



Trailhead Institute's  
**ADMINISTRATIVE  
PARTNERSHIP  
PROGRAM**



At Trailhead Institute, we serve as a flexible and strategic administrative partner for fiscal sponsorship and operations support for individuals, organizations and Collaboratives. Our approach allows partners to leverage our back office services while maintaining full control over their projects. Our Administrative Partnership Program differs from a traditional Fiscal Sponsorship Program because we work with partnerships before funding is secured to provide capacity and the expertise needed to move their mission forward. We believe that by investing time, energy and passion into partnerships from the early stages, we can help build skills to expand administrative capacity for the long term.

## What is fiscal sponsorship?

Fiscal Sponsorship describes a range of legal structures and management practices where multiple organizations, projects, groups, or a person (Projects) can share the charitable status and operational resources of a nonprofit entity. A fiscal sponsor ensures fiduciary oversight and compliance, while the Project takes the responsibility of implementing their program.

### Supporting Nonexempt Projects

Fiscal sponsorship allows a nonprofit entity to support a nonexempt project through financial oversight. This arrangement is usually initiated when a project wants to receive support from sources (for example, private foundations, government entities, or donors) that are either required by law or preference to make payments to organizations with 501c3 tax status. When this need arises, Projects look for a sponsor to receive and manage the funding on their behalf.

Sometimes you may hear this relationship called “fiscal agency.” It is best to stay away from this term, as this relationship is something the Internal Revenue Service (IRS) finds unacceptable, because a charity is not the legal agent of the nonexempt project.

### Supporting Tax Exempt Projects

A fiscal sponsor can also support an organization with 501c3 tax status. This relationship usually occurs when a smaller 501c3 organization needs the financial infrastructure and support of a larger or more established nonprofit entity.

### Want to learn more about fiscal sponsorship?

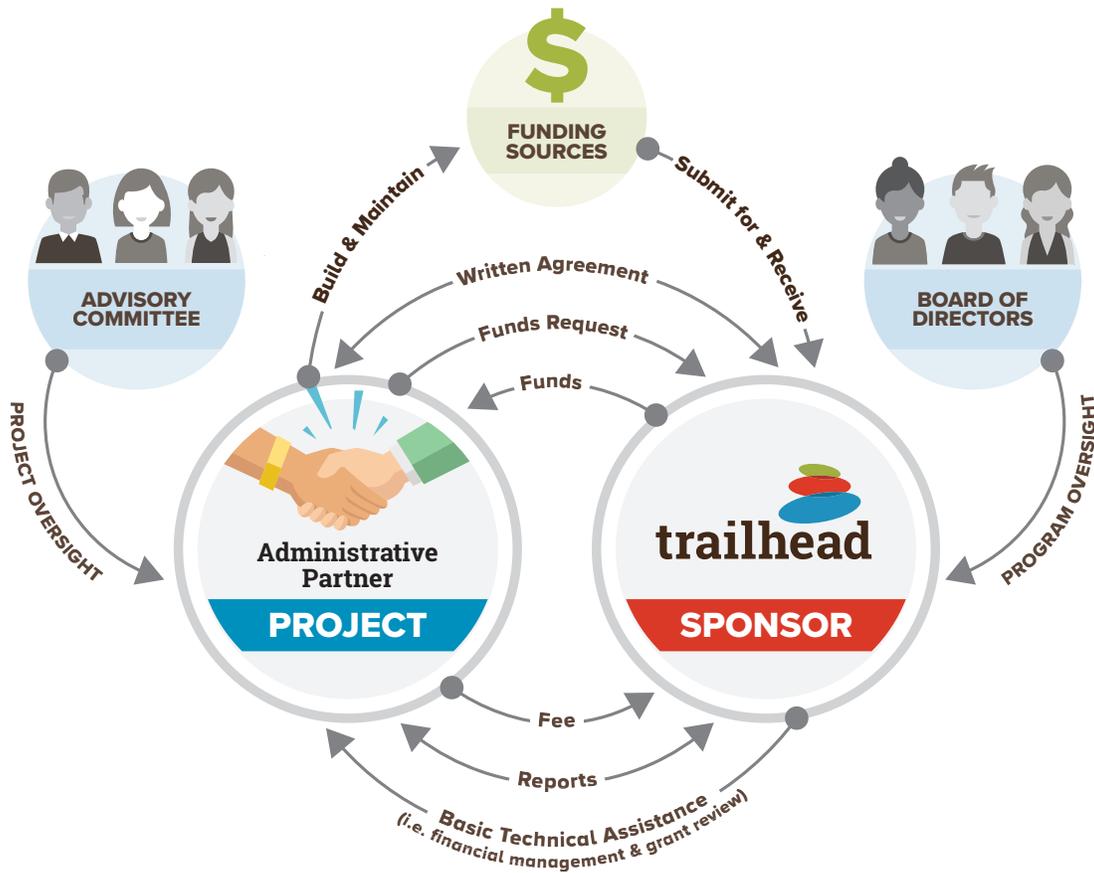
The National Network of Fiscal Sponsors  
has additional resources you can explore here:

