



# MAPS

MULTIDISCIPLINARY ASSOCIATION  
FOR PSYCHEDELIC STUDIES

## **FISCAL SPONSORSHIP PROGRAM MANUAL V.3**

September 2024

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## 1. Introduction

A fiscal sponsorship is an empowering collaboration between the Multidisciplinary Association for Psychedelic Studies (“MAPS”) and the operators of independent mission-aligned projects. MAPS' fiscal sponsorship program is structured as a pre-approved grantor-grantee relationship (often referred to as “Model C”) where MAPS, as the sponsor, accepts tax-deductible donations on behalf of the charitable project and disburses grant funding to the designated project operator (“Sponsee”) to accomplish the charitable project. This model can be thought of as a partnership for progress, catalyzing innovative community-led initiatives that expand the impact of the psychedelic ecosystem.

When MAPS approves a project for fiscal sponsorship, donors are able to make tax-deductible contributions to MAPS, which holds a separate fund for the fiscally sponsored project. MAPS then grants these funds to the fiscally sponsored project operator on a regular basis. In accordance with IRS requirements, MAPS exercises full discretion and control over all project funds, including the right to redirect funds to another entity that can accomplish the charitable purposes of the approved project if the designated operator cannot.

Fiscal sponsorship is available for operators of mission-aligned projects if they are:

- U.S.-based nonprofit organizations that are in the process of seeking 501(c)(3) status;
- U.S.-based for-profit companies conducting a qualified charitable activity; OR
- international charities/non-governmental organizations (NGOs).

Fiscal sponsorship is different from (and often confused with) a “*financial*” sponsorship in which a nonprofit organization grants funds that it has previously raised to another entity for purposes of a charitable project. **Fiscal sponsorship by MAPS does not guarantee any funding** and only provides a vehicle for project operators to conduct fundraising activities in a manner compliant with Section 501(c)(3) of the Internal Revenue Code.

Here are some general resources for more information about fiscal sponsorship:

- <https://www.youtube.com/watch?v=gdH7vEIRHIA>
- <https://www.adlercolvin.com/blog/2012/10/15/what-is-fiscal-sponsorship/>
- <https://www.adlercolvin.com/blog/2012/01/25/model-c-fiscal-sponsorship-the-more-formal-the-better/>

The specific charitable activity that MAPS has approved for sponsorship is called the “Project.” The separate entity that operates the Project, and is eligible to receive grant funding from MAPS’ restricted sponsorship fund for the Project, is referred to as the “Sponsee.” MAPS serves as the “Sponsor.”

This Fiscal Sponsorship Program Manual (“Manual”) provides an overview of the MAPS Fiscal Sponsorship Program, including qualifications, benefits, expectations, policies, and procedures.<sup>1</sup> The legal terms governing the fiscal sponsorship are set forth in the signed agreement between MAPS and each Sponsee. In the event of any conflict between this Manual and the fiscal sponsorship agreement, the terms of the fiscal sponsorship agreement control.

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<sup>1</sup> This Manual is subject to change by MAPS from time to time with reasonable notice to current Sponsees.

## 2. Eligible Projects

At the most basic level, all fiscally sponsored Projects must conduct charitable activities, as defined by Section 501(c)(3) of the Internal Revenue Code, and must further MAPS' mission.<sup>2</sup>

Projects operated by for-profit (non-tax-exempt) entities may be eligible for fiscal sponsorship. These applicants must only seek sponsorship for limited Projects with a clearly defined charitable purpose, with funding constrained to budget items that are necessary to fulfill that charitable Project.

Projects operated by internationally based charitable entities with equivalent tax-exempt status in their country of operation may also be eligible for fiscal sponsorship if they align with MAPS' mission. Please note that MAPS can only disburse funds to Projects operated in the countries supported by its payment processing platform, BILL, as [listed here](#).

Newly formed U.S. nonprofit entities (which are incorporated at the state level) that have yet to obtain a federal 501(c)(3) tax-exempt status are required either to have filed their Form 1023 application for exempt status prior to applying for sponsorship or to provide a timeline to file the application during the sponsorship period. Exceptions will be considered in limited circumstances.

