AELF BOARD APPROVED
Adopted: 06/14/2026
Board of Directors — Official Record

ALPHA EDUCATIONAL & LEADERSHIP FOUNDATION, INC.

A Florida 501(c)(3) Nonprofit Organization

Fiscal Sponsorship Policy

Adopted by the Board of Directors — June 14, 2026

1. Purpose

The Alpha Educational & Leadership Foundation, Inc. ("AELF" or the "Foundation"), a Florida nonprofit corporation recognized by the Internal Revenue Service as tax-exempt under Section 501(c)(3) (EIN 59-3560158), establishes this Fiscal Sponsorship Policy to govern the circumstances under which the Foundation may serve as a fiscal sponsor for community initiatives, charitable projects, agencies, organizations, or other entities that do not themselves hold federal tax-exempt status.

This policy provides a uniform, transparent framework for accepting, managing, and administering sponsored project funds; lends the credibility of 501(c)(3) status to mission-aligned community work; and protects AELF's tax-exempt status, fiduciary integrity, and reputation.

2. Scope

This policy applies to all fiscal sponsorship relationships entered into by AELF on or after the adoption date, including but not limited to:

- Community-based initiatives and grassroots projects without independent 501(c)(3) status.
- Nonprofit organizations pending IRS determination or in formation.
- Mission-aligned coalitions, collaboratives, or programs operated by individuals, businesses, or government partners.
- Time-limited charitable projects requiring credible financial oversight, compliance, and reporting.

3. Definition & Standard Practice

Fiscal sponsorship is a formal arrangement in which a 501(c)(3) public charity (the "Sponsor") extends its tax-exempt status and administrative infrastructure to a charitable project (the "Sponsored Project") that does not have its own exemption. Charging an administrative fee for these services is standard practice across the nonprofit sector and is recognized by the National Council of Nonprofits as a customary means of covering the Sponsor's costs of financial oversight, legal compliance, reporting, governance, and other administrative burdens associated with managing sponsored funds.

AELF will operate, by default, under a Model A ("Comprehensive") or Model C ("Pre-Approved Grant Relationship") fiscal sponsorship structure, as determined by the Board on a case-by-case basis. In all cases, AELF retains complete discretion and control over sponsored funds, consistent with Internal

Revenue Service requirements for tax-deductible contributions.

4. Administrative Fee Schedule

AELF shall charge an administrative fee on all funds received on behalf of a Sponsored Project. The standard rate is ten percent (10%) of gross revenue (donations and grants received). The Board of Directors retains discretion to increase the fee up to fifteen percent (15%) for government grants or other awards involving complex compliance, audit, or reporting obligations.

Funding Type	AELF Administrative Fee
Standard private donations, grants & community contributions	10% of gross
Foundation / corporate grants (standard compliance)	10% of gross
Federal, state, or local government grants (complex compliance)	Up to 15%
Multi-year or high-complexity awards (Board discretion)	Up to 15%

Fees are calculated on gross receipts unless the Board approves an alternative calculation. The fee is an intra-organizational allocation that covers AELF's overhead in providing fiscal sponsorship services; it is not a commercial "bill" for services rendered. All fees are non-refundable once funds have been received and processed.

5. Services Provided by AELF as Fiscal Sponsor

In exchange for the administrative fee, AELF will provide the following services to each Sponsored Project, subject to the terms of an executed Fiscal Sponsorship Agreement:

- Use of AELF's 501(c)(3) status to receive tax-deductible contributions and to apply for foundation, corporate, and government grants.
- Financial oversight, including segregated accounting for the Sponsored Project's funds within AELF's books.
- Receipt, acknowledgment, and IRS-compliant gift substantiation to donors.
- Disbursement of funds in furtherance of the Sponsored Project's charitable purposes, consistent with AELF's mission.
- Grant compliance, monitoring, financial reporting, and audit support.
- Inclusion of Sponsored Project activity in AELF's annual Form 990 and audited financial statements.
- General administrative support, communications guidance, reputational credibility, and access to AELF's governance, legal, and risk-management framework.

6. Eligibility & Approval

All prospective Sponsored Projects must submit a written application to the Foundation describing the project's charitable purpose, leadership, budget, funding sources, anticipated duration, and alignment with AELF's mission. The Board of Directors, or a committee designated by the Board, shall review each application and approve, condition, or decline sponsorship at its sole discretion.

AELF will not sponsor any project that: (a) is inconsistent with AELF's mission or its 501(c)(3) status; (b) engages in prohibited political campaign activity or substantial lobbying; (c) presents an unacceptable financial, legal, or reputational risk; or (d) fails to demonstrate adequate leadership, financial controls, or charitable purpose.

7. Discretion, Control & Compliance

Consistent with IRS requirements, AELF shall maintain complete discretion and control over all sponsored funds and shall ensure that funds are used exclusively for charitable purposes within the scope of AELF's exempt mission. The Sponsored Project's leadership shall not have direct legal authority over sponsored funds; all expenditures must be approved and disbursed by AELF in accordance with this policy and the Fiscal Sponsorship Agreement.

Each Sponsored Project shall comply with AELF's governance, financial, conflict-of-interest, whistleblower, document-retention, gift-acceptance, and non-discrimination policies, as well as all applicable federal, state, and local laws.

8. Fiscal Sponsorship Agreement

Every fiscal sponsorship relationship shall be governed by a written Fiscal Sponsorship Agreement executed by the Board Chair (or designee) and the authorized representative of the Sponsored Project. The Agreement shall, at minimum, set forth the charitable purpose, scope of services, fee schedule, term, reporting obligations, intellectual property, indemnification, termination provisions, and disposition of remaining funds upon termination.

9. Termination & Disposition of Funds

AELF or the Sponsored Project may terminate the fiscal sponsorship relationship in accordance with the Fiscal Sponsorship Agreement. Upon termination, any remaining funds shall be transferred to another 501(c)(3) organization with a compatible charitable purpose, as approved by the AELF Board, or retained by AELF and applied to its general charitable mission. Under no circumstances shall sponsored funds be distributed to private individuals, for-profit entities, or any party in a manner inconsistent with AELF's tax-exempt purposes.

10. Review & Adoption

This policy shall be reviewed by the Board of Directors at least every two (2) years and amended as necessary to reflect changes in law, best practice, or organizational need. The Board reserves the right to adjust the standard and maximum administrative fees and to grant case-by-case exceptions in writing.

This Fiscal Sponsorship Policy was reviewed and approved by the Board of Directors of the Alpha Educational & Leadership Foundation, Inc. on June 14, 2026.

Board Chair — Signature & Date

Board Secretary — Signature & Date

Sources & References: National Council of Nonprofits — Fiscal Sponsorship for Nonprofits (councilofnonprofits.org); industry standards for nonprofit fiscal sponsorship administrative fees (5%–15% of gross).