

Strengthening the

Enabling Infrastructure

for Collaborative Funds



With Gratitude

We are grateful for the insights and perspectives of the individuals and organizations that contributed their time, insights, perspectives, and support for this work.

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Key Contributors

Writing and research can be a lonely journey. I was grateful for the support of many, but I wanted to recognize two. Hilary Pennington who provided vision, support, valuable insights and funding for this project. Loren McArthur helped me finish writing the study, lifting up the most salient insights and challenging me to think hard about practical recommendations.

In Memoriam



"We should never forget that all philanthropy worthy of the name comes from a place of love." Such was the "North Star" of my beloved Arabella Advisors colleague Gwen Walden. Gwen expressed that love often in the desire for us to be better – to be better practitioners of philanthropy, to be better at how we treat one another, to be kinder to the earth, to be better stewards of our gifts and talents -- too many people depend on us to act otherwise. That belief in making philanthropy better, more equitable, more effective, and more efficient was her work legacy. Challenging conventional wisdom, centering donor practices on community benefit, and speaking truth to power were her gifts and she taught me everything that nobody would say in polite company in philanthropy. Most of all she taught me to be unafraid to speak up. We hope to honor her legacy in part through this work.

A note about our work

For Whom This Study Has Greatest Actionability

The findings from this study are weighted towards learnings from (and therefore implications for) the largest funders, the largest staffed and hosted collaborative funds, and the largest hosts and fiscal sponsors. Consequently, some of these insights may not resonate with smaller organizations or collaborative funds nor be reflective of their experiences or applicable to their paths forward. These insights may also not resonate with movement-driven collaborative funds and host organizations, who are, as this goes to print, radically reimagining these structures to center community needs and mutuality. Philanthropy must do more to support the vast number of new and existing organizations engaged in movement and community building. We hope that the individuals and organizations most experienced in this work and most proximate to communities receive funding and are empowered to direct, inform, and support that much-needed research in the coming years.

Methodology

There are many voices in this space, and all are valuable, but we were able to consult with only a few to inform the findings due to time and resource constraints. From November 2023 to March 2024, we interviewed more than forty philanthropy practitioners including leaders from community foundations, fiscal sponsors, collaborative funds, donor advisors, and technology and service providers. We are deeply grateful for their time and insights. In addition, we reviewed more than fifty studies, blog posts, articles, and videos on collaborative funds and their host organizations to inform our insights.

Guiding Principles

Our work was guided by the following principles:

Not Reinventing the Wheel:

Instead of asking the same ecosystem actors to participate in yet another survey, we relied on existing quantitative data assets. We are grateful to both the Bridgespan Group and Social Impact Commons for the comprehensive studies they have concluded recently on collaborative funds and fiscal sponsors, respectively. We also relied on information provided by collaborative funds themselves through their websites, white papers, and panel presentations. No doubt there is more work that remains to provide an accurate census of collaborative funds, learn from their strategies, and assess and spotlight their impact. We chose to honor the time and worked hard to extract existing collective wisdom.

Including Voices Up & Across the Ecosystem:

To challenge existing power dynamics and acknowledge that experience closer to operations can often be a source of more detailed information, we:

- *Interviewed foundation staff, the staff of collaborative funds, account teams at fiscal sponsorship organizations, board members of fiscal sponsors, donor advisors, and consultants who comprise the complex network that supports the enabling infrastructure, operations, programs, and strategies of collaborative funds.*
- *Selected our informants based not only on where they are currently working but also on their prior experiences. For example, we oversampled individuals who had worked both at a fiscal sponsor and a collaborative fund or who had been in a program officer role and had transitioned to a donor advisor role. Their ability to understand multiple viewpoints led to more textured responses.*
- *Spoke with senior leaders of organizations as well as several entry-level and mid-level staff as well. These conversations yielded important perspectives on day-to-day challenges, revealed trends and insights, and enabled candid conversations around the behaviors and culture that senior leaders in positions of power may have felt less comfortable sharing.*
- *Relied on collective intelligence sourced from shared spaces like the National Network of Fiscal Sponsors, Social Impact Commons, and the CoLab Fund Slack Workspace. Because these spaces share answers as well as questions, they unearth valuable practitioner perspectives.*

A note about our work

A Note on Terminology

Throughout the literature review and conversations with participants, it was clear that despite some movement towards convergence, the terms people use to describe collaborative funds and structures vary widely, and the categories themselves are often fluid.

Intermediaries is the broadest term and is a good “catch-all” phrase for the many kinds of entities that are essentially re-grantors of philanthropic dollars. The broad category of intermediaries includes [fiscal sponsorship organizations](#), [community foundations](#), [collaborative or pooled funds](#), [donor-advised funds](#), [giving circles](#), [community accountable intermediaries](#), philanthropy servicing organizations, and community development finance institutions (CDFIs), among others. Our study focuses on what we have defined as collaborative funds and host organizations.

Collaborative funds aggregate capital from multiple donors and redeploy those funds to grantees and other field partners. They are sometimes described as pooled donor funds or collaborative donor funds. We chose to use the term “collaborative funds” even though some funds we are discussing in the report do not involve active donor collaboration. Many are pooled funds where the donors are passive investors, and a project director is the primary, active manager of the fund. Some funds also incorporate participatory grantmaking structures, in which grantees and field leaders wield governance over the funds, rather than donors. This is particularly true for movement-driven funds that aim to devolve power from donors towards frontline communities and proximate leaders. Our choice of this term was to opt for consistency and standardization rather than precision.

Collaborative funds vary in the kinds of capital they deploy and the types of organizations they support. Some only make purely charitable grants to 501c3 nonprofit organizations. Others may provide charitable grants to for-profit or government entities. Some funds deploy political capital, while others make various kinds of return-seeking or concessionary impact investments. Many collaborative funds engage in direct programmatic work in addition to regranting capital, akin to how an operating foundation functions.

Host organization or host is the term we use to refer to the organizations that house and provide the operational backbone for collaborative funds. There are a variety of entities that serve as host organizations for collaborative funds, including community foundations, community development finance institutions, and fiscal sponsorship (or simply fiscal sponsors) organizations, among others. Sometimes collaborative funds are housed in their own independent nonprofit organizations.

Our study focuses primarily on host organizations that are large fiscal sponsorship organizations whose primary purpose is to serve as a vehicle for housing collaborative funds. Examples include the New Venture Fund, Tides, Global Impact, and Rockefeller Philanthropy Advisors. We focus on fiscal sponsors because they occupy a large share of the market for hosting collaborative funds—and because the author has deep experience with and knowledge of these institutions.

About the Author

Sampriti Ganguli is the former CEO (and current Board Member) of Arabella Advisors, a consulting firm that provides, among other services, fiscal sponsorship services to multiple public charities. The team at Arabella Advisors have helped launch some of philanthropy’s most complex collaborative funds, including Co-Impact, Global Methane Hub, Hive for Gender Justice and Heartland Fund. Prior to Arabella Advisors, she worked at Corporate Executive Board, JP Morgan Chase and Deloitte Consulting. She currently serves on the board of directors at the Center for Effective Philanthropy, B Lab USA & Canada, WizeHive Technologies, Foundant Technology, TiER1 Impact and Revision Collective.



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Executive Summary

Philanthropy has experienced an explosion in collaborative funds and regranting initiatives, which collectively deployed as much as \$3B in funds in 2021 globally. [The number of collaborative funds increased from 82 in 2010 to over 190 by 2020.](#)

This extraordinary growth in intermediary funds is arguably a function of their value to the field. After all, collaborative funds can extend the scale, reach, innovation potential, and dynamism of social impact capital, enabling institutional foundations and individual donors to work together across issue silos, support a broader range of organizations and initiatives than they can individually, address emergent and intersectional challenges and opportunities in a rapidly changing social, economic, and political environment, take greater risks collectively, and move philanthropic, advocacy and financial capital off the sidelines to accelerate impact.

Yet as they become more prevalent, collaborative funds have also invited appropriate criticism: skeptics view them as gatekeeping entities that stand in the way of direct funder-to-grantee relationships, capturing and diverting precious capital away from the very field and communities they claim to support. These are concerns that warrant consideration. In addition to the above, participation in a collaborative fund can remain elusive for certain segments of philanthropy like small family foundations and individual donors and lack of consistent evaluation practices have made impact outcomes as hard to measure for collaborative funds as it can be for standalone operating nonprofits.

Despite the growing prevalence and importance of

collaborative funds within the philanthropic and social sectors, donors have invested limited resources in understanding and nurturing the enabling infrastructure and systems upon which the collaborative funds depend. This enabling infrastructure is anchored in host organizations that provide the governance and operational vehicles that make possible the rapid launching of and efficient administration of collaborative funds, including community foundations, fiscal sponsorship organizations, and other pooled funding platforms.

The efficient functioning of collaborative funds depends upon a healthy nexus among these host organizations, the funds themselves, and the funds' donors. However, each of these actors operates according to a distinct set of incentives, risks, and information; and each, understandably, tends to focus on its own institutional needs and interests. Consequently, it is challenging to work systematically and intentionally to strengthen the broader ecosystem and enabling conditions upon which collaborative funds depend. In short, the sector is experiencing a market failure that has resulted in suboptimal infrastructure, processes, and supports for the collaborative funds that have grown so rapidly in recent years and that play such a vital role in extending philanthropy's reach and impact.

A better understanding of the enabling infrastructure required to sustain high-impact collaborative funds and an intentional effort on the part of funders, funds, and backbone hosts to strengthen that infrastructure can lay the foundation for a dynamic and growing fund landscape. We identify seven critical areas for attention, investment, and intervention:

Fund-Host Alignment.

Currently, the selection of a fund's host organization is often driven by the host organization's brand reputation, established relationships between program officers and individuals at host organizations and price. And yet, finding

Executive Summary, cont.

the right host for a fund depends on a much more complex set of factors, including purpose, governance, scale, programmatic complexity, type of capital, and time horizon, and their needs for operational support and services from their host organizations diverge dramatically based on these factors. Host organizations similarly are quite varied in their capacities, services, and institutional purposes and structures. Those launching new collaborative funds must bring a more sophisticated approach to identifying and vetting the “fit-for-purpose” host organization that can best meet the needs of the fund.

Operational Excellence.

Ensuring that host organizations can support collaborative funds with sustainable and high-functioning human capital, financial, compliance, legal, and core grantmaking practices is vital to the funds’ health and impact. And yet, wide fluctuations in demand for fiscal sponsorship services that are endemic to the market have made it difficult for host organizations to sustain robust operational capacity for collaborative funds. A case in point is the volatility of demand for intermediary services: revenues for twelve of the largest intermediary hosts which house collaborative funds rose by 81% in 2020, another 11% in 2021, and then declined by 18% by 2022. Donors and host organizations must work together to correct these market failures, through reforms to pricing structures and practices that ensure adequate investment in backbone capacity, comparable to the changes funders have made in their funding of grantees’ general operating capacities. Host organizations also need to work to define standards for operational excellence and commit to delivering them.

Adaptive Governance.

Donors, fiscal sponsor board members, fund directors, and community stakeholders involved in a collaborative fund may share a broad set of goals for the fund, but these actors also have distinct priorities and interests in tension with those broader goals. The governance structure and processes for funds are often not well-defined, resulting in implicit or overt conflicts among stakeholders, slow or dysfunctional decision-making, or power dynamics that aren’t consonant with the mission of the funds. Advisory

boards charged with the governance of collaborative funds are sometimes weak and disengaged, and the boards and governance of fiscal sponsorship host organizations typically don’t systematically provide line of sight in governance issues. Donors, funds, and host organizations must work together to establish clear governance structures that recognize the legal authority of host organizations and designate responsibilities and decision rights explicitly for donors, fund directors, and when appropriate, grantees, community leaders, and other external stakeholders.

