

**Readiness Factors for Model A Project Transitioning to Independent 501(c)(3)**

In addition to 501(c)(3) tax-exempt status, ‘Model A’ fiscal sponsors provide critical back-office infrastructure to the projects they work with. When a project exits a ‘Model A’ fiscal sponsorship relationship, it is important that they develop their own capacity to independently steward the nonprofit program and its resources going forward. Below is a basic checklist of items the sponsor and leadership of the project may want to review together and decide what’s needed to launch the project as an independent organization.

* Incorporate/register under state laws
* Establish Board of Directors
* Receive 501(c)(3) determination from the IRS
* Set-up a bank account
* Establish financial system
* Draft policies and procedures
* Procure finance and accounting supports
* Set up Payroll management system
* Establish contracting practices & templates
* Purchase insurance (General Liability, Directors & Officers, Ect.)