How fiscal sponsors can use Little Green Light

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Virginia is a member of LGL's customer support team who brings over 15 years of fundraising experience to her role. Having founded a small, non-profit dog rescue organization in 2010, she is especially eager to help small organizations maximize their resources.

Introduction

This guide is intended to help organizations who are engaged in a fiscal sponsorship arrangement understand how to use Little Green Light to effectively manage gifts received in support of a sponsored project.

Fiscal sponsors maintain legal control of donations made in support of a sponsored project, which means that the fiscal sponsor manages the gift processing as well as gift acknowledgments. We understand that scenario to be typical of all fiscal sponsorship relationships, which is why it's used as the example in this guide. Of course, there's a lot of variety in how fiscal sponsorship arrangements are handled. How you handle gift acknowledgments, communications with donors, and other processes is ultimately determined by the legal agreement between the fiscal sponsor and its sponsored project(s).

If the specifics of your arrangement differ from the example scenario in this guide, we hope the guide will still be useful to you as a point of reference as you determine if and how you might use Little Green Light to support your particular situation.

If your project is under fiscal sponsorship and you're wondering how you can use Little Green Light, we encourage you to read this resource and share it with your fiscal sponsor as it will help both entities think through the particulars and determine the approach that best suits your arrangement.

Special thanks to...

We want to offer our sincere thanks to Andrew Schulman of Schulman Consulting, a specialized consulting practice focused exclusively on fiscal sponsorship, for sharing his expertise as we prepared this guide.

What this guide covers

In this guide, we'll focus on the following aspects of using Little Green Light to support your operations related to fiscal sponsorship:

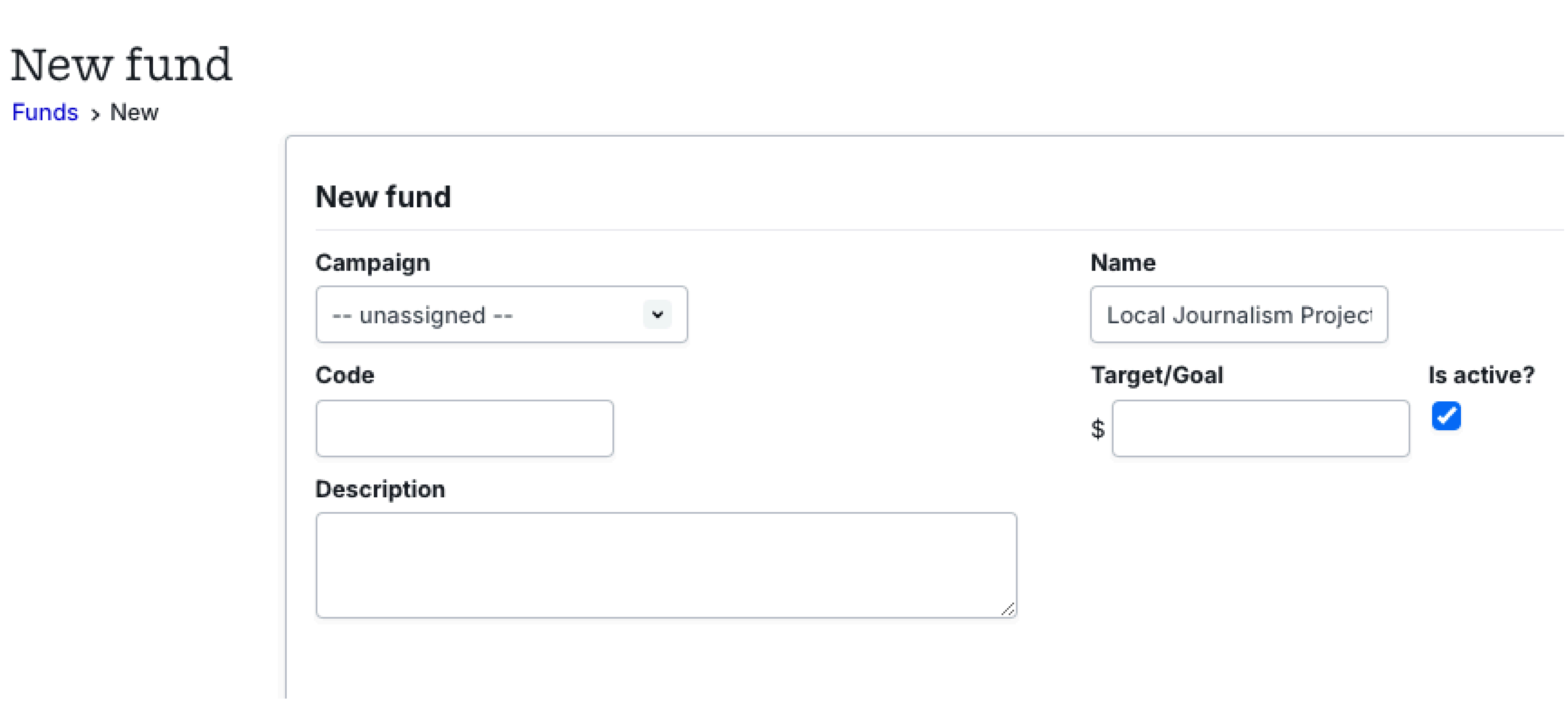
- Entering gifts received for a sponsored project, whether received online or by check
- Acknowledging gifts
- Maintaining good data hygiene
- Syncing gifts to QuickBooks Online
- Sending annual statements
- Sharing reports with your sponsored project
- Reporting on funds raised in support of a sponsored project
- Ongoing communications with donors

For each section, we've included links to specific resources in the Little Green Light Knowledge Base to help you implement the suggestions offered in this guide.

