

Getting Non-Profit Dollars as a For-Profit? Fiscal Sponsorship is the Answer

By Shannon Knapp



When Horse Sense wrote for our first grant in 2003, we had a lot of people telling us “Don’t work too hard on this, because you won’t get it!” What enthusiasm and support! Well, we decided that writing the grant was a relatively simple task that we could do, while controlling the outcome of the process was something we couldn’t do. This philosophy has been something we’ve held on to for the many years of doubters and skeptics!

The grant was a Juvenile Crime Prevention Council grant for our rural NC county. Much to everyone’s surprise, we got the grant. The call came in from the JCPC representative while I was at the barn; there were a few questions she had for me, as we’d filled out a section of our grant incorrectly. As she knew we weren’t a public entity (like a school), she asked what our non-profit ID number was. Terrified that we were going to lose this opportunity because of this, I replied that we weren’t a non-profit, expecting her to say, “In that case, no grant. Good-bye!” But her reply astonished me.

“Is there a non-profit you can partner with?” she asked. The therapist at the time for Horse Sense, Lynn Clifford, was standing next to me (squeezing my hand...we were so excited!), and I repeated the question back to the JCPC rep, hoping Lynn could throw me a lifeline. In fact, Lynn did know a non-profit that would be willing to partner with us, and our first Fiscal Sponsorship arrangement was put in motion.

Since then, we’ve had three Fiscal Sponsors, and I’ve never felt awkward or inappropriate about the arrangement because the granting agency was the one who suggested it. It has, however, been a matter of really understanding what exactly Fiscal Sponsorship is and building relationships in our community to foster these arrangements.

First, the Fiscal Sponsor relationship is, at heart, a collaboration between the for-profit and the non-profit. The organizations should have similar missions and visions about how they impact their community, and similar goals about how to get there. Hence, our first Fiscal Sponsor was a local therapeutic riding facility who wanted to support the work we were doing without necessarily branching out to do it themselves. Our missions were parallel, and I served on their Board of Directors for the years we were working together. When the Fiscal Sponsorship arrangement with them ended, it was because they needed to pull their focus back to their core programming, as is appropriate and necessary every so often for all organizations. During the years we collaborated, though, we did fundraisers together, wrote grants together for joint programming, and were mutually supportive in whatever way we could be. It was a win-win.

Second, in order for there to be a win-win for both organizations, there has to be something in it for both, right? So...aside from our programming and service to the community, what do we bring to the non-profit? One main benefit we offer is teambuilding sessions for their staff, for their board of directors and their volunteers. This serves multiple purposes, aside from a strengthening and enlightening experience to bring to their work, they also then get a deeper, clearer understanding of what it is we do!

With any grant, there is also usually a mountain of paperwork. So, we also bring our administrative skills to the deal, bearing the brunt of all the collecting, organizing and reporting that grants usually entail. We attend all the required meetings associated with the grant and, if either myself or Lisa Wheeler, Practice Administrator for Horse Sense, are not on the non-profits’ Board of Directors, we’ll attend all their meetings to report on our status and to answer any concerns they might have. There is a small amount of paperwork that the non-profit will need to do, but we do our best to minimize the impact our collaboration will have on their limited time and resources.

Third, your responsibilities as the for-profit extend beyond the providing of the services spelled out in the grant. In my opinion, in this and all areas, we as EAP/EAL providers need to perform above and beyond other organizations. We need to provide exceptional services to our clients, of course. But we also need to have our “house in order” in terms of accounting, billing, invoicing and paperwork, for both the non-profit and the public

in general. We strive for transparency in all we do, and “over-account” rather than under-account for how the grant money is being spent. We answer to the non-profit’s Board of Directors, and they answer to the larger community who supports them and the government who granted their 501(c)3 status.

Over the years we’ve learned a few things about better and worse ways to set this up. I’ve read and heard about EAP/EAL programs using national organizations as their Fiscal Sponsor, rather than a local non-profit. I find this troubling from both ends. From the non-profit side, there has to be an enormous amount of trust and faith in the for-profit to be doing a good job to the highest standard. Imagine you’ve given money to a national non-profit only to hear that they used your money to support an organization who beat and starved their horses? And from the for-profit side of the arrangement, many granting organizations will simply not give **any** money to an organization that does not have a “bricks and mortar” presence in the state, or they are (rightfully) concerned about their grant money going to the other side of the country before it comes back to the kids in their community in the form of your services. Although long-distance Fiscal Sponsorship can be done, it is a lot more work, I believe, than having a good, strong local relationship, and a lot more potential for things to go wrong on a variety of levels.

Ultimately, as you would approach any horse or client, approach Fiscal Sponsorship as a collaborative relationship in which you are thinking of their best interests first and foremost, while always paying attention to your health and safety as well. Perhaps the best guide I know of for learning about Fiscal Sponsorship is *Fiscal Sponsorship: 6 Ways to Do It Right*, by Greg Colvin. I encourage any organization seeking Fiscal Sponsorship to read it, and we give a copy of it to any non-profit board we hope to work with, so that they better understand how it can and should work (and what to avoid!).

All the best to you in your endeavors and, if you have more questions about this topic, there is an audio CD available (along with a sample contract between the for- and non-profit) available on the HorseSenseBusiness.com website. Or, you can always email me at Shannon@HorseSenseOtc.com.

Shannon Knapp, founder and president of *Horse Sense of the Carolinas*, has worked with and taught horses and people for over 20 years. After 10 years teaching college English, she left academia and began working with abused & neglected horses; *Horse Sense* was formed soon after. Shannon is certified EAGALA Advanced as well as an EAGALA Mentor and her book of business help for young EAP/EAL practitioners, *Horse Sense Business Sense, Volume 1*, was published in 2007. Shannon and the *Horse Sense* team offer workshops & online learning on starting and running your own EAP/EAL business at HorseSenseBusiness.com.