

FAQ: Unique Projects

Please find below answers to common questions about Unique projects, Inc. Contact Pentacle at unique@pentacle.org with any further questions.

General Questions

Q: What is fiscal sponsorship?

A: Fiscal Sponsorship is the practice of non-profit organizations offering their legal and tax-exempt status to groups engaged in activities relating to the sponsoring organization's mission.

Q: What benefits do I receive as a fiscally sponsored artist of Unique Projects?

A: Unique Projects enables sponsored artists to receive tax-deductible contributions from donors, apply for most grants that are only available to 501(c)3 organizations, and to receive discounted studio space rental at participating studios.

Q: What is Unique Projects's relationship to Pentacle?

A: Unique Projects, Inc. is a not-for-profit administered by Pentacle (DanceWorks, Inc.). As such, they are two separate legal entities. Pentacle staff manage Unique Projects artist accounts. All contributed/awarded funds to an artist fiscally sponsored by Unique Projects must be made out to Unique Projects, Inc, with the artist's name indicated in the memo. When referencing your fiscal sponsorship, you should always reference Unique Projects, not Pentacle.

Q: What types of donations does Unique Projects accept on behalf of artists?

A: Unique Projects accepts monetary donations by check, credit card via our online form processed by Stripe, and crowdfunding platforms. Unique also accepts in-kind donations for an additional Fee.

Q: What is the fee to be fiscally sponsored by Unique Projects?

A: Below is the fee structure for Unique Projects:

- For independent artists with no level of incorporation or sole proprietorship, an administrative fee of 5.5% is withheld from funds received to Unique Projects on behalf of an artist. For example, if someone donates \$100 to you, Unique Projects keeps \$5.50 of that donation to cover administrative cost of accepting, processing, and acknowledging that donation.
- For incorporated artists or LLCs, a fee of 7.5% is withheld from funds received to Unique projects.
- Artists who choose to receive in-kind donations pay a \$100 fee to Pentacle per annual 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, Stripe charges an additional 2.9% + \$0.30 per transaction.





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

A: Sponsored artists are expected to:

- Track their expenditures from funds raised through Unique Projects.
- Submit a budget form at the beginning of their contract period with projected income to be raised through Unique.
- Submit an Expenditure Report upon completion of each contract period.
- Ensure checks from donors are written out to Unique Projects with the Artist's name in the memo. Any contributions received that are greater \$5,000 must be accompanied by a letter from the donor stating the amount donated to the fiscally sponsored Artist/project.
- Certain grants may require additional reporting, depending on specific grant guidelines. In this case, the artist is responsible for tracking grant expenses and providing any required reporting.

Q: Why might an application be denied?

A: Artists or organizations whose work is not in the performing arts cannot be fiscally sponsored by Unique Projects, as the mission of a sponsored entity must align with that of the non-profit sponsoring them. If the fiscally sponsored project is motivated mainly by commercial gain, it will be denied.

Q: Will I have to pay taxes on any income I receive from Unique Projects?

A: Yes, all income you receive from Unique Projects is taxable income and you will receive a 1099-MISC for any funds regranted within a given calendar year.

Q: Can I receive sales tax exemption as a fiscally sponsored artist of Unique Projects?

A: No. A parent organization such as Unique Projects cannot legally extend sales tax exemption to fiscally sponsored projects.

Soliciting Funding Through Unique Projects

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

A: Fundraising proposals to foundations and corporations that are submitted under the name of Unique Projects, Inc. must be sent to Unique for approval no less than 14 days prior to the proposal deadline. Approval of any fundraising application to Unique after the 14-day grace period will be determined at the discretion of Unique and late fees may apply.

Q: What in-kind donations does Unique Projects accept?

A: Unique accepts tangible non-cash items (furniture, clothes, etc) and space donations up to a total of \$5,000. Unique does not accept pro-bono services such as legal aid, graphic design, or accounting Services.

Q: How long does it take Unique Projects to send me funds after a donation earmarked for me has been received?

A: Re-grants are scheduled via ACH payment to artists within two weeks of receiving the original donation. Large grants or contributions may be placed on a regrant schedule based on grant guidelines or at Unique's discretion.



Q: How soon can I start receiving donations through Unique Projects after my application is approved?

A: Once your application has been approved ,we will send you a contract to sign and return to us. We can accept funds on your behalf as soon as we receive your signed contract.

Crowdfunding Platforms and Unique Projects

Q: Can I connect my Unique Projects account to my Kickstarter or Indiegogo crowdfunding campaign?

A: Yes, you can choose to receive funds from a crowdfunding platform to Unique projects on your behalf 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. Similarly to fundraising proposals and grant applications, crowdfunding campaigns must be approved by Unique at least 14 days prior to the launch date.

Q: Why can't I run my crowdfunding campaign through GoFundMe?

A: Due to GoFundMe's policy of donor-identity protection, Unique cannot extract the donor contact info required in order to issue tax-exempt thank you letters. In question or uncertainty of other crowdfunding platforms, please discuss with Unique Project's associate at unique@pentacle.org.