Talent Cultivation.

The leadership, administration, and operation of collaborative funds require professional skills and capabilities that sit at the intersection of operating nonprofit and operating foundation practices as well as broad leadership skills. To date, there have been limited investments in talent pipeline initiatives, peer learning, professional coaching, or affinity groups to support the professional development of those involved in staffing and supporting collaborative funds. In addition, staff fatigue and burnout at fiscal sponsorship host organizations often result in high turnover and difficulties with talent recruitment. We see a strong need for greater, intentional investment in workforce development programs and infrastructure to support the talent needs of this rapidly expanding sector. These workforce development programs build off existing nonprofit and leadership management practices.

Learning Activation.

Due to a variety of factors—competition among host organizations, the opacity of funding relationships between collaborative funds and grantees, the lack of intentional investment in peer learning and information exchange, and the desire of some donors of collaborative funds to maintain anonymity—knowledge and intellectual capital is quite balkanized in this sector. And yet, fiscal sponsorship organizations are repositories of important data and information on funder priorities, the grantee landscape, and trends and gaps in philanthropic investment. A more proactive focus on shared learning and data among host organizations, funders, and collaborative funds—one that is encouraged, enabled, and resourced by donors—could

Executive Summary, cont.

accelerate improvements in practices and systems within the ecosystem of collaborative funds, while increasing the efficiency and effectiveness of philanthropic investment more broadly.

Platform Innovation.

The dynamism of collaborative funds depends upon the availability of flexible investment platforms with the legal structure, administrative capacities, and expertise to deploy varied forms of capital. And yet funders have devoted scarce interest in the kind of platform innovations that power this dynamism. Funders should make platform innovation a strategic priority, spurring experimentation in platform design through innovation grants, fostering the spread of new models through convening a leadership and learning cohort of platform innovators, and elevating the importance of this area of work by sponsoring thought leadership on the topic. One of the binding constraints in this domain is current IRS regulations; as such, some funders may want to engage in a more systematic discussion of the regulatory constraints and how they could evolve over time.

Risk Diversification.

Collaborative funds hosted at large fiscal sponsors enable funders to transfer reputational and legal risks to host organizations, providing donors with a degree of anonymity and organizational distance. However, funders often do not adequately recognize this risk transference, nor compensate host organizations commensurately. In addition, the asymmetry of risks between collaborative funds and host organizations can generate ongoing conflicts around compliance. Funders must bring greater awareness of how they are transferring risk to host organizations and price this risk transference appropriately.

Funds and host organizations must proactively identify areas of potential conflict around risky fund activities and align on how they will navigate those conflicts. Finally, funders should invest in collective defense measures for collaborative funds and their host organizations when those organizations become the objects of politically motivated attacks.

As we consider the growing landscape of collaborative funds and the infrastructure that enables those funds, we must acknowledge that philanthropists can, and do, leverage collaborative funds in the service of their own values and priorities. There are collaborative funds that support work to increase abortion access, and those that seek to deny access to abortion; funds that strive to safeguard Americans' right to firearms, and those that seek to regulate access to guns; and so on. While we argue that collaborative funds and their fiscal sponsor hosts have increased and will continue to expand the reach, dynamism, and impact of philanthropy and the social sector, we do not suggest that they universally operate for the public good. Whether they do or not depends upon the motivations and values of the actors who organize, lead, and fund them.

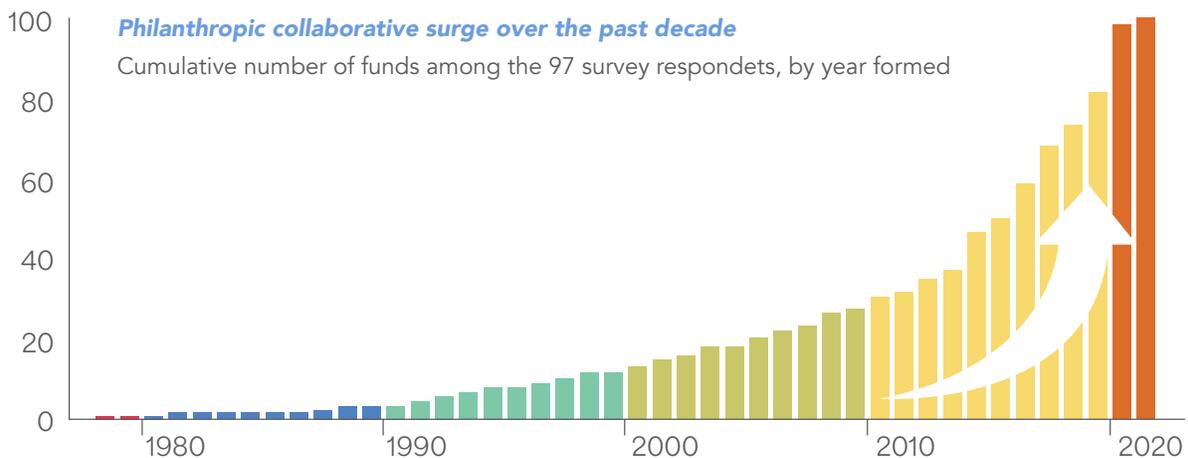
What is evident is that forces external to philanthropy related to the speed, volatility, and intersectionality of social and environmental change will push the field further to accelerate investments in collaborative funds. Donors with aligned values and priorities who seek to realize the full potential of these funds will need to undertake a deliberate, strategic, and collective effort to nurture and strengthen the infrastructure and systems upon which they depend.

The Growth, Role, and Future of Collaborative Funds

Collaborative Funds Expand the Scale and Reach of Philanthropy.

The use of collaborative donor funds has surged in recent years: according to a recent Bridgespan survey, the cumulative number of collaborative funds roughly tripled during the decade from 2013 to 2022. To understand the drivers of this growth, it is important to discern the value that funders gain from collaborative funds and to unpack how these funds enhance donors' reach, scope, and dynamism.

FIGURE 1: Collaborative Funds Growth, 1980 – 2020



Source: The Bridgespan Group 2021 survey

"As compared to foundations, I've found collaboratives often make grantmaking requirements and processes less complex—which is why so many Program Officers advocate for them. By removing ultimate grantmaking decisions from foundation senior staff and boards—who may not be immersed in the strategies and networks of the grantee cohort, particularly in emerging issue areas—collaboratives streamline and simplify grantmaking."

—Donor Advisor

Expanding the reach of grantmaking.

Collaborative funds expand the reach of donors' grantmaking by supplying subject matter and landscape expertise and additional administrative capacity. The scope and reach of funders' investment portfolios are constrained by their knowledge of the field and the cost and time required for them to source and vet investment opportunities and execute grants. For example, most large national foundations eschew investments in state-based and local organizations because they lack knowledge of these organizations and because they cannot research, conduct due diligence on, and issue many relatively small grants efficiently or cost-effectively. For similar reasons, US-based philanthropies are often reluctant to fund foreign NGOs because of a lack of knowledge of the international landscape and due to the challenges of determining their charitability.

Collaborative funds fill in these knowledge gaps and provide extended administrative capacity for philanthropic investment sourcing and execution. They employ expert staff to curate portfolios of investment-ready grantees on behalf of multiple funders who would not be able to source and fund such organizations directly. At the same time, these funds frequently offer more streamlined application processes that make it easier for smaller organizations with less sophistication and capacity to access funding. Together, these functions extend the reach of philanthropic capital to organizations that would otherwise lack access to funding.

Collaborative funds can also bring new capital off the sidelines. By offering turnkey investment vehicles for philanthropists who lack the resources for or interest in hiring staff to curate their own investment portfolios, they lower barriers to entry for philanthropists and thereby increase the scale of giving, both in specific issue areas and in the sector as a whole.

Breaking out of issue silos.

Collaborative funds provide a low-cost, low-risk mechanism for foundations to invest in issue areas outside of their established programmatic categories, or in multi-issue grant portfolios. Most foundation grantmaking occurs via siloed program areas with established and relatively stable investment portfolios; foundations allocate relatively little open-ended capital for investments outside of their

program areas. There are good reasons for these practices: they allow foundations to develop expertise in specific sectors and to provide sustained, year-over-year investments and some level of stability to their grantees. However, such practices also impede foundations' ability to move into new issue areas or to operate at the intersection of multiple issues, while also locking grantees into the same issue silos they have created. Collaborative funds provide a solution to this problem. Rather than develop an entirely new program area in-house, which requires significant investment and

"As we think about the state of our democracy, gun violence, polarization, foreign wars, Artificial Intelligence or disinformation—for any big, complicated issue—a COLLABORATIVE SOLUTION is far more effective than donors going it alone."

—Foundation Program Officer

commitment, funders seeking to dip their toes into a new domain can make a grant to a collaborative fund that has established an investment strategy and portfolio in that new issue area. For this reason, collaborative funds are often the vanguard philanthropic investment vehicles for new and emerging issues: for example, consider the role of collaborative funds in blazing a trail on [tech platform accountability](#) and the [implementation of new federal programs like the Inflation Reduction Act](#). Collaborative funds are also pioneering intersectional, multi-issue investment strategies: according to [Bridgespan's research](#), collaborative funds are more likely than institutional philanthropies to focus their investments on multi-issue field-building and movement-building efforts, rather than limit them to siloed, single-issue domains. For example, the Hive Fund for Climate and Gender Justice provides multi-year general operating support to women of color-led environmental justice organizations working on multiple, interrelated issues in the US South. In so doing, the fund invests in "[impactful leaders that have historically been overlooked and undervalued by philanthropy](#)" in addition to investing in underfunded geographies.

Deploying capital in more dynamic ways.

In addition to expanding funders' ability to reach new types of organizations and enter new issue domains, collaborative funds also enable funders to use their capital in creative and more dynamic ways. Many Collaborative funds support lobbying or advocacy on issues that are controversial or polarizing, buffering foundations and individual donors from the reputational and other risks associated with these activities. Some collaborative funds engage in more complex forms of giving—for example, making charitable grants to for-profit entities, supporting litigation finance, and establishing revolving impact investment funds—that are administratively difficult for foundations to execute or that require a collaborative vehicle.

Sharing power.

Amid rising demands for equity and racial justice in the sector, collaborative funds have emerged as a mechanism for institutional philanthropy to devolve power, resources, and decision-making to leaders who are representative of the communities that have been historically excluded from access to philanthropic wealth. Transforming power structures within foundations that have established boards

and senior leadership and longstanding issues priorities and decision-making processes is a challenging proposition. Collaborative funds offer an alternative means for foundations to transfer power and resources: they can grant a portion of their resources to a collaborative fund whose governance has been constructed from the ground up to include proximate leaders, and whose focus is on supporting community-led organizations in historically marginalized communities. For example, a report from Arabella, Windward Fund, and JPB Foundation documents the [role that intermediaries can play working in frontline communities](#) focused on the climate justice movement. The [nine collaborative funds that Borealis Philanthropy](#) has established are another example of collaborative funds designed to deploy capital to grassroots organizing and movement groups rooted in Black, LGBTQ, and other historically marginalized communities.

The reasons above are among some of the many that philanthropy has seen a surge in funding for collaborative funds.

As They Become More Permanent Features of Philanthropy, Collaborative Funds Invite Criticism.

Collaborative funds have their critics and downsides both within the funder world and within the grantee world.

Governance by Consensus is Unwieldy.

