

FINANCIAL TRANSACTION PROCEDURES

Fiscal Sponsorship Program – Artists' Projects

Proper financial procedures must be followed in order that ArteEast, charged with the responsibility of conducting financial activity in accordance with the laws of the State of New York, does not jeopardize its legal tax-exempt status. ArteEast cannot process transactions with items missing, and will neither cash a check submitted to us for deposit, nor make funds available to a project unless all proper procedures are followed. **All payment requests and deposits missing information will be returned to projects for completion.**

ArteEast Financial forms are available online at www.ArteEast.org. Instructions for downloading the forms are on the web site. The forms will open in a read/write format, so you can complete each form on-screen. Once you have completed the form, print it out, sign it and send it to us. You may also print out blank forms and fill them in by hand.

Be sure to keep copies of all financial forms for your files. Always keep original invoices and receipts for your files, and provide ArteEast with copies.

ArteEast does not accept or disburse cash.

DEPOSITS

Please note:

For income derived from **benefits, raffles, and/or auctions, contact ArteEast staff for procedures** well before any event materials are printed. There are special requirements for these types of events.

A grant/contribution letter and/or contract must be included with all checks from individuals, foundations and government agencies made payable to ArteEast and for all checks for amounts of \$2,500 or more. There must be agreement between the letterhead used by the donor, the check payer and the information provided on donor information portion of the back side of the Deposit Form. The letter must be addressed to ArteEast. ArteEast will not cash the check, nor make funds available to you until such a letter is supplied. Please use the exact wording from sample contribution/grant letter attached.

Checks must be made payable to ArteEast if the donor wants a tax-deductible contribution. If the check is not made payable to ArteEast, it is not a gift to a tax-exempt organization and the donor will not receive a charitable contribution

acknowledgement from ArteEast. Checks that are not payable to ArteEast may not be deposited at ArteEast.

Once funds have been received by ArteEast on behalf of your project, you have immediate access to them, less ArteEast's administrative fee. You may not request funds before they have been received by ArteEast.

ArteEast will provide written acknowledgment for checks totaling \$250 or more. According to IRS regulations, contributions of less than \$250 can be supported by a cancelled check.

Deposit Form Instructions

To deposit funds into your ArteEast account, you must complete all six sections of a current ArteEast Deposit Form. Be sure to type or print legibly.

Deposits may be dropped off in person or mailed.

If a donor mails a check directly to ArteEast, we will fill out the Deposit Form on your behalf and notify you in writing of receipt of the funds.

- SECTION 1.** Provide the Project Director's name, Project Title and Address along with contact information for the person ArteEast should contact if there are questions about the deposit.
- SECTION 2.** Fill in the number of checks submitted for deposit, along with the total amount.
- SECTION 3.** Fill in the number of checks and total amount for deposit in each category listed. Include any special notes.
- SECTION 4.** Check the box in Section 4 if the deposit includes any income from a benefit event, auction or raffle.
- SECTION 5.** Sign and date the form.
- SECTION 6.** On the second page (or back side) of the deposit form, fill in contact information for each donor. Fill in the total amount of each check, and if the check is split between a tax-deductible contributions and earned income, fill in the appropriate amounts in the columns provided.

If you are depositing more than 11 checks at the same time, you may submit the list of donor information on a separate page, as long as it contains the same information as requested in Section 6.

PAYMENT REQUESTS

To draw funds from your ArteEast account, complete sections 1-6 on a current **ArteEast Payment Request Form**. Be sure to type or print legibly as this form serves as a cover sheet that summarizes your request.

Payment requests may be dropped off in person, mailed, or faxed.

Please be aware that **ArteEast cannot provide certified checks**.

Payment requests received by 5:00 pm on Monday generate checks made available after 2:00 pm Thursday. Any check requested outside of this cycle will carry a \$50 fee (see "Manual Checks").

Payment Request Form Instructions

SECTION 1. Provide the Project Director's name, Project Title and Date submitted. In addition, please provide the name and phone or email for the person we should contact if we have questions about this request.

SECTION 2. Note to whom you want the check made payable and the amount of the check.

SECTION 3. Check only one box for Type of Payment Request. If you need to pay someone for both services and a reimbursement, then submit two separate Payment Request Forms.

A. Payment for Services

Check this box if you are paying any **independent contractor** or **business providing services** to the project.

A detailed invoice with the taxpayer identification number- -either a Social Security Number or an Employer Identification Number (EIN)- - must accompany your request, even if you are paying yourself.

- You may use the blank, generic independent contractor invoice (available online), or you can create your own invoice, as long as it contains the same information. **The invoice must bill your project, not ArteEast.** Therefore, the "To" portion of the invoice should contain your project information.

Indicate whether the payee is **incorporated or not.**

- **When paying a vendor for the first time, include a Form W-9** (available online) with your payment request. Form W-9 is required for 1099 tax reporting purposes; it is information document that reports to a payer (ArteEast) the legal status, address and taxpayer identification of a payee.
- **If the payee is unincorporated,** write their tax identification number (Social Security Number or Employer Identification Number [EIN]) in the space provided.

On behalf of sponsored artists' projects ArteEast will prepare IRS Form 1099, under your project name and tax ID number, for all unincorporated business entities and individuals that have provided services of \$600 or more during the calendar year and have been paid from your ArteEast account. These payments will be reported as miscellaneous income (Box 7) on IRS Form 1099. 1099s are only generated by ArteEast if the project issues no other 1099s

