

California Arts Council Grants Fiscal Sponsor Policy



Organizations conducting nonprofit work without federal tax-exempt (501(c)(3)) status can apply for California Arts Council (CAC) grants by using a fiscal sponsor.

Individuals, LLCs, and any for-profit entities are not eligible for CAC grants and may not 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](#) 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, LLCs, or any for-profit entities).
- 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.
- Cannot fiscally sponsor an arm or branch operating under the same organization (ex: a university fiscally sponsoring a museum with the same FEIN; a for-profit entity fiscally sponsoring a department within the same organization that operates like a nonprofit). Applicants must show that the fiscal sponsor maintains separate operations from the fiscal sponsee.

Relationship Between the Applicant Organization and the Fiscal Sponsor:

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.

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.

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

Fiscal Sponsor Responsibilities

- Serve as fiscal sponsor through the full Grant Activity Period, including any CAC-approved extensions.
- Maintain close involvement with applicant organization to ensure funding is used in accordance with the approved grant proposal.
- Be the legal contract holder for the grant, as designated in the Grant Standard Agreement (STD 213).
- Ensure all contractual documents are signed and approved by an authorized representative of the fiscal sponsor organization.
- Receive all grant disbursements from the CAC and distribute all funds to the applicant organization upon receipt, minus any agreed-upon fee.
- Update any contracting information by contacting the appropriate CAC staff for assistance with official changes.

Applicant Organization Responsibilities

- Develop and execute the proposed grant activity and complete all required reporting.

Represent applicant organization in all application materials and information (other than the fiscal sponsor's IRS 990 form). This includes application budget tables and references to total operating revenue. 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.

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.

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. The CAC does not accept 990 N forms.