On the downsides, depending on how they are structured, governance for a collaborative fund can be unwieldy and stymie timely decision-making, with multiple donors seeking to influence strategies and investments according to

their own priorities. As collaboration skeptic Bruce Glasrud puts it, “work products based on consensus are rarely visionary or revolutionary.” There are certainly ways to put guardrails around tendencies for foundations to advance their own agenda for a collaborative fund to be sure. Many funds started in the last several years have been mindful of this concern, but governance remains complex, unnecessarily so across collaborative funds, with the leaders of funds and staff spending far more time on that managing stakeholders than they anticipated (for relatively little added value to accelerate impact.)

Funding is Siphoned Away from Grantees.

Frontline grantees often express concerns that collaborative funds stand between them and a direct relationship with funders, unnecessarily siphoning off resources that could be deployed directly to the field, functioning more as ‘gatekeepers’ rather than ‘bridge-builders.’ There was a

moment where for reasons described above, collaborative funds facilitated access to capital for grantees who would otherwise not be positioned to secure funding directly from foundations or individual donors. While capital is

“Officers at large foundations are under fierce pressure to replicate programs or ‘take them to scale’ as quickly as possible, because that’s a measure of professional success. They are unlikely to wait around for all the data to be collected and thoroughly analyzed. Yet if you lack evidence of effectiveness, collaborating to expand it risks throwing good money after bad.” —Former Foundation Leader

necessary it is no longer sufficient, particularly when collaborative funds extract knowledge, expertise, lived experience and strategies from grantees without giving them actual power and decisions rights.

As collaborative funds become more institutionalized and permanent in nature—building up staff and long-term grant portfolios—they risk replicating the fragmentation and siloing of institutional philanthropy and losing some of their initial dynamism. Many funds are now viewed as institutions in their own right, no longer merely as flexible and nimble

re-grantors of institutional philanthropy. Further, as these collaborative funds continue to sustain impact beyond their initial theory of change, they compete within the same pool of philanthropic resources as the sub-grantees they fund and the host organizations that house them, creating misaligned incentives.

Low Barriers to Entry Leads to Fund Proliferation.

Just as with their host organizations, there are very low barriers to entry for collaborative funds and therefore there is a tendency for funders to proliferate funds for less noble purposes than the ones described above. In certain instances, where foundations have time-limited roles for program officers, a collaborative fund is often the ‘next stage’ in a career journey, and the same holds true for foundation leaders looking to create or cement a legacy. These realities need to be recognized and named when evaluating whether a new collaborative fund needs to be launched, a difficult task for the many who rely on philanthropy’s largesse for their own livelihoods. Perhaps if there were higher institutional hurdles (both within a foundation and across the field) to start a fund and/or justify not increasing investments in existing funds, there would be decrease in starting new funds (and longer-term commitments to existing ones.) As an example, if participating funders are already active in a particular issue area and would otherwise have likely funded many of the same underlying grant recipients, collaboratives can be more expensive to fund. One of the ‘hurdles’ that a foundation could create would interrogating whether launching a collaborative is even worthwhile without doubling the amount of new funders/capital deployed.

Five Forces Will Spur

the Growth of Collaborative

Funds in the Future

Despite their limitations and valid criticisms, we project that demand for collaborative funds and their growth will continue to accelerate during the next decade and beyond, due to a combination of forces both internal and external to the sector.

Practices Internal to the Field

Increases Reliance on

Collaborative Funds

Within the philanthropic sector, three trends point to the continued growth and use of collaborative funds as giving vehicles.

Rapid Growth in Concentrated Philanthropic Wealth.

The first trend is the accelerating growth of grantmaking capital, driven by the rapid increase in concentrated wealth among high-net-worth individuals and families and within foundation endowments (currently sitting on \$1.5T in assets). The growth in philanthropic wealth is outstripping philanthropists' capacity for giving: consider that Giving Pledge members, despite their pledge to give at least half of their wealth away, saw their combined wealth more than double from 2010 to 2022. Foundations are also not scaling their program staff in a manner commensurate to the growth in their endowments, according to several conversations with

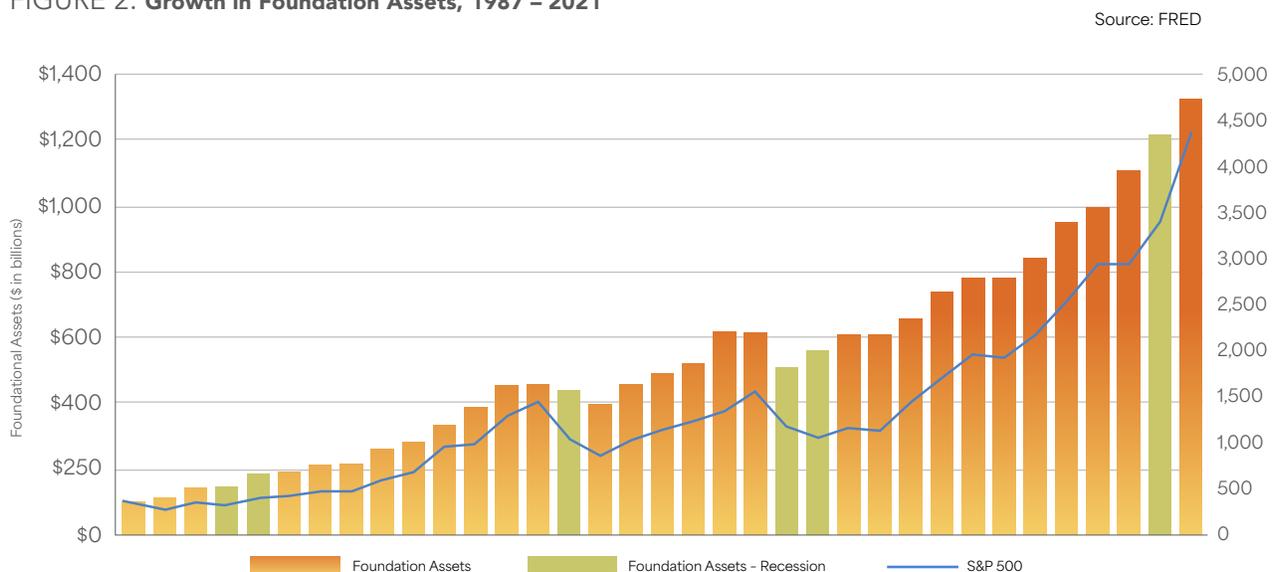
program officers who cited their inability to hire new staff in 2023 despite escalating challenges facing the field.

Lean Philanthropy.

This points to a second trend within the sector contributing to increased demand for collaborative funds: a trend towards leaner institutional models, especially among newer UHNWI philanthropists. While some emerging megadonors have established institutional philanthropies in the mold of legacy foundations, with large programmatic staffs, an increasing number of donors are opting to operate leanly to avoid getting locked into issue silos, limit their overhead, and maximize the amount of capital going directly into the field. Bridgespan's research finds that less than 10% of Giving Pledge members have created institutional philanthropies with more than 50 staff.

A lean institutional model means that these philanthropies of necessity must outsource a great deal of subject matter and landscape expertise, investment sourcing responsibility, and grantmaking capacity to consultants, collaborative partners, and collaborative funds. In short, there is a growing mismatch between philanthropy's growing wealth and its grantmaking capacities and infrastructure. Collaborative

FIGURE 2: **Growth in Foundation Assets, 1987 – 2021**



“During the pandemic we were able to redirect funds towards paying rent for our BIPOC grantees whose livelihoods were at risk with funder permission and fiscal sponsor ingenuity. When I was a foundation program officer, that would never have been permissible nor possible.”

—Former Program Officer

funds will play an increasingly important role in bridging this gap and providing outsourced capacity to foundations and lean philanthropies. This will ultimately benefit existing collaborative funds that are able to draw capital from these sources of new wealth but may also lead to new collaboratives. Evidence of this trend includes multi-funder pooled funds at Donor Advised Funds like Impact Assets that cover emerging issues like funding research for the palliative power of psychedelics. In other words, UHNWI may rely on structures like DAFs, engage in pooled funds and emerge as a powerful supporter of collaborative funds.

Growing Demand for Hybrid Capital Solutions.

The third trend within the sector that will drive increased demand for collaborative funds is the rising interest among philanthropists in using multiple forms of capital—charitable, political, and investment—to propel and sustain social impact. Mixed capital investment strategies enable

donors to act across the range of domains and systems—government, politics, the private sector, civil society—that influence the issues and problems they seek to address. This trend is evident in the increasing number of philanthropists setting up LLCs to manage their philanthropic giving, rather than opting for the traditional model of a private foundation.

Some philanthropists will set up multi-entity philanthropies—aligned 501c3s, 501c4s, LLCs, and PACs—to activate diverse forms of capital. However, other funders, including legacy foundations, will continue to operate out of private foundations with more restricted forms of capital. For these funders, collaborative funds are a vehicle to integrate their charitable giving with other forms of capital that they cannot deploy themselves. For example, c3/c4 collaborative funds provide a means for private foundations to invest in multi-faceted advocacy strategies that combine purely charitable public education and communications activities with lobbying, electoral, and political campaigns that require c4 capital. For example, the Rural Democracy Initiative invests in civic infrastructure in small cities and towns to impact public opinion, elections, and redistricting processes. It does so through the 501c3 Heartland Fund, the first funding collaborative building power toward a thriving democracy, healthy climate, and shared prosperity across diverse communities in rural areas and small cities and its partner 501c4, the Rural Victory Fund.

In sum, as donors increasingly aspire to go beyond traditional, charitable grantmaking, collaborative funds provide administrative capacity and institutional platforms for donors to expand the types of capital they deploy and to use their capital in novel and creative ways.

Practices Internal to the Field Increases Reliance on Collaborative Funds

Beyond the internal forces described above, even greater, external forces will drive growth and demand for collaborative funds during the coming decade.

The age of polycrises.

The interconnected threats of climate change, mass migration, resource scarcity, and deteriorating global cooperation and democratic governance are ushering in an era of crises that will demand philanthropic action at a new scale and level of complexity. The [World Economic Forum 2023 Global Risk Assessment](#) warns of “the risk of polycrises – where disparate crises interact such that the overall impact far exceeds the sum of each part.” The report outlines a future scenario in which societal failures to mitigate and adapt to climate change and failures in global cooperation combine to produce a natural resource crisis that will drive humanitarian disasters and global conflict. The climate emergency on its own will [generate frequent and increasingly concurrent natural disasters](#) that will dwarf governments’ emergency and crisis response capacities.

Collaborative funds that can aggregate philanthropic and governmental resources and channel them to local, on-the-ground crisis response efforts will have increasing value in a future rife with disaster events. The COVID pandemic previewed how philanthropy, and collaborative funds more specifically, will be called upon to respond to future disasters. As the US government’s own pandemic response teetered, donors set up funds that coordinated the distribution of personal protective equipment and the disbursement of thousands of payments to [individuals and businesses to cover rent, lost wages, and other immediate needs](#). Foundations and individual philanthropists could not have executed these programs on their own: the speed, complexity, and scale of these crisis response efforts required that they pool their funds and work with collaborative organizations with the administrative capacities and local knowledge to handle thousands of small payments to locally based institutions and individuals.

Beyond the growing need for rapid response capacity, a world of multiple, intensifying, and interconnected crises requires philanthropic strategies and investments that work at the intersection of multiple issues and that are nimble enough to respond to sudden, unanticipated threats and black swan events—in other words, strategies that transcend the issue silos and sclerosis of institutional philanthropy. Given their interdependency, trying to

solve issues in isolation from one another is ineffective. We cannot fix the climate crisis if we don’t improve the functionality of democratic institutions and address polarization. In turn, the health of our democracy is intertwined with the unrestrained capitalism and technological development that is driving extreme economic inequality and generating profound insecurity and social atomization. To complete the circle, democracy and social cohesion are threatened by a climate emergency that will displace millions of people in the coming decades and undermine political stability in the Global North and South.

