

the gotham

Fiscal Sponsorship: Guide for Filmmakers

Intro

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 that allows filmmakers to receive such funding. The program lets filmmakers 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 maintain a GOTHAM membership at the Essential 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. Click the chapter headings below to jump to the corresponding section in the guide.

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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
fiscal@thegotham.org
<https://fiscal.thegotham.org/gotham-fiscal-sponsorship-registration.cfm>
 Phone: 212-465-8200

THE GOTHAM is generally open 9am-6pm Monday-Friday, but please call if you need to come by the office. Email the following addresses for the below questions:

Soheil Rezayazdi, Nonfiction Programs Manager, srezayazdi@thegotham.org. Email for questions about

Fiscal Sponsorship submissions and eligibility, NYSCA applications, and reviewing your project.

Finance Department, fiscal@thegotham.org. Email for questions about disbursements and donations already submitted, as well as corporate matching grants.

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 GOTHAM membership at the Essential level (\$100) or above.

Primary Contact

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

- 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 an 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

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 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 an active Essential-level GOTHAM membership throughout the life of the Fiscal Sponsorship account.

- Membership must be at the Essential level (\$100/year) or higher to maintain an active Fiscal Sponsorship account.
 - It is the filmmaker's responsibility to maintain an active GOTHAM membership; membership fees will not be automatically deducted from the Fiscal Sponsorship account. THE GOTHAM will monitor membership and send automated renewal emails.
 - 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 the [Member Dashboard](#)
 - Follow the link to learn more about [Gotham Membership](#).
 - Projects fiscally sponsored by the Gotham can apply to the [Gotham Labs](#) and the [Gotham Week Project Market](#) with a waived application fee.
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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:

\$500 for NYSCA grants (only if project receives a grant)

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 that goes to the 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 sometimes wire 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 via check to clear into the account and become available to filmmakers; donations of \$10,000 or more may take up to 15 business days.
- A project's primary and secondary contacts will receive automated email notification when donations have been posted to their online account.

Check Donations

- Checks should be made out to **"Independent Feature Project Inc."** with your project name in the memo field.
- All check donations must be accompanied by a [Donor Contribution Form](#), complete with the donor's contact information and signature. THE GOTHAM will not deposit checks without the Donor Form.
- 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:

The Gotham Film & Media Institute
Attn: Fiscal Sponsorship
55 Washington Street, Suite 324
Brooklyn, NY 11201

Credit Card Donations

- Credit card donations can be made online at fiscal.thegotham.org. Send donors the link to your project profile and have them click "Make a Contribution" to donate.
- 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. 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 fiscal@thegotham.org for completion.

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 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. Please note:

- THE GOTHAM will only disburse funds via electronic fund transfers (ACH). We no longer disburse funds via check.
- The minimum disbursement required is \$500 unless special circumstances apply. Please contact fiscal@thegotham.org to submit a request for a disbursement below \$500. When closing your account, no minimum request applies.
- Filmmakers are responsible for their individual tax liability for all income received from THE GOTHAM Fiscal Sponsorship.
- Payments will be made only at the request of the primary or the secondary contact for the project.
- A Disbursement Request Form must be submitted each time you wish to withdraw funds from the account. You can find the form in your online account under “Request a Disbursement”.
- Payments can only be made to the Primary Contact for the project (whomever signs the contract) or their company. 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 for step-by-step details.
- Disbursement requests require 4-5 business days to process. Disbursements cannot be made until donated funds are cleared into THE GOTHAM bank accounts.
- Disbursement requests and supporting receipts should be uploaded via your account in the Fiscal Sponsorship portal.

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. You do this by including receipts with your most recent disbursement to receive additional money. This receipt tracking is how we provide oversight that you are making a film.

Example Case:

1. Your first-ever disbursement request is for \$1,000 in January. You submit the disbursement form and no receipts to receive the money.
2. Your second disbursement request is in April for \$2,500. For this you submit a disbursement form AND include receipts showing at least \$1,000 spent on filmmaking expenses prior to April (showing us how you've spent the money you received in January).
3. Your third disbursement request would include receipts for the \$2,500 you received in April, and so on.

Receipts:

- Give us a breakdown of your receipt details and how they apply to your project in the 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:

- Canceled 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. This 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 first.

Crowdfunding: Kickstarter, IndieGoGo, etc.

Crowdfunding can be a great way to raise a small amount of money in a short time period. 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 adheres to strict policies and procedures that are not always consistent with third party platforms.

Using Other Fiscal Sponsors

THE GOTHAM must remain your exclusive fiscal sponsor for the duration of your project. There are some rare exceptions to this. Email fiscal@thegotham.org if you believe you need an additional fiscal sponsor for the project.

Online Profile

Each project has an online profile at fiscal.thegotham.org. Find your project among those listed and use the URL to send a direct link to your project profile to potential donors.

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. You should have received login credentials to the site when you began your Fiscal Sponsorship account.

Updating Elements of Your Film Profile

- Edit User Account: Change your username & password, update contact information
- Yearly Update: Submit your annual Status Reports
- Edit Details: Update film profile, social media details, video links
- Financial Statement: View 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 helpful during an active fundraising campaign where many will be visiting your donate profile
- Key Crew: Update crew bios and headshots
- 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 Account Page, select Edit User Account. If you have forgotten your password, select "Forgot Your Password" on the Login page, 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; it's 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 its fiscal sponsorship campaigns. As such, you should use your discretion about what kinds of materials to share on the site. 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 (if you have them). Additional links (Vimeo, 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 videos that you are hosting elsewhere (YouTube, Vimeo, etc.). However, it cannot accommodate password protected videos. We recommend posting teasers and trailers, not rough cuts or assemblies of your film. Ultimately, it's up to you what you wish to share!

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

Amount Raised & Fundraising Goals

You can show a fundraising goal, how much you've raised to date, and how many donors have supported the project on your film's profile page. 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. You should evaluate your giving audience and determine if this is appropriate for your project.

You can also show none of these things; in this case, only the "Make a Contribution" button will appear. You can adjust these settings in the "Edit Details" section of the Admin Site.

The Gotham Recognition

All fiscally sponsored projects must include THE GOTHAM's logo in the end credits of their film along with the

following line acknowledgement:

"Fiscally Sponsored by The Gotham Film & Media Institute (logo)"

[Click here](#) to download THE GOTHAM's logos. Please also include THE GOTHAM recognition on your project's 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 our current legal name. We also do business as THE GOTHAM or The Gotham Film & Media Institute – these names are not yet registered with the IRS. 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.

Please note: Projects fiscally sponsored by THE GOTHAM 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.

Annual Reporting Requirements

All fiscally sponsored projects are required to submit an annual Status Report throughout the life of the project. You can complete your status report by following the prompts for "Yearly Status Report" on the Admin Site. Reports must be completed in January.

Closing Your Fiscal Sponsorship Account

To close your account, you must complete a Yearly Status Report. Indicate in the report the reason for closing the account (examples: the project has been completed, the project is inactive, etc). 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 fiscal@thegotham.org for questions.

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:

- Your Yearly Status Report
- A Disbursement Request for the final amount in your account
- Your Receipts for your previous disbursement
- Your receipts for the current request.

Example Case:

- Your most recent disbursement was for \$1,550, 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 \$1,900 (= \$1,550 + \$350, the total amount of receipts you owe).

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 our staff.
 - All right, title and interest to the project remains with the filmmakers.
 - All disbursements 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 Yearly Status Report indicating the progress of the project. Status reports will be emailed by THE GOTHAM 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 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.
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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. 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 a Form 1099-MISC for total payments over \$600 during the calendar year to each individual or project, unless 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

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