
Serving as a pass-through for EMM's grants

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Monday, April 12, 2021 at 4:59:49 PM Eastern Daylight Time

To: captain@sailfnl.org William Sabatini

Jim just said they received a \$3,000 check as a grant (or restricted donation? unclear...) for the museum... and the check is made out to FNL on purpose. He told them to make it out to us instead of to the Commonwealth. He gave me a copy of the letter and check and he is keeping the actual check until we decide how to move forward.

I would like to tell him that this needs to wait until next week.

- I do not have a process for him to give me paperwork.
- I have no copy of the project application they submitted (the letter says "donation" but it references a "selected project")
- there is no established process for them to request the release of funds from us. Jim said he assumed he'd just tell the vendors to invoice us directly. Linda jokingly said, "I promise we won't spend more than that, hehe." But what if they do? Do I only pay half a bill and then we're on the hook with that vendor if the state doesn't pay the rest because their purchasing process is too cumbersome? Or does the rest of it just have to come out of our funds? What if they go way over budget? What are the rules?
- The Associate's Agreement does not make any mention of them soliciting their own grants and us processing the money. It only describes us soliciting funds ourselves for programs that benefit the site and we keep 100% of those. I'm not suggesting we shouldn't do it, but there is no clarity around expectations and protections for us. And there is no clarity on how they communicate to us that these are their funds vs our funds. In this case the check was mailed to Jim, but what if it comes to us without additional clarity that it's restricted for them?
- I am going to read up more on fiscal sponsor pass-through stuff. I have a general sense of how to handle the money coming in, but I'm not sure the proper way to protect ourselves when the money needs to go out again. And I'm unclear on what legal protection we have if the sponsored organization welches.

I kind of think you should be the one to tell Jim this needs to wait, but if you need me to do it for timeliness, I can. (I would be brief and just say, "we look forward to developing a process for this next week" and leave it at that.)

Or, do you want me to drop everything else and draft a process for you to negotiate with him?

FYI - we are not going to do a check deposit till at least next week anyway.

Katie

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