Some foundations, like the [Kataly Foundation](#), have embraced an intersectional approach to their investments, supporting organizations working to address multiple, interrelated issue areas and allowing them to pivot between and among issues without penalty. However, far more institutions remain focused on single-issue giving that tends to lock grantees into issue silos and impede the kind of cross-sector collaboration required to address the interrelated threats and challenges we are facing. In contrast, as noted earlier, [collaborative funds are more likely than institutional philanthropies to focus their investments on multi-issue field-building and movement-building efforts, rather than limit them to siloed, single-issue domains](#).

The age of distrust.

The other major exogenous force that may drive the continued formation of collaborative funds is [plummeting public trust in institutions](#), including both [nonprofit organizations and foundations](#). Extreme political polarization is undermining trust in philanthropy, especially as individual donors are increasingly involved in advocacy, and their charitable grantmaking blends with their political giving. Distrust in philanthropy, often linked to partisan politics, can undermine the impact of philanthropic programs—consider, for example, how anti-vaxxers sowed distrust in the COVID-19 vaccines by exploiting public distrust in their major philanthropic benefactor, Bill Gates. Public distrust of philanthropy is not always unwarranted—for example, advocates for equity and racial justice have criticized institutional philanthropy for hoarding wealth that has accrued through extractive systems and structures, and then failing to distribute it equitably to the people and

communities exploited by those systems and structures. Vocal critics within the field, who rightly point to these inequitable practices, ironically risk amplifying distrust among the public writ large while advancing hoping to advance changes internal to the field. At a time of both growing distrust in large philanthropic institutions and internal practices that decenter donors, funds governed by leaders who are proximate to the field and more accountable to frontline communities can be a means to increase trust in philanthropic investments and programs. Attacks from across the political spectrum and relative silence on full-throated defense of donor behaviors risks leaving empty spaces for discourse. In the author's experience, these empty

spaces tend to be filled by the most extreme voices, often not reflective of the field writ large. Collaborative funds with their multiple donors and community relationships may be perceived more favorably than a single donor.

Taken together, these five trends—growing and concentrated philanthropic wealth, a desire for lean philanthropy, increased donor interest in multi-capital investment strategies, the proliferation of crises, and declining public trust in philanthropy—will continue to propel donors toward collaborative funds as a solution to our most complex problems.



The Backbone Role of Fiscal Sponsorship Organizations

Fiscal Sponsorship Organization Have Enabled and Accelerated the Growth of Collaborative Funds.

The existence and growth of collaborative funds has been powered by an ecosystem of host organizations that provide the vehicle and backbone services for donors to pool and redeploy their funds and staff up major regranting initiatives. According to the latest census of 100 fiscal sponsors conducted by NNFS and Social Impact Commons, half of all fiscal sponsors started after 2010—their growth mirroring that of collaborative funds during this same period. As a practical matter, approximately fifteen organizations host most large, complex collaborative funds according to conversations.⁶ They include social justice intermediaries like Borealis Philanthropy, corporate foundations like Amalgamated Bank, and organizations that provide fiscal sponsorship as a core service offering like New Venture Fund, Rockefeller Philanthropy Advisors, Tides Foundation, Global Impact, Panorama Global, and Resources Legacy Fund. These host organizations vary in their scope of activities and their approach to supporting collaborative funds. Some host organizations, such as Borealis Philanthropy, proactively design and manage the programmatic direction of their funds; in contrast, dedicated fiscal sponsorship organizations like New Venture Fund provide the operational platform for collaborative funds but leave their programmatic direction and governance to the hosted funds' staff and donors⁷. Because of the variety of services offered, it can be challenging to perform like-for-like analysis of these organizations particularly among individuals who don't have

the experience of working within one of these organizations. While there has been considerable research on and analysis of collaborative funds and their growing influence and impact on philanthropy and the social sector, there has been less focus and attention on the organizations that host these funds. Yet, understanding the role of host organizations in supporting and enhancing collaborative funds is important for understanding the enabling conditions and infrastructure that sustain collaborative funds, assessing

“Fiscal sponsorship is an incredible tool, particularly for people who want to change the world and aren't interested in knowing how to do accounting for an unrestricted grant or how to set up a contract for a consultant in Colorado, for example. We do that work all day, every day.”

—Fiscal Sponsor Team

the current limitations of and challenges within that enabling environment, and advancing solutions to those challenges.⁸ As noted earlier, our research aims to address this gap in the literature. Our analysis focuses specifically on the largest host organizations whose primary purpose is to provide backbone fiscal sponsorship services for collaborative donor funds and projects, often known as “Model A” projects in the parlance of fiscal sponsorship services. These fiscal sponsorship organizations—which include Tides, New Venture Fund, Global Impact, and Rockefeller Philanthropy Advisors,

⁶ Because there is no standard measurement or reporting mechanism, this is based on working in the field.

⁷ Host organizations like New Venture Fund and Tides do retain ultimate legal authority and responsibility for the activities of their fiscally sponsored funds and projects.

⁸ In the legal parlance of fiscal sponsorship, a donor collaborative or collaborative fund is a ‘project’, and the fiscal sponsor host is the ‘sponsor.’ Technically the collaborative fund is a ‘fiscally sponsored project,’ and the leader of the collaborative fund is often called a ‘project director.’

among others—enable and enhance collaborative funds in several ways, detailed below.

Providing the organizational backbone to launch funds rapidly and cost-effectively.

Those wishing to launch a new collaborative fund could elect to create a stand-alone nonprofit for the fund rather than host the fund at a fiscal sponsorship organization.

However, creating a new nonprofit requires standing up finance, human resources, compliance, grant-making, and other operational capabilities, which can be challenging to accomplish quickly. In contrast, working with a fiscal sponsorship organization enables the new fund to bypass these operational and administrative hurdles. The fiscal sponsors' staff provides the fund with finance, compliance, and HR services, enabling the fund to focus its time and energy on program design and delivery.

Large fiscal sponsors also provide administrative efficiencies and economies of scale for collaborative funds; for example, because large fiscal sponsors host scores of collaborative funds and projects, they often have many employees and can negotiate comprehensive employee benefits at low costs for the staff of collaborative funds. In this way, hosting a fund at a fiscal sponsor can offer a more attractive employment value proposition than setting up an independent nonprofit for the fund and lead to lower operating costs. Similar logic applies to the purchasing power of fiscal sponsors—they

can buy technology systems, insurance, and other products and services at a lower cost than can a small, independent nonprofit organization.

Lastly, fiscal sponsorship organizations can expedite the establishment of the governance structure for a new collaborative fund, compared to establishing a new nonprofit organization for the fund. Building a board of directors with full decision-making authority over mission and strategy takes time, care and resourcing. A fiscal sponsorship organization has its own independent board of directors, which holds fiduciary and legal responsibility for the collaborative funds (and all other projects) it supports. As such, when a collaborative fund chooses to be hosted by a fiscal sponsorship organization, the fund need only build an advisory board that offers programmatic guidance and support, a less onerous task than establishing a traditional board of directors with full oversight of and fiduciary responsibility for the organization. The fiscal sponsorship governance structure thereby relieves new funds of many of the financial and legal burdens they might otherwise face.

Enabling collaborative funds to sunset.

Just as fiscal sponsors enable collaborative funds to launch rapidly, so too they make it easier for funds to sunset when they are no longer creating meaningful impact or have failed to achieve their objectives. Collaborative funds that are hosted by fiscal sponsors rather than in their own nonprofits

can shutter with less fear of a failure narrative ascribed to the fund, its leadership, and its donors. With careful planning, sunsetting does not have to negatively impact a fiscal sponsor (who naturally loses revenue when projects sunset) creating one of the 'safest spaces' in philanthropy to exit with grace. The ability to wind down rapidly is important for maintaining the dynamism and fluidity of the collaborative fund sector and preventing the ossification and fragmentation that exists within institutional philanthropy and which collaborative funds, at their best, help to transcend.

"It was so much easier to sunset our fund within a fiscal sponsor—we weren't clear about our five-year horizon when we started, but as it became clear that this was a time-bound initiative, we could begin to wind down staff and grant-making. It wasn't seen as a career-limiting move as it might have been if this were a standalone entity. I also didn't have to worry about fundraising but was laser-focused on our grantmaking."

—Former Collaborative Fund Leader

Facilitating risk-taking and unusual alliances.

Large fiscal sponsors host many collaborative funds and projects, thereby providing a degree of donor anonymity by making it hard to discern which specific funders are investing in which specific funds.⁹ For example, a standalone collaborative fund pursuing work on a politically divisive issue—gun violence prevention, abortion, or something else—may attract a lot of attention from opponents that extends to their donors, who are easier to identify through public reports (i.e., funders' 990s). Housed within a fiscal sponsor with a large pool of funds, the risk to the donors becomes diffuse. Knowing this, donor institutions often use fiscal sponsors to extend their risk-taking well beyond the

bounds of the programmatic confines of their own foundation. Depending on how publicly the fund itself operates, the staff of funds that are hosted within large fiscal sponsors may also be able to operate with a greater degree of anonymity than they would by operating out of a stand-alone nonprofit. The ability of fiscal sponsorship platforms to provide anonymity also enables collaboration among funders and grantees who may not wish to be publicly identified as working together. For example, one fiscal sponsor has hosted a collaborative fund focused on climate change that included both a reproductive justice funder and a Catholic funder, who would not otherwise have publicly co-invested in the fund.

⁹ The foundations' 990s will list the fiscal sponsor as the public charity that receives funds, rather than the specific collaborative fund. A fiscal sponsor 990 will list the sub-grant recipient rather than the collaborative fund, making it challenging to connect donors to funds. Even when collaborative funds make their funds public, tracing the timing of all the grant flows can be complex.

Fiscal Sponsorship Organization

Have Enabled and Accelerated the Growth of Collaborative Funds.

Anonymity Runs Counter to Principles of Transparency and Accountability.

This feature of anonymity within fiscal sponsorship organizations often invites criticism from within the field as it circumvents the transparency and public accountability with which many feel that the nonprofit sector should operate. Without minimizing these concerns and the values that guide them, it is also true that in a time of extreme polarization, those advancing work in many areas of social importance (e.g., election integrity, anti-corruption, reducing gun violence, abortion access, to name just a few) increasingly face harassment, intimidation, hostile acts, and the threat of violence, both on the part of members of the public, as well as of partisan political and governmental actors. [Rachel Kleinfeld of the Carnegie Endowment for International Peace has warned of](#)

[escalating threats](#) and attacks on civil society organizations in the US, through the misuse of governmental regulatory authority, private legal harassment, cyberattacks, and mob-like threats and intimidation.

In this political environment, the capacity of fiscal sponsorship organizations to offer donors and collaborative funds a degree of anonymity can give funders the confidence to make socially important investments they may otherwise eschew for fear of public and political backlash. This insulation from direct attacks matters far more to living donors than to institutional philanthropy. As funders and leaders of collaborative funds alike seek to attract high-net worth capital, they need to bear in mind that anonymity is a 'feature, not a bug' (to use a Silicon Valley phrase) of fiscal sponsorship that appeals to, rather than repels, these donors.