Getting started with gift entry

When your organization is acting as a fiscal sponsor, it's crucial that you can easily find and report on gifts that have been designated for a particular sponsored project. And, you'll likely need to be able to isolate donors who've supported that project so you can send project-specific updates in the future. In Little Green Light, you can use a fund to code gift records. Doing so makes it simple to search for donors and gifts related to a sponsored project.

To add a fund, navigate to Fundraising → Funds and click Add a Fund. This fund will be used specifically for gifts coded to a particular sponsored project. (Note: If you're the sponsor of multiple projects, you should create a separate fund to correspond with each sponsored project.)



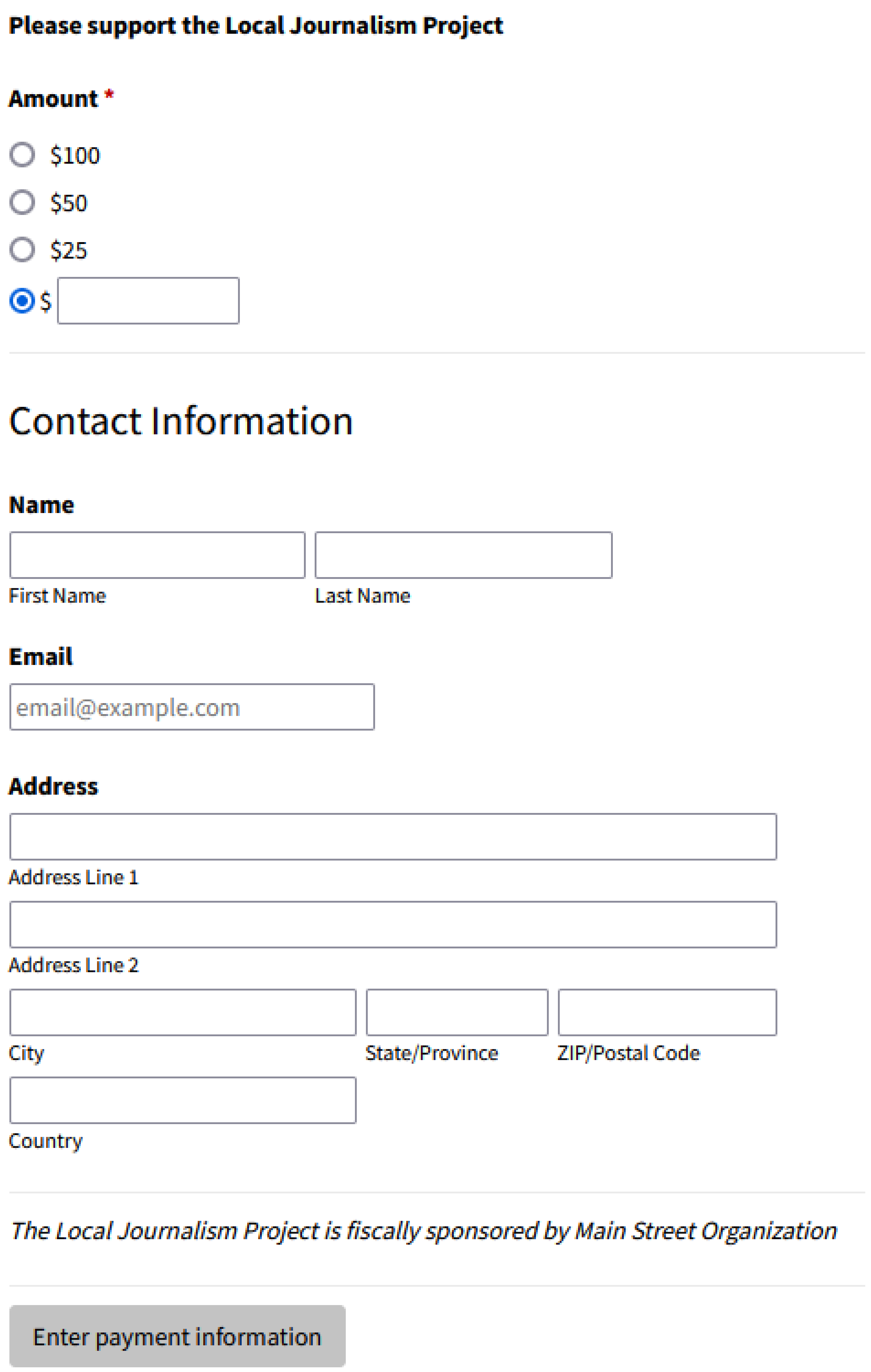
Each gift you receive in support of that sponsored project will be coded to that fund. Consistently coding gifts to that fund when appropriate is the key to maintaining good data hygiene related to your sponsored project.

In the next section, we'll get into the details of how you'll receive gifts in support of your sponsored project.