<http://www.fiscalsponsors.org/>

## What is Trailhead Institute’s approach to fiscal sponsorship?

There are six, generally used models of fiscal sponsorship. At Trailhead Institute (Trailhead) we blend these models into what we call our Administrative Partnership Program (Program). We serve as an administrative partner for individuals, Collaboratives and organizations because we understand that managing the fiscal and operational responsibilities of an initiative can be a time-consuming burden that takes precious resources away from an initiative’s core objectives. Our approach allows partners to leverage our services while maintaining full control over their work. As part of the Program, all of our sponsored Projects are called Administrative Partners. Below is a diagram illustrating our Administrative Partnership Program approach.

**“We advance your bottom line, so you can advance your mission.”**



Our approach supports both nonexempt and tax exempt projects and organizations. You can think of our approach like the relationship between a grantor and a grantee, with wrap-around infrastructure to support your fiscal and operational needs. We “pre-approve” Administrative Partner applications for grant funding. This pre-approval process is mostly to ensure that we have the staff capacity to support the grant submission. Once the Administrative Partner is awarded funding, the funds are contributed to Trailhead. After we receive the funds, we then hold them for the Administrative Partner.

Our approach is not solely as a “pass-through” or “conduit.” As the sponsor, Trailhead, must assume “expenditure responsibility” for the Administrative Partner, and must verify any expenditure of charitable funds as compliant with charitable purposes and the wishes of the donor or funder. To cover charitable compliance, oversight, and administration costs, Trailhead assesses a 10% fee on the gross revenue that the Administrative Partner brings in during the fiscal sponsor relationship.

**Administrative Partners do not need to have generated revenue prior to entering into the fiscal sponsorship relationship.** We request a \$250.00 Start-up Fee once a formal agreement has been signed between Trailhead and the Administrative Partner.

## How do I know if I am eligible to be an Administrative Partner?

An Administrative Partner can be a tax exempt entity, a non-exempt entity (LLC, S-Corp, or some form of sole proprietorship) or a person (no corporate structure, unincorporated).

### Administrative Partners must:

- Show that they are doing work that complies with the guidelines for exempt activities under section 501c3 of the Internal Revenue Code, and that they are doing work that falls within the field of public and environmental health.
- Be able to explain the basic goals of their work, how community will be engaged, how community will benefit from their work, and how their work will foster health equity, justice and collaboration.



## What is the process for getting started?

Please note that this process is iterative, may not always happen in this exact order, and can take between 2 weeks to 1 year to accomplish depending on how fast or slow you need to go! Our staff will work with you to get to know you, your work, your community, and how we can best meet your needs. In general, here is how the process works:



### 1. Explore the relationship

Learn more about fiscal sponsorship, Trailhead, and our Administrative Partnership Program. Read through our website at **trailhead.institute**, reach out to our team at **AdminPartner@trailhead.institute**, and reach out to our current and past partners to gather all the information you need to move forward with this partnership.



