

# the gotham

## Fiscal Sponsorship Program

Fees & Procedures (update: 4/2021)

### INTRO

Because many individuals, foundations, corporations, or government organizations restrict funding of independent projects to tax-exempt organizations, THE GOTHAM’s Fiscal Sponsorship program is a legal mechanism allowing filmmakers to offer donors the incentive of a charitable deduction for income tax purposes, a service an individual filmmaker could not otherwise offer.

Maintaining an active GOTHAM Fiscally Sponsored project is easy; simply keep up your GOTHAM Membership (at the Individual Level) and complete your annual Status Report each year.

This guide presents an overview of our services and policies. THE GOTHAM reserves the right to change these policies at any time. Any changes to the policies will be emailed to the primary contact for each project.

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### THE GOTHAM CONTACTS

The Gotham Film & Media Institute (Fiscal Sponsorship)  
55 Washington Street, Suite 324  
Brooklyn, NY 11201  
[www.thegotham.org](http://www.thegotham.org)  
[www.thegotham.org/apply/fiscal-sponsorship](http://www.thegotham.org/apply/fiscal-sponsorship)  
Phone: 212-465-8200

THE GOTHAM is generally open 9am-6pm Monday-Friday, but please call if you need to come by the office.

**Howard Yi**, [fiscal@thegotham.org](mailto:fiscal@thegotham.org), for Fiscal Sponsorship submissions, most questions about your Fiscal Sponsorship account, including procedures, donations & disbursements, grant support and other GOTHAM programs.

**Milton Tabbot**, Senior Director, Programming, [mtabbot@thegotham.org](mailto:mtabbot@thegotham.org), 212-465-8200 x207 for Fiscal Sponsorship submissions, NYSCA and NEH grants, reviewing your project.

**Finance Department**, [sharris@thegotham.org](mailto:sharris@thegotham.org), only for questions about disbursements & donations already submitted, as well as corporate matching grants.

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### APPLICATION FEES

Fiscal Sponsorship Application fee is \$50. This is a one-time fee, paid by every individual project applying to the program. On top of the application fee, you also need to maintain THE GOTHAM Membership (individual level).

### PRIMARY CONTACT

The Primary Contact for each fiscally sponsored project is the person that:

- Signs the contract;
- Is indicated as the Primary Contact on the Contact Sheet returned with the signed contract;
- Receives and manages all Fiscal Sponsorship money;
- Is the main point of contact for THE GOTHAM for all communication about the project;
- Must maintain active GOTHAM membership throughout the life of the project;
- It is essential that all these above roles are fulfilled by the same person.

### SECONDARY CONTACT

However, it is possible to designate a second person on the project to communicate with THE GOTHAM about the account. Only these persons indicated as Primary & Secondary Contacts on the Contact Form have the power to request funds and financial information about your GOTHAM Fiscal Sponsorship account. However, disbursements may only be made payable to the Primary Contact or their company.

### GOTHAM MEMBERSHIP

The Primary Contact must maintain active Filmmaker level GOTHAM membership throughout the life of the Fiscal Sponsorship account.

- Membership must be at the GOTHAM New York Individual Membership level (\$100/year) or higher to maintain an active Fiscal Sponsorship account.
- Alumni of GOTHAM's Labs and Independent Film Week programs may renew at the Alumni Filmmaker Membership level (\$50/year).
- It is the filmmaker's responsibility to maintain active GOTHAM membership; membership fees will not be automatically deducted from Fiscal Sponsorship account. THE GOTHAM will monitor membership and send automated renewal letters.
- If your GOTHAM membership lapses, your account will be put on hold, and you will not be able to withdraw funds from your account until your membership is renewed.
- GOTHAM membership must always be renewed online, at [www.thegotham.org](http://www.thegotham.org) – click 'Log In' on the top right corner to view and update your membership profile.

### ADMINISTRATIVE FEES

THE GOTHAM charges a standard administrative fee for each donation received by the project, on a cumulative, but declining, basis:

- 6% of contributions totaling up to \$150,000
- 5% of contributions between \$150,001 and \$400,000
- 4% of contributions between \$400,001 and \$600,000
- 3% of contributions over \$600,000

These fees are calculated based on the total amount of donations over the lifetime of the project. Fees are automatically deducted from the account as donations are received.

