC, while retaining full legal and fiscal control of restricted funds, works to fairly resolve disputes that may arise between the FCC and project leaders.

7.10. Indemnification & Hold

7.11. Project Termination and Separation. The FCC has a process through which FCC staff and project leaders discuss the timing, steps and procedures for separating or terminating the project.

7.12. The FCC will follow grant and funding guidelines for project termination and separation.

7.13. The FCC will follow community council by-laws regarding donations for separation and termination.