Resources

Campaigns and funds

Using LGL Forms to receive gifts online



Please support the Local Journalism Project

Amount *

- $100
- $50
- $25
- $

Contact Information

Name

First Name

Last Name

Email

email@example.com

Address

Address Line 1

Address Line 2

City

State/Province

ZIP/Postal Code

Country

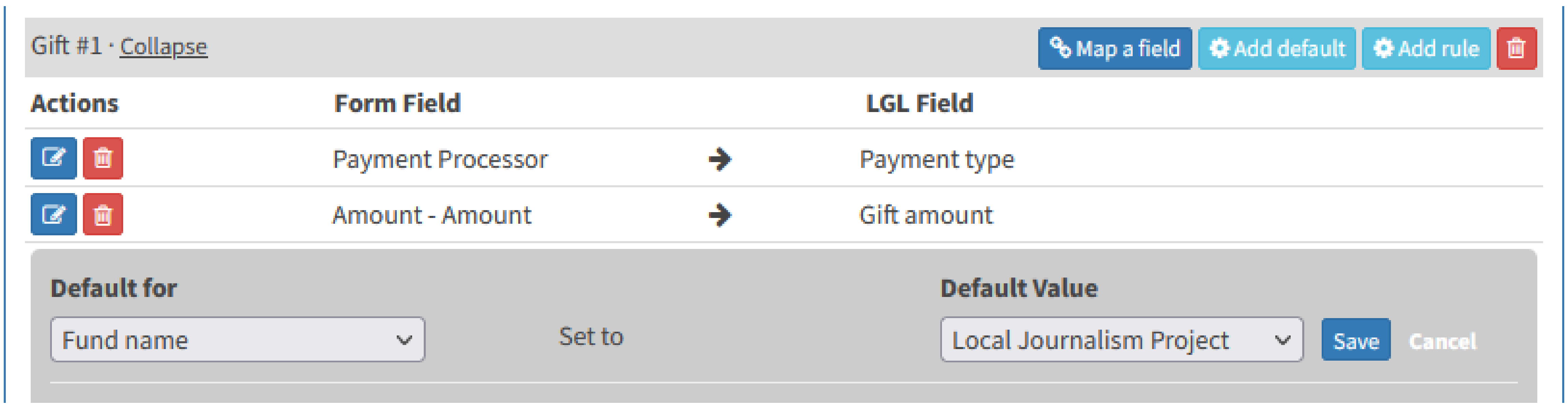
The Local Journalism Project is fiscally sponsored by Main Street Organization

Enter payment information

You can use LGL Forms to accept gifts made online, which are processed via Stripe or PayPal. In this guide, we'll use Stripe as our example. To make it easy to distinguish gifts made to the sponsored project from other gifts made to your organization, you can do the following:

- Create a payment form specifically for gifts made in support of a sponsored project. (Tip: If you're the sponsor of multiple projects, you should create a separate form for each.) This way, you can share that form with your sponsored project, and if they maintain their own website they can embed it or link to it from their website. You can also provide access to that form from your own website. There are no LGL fees for setting up multiple Stripe accounts, and you can link each Stripe account to a separate bank account. So you can even set up a separate Stripe account to be used exclusively with the form you created for your sponsored project. And if you're sponsoring multiple projects, setting up a Stripe account for each project will be especially handy.

- When you map your form, you can set a default so the gift record is automatically coded to the fund you created in LGL. When that default is set, all gifts received via this form will get coded to the appropriate fund in LGL without anyone needing to remember to do that manually.



- You can set up a confirmation email for this form, which will automatically be sent to donors when they successfully make a gift through the form. That way, donors get the documentation they need without your having to take any manual action.

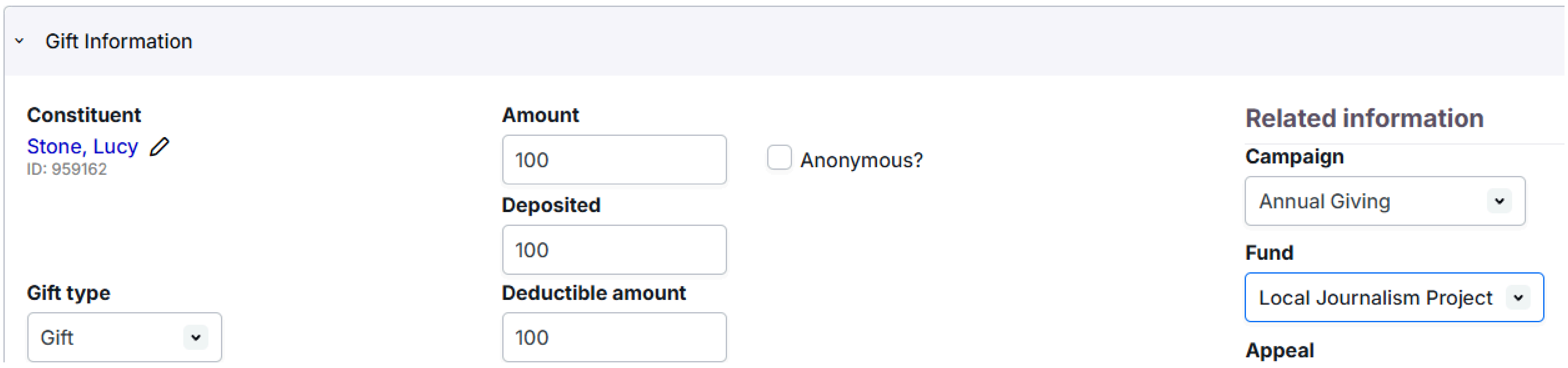
With this approach, you control the creation and branding of the donation form as well as the confirmation, while your sponsored project can easily share the form as they see fit, and can even embed it on their website. This keeps things convenient for both entities and reduces bottlenecks.

