

Organizations conducting nonprofit work without federal tax-exempt 501(c)(3) status can apply for CAC grants by using a fiscal sponsor. **Individuals, LLCs, and any for-profit entities cannot apply using a fiscal sponsor.**

Applicant Organization Fiscal Sponsorship Eligibility Requirements

- Must be an organization conducting nonprofit work (see our [What We Do Not Fund](#) resource document for more information); the CAC does not accept applications from individual applicants, LLCs, or any for profit entities (including ‘charitable arms or branches’)
- Must have a principal place of business in California
- Must be consistently engaged in arts programs and/or services for two years before time of application

Fiscal Sponsor Eligibility Requirements

- Must be a nonprofit organization with tax-exempt status under section 501(c)(3) of the U.S. Internal Revenue Code. Organizations without 501(c)(3) status are not eligible fiscal sponsors (ex: units of government)
- Must have a principal place of business in California
- Must be consistently engaged in arts programs and/or services for two years before time of application (*Acting as a Fiscal Sponsor to arts and cultural organizations is considered an arts service.*) Must have “active status” with the California Secretary of State (SOS) showing evidence of “good standing” at the time of application

Relationship Between Applicant Organization and Fiscal Sponsor

Fiscal sponsors must partner with the applicant organization during the grant activity period to ensure CAC funding is used in accordance with the grant contract.

It is the applicant organization’s duty—not the fiscal sponsor—to develop and execute the grant proposal activity and to complete all required grant reporting. Fiscal Sponsors are not responsible for completing any interim or final reports. All application materials and information (other than the fiscal sponsor’s IRS Form 990) should be representative of the applicant organization. This includes organization budget and references to total revenue.

The fiscal sponsor and the applicant organization must use the CAC-provided [Letter of Agreement template](#). If the CAC provided template is not used, the application will not be eligible.

After the grant application deadline, the applicant organization may not change its fiscal sponsor without an official written request and approval from the California Arts Council.

Fiscally Sponsoring Multiple Applications

An organization may act as the fiscal sponsor for multiple applicant organizations. A fiscal sponsor organization may also submit its own proposal as an applicant organization.

Fiscally Sponsored Grant Application Requirements

- Legal name of fiscal sponsor
- Fiscal sponsor's federal EIN
- Fiscal sponsor's executive leader's name, phone number, and email
- Fiscal sponsor's mailing address
- Number of years the fiscal sponsor has been engaged in arts programming and/or services
- A brief description of the history of the fiscal sponsor arts programming and/or services
- A Letter of Agreement signed by both parties using the provided CAC [Letter of Agreement template](#).
- An IRS 990, 990-EZ or 990-PF form for the fiscal sponsor; no other types of 990 forms will be accepted. CAC does not accept 990 N forms.

Fiscal Sponsor Responsibilities

If an applicant organization using a fiscal sponsor is recommended for funding, the fiscal sponsor becomes the legal contractor for the grant. The fiscal sponsor must complete and submit the California Standard Agreement (STD213) and the Payee Data Record (STD 204) with contract documents.

Grant disbursements are made payable to and mailed to the fiscal sponsor. The fiscal sponsor is responsible for distributing funds to the applicant organization. Grant disbursements are made in full to the fiscal sponsor. Upon receipt, **the fiscal sponsor is responsible for distributing the full payment (minus any fiscal sponsor fees) to the applicant organization as soon as possible.**

Termination of the fiscal sponsor relationship or violation of terms outlined in the Letter of Agreement between the fiscal sponsor and applicant organization may be grounds for rescinding a grant award.