

Guidance for Applicants – Use of Fiscal Sponsors

1 September 2026

Overview

The Internet Society Foundation (Foundation) can make grants to Fiscal Sponsors to support innovative and important work being implemented by Sponsored Organizations or Individuals that may not yet have the proper financial or organizational controls in place. This may also apply to those who do not meet the Foundation's eligibility requirements.

Any time a Fiscal Sponsor is used, **the Fiscal Sponsor is the Lead Applicant**. If awarded, they are responsible for proper financial management and project oversight of the awarded funds. As described in the grant agreement between the Foundation and a Fiscal Sponsor, all parties must understand and have agreed that the Fiscal Sponsor:

- Retains control of how the grant funds are used; and
- Maintains records that clearly show those expenses aligned with the grant terms.

Although the Application will be submitted by the Fiscal Sponsor, **both the Fiscal Sponsor and the Sponsored Organization must register in the Foundation's Grants Management System (Fluxx) independently, prior to an application being submitted**. It is important that the Foundation has a record of each organization and their respective contacts.

When Is a Fiscal Sponsor Required?

A Fiscal Sponsor may be required when an organization does not meet eligibility requirements for funding.

For example, a Fiscal Sponsor may be required when an organization does not hold or cannot obtain tax exemption status under Section 501(c)(3) of the U.S. Internal Revenue Service code—[or its equivalent](#)—due to the age of the organization, location, current legal registration, or other factor.

A Fiscal Sponsor may also be required when an organization's mission and purposes are not aligned with the mission and purposes of the Internet Society, but the project being proposed is. In such cases, the use of a Fiscal Sponsor can be an option to receive award funds for the project.

An Individual may utilize a Fiscal Sponsor in cases where they are not able to receive award funds from the Foundation due to location, size of the award, or other factor.

If an organization or an Individual uses a Fiscal Sponsor, it is the responsibility of the two parties involved to determine the process by which grant funds are managed during the term of the award.

Legal Requirements of the Fiscal Sponsor

In this guidance document, “Sponsored Organization” refers to an organization or Individual who is utilizing a Fiscal Sponsor.

The Foundation will conduct due diligence on the Fiscal Sponsor and its relationship with the Sponsored Organization. In addition to the Fiscal Sponsor meeting the Foundation’s general funding eligibility requirements, the Foundation will need to confirm the following:

- The Sponsored Organization is aligned with and supports the Fiscal Sponsor’s purpose(s) and the Fiscal Sponsor will use funds received to further the purpose(s) of the Sponsored Organization;
- The Fiscal Sponsor and Sponsored Organization understand and have agreed that the Fiscal Sponsor retains discretion and control as to the use of granted funds; and
- That the Fiscal Sponsor maintains records that substantiate the use of funds in compliance with the grant terms and for appropriate purposes.

Role of the Fiscal Sponsor as the Grantee

Applications for projects that will utilize a Fiscal Sponsor must be submitted in Fluxx **by the Fiscal Sponsor**. The Fiscal Sponsor is, for all purposes, the Applicant and if the proposed project is awarded, the Grantee. If funds are awarded to the Fiscal Sponsor, the Sponsored Organization will have the capacity to view grant information in Fluxx, but the Fiscal Sponsor will be the applicant, signatory, and party responsible for proper financial management and project oversight of the awarded funds.

This means that if the grant agreement is signed and awarded funds, the Fiscal Sponsor:

- Agrees to the reporting and payment schedule as set forth in the grant agreement and reflected in the grantee’s record in Fluxx;
- Has full access to the Grantee Portal and Grant Record in Fluxx;
- Receives all Grant Payments from the Foundation and promptly dispenses funds to the Sponsored Organization according to their agreed terms;
- Sufficiently monitors the use of grant funds by the Sponsored Organization to ensure proper use of funds and maintenance of eligibility status;
- Initiates, reviews, and approves requests to the Foundation for any type of Amendment to the Grant; and

- Submits all Grantee Reports in Fluxx or participates in any verbal check-in calls that replace narrative reports, and as such, is responsible for ensuring adequate narrative and financial information is provided by the Sponsored Organization in order to complete Grantee Reports. Doing so ensures that:
 - 1) The Fiscal Sponsor is aware of what is being submitted in the report and ensures that it meets the requirements as mentioned above, and
 - 2) The Foundation is assured that the Fiscal Sponsor, as the Grantee of Record, approves the submission.