#### Flat Fees for specific grants:

- 5% for all NEH grants
- 7% for NYSCA grants

These fees are mandated by the grantor, and are charged regardless of the level of fundraising achieved.

#### Credit Card Donation fees:

An additional 3% fee is charged for all Credit Card donations. This is a fee charged for each transaction by our

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credit card vendors, not by THE GOTHAM. There is no additional fee for donations made by check.

### DONATIONS

THE GOTHAM only accepts credit card, check, or certificate of stock donations. No in-kind donations of goods or services, or donations of cash will be accepted by THE GOTHAM.

- It takes up to 15 business days for check donations to appear in your online balance sheet; credit card donations should appear immediately.
- THE GOTHAM sends each donor a thank you letter, which acknowledges their tax-deductible donation. Credit Card donors will receive their acknowledgement immediately; it may take up to one month for donors paying by check to receive their letter via USPS mail.
- It takes up to 10 business days for funds up to \$10,000 to clear into the account and become available to filmmakers; donations of \$10,000 or more may take up to 15 business days.
- Project primary and secondary contacts receive automated email notification when donations have posted to your online account.

### Check Donations

- Checks should be made out to **'Independent Feature Project, inc.'** with your project name in the memo field until at least June 2021.
- All check donations must be accompanied by a Donor Contribution Form completed with the donor's contact information and signature. THE GOTHAM will not deposit checks without the Donor form. You can download Donor Contribution Forms here: [fiscal.thegotham.org/pdf/ifp\\_donor\\_contribution\\_form.pdf](https://fiscal.thegotham.org/pdf/ifp_donor_contribution_form.pdf)
- THE GOTHAM cannot accept check donations made out to other entities.
- All Check donations, and their accompanying Donor Contribution forms, should be mailed together to:  
**Independent Feature Project, inc. (Fiscal Sponsorship)**  
**55 Washington Street, Suite 324**  
**Brooklyn, NY 11201**

### Credit Card Donations

- Credit Card donations can be made online via [fiscal.thegotham.org](https://fiscal.thegotham.org), by clicking the "Donate Now" button and searching for the film profile. Each project also has a unique url for their own donate page, which can be found on your individual donate page.
- Donating via THE GOTHAM's site is the only way donors can make contributions via credit card to your project and receive an accompanying charitable gift letter from THE GOTHAM.
- All Credit Card donations incur an additional 3% fee.
- Credit Card donations will show up on statements as "Independent Feature Project (THE GOTHAM Fiscal Sponsorship)." Please notify your donors.
- There is an upper limit of \$10,000 for credit card donations. Donors wishing to give more than \$10,000 must make multiple smaller donations.

You may NOT collect credit card information from donors and submit online donations on their behalf. Donors must make the gift themselves. Collecting and storing credit card information in this manner is insecure and potentially illegal and presents a serious liability for yourself and THE GOTHAM.

### Matching Gifts

Many businesses offer an Employee Matching Gift program, which matches a charitable donation made by an employee with a corporate donation to the same charity. Gift checks usually take anywhere from 3-9 months to arrive once the paperwork has been submitted to the corporation. Usually, the donor must initiate this matching gift with their employer. In almost all cases, the donor and the charity (in this case, THE GOTHAM) must complete some paperwork to process a gift of this kind. Projects should not complete any sections of the matching gift paperwork. Matching gift paperwork should be sent to THE GOTHAM Finance Department at [sharris@thegotham.org](mailto:sharris@thegotham.org) for completion.

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### Gifts of Stocks

Projects receive a form to initiate a gift of stock upon acceptance into the program. If you wish to receive a gift of stock, please be in touch with THE GOTHAM Finance Department at [sharris@thegotham.org](mailto:sharris@thegotham.org) to make appropriate arrangements.

### In-Kind Donations

THE GOTHAM Fiscal Sponsorship does not accept in-kind donations of goods or services. However, this simply means that your donors cannot receive a tax incentive for their gift. You may still receive free goods & services and compensate your donors in other ways (thanks in credits, etc.).

### What happens if there are problems with a donation?

If a donor's check is returned by our bank for any reason, or a credit card payment is declined, we will alert you to the situation and immediately reduce your fund balance to reflect the net change. If a replacement donation is received from the donor, it can be processed into your fund at that time. It is your responsibility to contact the donor and request a replacement donation.

