TSNE®
Partners in social change

July 21, 2026

The Honorable Richard E. Neal
United States House of Representatives
Washington, DC 20515

Dear Representative Neal:

I am writing on behalf of TSNE, a Boston-based nonprofit and fiscal sponsor for 50 charitable projects in 26 states, including Gardening the Community (GTC), a Springfield food justice and youth development organization serving your district.

We understand the House Ways and Means Committee is considering H.R. 9721, the Fiscal Sponsorship Transparency Act of 2026, this Wednesday. As the Committee's Ranking Member, we urge you to oppose the bill as written and ask the Committee to pause until nonprofits, sponsored projects, and nonprofit experts can provide meaningful input.

Why fiscal sponsorship matters in your district

Fiscal sponsorship allows community-rooted projects to receive charitable funds, employ staff, meet compliance requirements, and focus on their missions without forming a separate nonprofit. With TSNE providing financial, human resources, legal, and compliance infrastructure, Gardening the Community can focus on their mission of developing youth leaders, growing food, and expanding access to healthy, affordable food in Springfield. That work will become harder to sustain if fiscal sponsorship becomes more costly or risky.

Key concerns with H.R. 9721

- No reasonable reporting threshold: Annual reporting will apply to every covered arrangement, regardless of project size or the amount of funding involved.
- Broad public disclosure: Required project-level information could become public, including non-individual party names, amounts, activities, the principal officer, and arrangement dates. The bill's broad definition will also

reach organization to organization arrangements beyond established fiscal sponsorship models.

- Severe penalties tied to an unclear standard: Organizations and individual managers will face substantial tax liability under a "discretion and control" standard that the bill leaves to future regulations.

- Harm to donors and communities: Donors will lose charitable deductions for conduct beyond their knowledge or control, and nonprofits may limit fiscal sponsorship. Smaller, emerging, and community-led projects will bear the greatest impact.

TSNE supports transparency, strong financial stewardship, and accountability for charitable resources. Responsible fiscal sponsors already play an important role, ensuring that charitable funds are used for legitimate charitable purposes. H.R. 9721 undermines that infrastructure without clear, workable, and proportionate standards.

The result will be that many nonprofits may decide the legal and financial risks are simply too great, making them less willing to sponsor new charitable projects. This disproportionately harms smaller, community-based, and emerging organizations that rely on fiscal sponsorship to serve their communities. These are organizations like Gardening the Community that provide critical services to your district and our Commonwealth.

What we are asking

- Oppose H.R. 9721 as currently written.

- Urge the Committee to pause consideration and engage fiscal sponsors, sponsored projects, and nonprofit experts before moving forward.

- Support a more balanced approach that includes clear definitions, reasonable reporting thresholds, appropriate privacy protections, safeguards for good-faith donors and nonprofit leaders, and a fair opportunity to correct concerns before severe penalties apply.

We welcome the opportunity to brief you or your staff and connect you with GTC and other community-rooted projects that depend on responsible fiscal sponsorship. Thank you for your service to Massachusetts' First Congressional District and for considering this request.

Elaine Ng
President & CEO
TSNE