



Frequently Asked Questions – Immediate Impact Grants (FYE2020)

General Information about Immediate Impact Grants

Do you restrict your giving to a particular geographic area?

Yes, as the community foundation for McLennan County, Waco Foundation awards grants to 501(c)(3) tax-exempt, nonprofit organizations that are physically located in and provide service to McLennan County, Texas.

In its pilot stage, the grassroots leadership initiative, which is intended to facilitate development of and in neighborhoods that have been traditionally underserved or underinvested in financially, will support efforts in the 76704, 76706 and 76707 zip codes only.

How often can a community/organization make a request?

General Nonprofit Projects: The Foundation does not consider itself an annual funder and as such, typically does not provide multiyear or repeat funding for a single project or initiative. Consecutive requests for the same need will be reviewed with greater scrutiny and applicant organizations will need to provide a copy of their funding plan and efforts as part of their application.

Grassroots Initiatives: The sponsoring organization is eligible to submit requests during each grant cycle, which occurs approximately 5-6 times per year. A total of \$5,000 may be requested and rewarded to any participating neighborhood/community within a fiscal year (April – March). The requested activities may be unrelated and come in the form of multiple requests. It should be noted, however, that the applicant/fiscal sponsor will have to demonstrate that the efforts collectively lend to the enhancement plans for that area.

How long is the review process for the requests?

While there may be some deviation in response times due to changes in the board meeting schedule or lengthy board deliberation, the dates for the grant cycles are as follows:

Requests received by:

July 1, 2019

January 1, 2020

Will be reviewed by:

October 1, 2019

April 1, 2020

If a funding request is not approved, how long must we wait before we can submit a new request?

New requests may be submitted each grant cycle, so if a project request is submitted but not approved, a request for a new project may be submitted at the next deadline. The Foundation recommends that the applicant connect with Foundation staff to understand the decision-making process and glean tips for aligning their subsequent request(s).

What kinds of activities are not eligible for funding through this effort?

- Efforts that are religious in nature or that benefit primarily/solely the members of one particular faith or denomination;
- The efforts of a group, organization that is not actively engaged in or willing to collaborate with other community partners;
- Annual operating expenses of established agencies including debt reduction or retirement, deficit financing, reducing operating deficits or replenishing resources used to pay for such purposes;
- Historic preservation;
- Specific individuals, except through our educational scholarships;
- Local, state or national fundraising or awareness activities (including annual fund drives, benefit tickets, event sponsoring and telephone solicitations);
- Maintenance expenses or maintenance issues created due to deferred maintenance;
- Medical or scholarly research;
- Membership fees;
- Political lobbying or legislative activities;
- Publications, videos, etc.;
- Retroactive funding for current projects, programs or equipment;
- Start-up funding for new organizations;

Information for Those Specifically Interested in Grassroots Initiatives

In order to facilitate community organizations and neighborhoods having access to financial resources, the Foundation will deliver the grants for grassroots leadership through a relationship with eligible nonprofit 501(c)(3) fiscal sponsors.

Can you explain what Fiscal Sponsorship means?

One of the simplest explanations for fiscal sponsorship was created by Charity Lawyer Blog which states: "The term 'Fiscal Sponsorship' describes an arrangement between a non-profit organization with a 501(c)(3) tax exempt status and a project, often a new charitable effort, conducted by an organization, group, or an individual that does not have 501(c)(3) status. Fiscal sponsorship permits the exempt sponsor to accept funds restricted for the sponsored project on the project's behalf. The sponsor, in turn, accepts the responsibility to ensure the funds are properly spent to achieve the project's goals".

The IRS criteria for Fiscal Sponsorship are as follows:

- “Grants/donations are given to a 501(c)(3) tax exempt organization (the sponsor) that acts as a guardian of the funds for a project that does not have 501(c)(3) status.
- The funds received by the sponsor must be used for specific charitable projects that further the sponsor’s own tax exempt purpose.
- The sponsor must retain discretion and control as to the use of the funds.
- The sponsor must maintain records that establish that the funds were used for 501(c)(3) purposes.
- The project should either be short term or the non-exempt organization should be actively seeking its own tax exempt status”.

Source: <http://charitylawyerblog.com/2010/09/17/fiscal-sponsorship-vs-fiscal-agency/#ixzz4wcevgiyl>

Which local organizations are authorized to be Fiscal Sponsors?

At present, Waco Community Development has been authorized to serve as a fiscal sponsor. The Foundation is willing to consider additional nonprofits for such positions.

What are the requirements for a nonprofit to become a sponsoring fiscal agent?

In addition to the IRS requirements listed above, the Foundation looks for the following characteristics in a partner, sponsoring agencies:

Strong nonprofits working to address community needs, which can demonstrate:

- A solid history of and capacity to continue achieving results;
- good governance and administration;
- Skilled, well-trained, capable leadership;
- Solid financial health and sustainability;
- That they are an active community partner, with a history of engaging with local collaboratives, networks and associations.

Does the fiscal sponsor/sponsoring nonprofit receive any funds for helping to process the request?

Yes. Fiscal sponsors may assess a fee of 10% of the grant total, to cover their costs for providing administrative and financial oversight and support.

It is important to recognize that the end recipient will need to work closely with the sponsoring organization to complete the application process and fulfill the reporting requirements associated with the grant.

Can a non-profit submit a request for several different community organizations?

Yes. Multiple requests may be submitted by the fiscal sponsor at the same time. The Foundation requests that the applicant only request support for one project in a particular neighborhood/community per grant cycle.

Where can we find out what projects were funded using this program in the past?

While the Immediate Impact Grant program has been operating for a few years, the support of Civic Led-Grassroots Initiatives is new. As such, there are no project examples available at this time. Organizations interested in assessing whether their efforts might be eligible for consideration should check out the project ideas mentioned below and connect with Foundation staff about their project.

The types of efforts funded by the other half of the Immediate Impact Grant program have supported things like:

- The launch of the Centex African American Chamber of Commerce’s Black Empowerment Course
- Scholarships to support access to services for limited income individuals needing access to local therapeutic riding agencies (e.g., people with disabilities, veterans)
- Facilitation of a workshop for veterans and families dealing with PTSD.
- Parent Engagement program expenses for Brook Oaks Neighborhood Association
- Girls Self-Esteem Programming for FootPrintz Dance.

What types of projects may be eligible for consideration in support of the grassroots efforts of local civic/community leaders?

The Foundation strongly encourages interested parties to connect with Foundation staff before beginning an application, as the location, timing, scope, etc. of a project may impact their interest and ability to fund.

The types of projects the Foundation would be willing to consider include but are not limited to the following:

- Facilitated neighborhood planning/visioning and (community participatory) research processes;
- Facilitated neighborhood gatherings designed to build community and networking among neighbors;
- Trainings/Workshops/Services that facilitate building the capacity of residents to plan, organize and implement community-led projects that enhance a neighborhood’s image, safety, and/or access its access to services;
- Small neighborhood improvements that are not usually eligible for coverage by government funds (e.g. sidewalk number paintings, banners and other services that lend to visibility, branding and/or identification);
- Establishment and promotion of neighborhood gardens and other efforts that aid in healthy food access and food distribution by/to area residents;

- Funds that further the collaborative work being done to address poverty issues, particularly as it relates to health, education and financial security;
- Projects that help build the capacity of neighborhood residents to create, support and/or strengthen entrepreneurial and/or innovative services in their immediate community.

Note: The Foundation's preference is not to duplicate on-going efforts. Applicants proposing services/programs that are similar to what is being offered locally will need to demonstrate how their projects align with efforts underway and their plan for engaging the intended audience(s).