Projects operated by individuals or by unincorporated entities are **not** eligible for fiscal sponsorship.

MAPS must be a Project's sole and exclusive fiscal sponsor in the U.S.

## 3. Eligible Expenses

As a tax-exempt entity and the Project's fiscal sponsor, MAPS will accept tax-deductible donations identified for the purposes of the Project and hold them in a separate, restricted fund. MAPS exclusively owns and exerts control over the restricted Project fund. This ensures that MAPS remains compliant with IRS regulations.

Funds distributed by MAPS to the Sponsee can only be used for reasonable expenses incurred in connection with operating the charitable Project as described in the Sponsee's

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<sup>2</sup> Founded in 1986, MAPS is a 501(c)(3) non-profit research and educational organization that develops medical, legal, and cultural contexts for people to benefit from the careful uses of psychedelics and marijuana.

fiscal sponsorship agreement and the MAPS-approved proposal.<sup>3</sup> The Project may be allocated the fair and accurate share of expenses – such as staff time, rent and utilities, required equipment, supplies, licenses, or registrations – based on a methodology agreed to by MAPS.

Project operators that are for-profit entities (i.e. non-tax-exempt organizations) may not use fiscal sponsorship funds for capital-asset purchases or similar depreciable expenses.

MAPS requires and reviews Project reports, including expense reports, to ensure alignment with approved budgets. MAPS may withhold or delay the disbursement of funds to Sponsees that are non-compliant or have provided inadequate reports and documentation.

MAPS prohibits the use of funds for any non-Project-related activities or undifferentiated operating costs. Any fiscal sponsorship funds spent for other purposes or misdirected must be repaid to MAPS immediately upon request.

## 4. Program Costs

MAPS exercises full discretion and control over all charitable contributions received on behalf of sponsored Projects. MAPS will retain ten percent (10%) of all such contributions, which helps cover the operating expenses MAPS incurs to offer the Fiscal Sponsorship Program, including online donation platform and payment processor fees and other indirect costs. Please refer to Section 11 for an explanation of additional costs that might be retained for certain types of donations.

## 5. Sponsorship Operations

MAPS' Fiscal Sponsorship Program operates as follows:

- MAPS and the Sponsee are legally separate and independent entities. This means that while MAPS manages the administration of any charitable funds raised for the purposes of the Project, and makes all tax filings related to MAPS itself, the Sponsee is responsible for maintaining their own financial records and making any applicable tax filings and payments. **Please note:** MAPS does not prepare or submit

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<sup>3</sup> As a basic guideline, MAPS requires Sponsees to err on the side of caution and reason. For example, main cabin airfare and modest lodging would likely be deemed reasonable travel expenses, while first-class airfare and five-star luxury lodging would not.

tax forms for the Sponsee and cannot provide any guidance regarding the Sponsee's tax filings.

- All Project-related programming, operations, and obligations, as well as incurred liabilities of any kind to third parties, are the ultimate responsibility of the Sponsee. MAPS has no such responsibilities.
- Neither the Sponsee nor any agent of the Sponsee is considered an employee or independent contractor of MAPS by virtue of the fiscal sponsorship.
- MAPS is not responsible for paying the Sponsee's vendors or contractors.
- MAPS will not intervene in or influence the Sponsee's work related to the Project and makes no claims to that work. Any intellectual property developed by the Sponsee in the course of conducting the Project belongs to the Sponsee.
- While fiscal sponsorship is often used as a temporary solution for Sponsees while they seek 501(c)(3) designation, some Sponsees may be looking for a longer-term solution. In general, MAPS' fiscal sponsorship agreements have one-year terms, but for some Projects, the term may be renewed or extended by written agreement of MAPS and the Sponsee.

## 6. Sponsee Responsibilities and Expectations

Fiscal sponsorship comes with responsibilities for the Sponsee that, if neglected, can have serious consequences, including termination of sponsorship, enforcement actions by government agencies such as the IRS, and liability for legal claims. To remain in good standing with MAPS, the Sponsee must:

- Comply with all applicable terms and conditions of its fiscal sponsorship agreement and this Manual.
- Keep accurate and complete records of all Project expenditures and all funds received from MAPS. The Sponsee must maintain its own books to independently and separately account for grant funds received from MAPS.
- Treat all funds received from MAPS as restricted funds only applicable to the purposes of the Project.
- Remain in control of fundraising activities for the Project, and accurately communicate the Project's relationship to MAPS.