When reputational risks accumulate at host organizations that have become targets of orchestrated attacks on the part of political opponents, these host organizations bear the burden and costs of crisis communications, and the resultant staff burnout and turnover that can accompany

these challenges. Each organization tackling this on its own also prevents sharing lessons learned or providing a coordinated defense of the important work. Funders may seek alternative host organizations to avoid the reputational risks of associating with a fiscal sponsorship organization that has become a political target, but they are merely transferring risks into this alternative host, perpetuating this cycle. In an age of polarization where investment in many issues can invite political backlash, these dynamics destabilize the sector and undermine host organizations' capacity to support funds that take the greatest risks. It can also lead to risk aversion on the part of fiscal sponsor board members over time, undermining the risk-taking capability that fiscal sponsorship provides the field.

Inconsistent Service Offerings, Service Standards and Pricing within and Across Fiscal Sponsors.

Program officers' express frustration that they don't always understand the pricing that underlies the full suite of services provided by a fiscal sponsor, nor do they know what to

expect in terms of service excellence. A recent field scan of 100 fiscal sponsors revealed that 76% provide charitable regulatory and tax compliance and 69% provide basic general liability insurance; many program officers might assume that these services would automatically be part of a fiscal sponsorship agreement. In the same survey, 14% of fiscal sponsors offer communications management, 49% provide fundraising services and 61% provide capacity building services. This suggests that fiscal sponsors are moving away from pure financial and HR management services and filling gaps where needed. However, whether these services are part of a negotiated fee and/or additional service costs isn't always clear when a collaborative fund launches and can create further confusion. Lastly, pricing can vary dramatically; according to the same study, fiscal sponsors who provide only Model A services charge between 8-12%. The wide range of practices is a source of friction, and fiscal sponsors can do more to educate not just their own projects, but the field writ large.

There are legitimate questions to raise about whether host organizations should continue to house the rapidly growing number of collaborative funds, but one thing is sure: so long as they are this central vehicle, the way in which donors engage and rely on them could benefit from some deeper understanding, appreciative inquiry and a broadening of their value in the field.

"There is work to be done in developing consistent standards of practice and corresponding key performance indicators for (fiscal) sponsors so that we can better understand and monitor the evolution of the field over time."

—Social Impact Commons, 2023

Challenges in the Current Enabling Environment for Collaborative Fund and Potential Solutions

The Health of Collaborative Dunds Depends Upon Strong Alignment and Synergy Among the Funds and Potential Solutions

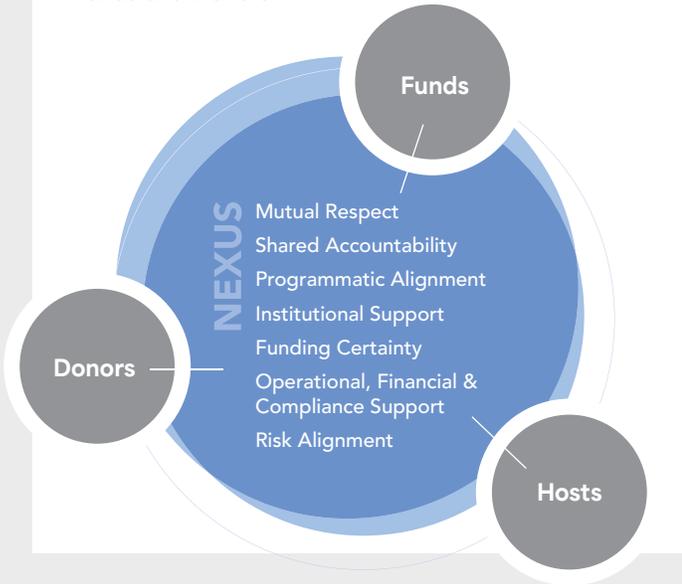
A thriving ecosystem of collaborative funds depends upon a healthy nexus among donors, collaborative funds, and host organizations, connected to a larger enabling infrastructure that can support effective fund governance, provide robust operational backbone capacity (human resources, compliance, finance, legal, etc.), sustain and grow talent, effectively manage risk, and foster knowledge sharing across the field. Done well, this nexus allows funds,

donors, and host organizations to focus on their comparative advantages: for the fund, programmatic delivery, and design; for donors, institutional support, and funding; and for the fiscal sponsor, operational, financial, and compliance support. In addition, if these organizations come together in the early stages of fund development, there is creativity and innovation in building the organization. Throughout the relationship, there is shared accountability for each entity’s role in advancing the fund’s strategy and impact, and a clear understanding and alignment of each entity’s role, responsibilities, and risks, as shown in Figure 3 below.

We find, however, that there is a misalignment of information, risks, and incentives among funders, funds, and hosts. At present, these stakeholders are not working proactively and collaboratively to strengthen the broader enabling conditions upon which collaborative funds depend, leading to suboptimal infrastructure, processes, and support for these funds.

A better understanding of the enabling infrastructure required to sustain high-impact collaborative funds and an intentional effort on the part of funders, funds, and backbone hosts to strengthen that infrastructure can lay the foundation for a dynamic and growing fund landscape.

FIGURE 3: Nexus Between Collaborative Hosts, Funds and Donors



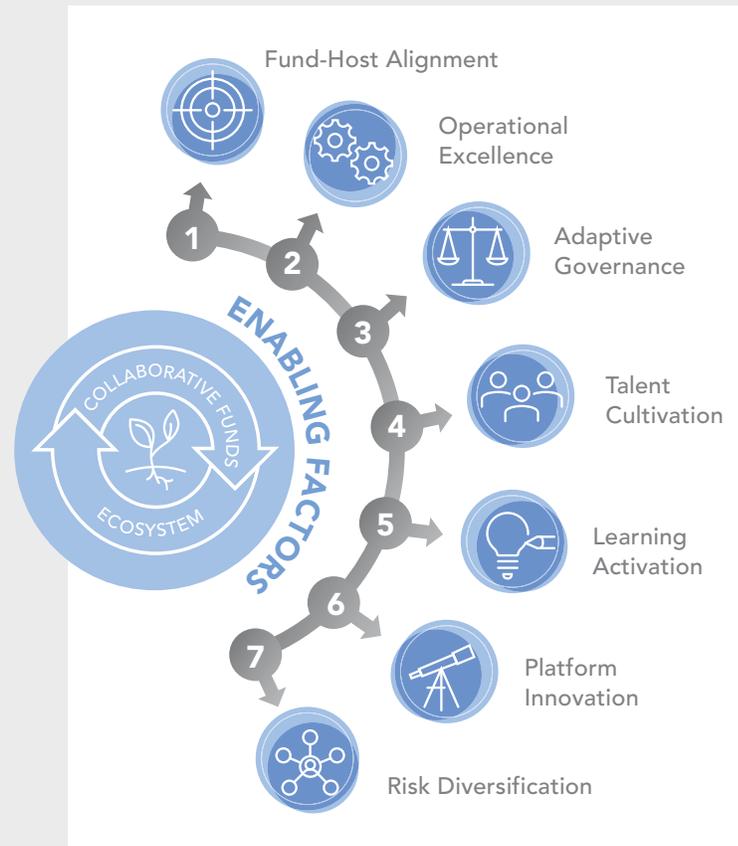
nexus *nex us* - noun:
a connection or link between things, people, or events, especially that is or is part of a chain of causation.

**Seven Enabling Factors Crucial
to a Thriving Ecosystem of
Collaborative Funds Require
Intervention and Investment.**

Our research identifies seven critical components to an enabling environment for healthy collaborative funds:

1. A “fit-for-purpose” alignment between funds and their host organizations that matches a fund’s tailored needs to the host with the right capacities to meet those needs.
2. Robust organizational capacity and excellence in operational supports and services on the part of host organizations.
3. Adaptive governance structures that allocate decision rights and authority among funds, donors, and host organizations clearly and transparently.
4. Strong talent pipelines and support for professional development to nurture and support staff at collaborative funds, the funders who support them, and the staff at fiscal sponsorship hosts.
5. Effective systems for knowledge sharing and peer learning across the sector.
6. Host organizations that can support a range of different types of investment capital, from purely charitable to political to impact investments.
7. Transparent, rational, and equitable practices and procedures for allocating risks across funds, their host organizations, and their funders.

FIGURE 4: **Seven Enabling Factors for a Thriving Ecosystem for Collaborative Funds**



Taken collectively, field funders should coordinate their investments to shore up support in these areas and work to reduce the patterns of investment choices and behaviors that have created instability in service delivery for collaborative funds.



Fund-Host Alignment

Collaborative funds vary in their purpose, governance, scale, programmatic complexity, type of capital, and time horizon, and their needs for operational support and services from their host organizations diverge dramatically based on these factors. Host organizations similarly are quite varied in their capacities, services, and institutional purposes and structures. Those launching new collaborative funds must bring a sophisticated approach to identifying and vetting the “fit-for-purpose” host organization that can best meet the needs of the fund and that will enable it to operate optimally and with maximum impact. Finding the right fit host for a collaborative fund entails having clarity on the fund’s activities the host’s distinct capabilities and most important ‘value-added services.’

All too often, however, the selection of a fund’s host organization is haphazard or driven by price, the host organization’s brand reputation, and/or pre-existing relationships between donors and hosts. Historically, donors have had an outsized role in choosing host organizations, bringing their own biases, and lived experience to the selection process, and signaling from the outset where the fund’s real power and decision-making will reside. Further complicating the effort to find the right host match for a new collaborative fund is the fact that a fund’s programmatic strategy is often nascent when it launches, especially when funds launch quickly to provide rapid-response funding in response to emerging crises. A fund’s programmatic approach may also change as the funders’ priorities evolve. Because collaborative funds’ programmatic approach and tactics aren’t always well-developed or may shift, it can be difficult to select host organizations with the requisite expertise, services, and capacities.

Despite and because of these challenges, those launching new collaborative funds must be deliberate, rigorous, inclusive, and objective when choosing the right-fit host

organizations, interrogating the most important requirements for success. A comprehensive, thoughtful, and intentional selection process ensures that there is both implicit and explicit alignment across funders, fund leaders, and host organizations about the objectives, outcomes, roles, and timelines for the fund’s work. Such a process also helps to foster trusted relationships and open communication built on care and collective flourishing, enabling information exchange, collective action, and progress toward common goals. Lastly, given that collaborative funds are now a more permanent part of the collaborative landscape, there may be more shifting across collaborative hosts as programs and priorities change and evolve.

As a tool to guide an effective selection process for fund host organizations, we have created a typology of host organizations and a chart that can aid in identifying a “fit-for-purpose” host based on the needs and characteristics of the collaborative fund in Exhibit 1. While the following typology necessarily collapses the complexity and variety of the landscape of host organizations, the five host organization archetypes we have identified provide a starting point for conversations among program officers and fund founders to identify the right match for a new collaborative fund. In addition, the host archetype that is the right fit for any given collaborative fund will depend on the fund’s purpose and activities, governance, the complexity of its transactions, and other operational and programmatic factors as shown in Exhibit 2. While not comprehensive, these are some of the programmatic and operational details that can be useful to consider ahead of time to find the ‘fit-for-purpose’ collaborative host.



