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FAQ: Foundation for Independent Artists

Please find below answers to your questions about the Foundation for Independent Artists, Inc. Feel free to contact John Hoobyar with additional questions about the program at [johnh\[at\]pentacle.org](mailto:johnh[at]pentacle.org).

General Questions

Q: What services do I receive as a member of FIA?

A: FIA offers members the corporate framework of a 501(c)(3) organization without the administrative burden of managing your own non-profit. Member artists benefit from workers compensation insurance, general liability insurance, unemployment insurance, payroll and direct deposit services, 1099 and W-2 disbursement, and comprehensive bookkeeping and fiscal management.

Q: What is the fee to be a member of FIA?

A: Below is the fee structure for FIA:

- Artists pay a fee of 5% of all income deposited to their FIA checking account to Pentacle against a minimum annual fee of \$2500.
- Artists who choose to receive in-kind donations pay a \$100 fee to Pentacle per contract period. This can be paid at any time during the contract period before receiving in-kind donations.
- For artists who wish to receive donations via credit card, Paypal charges an additional 2.9% + \$0.30 per transaction.
- Additional costs of participating in FIA include payroll taxes, shared cost of a general liability insurance policy, and additional fees to apply for NYSCA and NEA funding.

Q: What is FIA's relationship to Pentacle?

A: FIA is a not-for-profit organization administered by Pentacle (DanceWorks, Inc.). As such, they are two separate legal entities. Pentacle staff manage FIA and member artist accounts.

Q: What is required of me as a fiscally sponsored artist of FIA?

A: Member artists submit fiscal requests to their staff member on a weekly basis and provide information about artistic activity for the year to keep us in the know. Member artists are required to do their own reporting on grants received using financial information provided by your staff member.

Q: How does 1099 payment work as a member of FIA?

A: Your staff member will issue 1099s at the end of the calendar year to all vendors and independent contractors who to whom you paid \$600 or more during the calendar year.





Soliciting Funding Through FIA:

Q: Does FIA need to approve my solicitation letters and grant applications?

A: Fundraising proposals to foundations and corporations that are submitted under the name of the Foundation for Independent Artists, Inc. must be submitted to FIA for approval no less than 14 days prior to the proposal deadline.

Q: What in-kind donations does FIA accept?

A: FIA accepts tangible non-cash items (furniture, clothes, etc) and space donations valued at less than \$5,000. FIA does not accept pro-bono services such as legal aid, graphic design, or accounting services.

Q: Are checks “regranted” to me as a member of FIA?

A: No. All funds stay in your FIA checking account and all payments and expenses are made directly from that account.

Q: How soon can I start using my FIA checking account after I decide to become a member of FIA?

A: A staff member at Pentacle will open an FIA checking account for you once you have signed your contract. Once the account is open you may start using it to process fiscal activity. It may take up to two weeks to open your account after the contract is signed.

Q: If FIA receives a grant on my behalf, do I have immediate access to the funds?

A: Yes. The grant funds are deposited directly to your FIA checking account, in accordance with any restrictions of the grant.

Crowdfunding Platforms and FIA:

Q: Can I connect my FIA account to my crowdfunding campaign (e.g. a Kickstarter or Indiegogo fundraising campaign)?

A: Yes, you can choose to receive funds from a crowdfunding platform to your FIA checking account to offer tax deductions to your donors. Note, we will only issue thank you letters for individual donations of \$50 or more received via crowdfunding campaigns.

Q: *Should* I connect my crowdfunding campaign to my FIA account?

A: We encourage FIA artists to receive funds from their crowdfunding campaigns directly to their FIA checking accounts so these funds can be factored in to their total operating budgets for a given fiscal year and so that these funds can be used to pay company/artist expenses from the FIA checking account.