### 2. New Project Application

When you are ready to be considered as a new Administrative Partner, have a representative from your project or organization apply to Trailhead Institute. Any questions about your application will be addressed in the First Introduction Meeting with Trailhead staff.



### 3. Introduction Meeting

We like to meet our partners face-to-face; however, if this is not feasible, we will schedule a videoconference call with you and our team. The purpose of this meeting is to get to know you, gather general information on your project/organization, explain the benefits and process of becoming an Administrative Partner, and answer your questions. If you are still interested in the partnership, we move to the next step, Partnership Fit.



### 4. Partnership Fit

The Trailhead Board of Directors has delegated partnership approval to Trailhead's Chief Executive Officer (CEO). Trailhead leadership and staff review each New Project Application, and the information gathered in the Introduction Meeting, to determine if the partnership is a fit with organizational mission and internal capacity.



### 5. Partnership Approval

If Trailhead decides the partnership is a fit with our organizational mission and internal capacity, we will contact you and begin the next step to execute a Memorandum of Understanding. If we decide the partnership is not the right fit due to mission misalignment or lack of internal capacity, we will help you find another partner who may be able to support your needs.



### 6. Formalize the Partnership

To formalize the fiscal sponsor relationship, we will execute a Memorandum of Understanding (MOU). A MOU is an agreement between two or more parties outlining the terms and details on an understanding, in this case, the understanding of what it means to be fiscally sponsored by Trailhead Institute.



### 7. Start-up Fee & Orientation

Once the MOU is fully executed (when the Administrative Partner and Trailhead have both signed the document), Trailhead will collect the \$250.00 start-up fee and schedule a New Partner Orientation. The Orientation will introduce you to the Trailhead team who will be supporting you and your work, and explain how we will work together throughout the partnership.

# What's in it for you?

The below table outlines how we divide responsibilities between Trailhead Staff and an Administrative Partner.

MANAGEMENT AREA	ADMINISTRATIVE PARTNER	TRAILHEAD STAFF
<b>OPERATIONS &amp; PROGRAM DIRECTION</b>		
Mission, vision, & program development	You lead and determine this	
Choice of personnel	You do this	We offer support here as you need it
Finance/resource decisions	You do this	
Basic Advisory Committee oversight	You do this	
Budget development	You do this	We offer support here on an annual basis to help you plan for the revenues and expenses you expect to have each year
<b>FINANCE &amp; COMPLIANCE</b>		
Earned revenues		We receive and track these
Contributed revenues		We receive and track these
Paying bills		We pay your bills following your instruction
Accounting & bookkeeping		We do all project accounting/bookkeeping
Donor/funder compliance		We do this for you
Tax/regulatory compliance		We do all of this
<b>INSURANCE &amp; RISK MANAGEMENT</b>		
General liability insurance		We hold and manage this for you. You must let us know if your Project requires additional insurance (for example public liability insurance)
Worker's compensation insurance		We obtain and manage this for you
Employer/contractor status		We are the contractor/employer for you
Contract/HR legal management		We manage and negotiate legal issues for you
<b>DEVELOPMENT</b>		
Public identity/stakeholder relationships	You maintain and lead this	
Marketing & sales	You do this	
Donor/funder relationship management	You do this	
Fundraising (Grants & Gifts)	You do this with our input	We support your fundraising efforts through our online donor database
Donor database		We obtain and manage this for you
Grant or Funder Reporting	You do this with our input and approval	We provide and submit financial reporting
<b>TRAINING &amp; KNOWLEDGE SHARING</b>		
Colorado Nonprofit Association Membership		We obtain and manage this for you
Development of learning communities and peer-sharing opportunities		We do this with your input
Document management portal (COMING SOON!)		We obtain and manage this for you

# Can I pause or graduate the partnership?

## Annual Review

On an annual basis, we review with each Administrative Partner their desire to continue the fiscal sponsorship relationship. At this time, we will ask for written confirmation that determines whether the Administrative Partner would like to continue, pause or graduate from the partnership. In addition to this confirmation, we will work with partners to develop their annual budgets and learn about what training needs they have for the upcoming year.