Resources

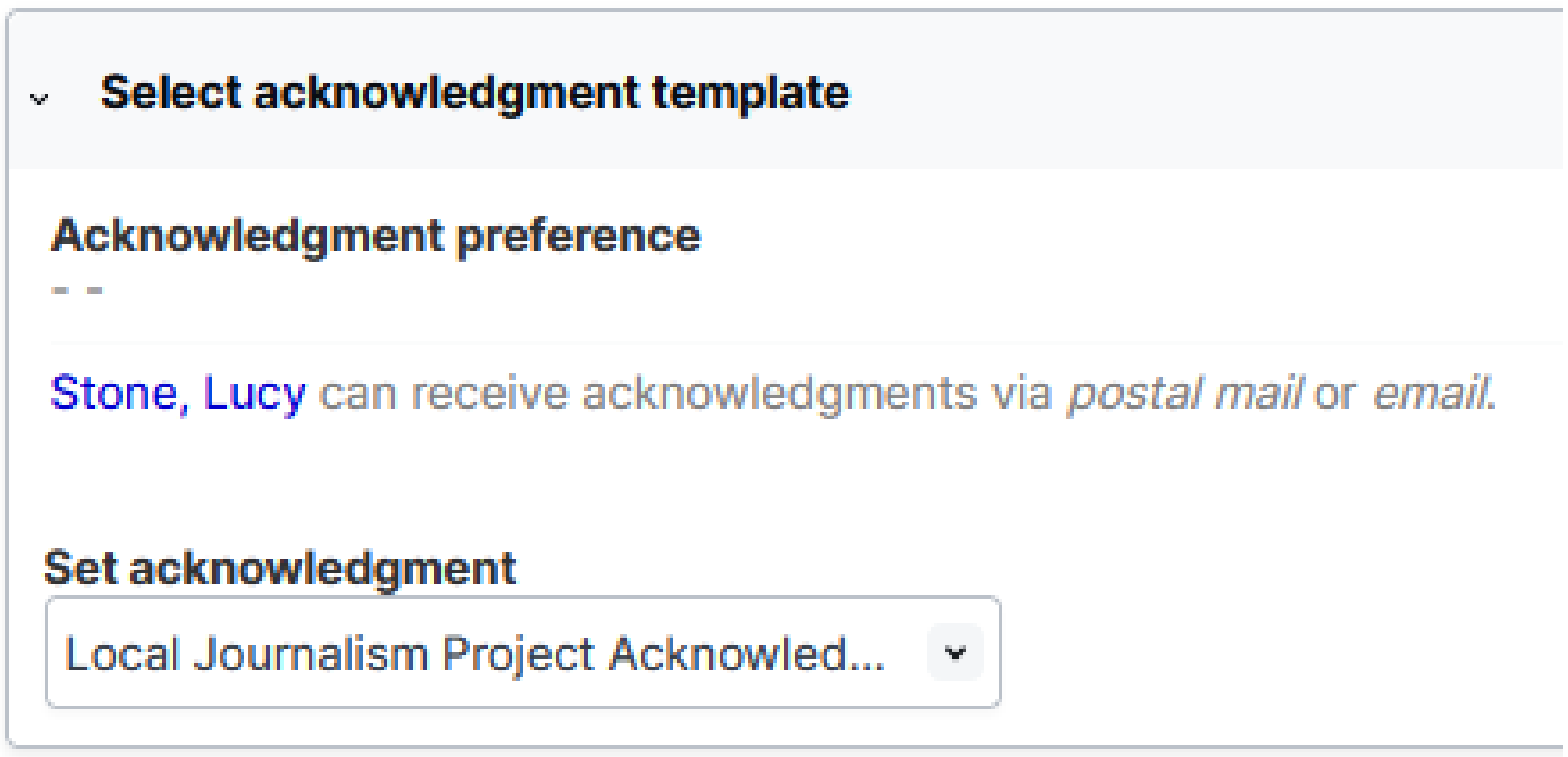
Enable your LGL Forms account to accept Stripe payments
Integrate your LGL Forms data to flow into LGL
Define your form's confirmation options
Publish a form

