

## Fiscal Sponsorship

Fiscal sponsorship is a cost-effective way to implement new programs, bring together groups to collaborate on an issue, keep administration expenses low, and test new approaches to social change. Fiscal sponsorship is a common mechanism used in the nonprofit sector that enables individuals to start new programs without establishing a new separate nonprofit tax-exempt organization. These fiscally sponsored projects get their charitable status from their fiscal sponsor. Fiscally sponsored projects of the New Horizons Foundation are not separate and isolated entities; they are an integral part of New Horizons. New Horizons receives charitable donations and grants on behalf of our fiscally sponsored projects. New Horizons maintains the necessary legal and financial infrastructure for all project activities and allows project managers to focus on creating a healthy, just, and vibrant world.

The New Horizons Foundation provides fiscal sponsorship to several types of projects that operate under the Foundation:

### **Operating Projects**

An Operating Project is the vehicle where an individual, group of individuals, or family can partner with the Foundation to accomplish their charitable desires. An Operating Project offers the opportunity for people to present their vision to the world. New Horizons Foundation, Inc. allows individuals the opportunity to fulfill their charitable vision without the time and expense of obtaining their 501(c)(3) status.

### **Donor Advised Funds**

A Donor Advised Fund (DAF) is a charitable giving vehicle where an individual, family, or corporation makes an irrevocable, tax-deductible contribution of personal assets to a charity. A DAF offers the opportunity to create a low cost convenient, efficient method of charitable giving while maximizing tax advantages. Contributions made to a DAF not only aids current tax planning but also provides the opportunity for additional funding from the estate by a will bequest, charitable trust, gift annuity, or insurance policy.

### **Field of interest funds**

Field of Interest Funds will be established by The New Horizons Foundation Board of Directors. Each Fund has an advisory board that is appointed by The New Horizons Foundation Board of Directors to oversee the operation and distributions of the Fund. Donors may give specifically to these Funds and know that their money will be used for the purpose established by each

Fund. The following current Field of Interest Funds have been established to serve specific purposes in the Foundation:

- THE FOREIGN MISSIONS PROGRAM – This Fund has been established to oversee foreign mission experiences for donors and other volunteers who want to travel overseas to work on or evaluate mission projects. Applicants will submit an application along with a budget for their mission trip to be approved by the Fund advisory board, and then file a project report when they return from the trip. Once approved, donors may give money directly to the Fund or transfer money from their Donor Advised Fund, Supporting Organizations, Private Foundations, or Charitable Trust to pay for the trip.
- THE MINISTRY ASSOCIATES PROJECT – This Fund has been established to provide an opportunity for individuals to raise support and be paid for work they do for recognized ministries or approved charitable projects as independent contractors. Contractors must submit an application with an approved job description, set of responsibilities, hours of work, budget, and a designated supervisor with an approved ministry or onsite project. The contractor and supervisor must submit quarterly reports to the Fund on the work done by the contractor. Funds can be raised by projects to pay for these services.
- THE MEDICAL/BENEVOLENCE FUND – This Fund has been established to make gifts to qualified applicants who have documented medical or benevolent needs. The advisory board will review applications and award grants based on the money that is available in the Fund. Donors may transfer money from their charitable entities or Donor Advised Funds to fund the grants that will be made to approved applicants. The program will be publicized on the Foundation’s website with the appropriate forms and be available to the public.
- THE NATURAL DISASTER FUND - When natural disasters like floods, fires, earthquakes, hurricanes etc. strike, an emergency project can be set up immediately to provide assistance to victims. Many times, these gifts are given to the greatest need. A committee of the board serves to approve requests for donations and get the resources to those in need.
- SCHOLARSHIP FUNDS - An Educational Assistance Fund can be established to administrate funds to award Scholarships. Due to some of the complexities and tax issues related to scholarship administration, special procedures have been established to meet the IRS guidelines to keep the scholarships tax free to students.

**Legacy Projects**

Legacy Projects are projects that will be funded from future gifts to the foundation. These gifts are from wills, trusts or estates, remainder gifts from Charitable Remainder Unitrusts, gifts from insurance policies or insurance trusts, or terminations of private foundations. When The New Horizons Foundation is named in one or more of the agreements mentioned, a future project will be established with the information from the Donor, requesting how they would like the funds to be used in the future and who will be the appointed manager(s).