

BHCD FINANCIAL PROCEDURES FOR SPONSORED PROJECTS



Obtain an EIN (Employer Identification Number) as a Community or Volunteer Group

- An EIN can be obtained online by completing a Form SS-4 on the IRS's website.
- Your group need not be an entity in order to get an EIN, nor does it need to have employees.

Open a Bank Account in the Project's Name

- If your group expects to issue more than 5 checks annually, it must open a bank account in the project's name.
- Most banks will require an employer identification number (EIN) prior to opening an account. Schedule A and Schedule B of your BHCD Fiscal Sponsorship Agreement should be sufficient to provide all information the bank will ask for to open an account.
- BHCD's bank account is at Camden National Bank. Opening an account at CNB facilitates the transfer of funds between accounts, but sponsored projects are free to open an account at any bank of their choosing.

Donations / Contributions / Collections

- **Check donations** must be made payable to Blue Hill Community Development or BHCD with the name of the sponsored project in the memo line. Checks made payable directly to the sponsored project will be rejected by the bank, so please ensure that all donations are made payable to BHCD.
- **Cash donations** must be counted carefully and delivered to BHCD with a detailed summary sheet including the total amount contributed.
- **Online donations.** BHCD has the ability to process online payments on behalf of sponsored projects using PayPal. The processing fee charged by PayPal will be passed on to the sponsored project.
- **Acknowledgements.** BHCD sends written acknowledgment letters to donors who give \$250 or more. The sponsored project may choose to send thank you letters to donors who give less than \$250.

Grant Proceeds

- Checks from the funding source are made payable to Blue Hill Community Development or BHCD as the applicant / fiscal sponsor.

Deposits

- All Donations and proceeds received by or on behalf of sponsored projects must be delivered to, and deposited by, BHCD.
- BHCD holds the funds in its own checking account until project expenditures are made.

Project Expenditures

- Requests for disbursement of funds from BHCD to sponsored projects must be made by email to the project's BHCD liaison or BHCD Treasurer.
- BHCD will disburse funds to sponsored projects by issuing a check made payable to the project. If the project's account is at CNB, this can be done via an internal transfer initiated by BHCD.
- The sponsored project deposits the check from BHCD into its account and makes payments directly to the payees.
- Sponsored projects are responsible for providing BHCD with receipts, invoices or contracts to substantiate all incurred expenses. Failure to provide BHCD with such documentation will result in the right of BHCD to demand the return of all disbursed funds.
- As described in the Fiscal Sponsorship Agreement, sponsored projects are also responsible for periodically providing BHCD with reports describing the charitable activities conducted, the expenditures made with funds received, and confirmation of compliance with the terms of the Fiscal Sponsor Agreement. Requirements will vary by project.

Payments to individuals or companies – more than \$600/year

- Sponsored projects that anticipate paying any individual or company a total of \$600 or more in a calendar year must check with BHCD BEFORE any payments are issued to inquire about the possible necessity of obtaining a completed Form W-9 from the individual or company.
- In some cases, such payments necessitate the issuance of a Form 1099 to the recipient, and it is necessary to obtain a completed Form W-9 to comply with 1099 reporting requirements.
- BHCD will issue all required 1099s and accompanying 1096s.