## Pausing the partnership

We do not recommend that Administrative Partners neglect their project work. However, if the work of your project is complete, and you need to pause the partnership for 1 year or more, then we will provide you with a “Take a Pause” Checklist. The checklist will contain the steps needed to place the Administrative Partnership on hold, with the ability to start again at any time. You will not be assessed a new \$250.00 start-up fee, and you will not need to execute a new MOU.

## Graduating the partnership

When you submit your New Project Application, we will ask how long you think you will need our Administrative Partnership services. When you are filling out the application you may know this information, or you might decide during the partnership that the fiscal sponsorship relationship will need to come to an end. Typically, Administrative Partners will end the relationship for the following reasons:

- 1 They have created a new nonprofit entity with its own exempt status under 501c3 of the Internal Revenue Code
- 2 The project was time-limited, one-time funding with an expected end date
- 3 They have decided to move on to focus on other initiatives
- 4 They have found a new sponsor

Whatever the reasoning, we support all Administrative Partners graduating our partnership by:

- Providing a Due Diligence Checklist to ensure the exit and transfer of assets is made consistent with its 501c3 purposes and with reasonable care consistent with the MOU. As part of this process, we must ensure that assets and funding will be transferred to an established 501c3
- Developing and executing a Termination Agreement that is signed by Trailhead and the Administrative Partner Project Lead

**For more information or to get started:**

**AdminPartner@trailhead.institute**



**Are you interested in some – but not all – of our services?** Please contact us to discuss how we can support you. Additional service offerings include:

Grant writing | Strategic planning  
Meeting facilitation | One-on-one coaching  
Fund prospecting

# About Trailhead Institute

## Our Vision

Everyone has the opportunity to be healthy and live in a healthy environment

## Our Mission

Trailhead Institute advances innovation and collaboration in public and environmental health

Trailhead Institute is an organization designed to be a strategic resource for anyone and everyone in the public and environmental health community. While we aren't the boots-on-the-ground people executing programs, we support those who are. We support individuals, Collaboratives and organizations addressing community challenges. Founded in 1993, we provide fiscal and operation support to help a variety of projects make an impact on public and environmental health.

We have three main drivers of our work:

- 1 We believe that collaboration is the only way to address the problems we face because no one partner or industry can solve them alone.
- 2 We believe that it is essential to offer a space for community leaders to focus on delivering their mission to address community challenges, and improve the places where we live, work and play.
- 3 We believe that for communities to thrive, there must be a recognition of the inequities that they face, and an awareness of our role in contributing to these systemic barriers. With this awareness, we believe that we must support the creation of equitable practices that allow communities to be at the fore front of decision-making and resource distribution.

### Start of Trailhead

1993

Colorado Foundation for Public Health and the Environment is founded to meet a need for fiscal management of funds coming from the Colorado Department of Public Health and the Environment and out into communities.

1998

The Regional Institute for Health and Environmental Leadership (RIHEL) is created with our flagship Advanced Leadership Training Program.

2008

CFPHE hires its first professional staff. Our Community Engagement Program starts in partnership with the Colorado Clinical and Translational Science Institute with the University of Colorado.

2013

We expand our Community Engagement program while working with the Patient Centered Outcomes Research Institute. Our staff increases to 10 employees.

2015

We continue to grow our work and staff, expanding both our Fiscal Sponsorship and Community Engagement programs.

2016

CFPHE embarks on rebranding and renaming effort.

2017

CFPHE launches its new identity as Trailhead Institute.