### RECEIVING FUNDS / DISBURSEMENTS

Disbursement Requests are the only way to receive money from the Fiscal Sponsorship account.

- Filmmakers are responsible for their individual tax liability for all income received from THE GOTHAM Fiscal Sponsorship.
- Checks will be drawn only at the request of the primary or the secondary contact for the project.
- A Disbursement Request Form must be submitted to THE GOTHAM each time you wish to withdraw funds from the account. You can find the Form in your online account under "Request a Disbursement".
- Disbursement checks can only be made out to the Primary Contact for the project (whomever signs the contract) or their company (an LLC or the like). This must be reflected by the W-9 on file.
- All Disbursement requests, excluding the first request, must be accompanied by receipts showing how you spent your previous disbursement. See below, "How the disbursement/receipts process works".
- Disbursement requests require 2-4 weeks to process. Disbursements cannot be made until donated funds are cleared into THE GOTHAM bank accounts.
- The minimum disbursement request for active projects is \$150. When closing your account, no minimum request applies.
- Disbursement Requests and supporting receipts should be mailed or emailed to:  
**Independent Feature Project (Fiscal Sponsorship)**  
**55 Washington Street, Suite 324**  
**Brooklyn, NY 11201**  
**[sharris@thegotham.org](mailto:sharris@thegotham.org)**
- Disbursement checks will be mailed by regular USPS. By request, filmmakers can pick checks up at our office. If you wish to have the disbursement overnight mailed to you, you must provide your own FedEx or credit card account number. Please speak with our staff to arrange this.

### How the disbursement/receipts process works:

Regardless of your actual spending, THE GOTHAM's Fiscal Sponsorship program assumes that you have spent no money until you first receive funds from us. Once spending has begun (after you receive your first funds from THE GOTHAM), you must show how you have spent the funds you received (with your most recent disbursement) to get additional money. This receipt tracking is how we provide oversight that you are making a film.

For example: Your first ever disbursement request is for \$1000 in January; you submit the disbursement form and no receipts. Your second disbursement request is in April for \$2500 and would include receipts showing at least \$1000 spent on filmmaking expenses prior to April (showing us how you've spent the money you've already received in January). Your next disbursement request would include receipts for

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the \$2500 you received in April, and so on.

### Receipts:

- Receipt details should be broken down as to how they apply to your filmmaking in the 'Prior Disbursement' section of the Disbursement Request.
- All receipts should be copies, not originals. Please keep originals for your own tax reporting purposes.

### Acceptable receipts to accompany your disbursement requests:

- -Receipts from any store, vendor, restaurant, etc., showing filmmaking expenses
- -Invoices from any crew or vendor (including yourself) for filmmaking services

### Not acceptable formats of proof of payment:

- Cancelled checks, bank or credit card statements – these formats are not detailed enough for our auditors.

### Minimum Account Balance

After fundraising begins, the minimum account balance required for active projects is \$150. Minimum balance must be sustained throughout the fundraising life of the project.

### USING OTHER FUNDRAISING TOOLS

#### Investors (Investors are strictly not allowed in THE GOTHAM's Fiscal Sponsorship program)

Fiscal Sponsorship is only for "non-commercial" works; projects that are artistic, educational or charitable in nature. Non-commercial works are, most importantly, able to be financed exclusively by personal funds, donations, grants, corporate sponsorship, in-kind donations, etc., but NOT by offering investment for profit. It is essential that you do not seek or accept investment in your film from any individual or entity that is making a for-profit investment. Fiscal Sponsorship contracts also ask that you pledge this assurance. If you wish to be involved in a relationship of this nature (taking on for-profit investors), you must inform THE GOTHAM and close your account.

#### **Crowdfunding: Kickstarter, IndieGoGo and others**

Crowdfunding can be a great way to raise a small amount of money in a short period, and perhaps even more important, to connect with a broader audience. You are free to manage any kind of additional crowdfunding campaign you like – on Kickstarter, IndieGoGo, or elsewhere. However, these donations are not a part of your fiscal sponsorship fundraising, and donations made to these sites are not able to be tax-deductible contributions for your donors. THE GOTHAM's Fiscal Sponsorship program does not align with these crowd funders because the donations do not come directly to THE GOTHAM. (Donations must come directly to THE GOTHAM in order to be tax-deductible.)

