



SAN FRANCISCO
SCHOOL ALLIANCE

**Sponsorship Policies
of the
San Francisco School Alliance
("SFSA")**

Definitions of Terms Used

Sponsorship: "Sponsorship arrangements ... arise when a person or group wants support from foundations, ... or tax-deductible donations from individual or corporate donors. By law or preference, the funding source will make payments only to organizations with 501©(3) tax status. So a *sponsor* is sought, to receive the funds and pass them on to the [person or group]. However, the IRS has a strict policy against "conduit" arrangements. When A makes a donation to B, earmarked for C, it is in reality a donation from A to C. But if C is not exempt under section 501©(3), the gift is not a tax-deductible contribution. To be deductible, the IRS requires that B (the sponsor) have "complete discretion and control" over the funds, and holds the sponsor legally responsible to see that its payments to the project further the sponsor's tax exempt purposes."¹ SFSA acts as a sponsor for groups or individuals who wish to receive funds from a donor in order to carry out a specific project that benefits the San Francisco public schools (solely, or among other benefits).

Project: the activity to be undertaken with donated funds. This can be as simple as "printing an edition of our newsletter" ... or more involved, such as an event ... or extremely complex, such as an unincorporated association of collaborative partners which hires staff to perform services.

Project Director: The person who manages the project, in order to accomplish its objectives.

Accounts Payable

Acceptable invoices attached to an SFSA Check Request form, received by 5 p.m. on any Friday will be paid and mailed by end of business on the next week's Friday. "Acceptable invoices" must be original, approved, coded documents (small receipts to be mounted on 8.5 x 11 paper). Faxed documents will not be accepted. Payment requests for independent contractors must have invoices attached that list services performed and the time period and cost of the services. It will be the responsibility

¹ Colvin, Gregory. *Fiscal Sponsorship, 6 Ways to Do It Right*. San Francisco: Study Center Press, 1993.

of each project to provide an accurate Federal Taxpayer I.D. or Social Security number for each new payee. Invoices not conforming to the above will be returned for resubmittal.

Cash Advances

Under no circumstances does SFSA advance money to projects. Deposited funds must be cleared by the bank prior to any requested draw, which may take up to two weeks.

Contracts

Project employees are not delegated signature authority for the organization except by mutual agreement in writing. Therefore, project employees may not sign contracts, agreements or other documents that may bind SFSA. SFSA can and will enter into contracts on behalf of projects. After notifying the SFSA Program Officer of the need to enter into a contract, the Project Director will identify a prospective contractor, outline the scope of work and proposed deliverables, and determine the value of the services to the Project. The SFSA Program Officer will develop and execute the contract with the provider of services. Please allow us one week to review proposed contracts.

Employees

SFSA does not allow projects to pay individuals as contractors if those individuals satisfy the IRS definition of employees. SFSA's management is available to discuss employee vs. contractor classification issues with projects.

SFSA requests that projects provide each employee with ongoing supervision, professional development and informal performance feedback, as well as an annual written performance evaluation of his/her work, prepared by his/her immediate supervisor. A copy of any formal communications with any employee and all formal performance appraisals should be forwarded to SFSA HR in a timely manner.

The Project is responsible for recommending to SFSA any employees it may wish to hire. The Project staff will manage the intake process and SFSA staff will conduct the orientation for all new employees hired, regarding terms of employment and benefits.

SFSA reserves the right to final approval on all hiring decisions. SFSA is an equal opportunity employer.

Payroll (applies to projects with employees)

ANY request to change a payroll record (pay rate, termination, regularly scheduled hours) must be communicated to SFSA at least five business days prior to the effective date of the change. In order to receive a paycheck, an employee must have submitted a completed INS Form I-9, IRS Form W-4, California Employment Development Department Form DE-4 (if applicable), and a signed acknowledgment of receipt of SFSA's personnel policies handbook, at least five business days prior to payday. SFSA will file all payroll tax returns and IRS Form W-2's. All SFSA employees will be paid via direct deposit into a bank or savings and loan account or by live check. The Project Director must sign a statement agreeing that the Project will not deviate from the personnel policies manual.

Benefits (applies to projects with employees)

No project can offer or deny benefits to its employees that differ from the personnel policies manual, without consulting with SFSA first. There may be some personnel policies which, by law, cannot vary from project to project.

Job Descriptions (applies to projects with employees)

Projects are asked to develop and maintain job descriptions for each employee, and to submit copies to the SFSA Program Officer for inclusion in the employee's personnel file.

