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##### NEIGHBOURHOOD ACTION STRATEGY SMALL GRANTS PROGRAM

##### FREQUENTLY ASKED QUESTIONS FOR FISCAL SPONSORS

Through its partnership with the Hamilton Community Foundation (HCF) and the City of Hamilton, the Neighbourhood Action Strategy offers residents in the 11 NAS neighbourhoods (Beasley, Crown Point, Davis Creek, GALA, Jamesville, Keith, McQuesten, Sherman, Stinson, Riverdale, and Rolston) the opportunity to apply for a small grant to support a project or event in their neighbourhood. Each neighbourhood receives $5,000 a year to support projects and events. Small grants can range from $500 to $1,500 per project or event. For more information about the small grants application and process, please visit: [www.hamiltoncommunityfoundation.ca/NAS](http://www.hamiltoncommunityfoundation.ca/NAS)

Your organization may have been approached to act as a fiscal sponsor for a neighbourhood’s small grant application. We know you may have some questions. This FAQ is designed to help you understand what you need to know.

**What is a fiscal sponsor?**

As a public foundation, HCF is restricted by the Income Tax Act to make grants or distributions only to Registered Charitable Organizations. HCF cannot issue funds to individuals or planning teams, so grant applicants will need to partner with a registered charity (RC) who will act as their fiscal sponsor. SPRC acted as fiscal sponsor for the small grant applications for residents till December 31, 2017. Moving forward, grant applicants will have the power to choose a charitable organization of their choice to partner with – you may be asked to act as a fiscal sponsor for a neighbourhood’s small grant. The CRA requires that the mission of the charitable partner needs to align with the spirit of the small grant for them to act as your fiscal sponsor (for example: a small grant looking to organize a children’s fair would not partner with a charity that only serves seniors). CRA has requested that the relationship between the charity (fiscal sponsor) and the non-charitable organisation (the agent, in this case, the small grant applicants) be formalized and documented before a grant can be awarded.

**What are my responsibilities as a fiscal sponsor?**

As a fiscal sponsor, your RC enters into a formal relationship with the small grant applicants. This relationship must be outlined in writing. A letter of agreement outlining the partnership between grant applicants and their fiscal sponsor needs to be included with each small grant application. It is the neighbourhood’s responsibility, with the support of the CD, to ensure grant applications and the accompanying fiscal sponsor letter are completed and signed off *before* the application is submitted to HCF. The CD

and small grant applicants are responsible for submitting the final application and letter

of agreement to HCF. It is completely up to each neighbourhood to decide when they want to have the fiscal sponsor letter signed off, as long as both documents are complete and attached together when they are submitted to HCF. The fiscal sponsor should be provided a copy of your small grant. See template letter in this toolkit.

Once a grant application is received, HCF commits to processing grant applications and sending a cheque to the fiscal sponsor within two weeks. From there, it is the fiscal sponsor’s responsibility to issue ONE cheque to the neighbourhood.

It is the responsibility of the grant applicants, with the support of the CD, to submit the final report and related receipts to HCF.

**When does the money need to be spent?**

In general, small grant monies should be spent within 6 months of the cheque being issued, and the final report should be submitted within 1 month after the project or event is completed. Fiscal sponsors are NOT responsible for completing the final report or gathering receipts. This is the responsibility of the CD and grant applicants. However, while the CD and small grant applicants are responsible for the gathering and competing of receipts and reports, it is the fiscal sponsor that is ultimately accountable to HCF that the funds were spent and accounted for as approved.

**How often can my organization act as a fiscal sponsor for a neighbourhood’s small grant application?**

Neighbourhoods are able to work with an RC for more than one grant application. From our perspective however, it can be beneficial to work with multiple organizations because it gives neighbourhoods an opportunity to build deeper networks with a variety of RCs that can support their work. It is also important if residents are interested in applying for other grants with other foundations in the future – foundations and other granting bodies must follow similar CRA guidelines. The skills are very transferable beyond the NAS small grants!

**Who reviews a neighbourhood’s small grant applications?**

All grant applications are reviewed by a group of residents and their CD, as well as staff at HCF. Each neighbourhood has designed a process for review that meets their needs. Please see the small grant application and process documents for more information and talk to the CDs and small grant applicants if you are interested in learning more about the review process.

**Can I charge an administration fee?**

Typically, no. CDs and small grant applicants are responsible for the bulk of the administration related to the application. HCF encourages fiscal sponsors to provide this level of support in good faith and in support of resident engagement and community development in Hamilton. By exception, and where this work becomes burdensome, please contact the CD involved with the application. Contact information for the CDs can be found here: www.hamiltoncommunityfoundation.ca/NAS