Fund-Host Alignment

EXHIBIT 1: Five Archetypes of Collaborative Organizations

Mission Aligned	Fiscal Sponsorship Specialists	Issue Experts	Movement-Driven Regrantors	Place-Based Hosts
<ul style="list-style-type: none"> Provide basic fiscal sponsorship services as a secondary, not primary organizational activity. Have not built processes that enable and support separate initiatives Fees may be relatively low, but the scope of services will be limited. 	<ul style="list-style-type: none"> Have a distinct process for bringing in discrete projects. Bring significant operational capacity and HR, finance, and compliance services. Able to host complex donor collaboratives, including those that hire staff to implement programs directly, manage a high volume of financial transactions, and/or provide grants to non-charitable entities. May have multiple investment platforms, e.g., c3 and c4 nonprofits, that allow them to support lobbying and political activity. Fees are generally higher than basic service providers. 	<ul style="list-style-type: none"> Have subject matter experts on staff who actively shape the strategy and grant-making portfolios of the funds they host. May provide structured donor education programs and activities and/or facilitate coordination, convening, and knowledge sharing among grantees and field partners. May provide fundraising capabilities 	<ul style="list-style-type: none"> Field-led organizations formed to shift power and resources to marginalized communities. Proximate leaders shape the strategy and grant-making portfolios of the collaborative funds they host. Can often find funding and strategy gaps within the movement. If resourced and empowered, it can translate those gaps into new initiatives. 	<ul style="list-style-type: none"> Centered in a particular city or region and bring longstanding trust and relationships with local partners and community organizations. Typically provide fiscal sponsorship for donor collaboratives that are similarly focused on their specific place or region. Able to facilitate connections to local organizations and coordination among them, e.g., for rapid response, disaster relief, etc.
<p>Examples: Community foundations, established nonprofits</p>	<p>Examples: New Venture Fund, RPA, Tides, Global Impact</p>	<p>Examples: Resources Legacy Fund, Proteus, Panorama Global</p>	<p>Examples: Borealis Philanthropy, NDN Collective</p>	<p>Examples: Miami Foundation, Houston Foundation</p>



Fund-Host Alignment

EXHIBIT 2: Fund Activities Matched with Fit-for-Purpose Host Archetypes

Collaborative Fund Characteristics		Desired Services and Capacities in Host Organizations	Fit-for-Purpose Host Archetype
 Purpose and Activities	Pooled grantmaking – Primary purpose of the fund is to pool and regrant funds.	<ul style="list-style-type: none"> Comprehensive fiscal sponsorship services 	<ul style="list-style-type: none"> (potentially) All types
	Direct program implementation/campaign execution – While fund may engage in grant-making, it also hires staff to implement programs directly.	<ul style="list-style-type: none"> Comprehensive fiscal sponsorship services Comprehensive HR systems and support 	<ul style="list-style-type: none"> Fiscal sponsorship specialist
 Governance	Donor-driven – Donors shape the fund's regranting and/or programmatic activities.	<ul style="list-style-type: none"> DAF services (for direct control) Comprehensive fiscal sponsorship services with an advisory board structure 	<ul style="list-style-type: none"> Donor Advised Funds Basic provider Fiscal sponsorship specialist
	Staff-led – Project director has primary responsibility for managing the fund's activities.	<ul style="list-style-type: none"> Comprehensive fiscal sponsorship services Comprehensive HR systems and support 	<ul style="list-style-type: none"> Fiscal sponsorship specialist Movement-driven regrantor
	Field-led – Fund establishes a participatory governance structure, devolving decision-making authority to grantees and/or field leaders.	<ul style="list-style-type: none"> Expertise in participatory grant-making & governance expertise Proximate leadership and frontline experience and/or deep landscape knowledge 	<ul style="list-style-type: none"> Movement-driven regrantor
 Visibility	Low Profile – Fund may not have high visibility across the field; not a strategic priority for the foundation even while it is important programmatically	<ul style="list-style-type: none"> (potentially) All types 	<ul style="list-style-type: none"> (potentially) All types
	High Profile – Ideas and support for the fund may come from the foundation leader. Fund may get more scrutiny but also more support	<ul style="list-style-type: none"> Comprehensive fiscal sponsorship services 	<ul style="list-style-type: none"> Fiscal sponsorship specialist
 Complexity of Financial Transactions	More Complex – Fund involves numerous and varied financial transactions (e.g., grants and contracts to different types of entities: nonprofit, for-profit, foreign NGOs, etc.)	<ul style="list-style-type: none"> Deep operational and administrative capacity Charitability compliance expertise 	<ul style="list-style-type: none"> Fiscal sponsorship specialist
	Less complex – Fund involves a relatively small number of simple transactions (e.g., simple regranting entity focused on US nonprofits).	<ul style="list-style-type: none"> Basic, cost-effective operational capacities 	<ul style="list-style-type: none"> Basic provider



Fund-Host Alignment

EXHIBIT 2: Fund Activities Matched with Fit-for-Purpose Host Archetypes, continued

Collaborative Fund Characteristics		Desired Services and Capacities in Host Organizations	Fit-for-Purpose Host Archetype
<p>Type of Capital</p>	<p>Purely charitable – Fund only engages in charitable activities using 501(c)(3) capital.</p>	<ul style="list-style-type: none"> 501(c)(3) fiscal sponsor/host organization 	<ul style="list-style-type: none"> (potentially) All types
	<p>Political – Fund funds or directly executes political activities such as candidate endorsements.</p>	<ul style="list-style-type: none"> 501(c)(4) fiscal sponsor/host organization Compliance expertise regarding political activity (potentially) Compliance expertise regarding state and federal lobbying rules 	<ul style="list-style-type: none"> Fiscal sponsorship specialist Movement level regnantor
	<p>Investment – Fund makes impact investments (e.g., recoverable grants, loans, etc.)</p>	<ul style="list-style-type: none"> Charitability compliance expertise Financial diligence and valuation expertise (potentially) LLC host organization 	<ul style="list-style-type: none"> Fiscal sponsorship specialist
	<p>Multiple – Fund deploys multiple forms of social impact capital.</p>	<ul style="list-style-type: none"> Multi-entity fiscal sponsorship/investment platform 	<ul style="list-style-type: none"> Fiscal sponsorship specialist
<p>Geography</p>	<p>Place-based – Fund's investments are focused in a specific city or region and may seek to facilitate coordinated activities among grantees in that region (e.g., for disaster relief, etc.)</p>	<ul style="list-style-type: none"> Place-based knowledge, experience, relationships, and trust 	<ul style="list-style-type: none"> Place-based hosts
	<p>National/multi-state – Fund's grantee pool is national or focused on multiple states.</p>	<ul style="list-style-type: none"> Comprehensive fiscal sponsorship services 	<ul style="list-style-type: none"> (potentially) All types, except for place-based
	<p>Global – Fund's investments and activities are international in scope and include foreign NGOs.</p>	<ul style="list-style-type: none"> Charitability compliance expertise Competency with foreign banking rules, foreign exchange expertise, Relationships with international Professional Employment Organizations (PEOs) International regulatory expertise, knowledge of global charitable laws 	<ul style="list-style-type: none"> Fiscal sponsorship specialist



Fund-Host Alignment

EXHIBIT 2: Fund Activities Matched with Fit-for-Purpose Host Archetypes, continued

Collaborative Fund Characteristics		Desired Services and Capacities in Host Organizations	Fit-for-Purpose Host Archetype
 Time Horizon	Time delimited – Fund established for a fixed time horizon, with definitive plans to sunset.	<ul style="list-style-type: none"> Comprehensive fiscal sponsorship services 	<ul style="list-style-type: none"> Basic provider Fiscal sponsorship specialist
	Long-term – Fund established as a permanent/enduring entity.	<ul style="list-style-type: none"> (potentially) Fiscal sponsor that has spin-out supports 	<ul style="list-style-type: none"> (potentially) All types
 Funding Security	Secure funding commitments – Fund enjoys multi-year funding commitments.	<ul style="list-style-type: none"> Comprehensive fiscal sponsorship services 	<ul style="list-style-type: none"> (potentially) All types
	Year-to-year funding commitments – Fund must renew its funding annually.	<ul style="list-style-type: none"> Fundraising services in addition to fiscal sponsorship services 	<ul style="list-style-type: none"> Subject matter experts Movement-driven regrantors
 Staffing Needs	Donor, Consultant, or Contractor Led – Fund does not have dedicated staff to move	<ul style="list-style-type: none"> (Potentially) all types 	<ul style="list-style-type: none"> (potentially) All types
	Fully Staffed – Collaborative intends to have permanent staff	<ul style="list-style-type: none"> Human capital management fluency Familiarity with multi-jurisdictional employment matters Comprehensive fiscal sponsorship services Well-developed HR expertise, policies, and benefits 	<ul style="list-style-type: none"> Fiscal sponsorship specialist



Operational Excellence

Ensuring that host organizations can support collaborative funds with sustainable and high-functioning human capital, financial, compliance, legal, and core grantmaking practices is vital to the funds' health and impact. And yet, wide fluctuations in demand for fiscal sponsorship services that are endemic to the market have made it difficult for host organizations to sustain robust operational capacity for collaborative funds. Moreover, donors' tendency to view host organizations as vendors rather than strategic partners has driven price competition within the sector, inhibited investment in host organizations' operational capacities and created service inconsistencies. Collectively, this can be viewed as a 'market failure.' Donors and host organizations must work together to correct these market failures, through reforms to pricing structures and practices that ensure adequate investment in backbone capacity (comparable to the changes funders have made in their funding of grantees' general operating capacities.)

Broadly, four major factors undermine host organizations' ability to consistently deliver operational excellence to collaborative funds.

1

Demand for fiscal sponsorship services is highly volatile.

The first factor is a structural feature of the market for fiscal sponsorship services. Demand for fiscal sponsorship exhibits high volatility, leading to repeated challenges of insufficient supply of fiscal sponsorship capacity relative to demand from donors. For example, the polycrises of 2020 saw a surge of funding into fiscal sponsors as donors provided rapid-response and off-cycle funding to the most affected communities and set up major new collaborative funds. The surge of investment into collaborative funds strained their service delivery capacities and saturated their ability to host new funds. As late as three years after the onset of the pandemic, in 2023, 86% of fiscal sponsors turned away projects and 55% said they did not have adequate staff to

support fiscally sponsored projects, according to the Social Impact Commons study.

Figure 5 illustrates the volatility of demand for fiscal sponsorship services: revenues for 12 of the largest collaborative hosts⁶ rose by 81% in 2020, by another 11% in 2021, and declined by 18% by 2022. We do not believe this period is anomalous: as discussed above, we expect that intensifying societal crises and the resultant need for rapid response funds will continue to drive high volatility in demand for fiscal sponsorship services for collaborative funds.

In many ways, these data support the idea that collaborative funds and their hosts are, in fact, the absorptive capacity philanthropy needs for the deployment of rapid response capital. But it is neither easy for fiscal sponsors and funds to staff up nor shed resources dramatically in response to these swings in demand. Fiscal sponsors, like all other organizations, have limitations on how quickly they can increase or scale back their operational capacity, even with investments in automation. It should come as no surprise then that demand surges have led to service and capacity challenges as well as staff burnout, both for collaborative funds and their host organizations. And because fiscal sponsorship organizations are entirely dependent on donors for funding projects and because those funds are restricted, it is hard for fiscal sponsors to retain 'surge' capacity to meet these ebbs and flows in funding.

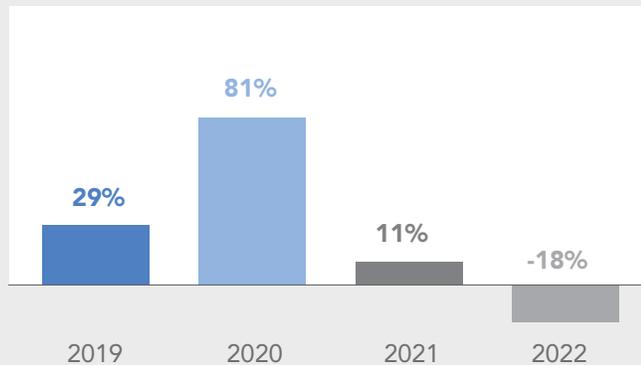
Underlying the data of course, are the actual issues that donors support. For example, there has been a surge of funding for civic engagement organizations in terms of revenue. Many funds in this space see a huge surge in funds right before an election. Donors share that they often don't feel the same kind of obligation to make responsible tie-offs, step downs, etc. with intermediaries, both the funds and their hosts, in the way they might do with traditional grantees. Neither fish nor fowl, these intermediary organizations must deal with these changes in demand.