Grants, Awards, and Scholarships Given

For any grants, awards, or scholarships given by a project, SFSA requires a copy of the signed grant agreement along with a completed check request form. The signature of SFSA's Program Officer is required for amounts over \$3,000. For amounts over \$20,000, SFSA's President's signature is required. If a grant is made to an organization that is not a 501(c)(3) charity, additional paperwork will be required. Forms and procedures are subject to the President's review.

Grants Received

SFSA's Program Officer must sign or co-sign all original grant proposals and agreements and be copied at least one week in advance on all proposals, progress

report and final report submissions. Grants involving government or public agency monies may involve very heavy reporting and auditing requirements that a project must discuss with the President in advance of acceptance.

Grant Proposals

Grant proposals must be reviewed by the project's SFSA Program Officer prior to submission. We request at least a week prior to submission deadline to review the proposal; we will gladly provide comments, feedback and edits, if requested by the project.

Donations

SFSA will accept, process, and acknowledge contributions to each project. This includes issuing receipts for tax deduction purposes. Donations may be made payable to "XXX, a project of The San Francisco School Alliance" or simply "San Francisco School Alliance." Original copies of all accompanying paperwork must be provided to SFSA with checks.

It is not SFSA's accounting staff's responsibility to meet with a project's donors and walk them through donation paperwork. SFSA's management will work with projects to educate them on the necessary forms to liquidate a noncash gift. Donations over \$250.00 will be individually receipted. Stock gifts can only be made through SFSA's designated broker.

Credit Accounts and Other Liabilities

The Project Director may not incur debts or liabilities beyond the project's ability to pay; the Project Directors is personally liable for any excess. A project's ability to pay is measured strictly by its cash balances, without including anticipated grants or contributions.

Fundraising Events

Fundraising events are very labor intensive to administer. SFSA requires at least one month's notice of any fundraising events. SFSA must approve a copy of all mailings and solicitations in advance of mailing or other distribution. The project must complete a Fundraising Checklist form prior to each event. Please remember that, other than bingo, the use of any fundraising device involving an element of chance (e.g., raffles) is currently a misdemeanor in California. SFSA's management is available to answer questions a project may have regarding fundraising activities.

Volunteers

The use of volunteers exposes SFSA to additional liability. ALL individuals who provide services to, or perform services for, a project without compensation for their time must sign the standard volunteer indemnification and release form. (Reimbursement of expenses does not constitute compensation for time spent.)

Fiscal Year

All projects must use a fiscal year ending on June 30.

Financial Statements

SFSA will provide a statement of monthly activity within 30 days after the end of each month, for each month in which there is new activity. We also welcome your calls with questions, and we are happy to provide you with additional financial detail. While we maintain this internal accounting for your program, it will be useful for you to also monitor your spending. Any corrections to a project's accounts must be requested within 30 days after receipt of that statement.

The Project must submit a budget, approved by the Advisory Board, to the SFSA Program Officer by May 31st prior to the start of each fiscal year.

SFSA will maintain accounts in "audit ready" status at all times.

Multiple Funds

The Project's funds will be "pooled" in one general ledger, for reporting purposes. SFSA has the ability to set up multiple funds, at an additional fee.

Advisory Board

The Project is encouraged to maintain an Advisory Board, to provide it oversight and guidance. The Project Director must maintain a current list of the names, addresses, and phone numbers of all members of its Advisory Board and provide it to SFSA's Program Officer. Upon request, SFSA will provide Advisory Boards with standard Articles of Association, which SFSA will register with the State of California.

Administrative Fees

Except as stated below, SFSA will charge the Project 10% of its gross receipts as an administrative fee.

The foregoing rates do not apply to receipts attributable to grants from governments or public agencies, which may be subject to a 15% administrative fee.

SFSA will charge projects a "fringe benefit fee" of 25% of any employee's salary to cover employment-related costs such as medical, dental and other benefits, payroll taxes and fees, and management staff time in administering employment services in general and specific to the Project.

Insurance Provided by SFSA

SFSA maintains general liability insurance, and workers' compensation insurance for all employees. Supplemental insurance is available on request, at the expense of the project.

Lobbying and Other Prohibited Activities

Projects are prohibited from engaging in excessive lobbying or any other activities that would jeopardize SFSA's charitable tax-exempt status. SFSA has the right to determine, in its sole discretion, what constitutes excessive lobbying by a project, or what activities jeopardize SFSA's tax-exempt status. All lobbying expenditures must be reported to SFSA.

Sponsor Identification

All project letterheads and external communications must include the identifying line, "A project of The San Francisco School Alliance."

Amendments

These policies are subject to amendment from time to time by SFSA, with the consent of Project's authorized representative.

Acknowledgment

I have received, understand, and agree to the foregoing sponsorship policies of The San Francisco School Alliance, on behalf of my project.

Project Director or Advisory
Board Chair's Signature

Name Printed

Date