- Ensure that all fundraising materials soliciting contributions to the fiscally sponsored Project fund, including print and digital campaigns, include the following text, or similar language approved by MAPS:
  - “[SPONSEE] operates a charitable project fiscally sponsored by Multidisciplinary Association for Psychedelic Studies, Inc. (MAPS), a Section 501(c)(3) public charity (federal tax ID: 59-2751953). In accordance with IRS requirements, MAPS retains full discretion and control over all project funds, including the right to redirect funds to another beneficiary who can accomplish the charitable purposes of the approved project if the designated sponsee cannot. Please make your donations for the purposes of this project directly to MAPS.”
- Submit fundraising materials to MAPS upon request. MAPS reserves the right to require changes to accurately represent the fiscal sponsorship.
- Submit periodic reports on the Project’s progress and the expenditure of any fiscal sponsorship funds received in the reporting period. Reports are due every 6 months during the sponsorship term unless MAPS agrees in writing to a different timeline. A report will not be required if no funds were disbursed during the reporting period.
- Respond to MAPS’ requests for information about the Project in a timely manner.
- Promptly alert MAPS of any material changes to the Sponsee’s leadership or operations, the Project, or risks associated with the Project’s operation (e.g., threats of legal action, changes in tax status, etc.).
- Request advance written approval from MAPS for all desired budget modifications and Project scope modifications.

Please direct any questions relating to a fiscally sponsored Project, or a pending application, to [fiscalsponsorships@maps.org](mailto:fiscalsponsorships@maps.org). Please do not contact other MAPS representatives about the status of an application or the ongoing administration of a Project unless directed by the Fiscal Sponsorship Office. Sponsees who repeatedly ignore this requirement risk having their applications denied or their Projects terminated from the Fiscal Sponsorship Program.

## 7. Sponsee Tax and IRS Responsibilities

The Sponsee is exclusively responsible for ensuring its own compliance with any applicable tax obligations. MAPS advises Sponsees to consult with a tax advisor and/or

legal counsel to understand any tax responsibilities that they may have related to the receipt of charitable funding from MAPS for their Projects. MAPS cannot provide tax advice to any Sponsee and has no liability for any taxes that may be owed by a Sponsee due to the receipt of funds from MAPS.

## 8. Sponsee Insurance Responsibilities

Every Sponsee must carry any insurance coverage that is legally mandated by the jurisdiction in which the Sponsee is based and/or in which the Project is being operated. MAPS also strongly encourages Sponsees to carry general liability and directors and officers insurance policies, even if they are not required by law to do so. MAPS may request or require that Sponsees carry additional insurance policies, such as clinical trial insurance, if relevant to a proposed Project. The actual amounts and types of coverage required by MAPS are based on a Project's risk profile.

## 9. Sponsor Responsibilities and Expectations

As the Sponsor, MAPS agrees to:

- Provide a Project-specific online donation page.
- Process all incoming donations for the Project and send timely donation acknowledgments for all online donations, and for offline donations over \$250.
- Transfer Project funds to the Sponsee on a regular basis (as detailed in Section 13).
- Maintain accurate, up-to-date financial records of Project funds.
- Review the Sponsee's fundraising materials for the Project to ensure fundraising is conducted properly.
- Review the Sponsee's reports for the Project, and inquire as needed to ensure ongoing compliance with the fiscal sponsorship policies and agreement.
- Issue an annual IRS Form 1099 to the Sponsee to the extent required by law.
- Include the Project details on MAPS' website, and at MAPS' discretion, provide periodic promotion of the Project at MAPS events, to MAPS' email list, and via MAPS' social media.