Manual gift entry

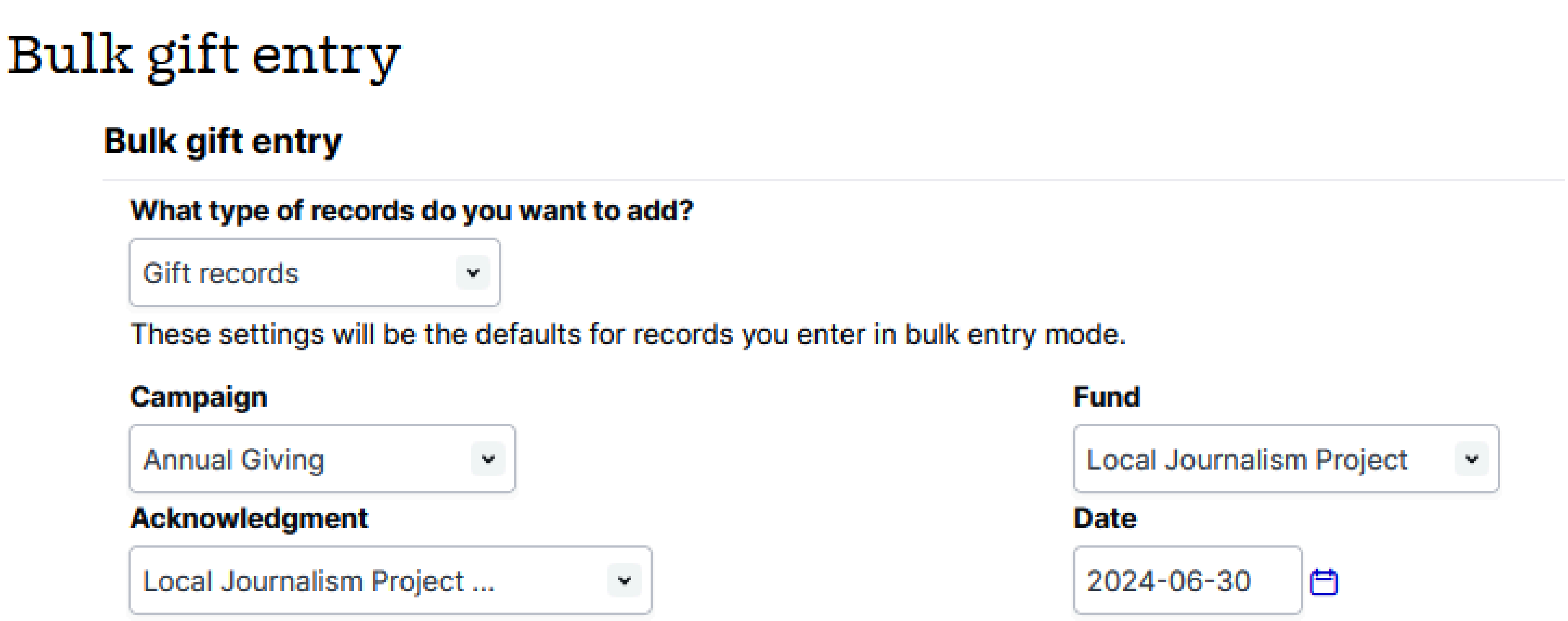
When you enter gifts by check, you'll need to assign them to a fund, similar to how you've mapped a fund for your online gifts. Here's how you can do that when entering a gift in LGL:



You can also create an acknowledgment letter template specifically for gifts made to your organization in support of a specific sponsored project. This way, you can reference the project in the content of the acknowledgment letter so it's clear to donors that you are aware of the intended purposes of their gift. You can assign that acknowledgment template to the gift record during gift entry:



If you'll be receiving many checks for your sponsored project at once, you can use LGL's bulk gift entry functionality to make gift entry more efficient. When you do that, you can set both the fund and acknowledgment template:



