

FY27 Capacity Building Grant Fiscal Sponsor Guidelines

An organization conducting nonprofit work without federal tax-exempt status, or with fewer than two full and consecutive years of operating with its own independent governing board, may be eligible to apply for a City of San Diego (City) Capacity Building Grant – Community Growth Track for a nonprofit project using a fiscal sponsor who satisfies the necessary requirements.

If Using a Fiscal Sponsor to Apply for Funding:

1. Applicant Organization Requirements*

- ENTITY STATUS: Must not be an individual; the City does not accept applications from individual applicants for the Capacity Building Grant.
- SERVICE AREA: Must maintain principal or administrative offices in San Diego County and/or office(s) providing the Capacity Building Grant-funded activity in the City of San Diego.

2. Fiscal Sponsor Requirements**

- NONPROFIT STATUS: Must hold tax-exempt nonprofit status under section 501(c)(3) or 501(c)(6) of the Internal Revenue Code at the time of application.
- HISTORY OF OPERATIONS: Must have at least two full and consecutive years of operating with its own independent governing board.
- REGISTRATION: Must comply with all required state and federal registrations including, but not limited to, California Attorney General Registrar of Charitable Trusts, California Secretary of State Business Registry, and evidence of non-debarment via the System for Award Management (SAM). All registrations must be current and active during the period of performance.

3. Relationship Between the Applicant Organization and the Fiscal Sponsor

- The applicant organization--not the fiscal sponsor--will be considered by the City as the applicant, and therefore will be required to develop and execute the proposed project and to complete all required project reporting requirements.
- All application materials and information (except for those required below) should be representative of the applicant organization and its project.

4. Fiscally Sponsored Funding Application Requirements

For all Fiscally Sponsored Applicants:

- LETTER OF AGREEMENT: The applicant organization must submit a letter of agreement jointly signed and dated by the applicant and an authorized fiscal sponsor representative that outlines the nature of the fiscal sponsorship agreement, terms, and expectations of each party. The letter of agreement must indicate the following:

- Legal name of fiscal sponsor
 - Fiscal sponsor's federal EIN
 - Fiscal sponsor's representative name and contact information
 - Fiscal sponsor's address and San Diego City Council District (if applicable)
 - Number of years the fiscal sponsor has held tax-exempt nonprofit status under section 501(c)(3) or 501(c)(6) of the U.S. Internal Revenue Code
 - Confirmation of fiscal sponsor's two full and consecutive years of operating with its own independent governing board
 - Acknowledgement of the financial and legal obligations between the fiscal sponsor and the applicant and
 - Confirm the fiscal sponsor's agreement to serve throughout the full term of any resulting Capacity Building Grant financial assistance agreement with the City.
- **NONPROFIT STATUS DOCUMENTATION:** The applicant organization must submit in their application the fiscal sponsor's IRS 990, 990-EZ or 990-PF form.
 - **REGISTRATION:** The applicant organization must ensure that the fiscal sponsor holds current and active registrations with the California Attorney General Registrar of Charitable Trusts, California Secretary of State Business Registry, and evidence of non-debarment via the System for Award Management (SAM).
 - **ADMINISTRATIVE CAPACITY & GOVERNANCE PRACTICES:** The applicant organization must submit in their response the fiscal sponsor's administrative capacity and governance information.
 - **FINANCIAL MANAGEMENT:** The applicant organization must submit in their response the fiscal sponsor's financial management information.

5. If Applicant is Awarded Funding

- If an applicant organization is awarded funding, the applicant organization and fiscal sponsor will enter into an agreement with the City.
- Fund disbursements through a purchase order are made payable to and mailed to the applicant organization, unless otherwise agreed in writing by all parties.
- The applicant organization is responsible for carrying out the project and meeting all project reporting requirements in compliance with the agreement. Termination of the fiscal sponsor relationship between the applicant organization and the fiscal sponsor may be grounds for rescinding the award.

*Applicant must meet all other requirements specified in the FY27 Capacity Building Grant application guidelines.

**A fiscal sponsor can provide fiscal sponsorship to more than one applicant organization. Also, organizations that apply directly for the FY27 Capacity Building Grant may serve as a fiscal sponsor for one (or more) applicant organization(s) as long as such organization does not have any interest in the project(s) for which they are acting as a fiscal sponsor.