
What If You Don't Have 501(c)(3) Status Yet?

Fiscal Sponsorship as an Option

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Having 501(c)(3) tax-exempt status is ideal for practicing Flow Funding—it enables you to legally receive charitable donations, apply for foundation grants, and deploy Flow Funding grants in compliance with U.S. tax law.

But if you don't yet have 501(c)(3) status or are waiting for IRS approval, you can still begin by working with a fiscal sponsor—a nonprofit that extends its legal status to your project so you can receive and distribute funds in alignment with Flow Funding principles.

If You Don't Have 501(c)(3) Yet: Get Fiscal Sponsorship

Fiscal sponsorship allows you to receive funds and deploy Flow Funding grants through the legal and tax-exempt status of an existing 501(c)(3).

Here's how to get started:

1. Identify an aligned fiscal sponsor.

Look for a nonprofit whose mission resonates with your work and who supports fiscal sponsorship. Examples include:

2. Apply or reach out.

Most sponsors have an intake form or process. Be ready to describe:

- Your mission or purpose
- Your plans for deploying funds (i.e., who and what you're resourcing)
- The communities or bioregions you aim to support

1. Sign a fiscal sponsorship agreement.

This agreement typically outlines:

- How the sponsor will receive and release funds
- How you'll track and document grants deployed

- Any administrative fees (usually 5–10%)

1. Start Flow Funding.

Once approved, your sponsor can **receive donations or grants on your behalf and disburse Flow Funding grants** according to your guidance and within agreed-upon parameters.

Summary

| Path | Do You Need 501(c)(3)? | Can You Deploy Flow Funds? | Can Donors Get a Tax Deduction? |
|-----------------------------------|---------------------------|-------------------------------|------------------------------------|
| You have 501(c)(3) status | ✓ Yes | ✓ Yes | ✓ Yes |
| You get fiscal sponsorship | ✗ No (sponsor has it) | ✓ Yes (via sponsor) | ✓ Yes |
| You give/receive as an individual | ✗ No | ✓ Yes | ✗ No |