#### **Using Other Fiscal Sponsors**

THE GOTHAM must remain your exclusive fiscal sponsor for the duration of your project; however, there are some rare exceptions. Please contact our office if you believe you need an additional fiscal sponsor for the project, and we'll discuss it.

#### **ONLINE PROFILE**

Each project has an online profile at [fiscal.thegotham.org](https://fiscal.thegotham.org) under the Donate Now section on the left side menu. Find your direct link by selecting your project from the Donate Now section of the Fiscal Sponsorship site. Once you are on your individual page, your direct link is in the browser navigation bar.

#### **UPDATING YOUR PUBLIC PROFILE & FISCAL SPONSORSHIP ADMIN SITE**

The Fiscal Sponsorship Admin Site allows you to update your public profile, shows your online balance sheet, and provides additional tools for your Fiscal Sponsorship account. Access this site at [fiscal.thegotham.org](https://fiscal.thegotham.org) by clicking

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Log In on the left side menu. You should have received a log-in to the site when you began your Fiscal Sponsorship account.

Update your Film Profile on the Admin Site in these ways:

**Edit User Account:** Change your username & password, update contact information;

**Yearly Update:** Submit your annual Status Reports here;

**Edit Details:** Update film profile, social media details, video links;

**Financial Statement:** Your online Balance Sheet;

**Updates:** Tell your donors how you're doing, where you are with the film, or what you're fundraising for with short blog posts. These are optional, but also helpful during an active fundraising campaign where many will be visiting your donate profile;

**Key Crew:** Update crew bios & photos;

**Images:** Add or adjust film stills.

### **Username & Password**

You may change your username & password at any time. To do so, after logging in, on the Admin Page, select Edit User Account. If you have forgotten your password, on the Log In page, select 'Forgot Your Password' and you will be prompted for the details of your account name & email address.

### **Online Balance Sheet**

Your online profile contains a Balance Sheet where you can see current information about your Fiscal Sponsorship financial account. Please note that while THE GOTHAM makes every effort to keep this page up to date, this is not our actual accounting records, just a reflection of it for your benefit. This site is updated regularly by our staff, usually once a week. If you have any questions about your balance, please be in touch, we can always give you the definitive balance sheet from our accounting office.

### **Project Profile: Suggestions for What to Include**

Each project has unique needs for their fiscal sponsorship campaigns, so you are to use your discretion about what kinds of materials you share on the site. However, we ask that at bare minimum, you include your log line, key crew info, and a link to your own website (if you have one) or social media links (film's Facebook page, Twitter, YouTube profile). Additional links (Vimeo profile, Tumblr, etc.) can be included in the synopsis if desired. If possible, you should also include a still or key title art to help beautify your donation page. Film is a visual medium after all!

Your profile can also show video that you are hosting elsewhere (on YouTube, Vimeo or the like). However, it cannot accommodate password protected videos. We do not recommend that you post rough cuts or assemblies of your film, but long scenes or trailers might be just the thing. It's up to you if you want to share your completed film here!

If you are unclear about what kinds of materials you should submit, review your fellow filmmakers' profiles in Featured Projects section of the Donate pages.

### **Amount Raised & Fundraising Goals**

If you choose, you can show a fundraising goal, how much you've raised to date, and how many donors have supported the project (see Left). If you are running an active campaign, a tool showing how many donors and how much you have left to raise might be an added incentive for your donors to help push you towards your fundraising goals. You should evaluate your giving audience and determine if this is appropriate for your project.

You can also show none of these things & only the Make a Contribution button will appear. You can adjust these settings in the 'Edit Details' section of the Admin Site.

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### THE GOTHAM RECOGNITION

All THE GOTHAM Fiscally Sponsored projects must include THE GOTHAM logo in the end credits of their film along with the following line acknowledgement:

"Fiscally Sponsored by THE GOTHAM (logo)"

You can find the most up to date THE GOTHAM logos for download here:

<https://thegotham.org/about/logos/#.YBBPWOhKg2w>

Please also include THE GOTHAM recognition on your project website, and any other materials promoting the project, including posters, press books, or anywhere else you list the film's full credits.