## 10. Project Onboarding

When a Project is accepted by MAPS and a fiscal sponsorship agreement is executed by both parties, MAPS will lead the Sponsee through onboarding. During this time, MAPS will do the following:

- **Manual:** MAPS will send a copy of this Manual to each new Sponsee.
- **Website:** MAPS will request that the Sponsee provide the information needed to create an entry for the Project on the “Active Projects” page of the [MAPS website](#).
- **Fundraising Page:** MAPS will request that the Sponsee provide the information needed to create a MAPS-hosted fundraising page for the Project. Upon receipt, MAPS will create the page and provide the Sponsee with the URL.
- **Disbursement Set-Up:** The Sponsee will receive an email from BILL, the software MAPS utilizes to disburse funds for Projects. Each Sponsee is responsible for creating an accurate profile with the appropriate bank account information.<sup>4</sup>

## 11. Donation Processing

Every donation intended for a Project must be made via one of the methods listed below. No other donation methods are authorized for the Fiscal Sponsorship Program. **Any donations made via unauthorized methods, including alternate online donation forms, will be allocated by MAPS through the exercise of its variance power.** Donors may contact [giving@maps.org](mailto:giving@maps.org) with any questions about a donation.

Donors may choose to disclose their identities and donation amounts only to MAPS and the Sponsee by requesting that this information not be shared publicly. MAPS will ensure that any list of donors shared with the Sponsee identifies any donors who request anonymity. Sponsees must comply with any such request.

Donations are processed differently depending on the means by which they are received, as detailed below.

- **Online Donations:**
  - All payment card donations and other forms of online payments to a Project must be made via the online donation page provided by MAPS.

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<sup>4</sup> More information about Disbursements and BILL can be found in Section 12.

- Payment receipts/gift acknowledgments for online donations will be available to donors via an online donation account. If the donation is made via another method, payment receipts/gift acknowledgments are handled separately.
- Donation via Check:
  - **DONORS MUST INCLUDE THE NAME OF THE PROJECT IN THE MEMO SECTION OF ANY CHECK IN ORDER FOR THE CONTRIBUTION TO BE PROPERLY ATTRIBUTED TO THE PROJECT.**
  - Donations made via check must be accompanied by a complete and legible [Gift Designation form](#) emailed to [giving@maps.org](mailto:giving@maps.org) or included with the mailed payment.
  - Donation checks should be mailed to: Multidisciplinary Association for Psychedelic Studies (MAPS), P.O. Box 103004, Pasadena, CA 91189-3004
- Donation via Direct Wire Transfer:
  - Donations made via direct wire transfer must be accompanied by a complete and legible [Gift Designation form](#) emailed to [giving@maps.org](mailto:giving@maps.org).
- Donor-Advised Fund (“DAF”) Distributions/Grants:
  - MAPS will accept DAF distributions and grants that are designated for a Project and do not require a grant agreement with MAPS or reporting from MAPS.
  - MAPS will consider, on a case-by-case basis, accepting Project-designated grants from foundations that require MAPS to sign a grant agreement and/or complete any grant reporting to the foundation. MAPS reserves the right to decline a grant that would place an undue burden on MAPS, as determined by MAPS in its sole discretion. MAPS also reserves the right to use funds from a Project’s restricted fund to cover any legal and administrative expenses that it incurs as a result of a granting arrangement for the benefit of the Project.
  - Donors may choose to give anonymously via a DAF, in which case their identities will not be known to MAPS or the Sponsee.

- Non-Cash Donations:
  - Stocks/Securities: MAPS does **not** accept donations of stocks or securities for Projects.
  - Crypto: MAPS does **not** accept donations of cryptocurrency for Projects.
  - Other Assets: MAPS does **not** accept any physical, non-cash gifts (such as art, cars, boats, books, etc.) for the purposes of Projects.
  - In-Kind Service Contributions: While MAPS encourages Sponsees to engage skilled volunteers to support Projects, MAPS will **not** value or provide acknowledgment for contributions of in-kind services, such as legal services, marketing services, or other skilled services.

## 12. Disbursement

Prior to receiving disbursements from MAPS, Sponsees must submit a completed IRS Form W-9 or W-8BEN-E. MAPS typically makes grant disbursements to Sponsees in the second week of each month, accounting for donations for Projects that have been received and processed and have yet to be disbursed. MAPS reserves the right to change the frequency and schedule of disbursements as needed.

