

So You Wanna Fund a Film



On Grants and Fiscal Sponsorship

From Inside Philanthropy:

“Independent film lives in the uneasy space between art and commerce. Outside the studio system, filmmakers often piece financing together from foundations, individual donors, fiscal sponsors and specialized film funds.

Philanthropy also supports documentary and social-impact films, where cultural value does not necessarily produce a dependable commercial return. This focus on film as a mechanism for social change is sometimes called “[filmanthropy](#).”*



**Although not as well funded as films made through a studio,
independent films are no less important or beautiful!**

Today's Funding Environment



- Fewer resources
- More competition
- Most require non-profit status or fiscal sponsorship

But don't give up!

Funding for Independent Docs

- Grants (Foundations, Government, Nonprofits): ~30-31%
- Self-financing/Personal Income: ~21%-23%
- Individual Donors: ~16%-18%
- Broadcast TV Networks (including Public TV): ~11%
- Repayable Loans/Individual Investments: ~8%

Source: Center for Media & Social Impact (CMSI)

What Is a Grant?



Funds available through the government, charitably-minded corporations, and family foundations. Those funds go to (if your organization is a non-profit) or through 501(c)(3) orgs to support work that aligns with the organization's goals.

Types of Grants



- *Rare* to find grants for individuals
- Often smaller in size than organizational grants
- Most grants require Non-profit status or a fiscal sponsor.

Decentralization Grant (or Regrant)



- *NYS funds Arts organization (NYSCA)*
- NYSCA distributes funds to non-profits across state (i.e., GVArtsCouncil)
- Non-profit organizations and individuals apply to GVArtsCouncil for funding
- Distribution of funds determined by panel

About Grants



- Think long-term, not fast cash
(takes *months*) to apply and be awarded
- Some are one-year duration, others are multi-year
- Not all expenses are eligible – check grant specifics
- Grantors/Foundations have specific missions for activities they will support; Don't waste time on misfits

About Grants



- If you have questions, funding officers are usually helpful
- Track audiences served, activities undertaken, results obtained; Funders are focused on these
- Keep very good records and receipts; you'll be required to report on expenditures
- Over-deliver on final report

Fiscal Sponsorship

Definition

A formal arrangement where a 501(c)(3) public charity (the sponsor) provides financial and legal oversight of a project that lacks its own tax-exempt status.



In other words, you *borrow* their non-profit status.

Role of the Fiscal Sponsor



- Holds funds raised in escrow account
- Releases them to the project upon request that complies with legal parameters
- Ensures that all funds are used for charitable purposes, maintaining compliance with IRS while project focuses on mission and project

Benefits of the Fiscal Sponsorship



- Lends credibility – Fiscal sponsor believes in your project enough to sponsor
- Lowers your overhead - Share costs for accounting, auditing, and HR
- Faster launch – Projects can start in weeks rather than months required to secure non-profit status.

Benefits of the Fiscal Sponsorship



- Your project becomes eligible for grants
- You can offer tax-deductibility to your sponsors and crowdfunding donors, making your project more attractive.

Model A - Comprehensive



The project has no separate legal existence; it is essentially a "nonprofit in a box." The Social Impact Commons notes that the sponsor provides the full legal home and back-office infrastructure, including tax filings, insurance, and payroll. It is best for early-stage initiatives that need to launch quickly.

Model B - Independent Contractor



This is often described as an "independent contractor project". The sponsor owns the project but hires a separate entity (the project) to run its daily operations. The project must have its own legal and tax existence, and the relationship is defined by a contract rather than a grant.

Be sure to investigate who owns the final project.

Model C - Autonomous



The sponsor and project remain two completely separate legal entities. The sponsor's role is primarily to receive tax-deductible donations and re-grant them to the project to fulfill a specific charitable purpose. Often suggested as best for teams that already have their own administrative capacity.

Be sure to investigate who owns the final project.

Choose Your Path

	Model A (Comprehensive)	Model B (Independent Contractor)	Model C (Pre- Approved Grant)
Legal Relationship	Project is a program of the sponsor.	Project is an independent contractor of the sponsor.	Project is a grantee of the sponsor.
Legal Entity	No separate legal entity exists.	Project is its own separate legal entity.	Project is its own separate legal entity.
Personnel	Treated as employees or volunteers of the sponsor.	Treated as independent contractors of the sponsor.	Employed or contracted by the project directly.
Asset Ownership	Sponsor owns project assets and intellectual property.	Can be owned by sponsor, project, or both; sponsor retains control.	Project owns its assets and intellectual property.
Administration	Sponsor handles all back-office (HR, accounting, etc.).	Project handles its own business operations.	Project handles its own business operations.



Considerations

- Be sure your fiscal sponsor has experience in being a fiscal sponsor!
- Regional grants may require a fiscal sponsor from that region.
- If your non-profit fiscal sponsor offers grants or is a regrantor, if your project is a sponsoree, you may not be eligible for those.

Considerations



- **Does your prospective Fiscal Sponsor Offer Other Benefits?**
- Dedicated project page?
- Educational materials (webinars, white papers, videos, etc.) on helpful topics?
- Have a quick response time and a reputation for good customer service?
- Have a policy for quick reimbursement of funds?

Accountability is Key



Fiscal sponsors must maintain 100% transparency and accountability to ensure funds meet charitable intent.

Sponsorees must maintain 100% transparency and accountability to complete project and ensure funds are used in a manner that matches charitable intent.

Don't let “Oh, we've been burned” be said about you!

Remember!



Every grant and every Fiscal Sponsor has *its own rules* and regulations, so it is *essential* to *read and understand the fine points!*

**Now, Go, Fund and
Make Your Film!
And Good Luck!**

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