### 501(c)(3) STATUS

**Independent Feature Project, Inc.** is an IRS designated 501(c)(3) non-profit and the temporary legal name. We also do business as THE GOTHAM or The Gotham Film & Media Institute – these names are not registered with the IRS yet. Fiscal sponsorship allows your donors to give to THE GOTHAM with the recommendation that the funds be applied to your film, and receive a charitable contribution letter from us.

THE GOTHAM Fiscally sponsored projects are not 501(c)(3), non-profits, charitable organizations or tax exempt.

### THE GOTHAM's EIN and proof of tax-exempt status.

THE GOTHAM staff will always provide you with our EIN (Employee Identification Number) or proof of our tax-exempt status for appropriate uses, upon request. However, these forms cannot be used in all cases. Please contact us with the reason you need it, and we'll give it out if appropriate. Once we have given you the EIN or proof of our tax-exempt status, you still need permission to use it on a case-by-case basis in the future.

### ANNUAL REPORTING REQUIREMENTS

All fiscally sponsored projects are required to submit an annual Status Report throughout the life of the project. Status Reports are available in the Fiscal Sponsorship Admin Center. Reports must be completed in January.

### CLOSING YOUR FISCAL SPONSORSHIP ACCOUNT

To close your account, you must complete a Project Status Report. Indicate on the form the reason for closing the account – the project has been completed, the project is now inactive, or some other reason. THE GOTHAM needs notification of your account closing from the Primary Contact in writing, as this is a contractual, financial relationship. A verbal notice is not enough. Contact Howard Yi for the Status Report or access it through your Fiscal Sponsorship Admin Site.

If there are funds in your Fiscal Sponsorship account:

### Final Disbursement – Closing the Account

When closing your account and requesting the final funds in the account, you must submit:

- Status Report (see below, Closing your Fiscal Sponsorship Account),
- Disbursement Request for the final amount in your account,
- Receipts for your previous disbursement,
- Receipts for the current request.

**For example:** your most recent disbursement was for \$1550, and you have \$350 remaining in your account. To receive your final funds, you must submit a disbursement request for \$350 (the final amount), and include receipts showing \$1900 (= \$1550 + \$350, the total amount of receipts you owe).

- If your first disbursement is your only and final disbursement for the full amount in your account (and you are then closing your Fiscal Sponsorship account), this sole disbursement will be treated as a final disbursement, and all receipts are required to be submitted.

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- When closing your Fiscal Sponsorship account, minimums for disbursement requests and account balances do not apply.
- We will not close the account until all forms and receipts have been received and all funds disbursed. If you prefer, you may donate the remaining funds in your account to THE GOTHAM.

### FILMMAKER'S OBLIGATION

- THE GOTHAM must remain your exclusive Fiscal Sponsor for the duration of your project, unless additional arrangements are made with permission of the staff.
- All right, title and interest to the project remains with the filmmakers.
- All checks you receive from THE GOTHAM are income for you/your project. See Tax Liability section (below) for additional details.
- Filmmakers are required to submit an annual Status Report indicating the progress of the project. Status reports will be emailed by THE GOTHAM Program staff, generally in January.
- Filmmakers are required to notify THE GOTHAM of any change of address or contacts on the project.
- Only those individuals listed on the Primary Contact Form will be granted access to Fiscal Sponsorship records by THE GOTHAM.
- Filmmakers are required to maintain their own THE GOTHAM membership. Membership is required for active projects.
- Advance planning is necessary. Please make disbursement requests well in advance of your planned shoot so that we can deliver the funds on time.

### TAX LIABILITY

- All Fiscally Sponsored filmmakers must have a U.S. tax ID number (social security number, EIN, or other type of IRS registration)
- Filmmakers are responsible for their individual tax liability resulting from disbursements THE GOTHAM makes for the project. Filmmakers should keep records of receipts relevant to the creation of the film in a responsible manner.
- At the end of January every year, THE GOTHAM will issue Form 1099-MISC for total payments over \$600 during the calendar year to each individual or project, except if the project is a corporation. Consult a tax advisor to determine your specific liability. Note that an LLC is treated as a partnership and not as a corporation, except if THE GOTHAM has received certain written notification from the LLC stating that each member of the LLC is a corporation.
- Filmmakers should keep copies of the project's disbursement requests and all receipts, and practice good record keeping. This is good business practice regardless of your Fiscal Sponsorship status.