

ECRAC Fiscal Agent Guidelines FY 2016-2017

If your group has not yet received federal nonprofit, tax-exempt 501(c)(3) status, you may still apply to the East Central Regional Arts Council (ECRAC) by using another 501(c)(3) organization, a unit of government, or an independent school district as a fiscal agent. Please note that individuals do not need a fiscal agent when applying for an ECRAC individual artist grant.

Using a fiscal agent is an arrangement between a nonprofit organization with a 501(c)(3) tax exempt status, and a project, often a new charitable effort, conducted by an organization or group that does not have 501(c)(3) status. The sponsored organization or group is usually an arts organization and the art grant funded project is the sponsored project. For ECRAC grants the fiscal agent can accept funds restricted for the sponsored organization on their behalf and for the sponsored project. The fiscal agent accepts the responsibility to ensure the funds are properly spent to achieve the grant project's goals.

The fiscal agent must have complete discretion and control over the funds. This means the fiscal agent must be legally responsible for the funds. It is important for a fiscal agent and the sponsored organization to understand the exact nature of their relationship and to have a written agreement.

Fiscal Agent duties for ECRAC grants:

The Fiscal Agent is responsible for the ECRAC grant project funds of a sponsored organization (grant applicant) that does not have 501(c)(3) status;

The Fiscal Agent must retain discretion and control as to the use of the grant project funds;

The Fiscal Agent must maintain records that establish that all grant project funds were used for the approved purposes;

The Fiscal Agent status is for one grant project only and, if not, the sponsored non-exempt organization should be actively seeking its own tax exempt status.

Finding a Fiscal Agent:

To find a Fiscal Agent that is a good match for your project you will need to do some research. Start by making a list of organizations familiar with your group's work and add any that appear to have a similar purpose to your group's purpose. Then confirm the organization's 501(c)(3) status. Talk with representatives from each of those organizations and discuss your grant project for ECRAC and the fact that you need a fiscal agent. Organizations that are willing to serve as fiscal agents typically do so for a modest fee.

Fiscal Agent Agreement:

ECRAC requires that a sponsored organization grant applicant submit a Fiscal Agent Agreement in their application showing that an agreement has been formally made between the Grantee and a Fiscal Agent. The agreement must be signed by an authorizing official of the Fiscal Agent and the sponsored organization. An example is included in the ECRAC grant guidelines for organizations. However, this is only an example and applicants are not required to follow this template.

Please note that it is not an easy undertaking to find a fiscal agent and when you do so you will need to get prior approval from them on grant revisions – they are responsible for the ECRAC grant funds.

For more information on how to use a fiscal agent for ECRAC grant projects: review the grant guidelines; or contact the office by calling (320)396-2337 or by emailing info@ecrac.org.