



## FAQ: Unique Projects

Please find below answers to your questions about the Unique Projects, Inc. Feel free to contact us with additional questions about the program at [unique\[at\]pentacle.org](mailto:unique@pentacle.org).

### General Questions:

#### **Q: What services do I receive as a fiscally sponsored artist of Unique Projects?**

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

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

A: Unique Projects accepts monetary donations by check, credit card via Paypal, 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, an administrative fee of **5.5%** is withheld from funds received to Unique Projects on behalf of an artist.
- 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 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 2.2% + \$0.30 per transaction.

#### **Q: What is Unique Projects' 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.

#### **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. Artists must submit a budget form at the beginning of their contract period with projected income and expenses for the contract period. Artists must submit an expenditure report upon completion of each contract period. Artists are responsible for receiving checks from donors and then itemizing checks on the Unique Projects Check Deposit form before sending to Unique for deposit.





**Q: Why might an application be denied?**

A: If the individual or organization is applying for fiscal sponsorship for a project that does not focus on artistic ventures it might be denied. If the fiscally sponsored project proves to be motivated primarily by commercial gain it will be denied.

**Q: Will I receive a 1099-MISC at the end of the calendar year for funds regranted to me 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 submitted to UP for approval no less than 14 days prior to the proposal deadline.

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

A: Unique accepts tangible non-cash items (furniture, clothes, etc) and space donations valued at less than \$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 my check after a donation earmarked for me has been received?**

A: Re-grant checks are mailed to artists within two weeks of receiving the original donation.

**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. New contracts are issued for the first day of every month.

**Q: If Unique Projects receives a grant on my behalf, when can I receive the funds from Unique?**

A: For grants that require reporting and are for \$5000 or less, Unique Projects will only regrant funds to artists after Unique has received documentation of grant-related expenses from the artist. For grants that require reporting and are for more than \$5000, we will work out a timeline with the artist for regranteeing funds. We must still receive documentation for all expenses related to the grant. This process helps us insure that funds are spent in accordance with the grant guidelines and maintains the reputation of Unique Projects as a fiscal sponsor that grant making organizations want to give grants through.



## Crowdfunding Platforms and Unique Projects:

### **Q: Can I connect my Unique Projects 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 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.

### **Q: *Should* I connect my crowdfunding campaign to my Unique Projects account?**

A: We encourage each artist to consider a variety of factors when deciding whether or not to connect a crowdfunding campaign to their Unique Projects account:

- Consider if offering the incentive of tax-deductions will increase the amount of funds you raise by enough to cover the fiscal sponsorship fee you will pay to Unique Projects for processing the funds.
- Consider if you expect to receive mostly donations of more than \$50—the threshold for receiving tax receipt letters. If you expect mostly \$10-49 donations then few of your artists will be eligible to receive tax receipt letters.
- Keep in mind that you will receive a 1099-MISC for all funds regranted from Unique Projects in a given calendar year. If you do not connect your crowdfunding campaign to your Unique Projects account, you may or may not receive a 1099-K or 1099-MISC from the crowdfunding platform entity.