Role of the Sponsored Organization

While a Sponsored Organization is not the Grantee, they also hold responsibilities within the grant. The Sponsored Organization's ultimate responsibility is to implement and deliver the overall project activities. It is important that they understand these potential responsibilities before agreeing to use a Fiscal Sponsor.

A Sponsored Organization should determine, in mutual agreement with a potential Fiscal Sponsor, how they will ensure that the *Fiscal Sponsor* can meet their responsibilities to the Foundation as the Grantee of Record. The Foundation does **not** facilitate the development of this agreement nor advise on its terms.

The Sponsored Organization's role typically includes:

- Carrying out the awarded project within the terms that are agreed upon between the Fiscal Sponsor and ISOC Foundation;
- Ensuring that project funds are utilized according to the terms agreed upon between the Fiscal Sponsor and ISOC Foundation;
- Monitoring outcome indicators and any other metrics that are described in the agreement between the Fiscal Sponsor and ISOC Foundation, and providing measurements of these metrics to the Fiscal Sponsor as agreed with their terms, so that Grantee Reports can be completed; and
- Collaborating with the Fiscal Sponsor to complete and submit Grantee Reports and accompanying financial reports.

Frequently Asked Questions: Sponsored Organizations

1. I want to use a Fiscal Sponsor for a project. What do I do?

If your organization does not meet a program's funding eligibility requirements, you may seek to partner with an organization which *does*. The Foundation is not able to facilitate the Fiscal Sponsor/Sponsored Organization relationship.

Ensure that your Fiscal Sponsor is aware of their responsibilities as described in this guidance document. Familiarize yourself with the responsibilities you may need to take on as a Sponsored

Organization if the application is awarded. The Foundation does not advise on or require any formal agreement between a Fiscal Sponsor and a Sponsored Organization. However, any formal agreement between the two parties should describe how each will uphold their responsibilities, such as those described above.

2. I have a Fiscal Sponsor that has agreed to sponsor my project. What happens next?

After the Fiscal Sponsor has agreed to sponsor your project, both organizations should register in Fluxx. Once your registrations have been approved, the Fiscal Sponsor can submit an application

If awarded, both the Fiscal Sponsor and the Sponsored Organization will be notified and the Foundation will liaise directly with the Fiscal Sponsor to sign the Grant Agreement. After the agreement is signed, you will have access to a copy of the agreement and associated payment and reporting schedules in Fluxx.

3. How do I account for Fiscal Sponsor fees in the application budget?

Fees charged by a Fiscal Sponsor can be included in the “Indirect Costs” budget category. Total Indirect Costs are limited to 25% of the total budget for the project. The Foundation does not advise on any fees charged to a Sponsored Organization by a Fiscal Sponsor. When you are considering a potential Fiscal Sponsor, ensure that you understand their fee structure and how this may impact your budget.

4. I started or submitted an application, but now I want to use a Fiscal Sponsor. What should I do?

While the Foundation’s requirement is that applications are submitted by the Fiscal Sponsor directly, we understand that on occasion this may not happen. If you have already started or submitted an application but now wish to utilize a Fiscal Sponsor, please contact the Foundation at foundation@isocfoundation.org. We will review the situation and advise on any next steps.

Frequently Asked Questions: Fiscal Sponsors

1. I have been asked to be a Fiscal Sponsor for an organization interested in submitting an application to a Foundation grant program. What should I do?

Before you agree to act as a Fiscal Sponsor for a Sponsored Organization, you should ensure you have a good understanding of best practices and the potential risks involved in Fiscal Sponsorship.