⁶ Collaborative funds included: New Venture Fund, Borealis, Windward Fund, Rockefeller Philanthropy Advisors, Tides Foundation, NDN Collective, Panorama Global, Community Partners, Resources Legacy Fund, Hopewell Fund, Borealis, Tides Center and Global Impact. Note that revenues each year are not always an accurate assessment of funds flowing into collaborative funds per se; rather they are an objective and consistent proxy for growth across different entities. Since collaborative funds are often the largest funds in a collaborative host, these data should be viewed as proxy measures.



Fund-Host Alignment

FIGURE 5: Revenue Growth for Select Cohort of Collaborative Hosts, 2019 – 2022



2

A narrow focus on driving down operating costs for collaborative funds undermines operational excellence and generates conflict between funds and host organizations.

Even after working with fiscal sponsors and other host organizations for two decades, funders typically treat them as vendors rather than as strategic partners, seeking to negotiate the most services at the lowest fee and failing to focus on or invest in their longer-term organizational capacity. Similarly, within a competitive marketplace, fiscal sponsors tend to treat donors as clients, endeavoring to meet donors' needs and demands and shying away from disclosing or discussing their structural capacity challenges.

Donors' drive to negotiate lower prices from fiscal sponsors for hosting collaborative funds is motivated by a laudable desire to maximize the amount of philanthropic funds flowing to organizations on the ground poised to solve urgent problems. This is compounded by the fact that collaborative funds are also expensive, as compared to funding grantees directly. Asking for lower prices in exchange for decreased services may make sense in theory; in practice, however, host organizations try to limit the resources they can reasonably apportion to support the fund, namely hours spent servicing a fund or fewer people to support the fund.

Often, price negotiations during the inception of a new fund result in fiscal sponsors limiting resource and service allocation to funds below their desired levels, resulting in friction between the fund and the host from the start of the project. The result is either mixed service delivery for a fund, beneath-cost recovery for the fiscal sponsor, or both—and a strained host-fund relationship that has started with distrust and misunderstanding.

Tensions over pricing may reemerge at a later stage. As funds stay within a fiscal sponsorship host organization over time, they may expect prices to decrease because their regrating and other activities have become more standardized. The fiscal sponsor, however, may face unforeseen, upward pressures on their own costs that are not built into

“Funders should stop worrying about overhead and start to pay the full cost of what it takes to deliver services well – we keep starving funds and hosts and then we get frustrated when those organizations are reactive and give them just enough to get through the next operational hurdle. If we want them to succeed, we must have a buffer and reinvest in the institutions to build the systems. All innovation comes from margin, and we expect those solutions but don't want to pay for them.” —Former Program Officer

ongoing service fees, including wage inflation, rising costs of benefits and insurance, and investments in new technology. Fiscal sponsors can at that point ask funders for general operating support (which they rarely receive) or pass those price increases onto the hosted fund. If the fiscal sponsor seeks to impose fee increases on an collaborative fund after it has had service missteps (which may be the indirect result of having charged service fees that are too low) or has had to impose limitations on the fund's programmatic work



Fund-Host Alignment

due to compliance issues, fund leaders may seek to spin out of the host organization—either by becoming their own independent entity or finding a more cost-effective or flexible fiscal sponsor host. A new fiscal sponsor host may offer enticing pricing and service packages to attract funds to its platform but may run into the same capacity and service challenges as the original fiscal sponsor did down the road.

In sum, a well-intentioned but blinkered drive for low operational costs on the part of donors and funds, their lack of insight into the cost pressures that fiscal sponsors face, and their tendency to treat host organizations transactionally as vendors have created a species of market failure that has generated recurrent patterns of poor service quality and suboptimal operational capacity within the sector.

3

Limited Incentives to Share Solutions and Known Risks Across Collaborative Host Organizations.

The client-vendor dynamic and focus on price have prevented host organizations from sharing valuable information and co-creating solutions as they may feel in competition with one another. Valuable information may include historical grant information, standard reports, consistent ways to track funding flows but also methodologies for launching or spinning out collaborative funds, standard human capital management strategies, and operational innovations. Because of the variety of funds, donors, and

projects, fiscal sponsorship organizations could also be a valuable source of system-wide risks, but they may be concerned about sharing risk information with other fiscal sponsors.

4

Funders Perpetuate Fragmentation Whenever They Launch New Funds or Support New Collaborative Hosts.

Funders have a penchant for new things and ideas which leads to further operational splintering. In addition, there are no, or very low barriers to entry for collaborative funds (all that is often required to start a fund is a concept note to a foundation.) Our conversations suggest that leaders in existing collaborative funds are concerned about new funds launching (taking resources and attention away from them.) Host organizations, already stretched, worry that “new platforms” will result in sub-scale solutions (and stretched service delivery and more potential risks.) Funders struggle to find the right balance between ‘picking platform winners’ to scale program and infrastructure solutions while also supporting new entrants into the market. It will take coordinated action and efforts for funders to break the habit of inadvertently creating further operational fragmentation. Adoption of the following practices can help ensure more rational pricing of fiscal sponsorship services, reduce conflict among donors, funds, and host organizations, and promote operational excellence:

“The assumption that independent mission requires stand-alone infrastructure is not only false, it is also fatal to the long-term sustainability and impact of the nonprofit sector. It is the reason we have such a vast landscape of stand-alone nonprofit organizations, most of which are not scalable by design or intention. These organizations are most often the ones operating closest to community and possessed of the trust and cultural competency to deliver effective and responsive services and support. Unfortunately, they also often struggle with developing resources and capacity, making them vulnerable to the many economic, social, political and other forces at play in the sector.”

—Social Impact Commons



Fund-Host Alignment

Engage all nexus partners early and often in program design.

While programmatic vision is still nascent at a donor organization, staff who work at collaborative host organizations can provide useful perspectives on strategies that will present compliance and operational hurdles and delays and provide alternatives that can help accelerate the launch of funds. Indeed, host organizations have the widest views into those possible solutions across many funds and donors. Consulting these leaders before these strategies are deployed can reduce friction and accelerate impact.

Embrace alternate pricing models.

The traditional pricing model for fiscal sponsorship, based on a percentage fee of incoming or outgoing grants, creates transparency and ease of budgeting and understanding. According to Social Impact Commons, about 50% of fiscal sponsors use this type of pricing structure. However, it is often an inaccurate estimation of the full cost of service provision, particularly for complex activities like those depicted in Exhibit 2. This explains why 53% of the largest fiscal sponsors still need some type of subsidy beyond the fees they charge. Only 5% of fiscal sponsors price based on actual expenses. Yet other fiscal sponsors use a direct fee for pricing. To advance alternative pricing models that don't leave operational partners constantly under-resourced and collaborative funds short on service, donors can fund pricing studies, and encourage conversations among fiscal sponsorship organizations, donors, and fund leaders that shine a light on the true cost of service delivery and implement pricing practices used in scaled business process outsourcing in the commercial sector. Fiscal sponsors themselves need to build much more rigorous cost recovery and cost accounting processes to fully understand and communicate their pricing models to donors and collaborative funds.

Fund pivot moments across the collaborative fund life cycle.

Collaborative funds tend to follow a standard life cycle consisting of three main stages: a start-up or launch phase, a scaling stage, and fund spin-out (from one host organization to another or into a standalone entity). A smaller number also eventually sunset. Each of these phases requires distinct resources and services that differ from the day-to-day services fiscal sponsors provide the funds. In other words, the cost of hosting and providing operational support to a collaborative fund is not smooth throughout the fund's life; the costs vary depending on the phase of the life cycle the fund is in. Funders should support these phases in the fund's life cycle through discrete, tailored investments that complement ongoing service fees. Collaborative funds can plan for and price out these distinct life cycle phases by drawing on the expertise resident within fiscal sponsors or from outside operations experts such as the [Ops Collective](#) and [Schulman Consulting](#).

"Lots of intermediaries don't have business-people as leaders. We come from the social sector and so efficiency isn't what we are hard-wired or trained to do. We're all aligned on impact until there's an operational flub, and then it's always the fault of the fiscal sponsor team. At that moment, being values-aligned feels insufficient. If we hired corporate people savvy on technology and process at our organization, we might be able to solve some capacity problems, but we are often evaluated by donors on values alignment however that's defined."

—Social Impact Commons



Fund-Host Alignment

Standardize grant agreements for collaborative funds.

Donors should agree on a single grant agreement when investing in a collaborative fund and this should be the default standard for all collaborative funds. Many fiscal sponsors can and would prefer to implement streamlined and standardized grantmaking across multiple donors that contribute to a single collaborative fund. Having a single, standard grant agreement would dramatically reduce the administrative burdens for fund leaders and their host organizations, reduce costs, minimize errors, reduce costly audit and legal expenses, and ensure resources are being deployed for the highest-value activities.

Embrace technology-enabled solutions.

During the past five years, many large fiscal sponsors have made significant technology investments to scale and standardize operational services for their hosted collaborative funds—particularly for funds that are less complex in their activities. Innovators like [Ribbon.io](#), [Monkeypod.io](#), and [Mazlo](#) are providing new capacities for and spurring innovation in core processes like contracts management, payments, reporting, and banking interfaces. By partnering with these and other innovators, fiscal sponsors can leverage new technologies to increase their operational efficiency, scale more quickly, and contain the cost of supporting collaborative funds. Similarly, the advent of machine learning and new reporting tools create opportunities for fiscal sponsors and the collaborative funds they host to track and report relevant data on the funds' activities and outcomes, thereby lowering the administrative burdens of grantee reporting and program evaluation.

Support data standardization.

Donors might also work proactively with fiscal sponsors to obtain information from those fiscal sponsors about the multiple collaborative funds those donors support in addition to developing tracking mechanisms internal to the foundation. Field funders should support technology-enabled initiatives to standardize tracking and reporting of collaborative funds and hosts, ideas that have already been advanced by Social Impact Commons, National Network of Fiscal Sponsors, Candid, and others.

Publicly announce the launch of collaborative funds and their host organizations.

It is the exception rather than the rule to announce the collaborative host partner alongside the launch of a fund. This perpetuates the harmful narrative that operational support is unimportant and renders many of the staff who provide operational support invisible. As funds launch and/or shift hosts over time, they should name their host partner publicly. This has the added benefit of enabling researchers to systematically track information, particularly with the advent of large language models and machine learning tools. This also helps reinforce mutuality and shared accountability across nexus partners.



Adaptive Governance

Donors, fiscal sponsor board members, fund directors, and community stakeholders involved in a collaborative fund may share a broad set of goals for the fund, but these actors also have distinct priorities and interests in tension. The governance structure and processes for funds are often not well-defined, resulting in implicit or overt conflicts among stakeholders, slow or dysfunctional decision-making, or power dynamics that aren't always consonant with the mission of the funds or the expectations of grantee partners.

Multiple layers of governance steer and influence collaborative funds, including the fund advisory boards charged with approving budgets and exercising oversight over fund leaders, and the fiscal sponsorship organizations' own governance structures, which consist of independent boards that manage fiduciary responsibilities on behalf of the fiscal sponsor. Common governance challenges we see include the following:

Misalignment of risks within the donor institution puts fiscal sponsor organizations in awkward positions.