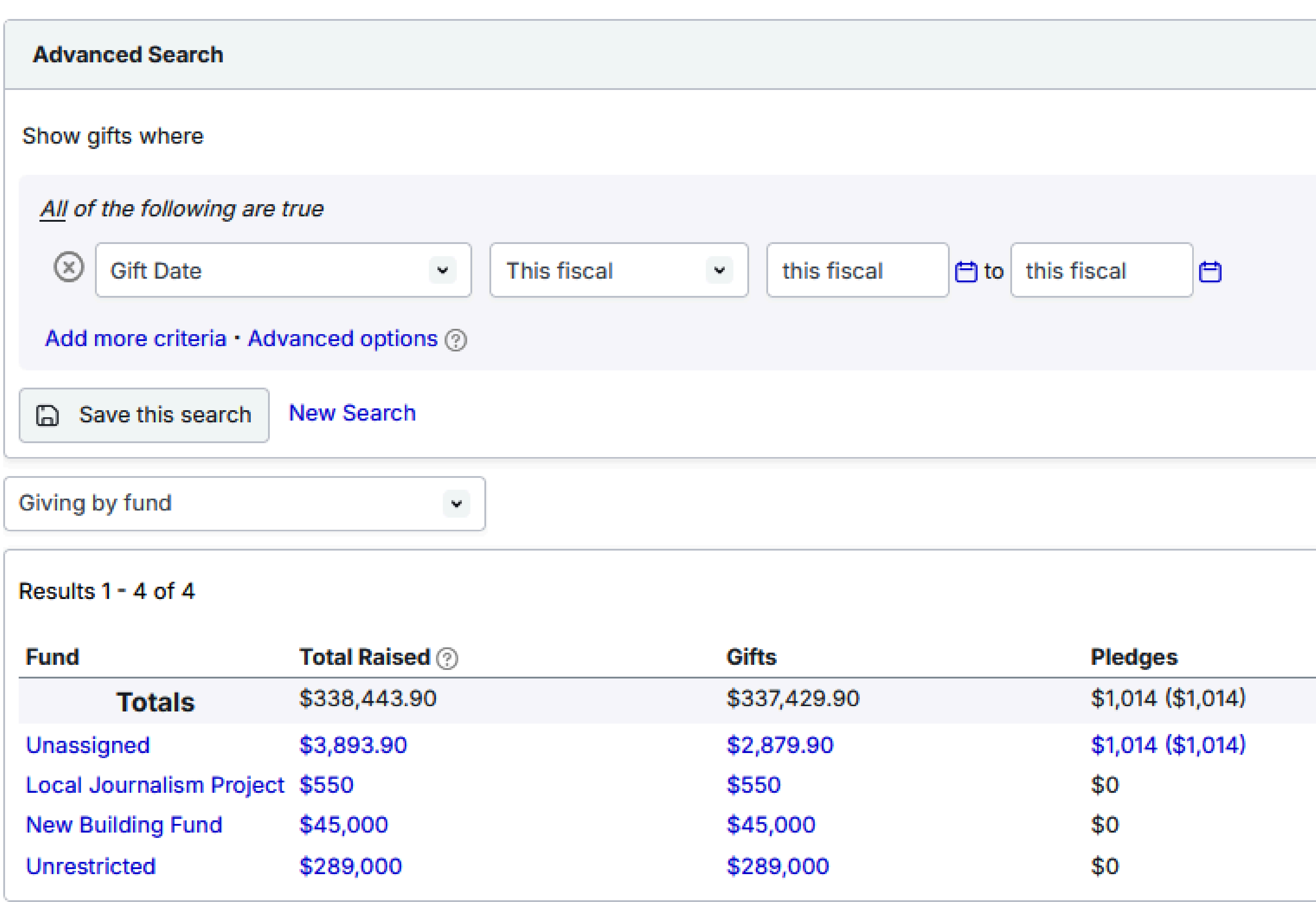
Resources

[Gift entry]
[Create an acknowledgment letter template]
[Bulk gift entry]

Maintaining good data hygiene

As we've covered, using a fund to code gifts is key to keeping track of gifts made in support of a sponsored project, and it becomes even more useful when you need to search for and report on those gifts. But, human errors do happen from time to time. That's why it's good to get into the habit of routinely reviewing your gift entries to ensure that no gift records have been accidentally left unassigned to a fund.

You can do this by navigating to Fundraising → Giving. Choose the "Giving by fund" view. Note the "Unassigned" status that is included at the top of the Fund column. This refers to gift records that aren't currently coded to any fund.



When you see any gifts listed as Unassigned, click on the amount raised in blue to view those gift records. You can then review each of those records and assign the appropriate fund. Do this on a regular basis so you have the opportunity to clean up any human errors that may have occurred during gift entry.

Resources

Quick searching and reporting with Fundraising views

Syncing gifts to QuickBooks Online

If your organization uses QuickBooks Online as your accounting software, you have the option to sync LGL with QBO. This means that when you enter gifts in LGL, corresponding sales receipts will be created in QuickBooks without your needing to re-enter any data.

In the settings for your integration, you can map a fund in LGL to correspond with a specific class in LGL so that gifts made in support of sponsored projects are as easy to identify in QBO as they are in LGL.

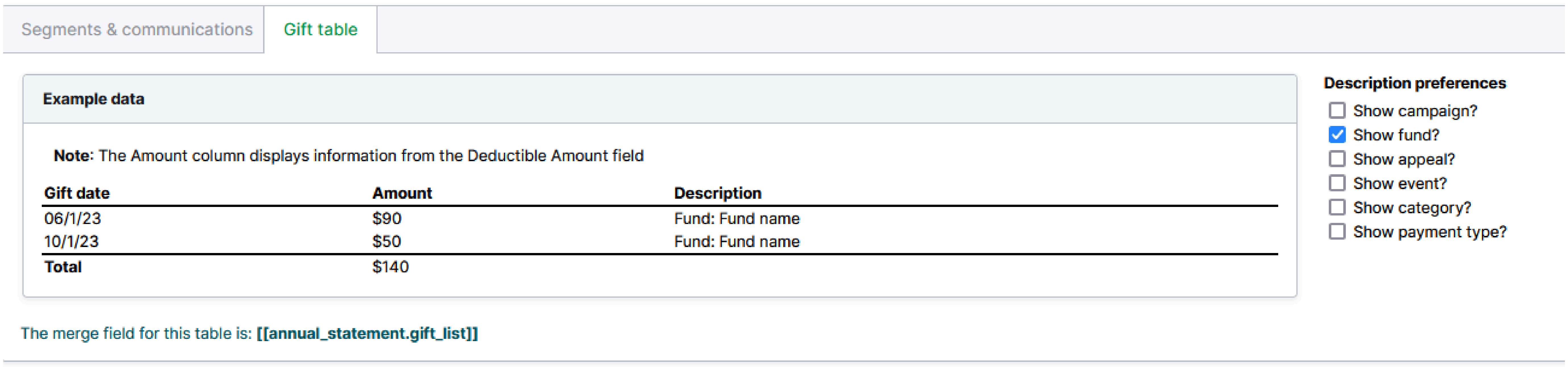
Resources

QuickBooks Online integration: Sync gifts from LGL to your QuickBooks Online account

Annual Statements

If you send year-end tax statements to your donors, you can use LGL's Annual Statements functionality to do so. As the fiscal sponsor, all gifts made in support of a sponsored project are legally made to your organization, so there may not be a need to handle annual statements differently for donors who supported a sponsored project.