2. I am a Fiscal Sponsor partnering with a Sponsored Organization to submit an application. What do I do?

The Foundation does not advise on or require any formal agreement between a Fiscal Sponsor and a Sponsored Organization. You are encouraged to establish a formal agreement of terms and responsibilities. Any agreement between the two parties should describe how each will uphold the responsibilities as described above. You should ensure that you are familiar with the responsibilities

of being a Fiscal Sponsor and that the Sponsored Organization is aware of their responsibilities as described in this guidance document.

Both organizations must register independently in Fluxx. Once your registration has been approved, you, the Fiscal Sponsor, apply through Fluxx.

If awarded, both the Fiscal Sponsor and the Sponsored Organization will be notified, and the Foundation will liaise directly with the Fiscal Sponsor to sign the Grant Agreement.

3. How are Fiscal Sponsorship fees accounted for in an application budget?

Fees charged by a Fiscal Sponsor can be included in the “Indirect Costs” budget category. Total Indirect Costs are limited to 25% of the total budget for the project. The Foundation does not advise on any fees charged to a Sponsored Organization by a Fiscal Sponsor. When considering sponsorship of a project, ensure the Sponsored Organization understands your fee structure.

Fiscal Sponsor / Sponsored Organization Relationship: Application

Application forms in Fluxx contain a question asking if the proposed project is sponsored by a Fiscal Sponsor, and if the submitting organization is the Fiscal Sponsor or not:

Is the proposed project sponsored by a Fiscal Sponsor or submitted by a Fiscal Sponsor on behalf of a Sponsored Organization?

☒ My organization is a Fiscal Sponsor submitting this application on behalf of a Sponsored Organization.

☐ My organization is a Sponsored Organization and the proposed project will be sponsored by a Fiscal Sponsor.

☐ My organization is not acting as a Fiscal Sponsor for the proposed project, nor submitting an application for a project that will be sponsored by a Fiscal Sponsor.

[Relationship/Hole Information - Internal Only](#)

[Related Applications/Grants - Internal Only](#)

If the applicant indicates that they are the Fiscal Sponsor, they will be asked to provide information about the Sponsored Organization:

Is the proposed project sponsored by a Fiscal Sponsor or submitted by a Fiscal Sponsor on behalf of a Sponsored Organization?*

My organization is a Fiscal Sponsor s ▼

Internal

Sponsored Organization* [Add New](#)

Location* ▼

⊖

Sponsored Organization Primary Contact* ▼

Sponsored Organization Secondary Contact* ▼

If an applicant indicates that they are the Sponsored Organization, they will receive the following message, and the Application cannot be submitted. The application must be submitted by the Fiscal Sponsor.

Is the proposed project sponsored by a Fiscal Sponsor or submitted by a Fiscal Sponsor on behalf of a Sponsored Organization?*

My organization is a Sponsored Orga: ▼

Applications for projects that will be sponsored by a Fiscal Sponsor **must** be submitted by the Fiscal Sponsor, in Fluxx, on behalf of the Sponsored Organization. Please work with your Fiscal Sponsor to ensure the application is submitted from their Grantee Portal.

Guidance about the Fiscal Sponsor/ Sponsored Organization process can be found in the information section of your Grantee Portal.

If you have questions about this process, please contact us at fluxx_help@isocfoundation.org

Fiscal Sponsor / Sponsored Organization: Grant Management

If your proposal is awarded a grant, both the Fiscal Sponsor and the Sponsored Organization have a role in ensuring proper management of the awarded project. Fiscal Sponsor and Sponsored Organizations will both have full access to the Grant Record in Fluxx.

Both the Fiscal Sponsor and the Sponsored Organization should keep in mind that any changes to the grant may require a grant amendment, which will require the Fiscal Sponsor to take action with the Foundation.

If at any point during the application process or Grant award either the Fiscal Sponsor or Sponsored Organization has questions or concerns about their ability to uphold their responsibilities as agreed to (a) in the agreement between the Fiscal Sponsor and the Sponsored Organization or, (b) the Foundation Grant Agreement signed by the Foundation and Fiscal Sponsor, either party should immediately reach out to the Internet Society Foundation point of contact for their grant.

This document is provided for informational purposes and does not modify or supersede the terms of any grant agreement between ISOC or ISOC Foundation and a Fiscal Sponsor.
