



2023 Request for Applications Fiscal Sponsor Information

April 1, 2023

Dear Applicant and Fiscal Sponsor,

The Native American Agriculture Fund (NAAF) is a private charitable trust created by the settlement of the *Keepseagle v. Vilsack* lawsuit. In order to meet the mission for which NAAF was created, NAAF is authorized to provide grant funding to four types of eligible entities, one of which is 501(c)(3) nonprofit organizations. The Trust Agreement that created NAAF requires that entities that have applied for but not yet received their 501(c)(3) non-profit status apply using a fiscal sponsor with current 501(c)(3) status in good standing. NAAF is a fiduciary and has a duty to protect its funds from fraud or gross mismanagement and we follow the language contained within our Trust Agreement. Below is the specific fiscal sponsor language found in our Trust agreement.

Section 8 – Eligible Grant Recipients and Grant Requirements

(a) Eligible Grant Recipients shall be limited to:

- (1) Tax-exempt organizations described in Section 501(c)(3) of the Code;
- (2) Educational organizations described in Section 170(b)(1)(A)(ii) of the Code;
- (3) Community Development Financial Institutions (“CDFIs”), including Certified Native CDFIs and Emerging Native CDFIs, provided, however, that such CDFI is a tax-exempt organization described in Section 501(c)(3) of the Code;
- (4) the instrumentality of a state or federally recognized tribe, including a non-profit organization chartered under the tribal law of a state or federally recognized tribe, that furnishes assistance designed to further Native American farming or ranching activities, provided, however, that ... (remainder of section omitted, please see Trust Agreement)

(b) *Grants to Fiscal Sponsors.* The Trust may make grants to Eligible Grant Recipients, defined in Section 8, acting as fiscal sponsors (“Fiscal Sponsors”) for organizations that would be Eligible Grant Recipients but for the fact that such organizations have requested but have not yet received a favorable determination letter from the Internal Revenue Service recognizing such organization’s tax-exempt status. The Trust shall exercise expenditure responsibility within the meaning of Section 4945(h) of the Code when making grants to Fiscal Sponsors.

NAAF respects the right for fiscal sponsors and sponsored organizations to structure their relationship in a manner that makes sense for them, so long as it meets the expectation of the fiscal sponsor exercising discretion and control over the granted funds. NAAF will not view or approve an applicant and fiscal sponsor agreement or contract. Instead, applicants will declare they are using a fiscal sponsor in their application. Within the application system, both sponsored organization and fiscal sponsor information will be used. If the applicant is successful and is selected for funding, both the applicant and fiscal sponsor will sign a NAAF grant agreement certifying they understand the legal and financial obligations associated with a fiscal sponsor relationship. All funding will be directed to the fiscal sponsor, not their grantee.

Fiscal sponsor arrangements should clearly define relationships amongst the parties. When engaging with NAAF, our relationship will be with both the grantee (sponsored organization) and the fiscal sponsor, but ultimate reporting and liability rests with the fiscal sponsor. If the fiscal sponsor elects to collect an administrative fee, the fee should be reflected in the indirect cost section of the budget request. All NAAF grant applications are limited to a maximum 15% indirect rate on personnel and direct expenses.

NAAF utilizes a grant management software system that only allows for one point of contact per application. Therefore, make sure that the person applying for the grant is in communication with the fiscal sponsor or that the fiscal sponsor is the main point of contact during the creation of the username used in the application, as the e-mail address of the applicant will be used for the username within the system.

NAAF utilizes a feature within the application system called “collaborate” which allows users from anywhere in the country to work together on applications and follow-up forms. Using this tool should make it easier for applicants and fiscal sponsors to work synergistically and stay abreast of projects, deliverables and reporting.

If you have any further questions regarding fiscal sponsors, please reach out to grants@nativeamericanagriculturefund.org and include in the subject line Fiscal Sponsor Question.