But, if you'd like to include in your statements the fund to which a gift was allocated, the Annual Statements functionality makes it easy to do so. Here's how you can customize the gifts table so the fund of each gift is listed:



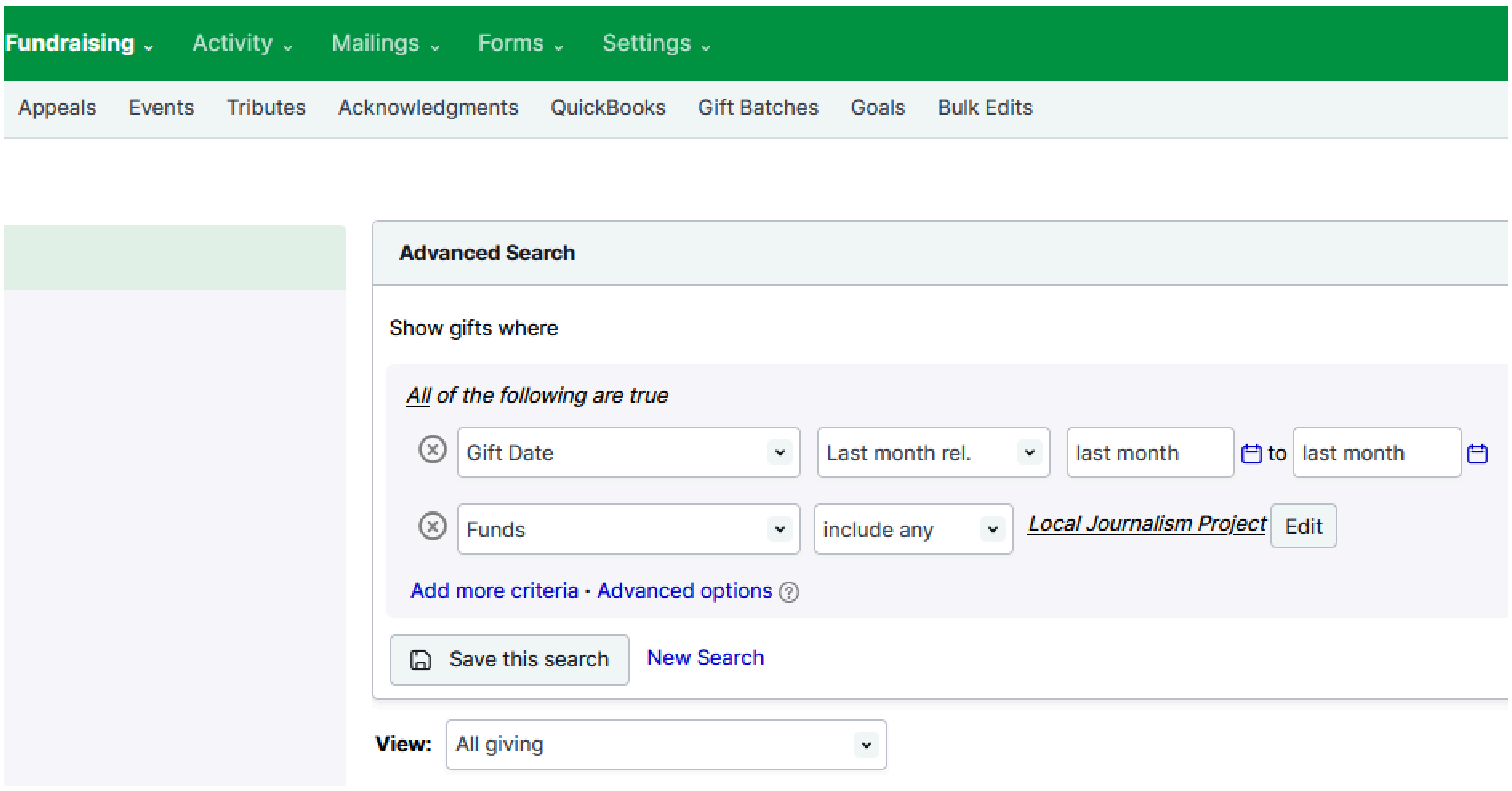
Resources

[Quickly generate a simple annual statement in your account]

Reporting

Sharing periodic updates with your sponsored project

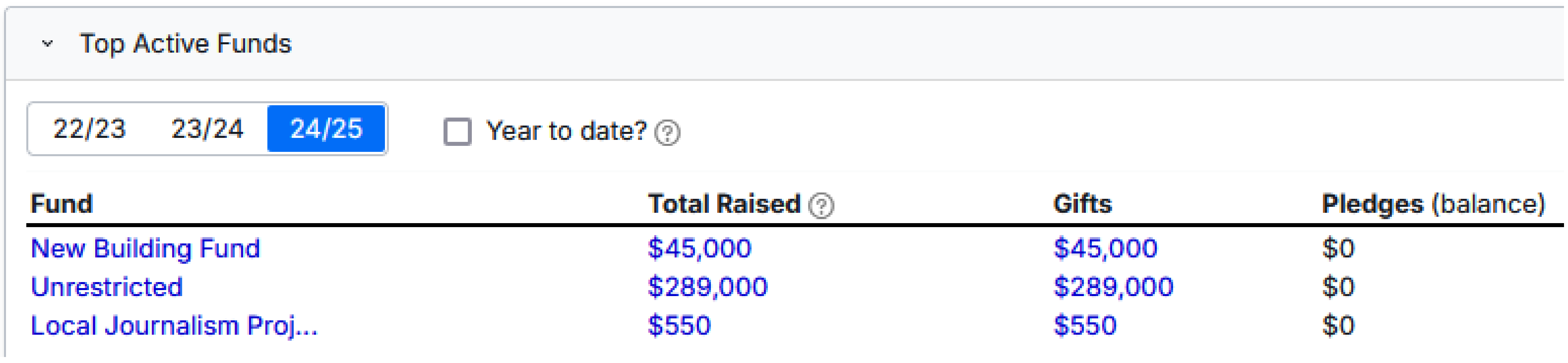
When it's time to share fundraising updates with your sponsored project, you can build a scheduled gift report that includes details of all gifts received in support of a sponsored project during a particular time period. To do that, you can navigate to Fundraising → Giving. There you can search by "Funds" so your report only includes gifts that are relevant to the sponsored project. You can also include dates in your search. This example search uses the "Last month rel." search criteria, which means "last month relative to this month."