**Please note that due to operational constraints, MAPS is generally unable to “fast-track” the processing and disbursement of fiscal sponsorship donations.**

MAPS uses the payment software BILL to disburse funds to Sponsees. For more information about BILL and creating a disbursement (aka “Vendor”) profile, please review [this help article](#). For more information on how to set up an international profile, please review this [help article](#).

In cases where MAPS is fiscally sponsoring a Project operated by an international (non-U.S.-based) organization, additional restrictions and limitations apply:

- Bank Location: The Sponsee’s bank account must be located in the same country in which the Sponsee is incorporated to receive disbursements from MAPS.
- Supported Countries and Currencies: [This list](#) details the countries and currencies supported by BILL. If your country or currency is not listed, MAPS will be unable to fiscal sponsor your project.
- Currency: MAPS encourages all internationally-based Sponsees to select to receive disbursements in their country’s currency, rather than U.S. dollars, when setting up

their BILL profile to avoid intermediary bank fees and additional fees. In addition to fees applied directly to the disbursement, MAPS may pass on additional fees that have been incurred when a Sponsee chooses to receive payments in USD.

- **Intermediary Bank Fees:** Intermediary bank fees may apply to international disbursements. Intermediary banks are sometimes required for international money transfers when the originating and beneficiary banks don't have an established relationship. They can also be used when the banks work with different currencies or networks. Intermediary banks charge fees to facilitate these transfers, which can vary depending on several factors. Neither BILL nor MAPS' bank are responsible for charging these intermediary bank fees. MAPS is not responsible for paying such fees and will not have knowledge of them if/when they are charged. The Sponsee is responsible for any intermediary bank fees and for any additional fees charged by the Sponsee's bank. To learn more about intermediary bank fees, please review [this help article](#).
- **Exchange Rates:** Currency exchange rates are applied to international disbursements. MAPS is not responsible for paying any such fees. Exchange rates fluctuate constantly, and the exchange rate that BILL offers is competitive with market rates. For more information about fees associated with international disbursements, please review [this help article](#).

## 13. Media and Promotion

MAPS recognizes that a significant amount of promotion, dialogue, and community-building happens in the digital sphere, and we're proud to showcase our fiscally sponsored Projects. We strive to maintain flexible and realistic expectations for digital marketing and educational materials that allow Sponsees to maximize their mission-driven impact while staying in alignment with applicable laws and best practices.

- A section of MAPS' [website](#) highlights our past and current Sponsees. As explained in Section 10, MAPS requires information about approved Projects in order to accurately represent them to our digital audience. Changes to the MAPS fiscal sponsorship webpages are typically made on a quarterly basis.
- From time to time, Projects will be highlighted on MAPS' social media platforms. Prior to doing so, MAPS will reach out to Sponsees to request permission and to collaborate on drafting/creating the needed marketing materials.

MAPS welcomes the use of its logos by Sponsees in appropriate, and limited, contexts to promote fiscally sponsored Projects. MAPS' logos must be used in the format provided by

MAPS, solely in connection with a Sponsee's fundraising activities for the Project, and only if any fundraising materials are accompanied by the text provided in Section 6 or other language approved by MAPS. The logo files and Brand Guidelines can be downloaded by clicking [this link](#).

MAPS and the Sponsee agree to consult with each other regarding any press releases or public statements about the fiscal sponsorship. Neither party will issue any such release or statement without the other's written consent.

## 14. Project Completion/Termination

MAPS' fiscal sponsorship of a Project will terminate upon the Project's completion, or on the end date provided in the fiscal sponsorship agreement. Sponsorship may also terminate sooner pursuant to another provision of the fiscal sponsorship agreement (e.g., in the case of breach by the Sponsee or an extended gap in MAPS' receipt of contributions for the Project).

Upon Project completion or termination, the Sponsee must provide MAPS with a final narrative report and budget-to-actual accounting confirming the use of all remaining fiscal sponsorship funds disbursed by MAPS for the Project (due within 30 days of the Project's completion or the termination date stated in the fiscal sponsorship agreement). The Project's entry will be moved to the "Legacy Projects" section of the MAPS website, the Sponsee's fundraising webpage will be taken offline, and MAPS will provide the Sponsee with a lifetime report of all donations received for the Project.