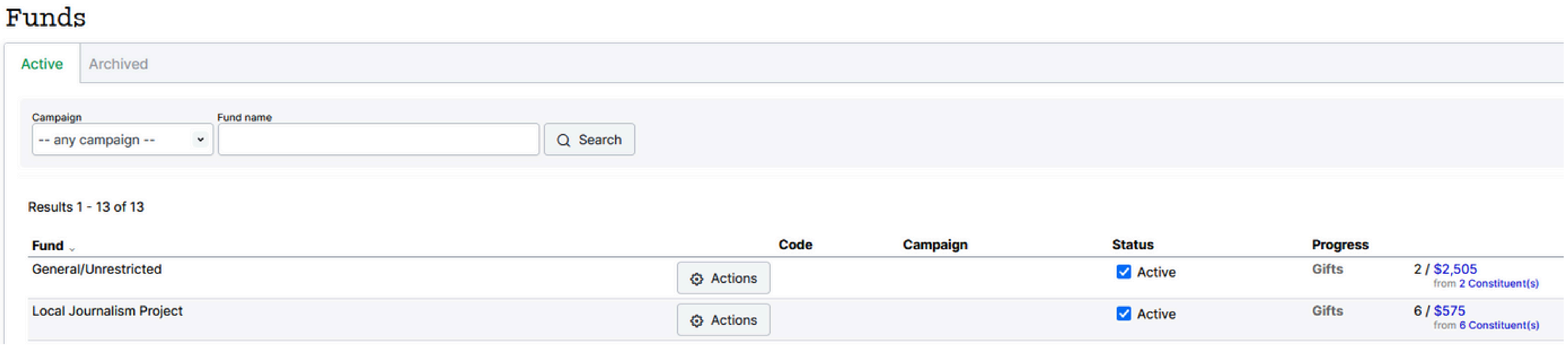
It's a good idea to talk with your sponsored project and set expectations for the frequency and format of the information you'll share.

Tracking fundraising totals and creating reports

When you log into LGL, you can rely on dashboard widgets to keep track of your fundraising totals. If you're receiving gifts for your sponsored project on a regular basis, the Top Active Funds widget will be a handy one to refer to:



You can also quickly see the total amount raised in your fund by navigating to Fundraising → Funds.



You can click on the hyperlinks to see details about the gifts coded to this fund and about the constituents who made those gifts.

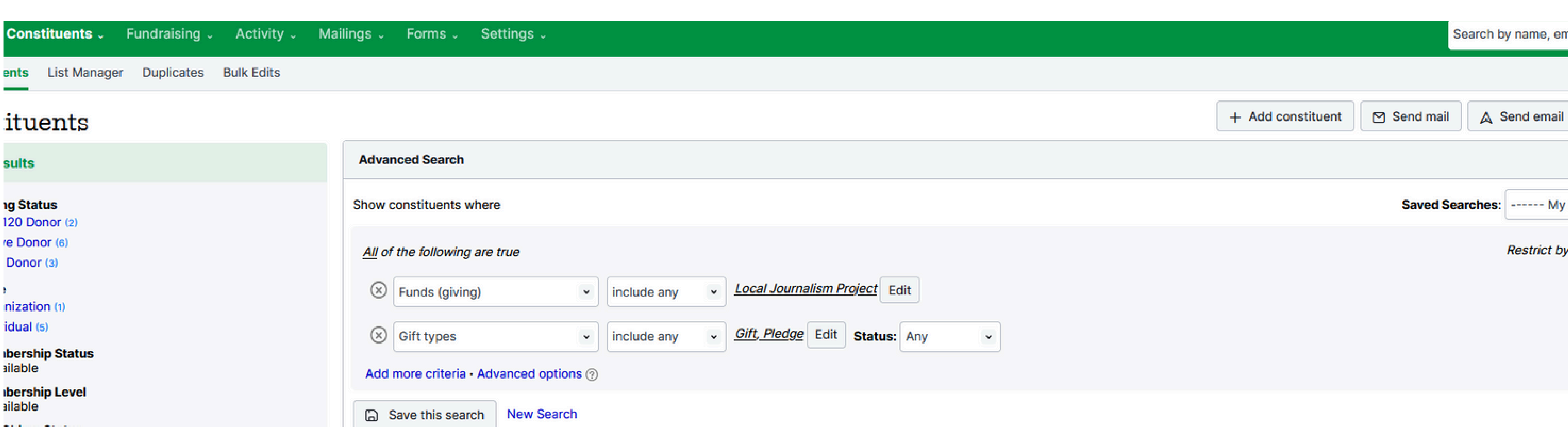
If you need to create a custom gift report, you can get started by navigating to Fundraising → Giving and searching by "Funds".

Resources

The LGL dashboard
Reports: Build, customize, and schedule reports

Follow-up communications

When you need to do any follow-up communications with constituents who've supported a particular sponsored project, you can run a constituent search by "Funds (giving)" to find all constituents with a gift coded to a specific fund. From there, you can choose to create an email or send a mailing, or you can export those names and contact information along with giving to their particular project (fund) to share with your sponsored project if they'll be reaching out to those supporters.



Resources

[Create a mailing]
[Sending bulk email]