At times program staff who serve on advisory boards of fiscal sponsors have a greater risk tolerance than their own foundations (indeed it's why they choose fiscal sponsor platforms in the first place) and may want collaborative funds to pursue higher risk strategies. These aren't always known to foundation legal or audit staff until well after program activities are underway and could put a fiscal sponsor at odds with one part of the foundation and endear them to another part of an organization. For relatively junior staff at a fiscal sponsor who need to administer permissible activities under the grant, this creates complicated power dynamics they may be unequipped to navigate.

Weak advisory board governance results in unforeseen challenges.

While advisory boards are supposed to provide budgetary and strategic oversight for funds and assess the performance of fund directors, many advisory boards are only minimally engaged with funds and provide perfunctory oversight.

“Working with Advisory Board members who are donors that are so expert can be very problematic for a collaborative fund. They want to be involved in every decision—from writing an RFP down to grantee due diligence. As an advisory board member, they probably should be spending their time thinking about the way to support a collaborative fund leader’s career development.”

—Fiscal Sponsor Team Member

When inevitable challenges arise, for example, related to performance management matters, the fiscal sponsorship organization may act to eliminate a position since they are technically an employer, potentially overriding the advisory board. These activities can be damaging to trust and relationship-building.

Single donors often exercise outsized influence.

In many cases, the largest donors or the donors who have the most time and interest invested in a collaborative fund assume the greatest voice in its governance—even while there is a strong push in the sector to devolve more power to frontline communities and proximate leaders. These donors may push their foundation's own agenda and priorities, even if that agenda sometimes conflicts with the primary goals for the fund and may stifle the voices and perspectives of other important stakeholders (e.g., their co-investors, the fund's director, etc.).

Unclear mandates for fund directors limit their confidence.

In contrast to a weak advisory board, some boards are quite active but have not hashed out clear lanes of decision-making authority with the lead staff of the funds. Lack of clear decision rules can create confusion and undermine the day-to-day management and executive authority of fund staff.



Adaptive Governance

Competing donor agendas stymie clear decision-making.

Funders may have distinct visions and priorities that are in tension with one another and with the core mission of the fund. Despite established governance rules, these power dynamics may come in the way of the fund's program goals. Donors also exercise power through multiple currencies, including time, money invested in the fund, expertise, staff that are loaned to the fund, etc. and these power dynamics aren't always easy to decode, particularly for new collaborative fund staff.

“Collaboratives may be hampered by lack of governance, but funders who are sitting on advisory boards don't always play the healthiest role – they may claim to advance the goal of the collaborative but in fact, they are looking out primarily for the interest of the foundation. A new leader of a collaborative fund may not be able to decode that dynamic and we sometimes need to be in the awkward position of navigating that complexity.”

—Fiscal Sponsor Team Member

Lack of fund representation in the host organization's governance.

Fiscal sponsorship organizations typically do not provide avenues for funds to be involved in their governance—whether through seats on its board, formal advisory roles, or informal mechanisms for gathering fund input (e.g., convenings, surveys, etc.). Lack of inclusive governance structures and processes on the part of fiscal sponsors can exacerbate conflicts and tensions between collaborative funds and host organizations and impede opportunities for collaboration to improve practices and systems.

Codify roles and decision rights for fund directors, advisory board members, and fiscal sponsorship hosts, while leaving room for adaptation.

A memorandum of understanding (MOU) memorializing agreements about each party's authorities and responsibilities can help define 'power alleys' and prevent conflicts and confusion in governance. That said, the work of collaborative funds can be complex and can shift and evolve. Just as important as a written document is the establishment of strong relationships among the different actors and a culture of reflective practice that enables stakeholders to identify points of conflict or uncertainty in decision-making processes and align on how to navigate them and revisit and refine their overall governance framework periodically.

Engage donors, fund leaders, and fiscal sponsors in scenario planning.

Governance challenges may become particularly fraught at specific moments in the life cycle of a fund—e.g., when new donors enter or core donors exit the fund, when a fund is considering winding down or spinning out of a fiscal sponsor, etc. Engaging in a 'table-top' exercise early in the inception of a fund to plan for these scenarios, identify the decisions that might arise in them, and sort through differing stakeholder perceptions on those decisions can make for a smoother governance and decision-making process when and if the scenarios arise. It is also valuable to align the internal stakeholders within a donor institution to ensure there are 'no surprises and activities don't need to be managed by exception.

Establish and promote clear guidelines and norms for the roles and responsibilities of advisory board members.

Advisory board members need to play more active roles in staff management and governance than they have in the past. Funders should work with fiscal sponsors to come up with commonly accepted guidance and training for advisory board members, specifying how frequently they should meet, how to uncover risks and the best way to evaluate the budget and financial information.



Adaptive Governance

Broaden the profile of staff who serve on advisory boards.

Foundations may also consider expanding beyond program officers to operational staff when deciding who gets to participate in an advisory board. For example, foundation staff more well-versed in budgeting or talent management may bring valuable lived experience, professional expertise, and coaching to the role in a way that may be less natural for a program officer.

⁶ Social Impact Commons

Create more inclusive governance practices and norms at fiscal sponsorship organizations.

Fiscal sponsors may also need to evolve their governance structures to include the voices of donors and experienced collaborative fund leaders, making sure to avoid conflicts of interest.⁶ Fiscal sponsors can use informal convenings that bring together fund and fiscal sponsor leaders to discuss challenges and tensions in the relationship between funds and their hosts and identify opportunities for improvements.



"One of the biggest challenges I have is that I serve on this advisory Board in a volunteer capacity—it is part of my job, but I don't have more time carved out to dedicate to the work—it feels additive to my day job. I want to do the work well but I'm not sure when to ask for information when things go wrong. I'm supposed to be helping on program design but there are a lot of HR issues that come up that seem to be in my purview as well."

—Social Impact Commons



Talent Cultivation

Many of today's most powerful changemakers in philanthropy are leading collaborative funds or are housed at the donors and host organizations that support and enable them. And yet, there has been limited donor investment in training programs, talent pipeline initiatives, peer learning, leadership coaching, or affinity groups to support the professional development of those involved in leading, staffing, and supporting collaborative funds. The leadership, administration, and operation of collaborative funds require professional skills and capabilities that are different from the skills required to succeed in a foundation, and talent management practices have yet to catch up. We see a strong need for greater proactive investment in workforce development programs and infrastructure to support the talent needs of this now-permanent part of the field.

At a high level, two main (and distinct) challenges are undermining the sector's ability to attract, develop, and retain the talent it needs to sustain a thriving ecosystem of collaborative funds:

FOR FISCAL SPONSORSHIP ORGANIZATIONS: *Staff fatigue and burnout at host organizations.*

The waves of demand for fiscal sponsorship services and persistent shortage of operational capacity that are endemic to the market, and that we described in detail earlier in this report, generate intense workloads for the staff of fiscal sponsorship organizations and service-related conflicts and friction with collaborative funds and their donors. Exacerbating these challenges, those providing operational support for collaborative funds are often mired in manual, non-routinized processes and lack connection to the more substantive and meaningful aspects of the funds' work. Lastly, fiscal sponsorship organization staff often have less work experience than the collaborative fund leaders they support which results in challenging power dynamics. As a result of these dynamics,

staff at fiscal sponsorship organizations report feeling a lack of respect and meaningful engagement and poor work-life balance, which can generate a vicious cycle of increasing staff turnover and deteriorating service capacity and quality.

FOR COLLABORATIVE FUNDS: *Skills gaps and absence of tailored professional development opportunities for fund staff.*

Those leading collaborative funds typically come from previous roles at foundations or with field organizations. Managing a collaborative fund requires a blend of skillsets from funder and field roles, along with a whole distinct set of skills related to navigating the unique challenges and complexities of fund governance and collaboration with host organizations. The skills that collaborative fund staff need include (but aren't limited to): launching and leading programs at scale, creativity and innovation, fundraising prowess, partnership development, network weaving, staff leadership, frontline community engagement, narrative building, navigating funder power dynamics, hiring contractors, working with lawyers, and strategic implementation. These staff also end up managing organizations that are much larger than anywhere they have had to work, requiring them to scale their thinking and actions (like delegating tasks) which are new areas of learning. Whether collaborative fund staff come from a foundation or an advocacy organization, they often need additional coaching and support in one or more of those areas and they need clarity on which activities will guide their annual performance assessment.

Addressing these challenges requires that donors, funds, and host organizations work together to recognize the distinct workforce needs in the collaborative ecosystem. We have several recommended norms and practices, recognizing that solving the second of these problems may be more straightforward than addressing the first.



Talent Cultivation

Define and develop the critical competencies

unique to the nexus workforce.

Funders should recognize the distinct professional development needs of collaborative fund leaders and their host counterparts and begin investing in and building the workforce development infrastructure that exists for other professions. This could include creating fellowship programs for fund leaders with tailored skills training and opportunities for peer networking and learning, as well as a formal community of practice or professional association for these leaders, comparable to those that exist for social impact evaluators and communications professionals. It could also involve systematizing formal ‘on-ramps’ and ‘off-ramps’ for staff to move from one collaborative fund to another; to move from a fiscal sponsorship host to a collaborative fund or to move back to a foundation or field organization after a ‘tour-of-duty’ at a collaborative fund.

Invest in curated coaching and support

for collaborative fund leaders.

Because the skills required to manage a collaborative fund are so varied and because there is not a single standard profile for a leader of a collaborative fund, coaching supports may go well beyond the capabilities of a fiscal sponsor host’s capacity (assuming they offer value-added human resource services.) Recognizing that coaching often requires trust and vulnerability, funders should provide resources and support for staff at collaborative funds via coaching and management and leadership training without

prejudice. The field could also support the development of a cohort of coaches who might in turn “train the trainers” to scale and systematize the support.

Addressing the challenge of staff burnout at fiscal sponsorship organizations is thornier. Fiscal sponsors need to make their own investments (supported by funders through organizations like NNFS and Social Impact Commons or through their own mutual benefit) to elevate the importance and permanence of the profession. This could include creating pathways for employment through partnerships with technical schools that focus on finance and operations or developing an accredited ‘Fiscal Sponsorship Bootcamp’ that would create standards and determine service quality levels. Without intentionality, there will continue to be staff attrition at fiscal sponsor hosts, including ironically to collaborative funds and foundation staff roles. Ultimately, higher compensation, a more reasonable workload, investments in tech-enabled process routinization, and greater opportunities for professional development and engagement in the more substantive, programmatic aspects of collaborative funds will all help reduce burnout and improve talent recruitment and retention. However, the ability to implement such measures hinges on addressing the market failures we described above, in which demand for fiscal sponsorship service routinely outstrips capacity. More specifically, they require increased funder investment in the core operating capacity of fiscal sponsorship organizations, and a paradigm shift in the relationship between host organizations and funders, from what has been primarily a client-vendor relationship to a relationship between strategic partners.



Learning Activation

Due to a variety of factors—competition among host organizations, the opacity of funding relationships between collaborative funds and grantees, limited investment in peer learning and information exchange, and the desire of some donors of collaborative funds to maintain anonymity—knowledge and intellectual capital is quite balkanized in this sector. And since knowledge is power, there remains an uneven playing field in terms of understanding what works and what doesn't in terms of current practice. In recent years, there have also been growing efforts to convene fund and field leaders outside the presence of donors. While there is virtue in creating those spaces, donors risk losing valuable insights into common problems related to collaborative funds and possible solutions.

Overcoming the fragmentation of knowledge across the collaborative fund landscape could generate significant benefits. Fiscal sponsorship organizations are repositories of important data and information on funder priorities, the grantee landscape, and trends and gaps in philanthropic investment. While some donors' desire for anonymity and nondisclosure places constraints on knowledge and information sharing, a more proactive focus on shared learning and data among host organizations, funders, and collaborative funds—one that is encouraged, enabled, and resourced by donors—could accelerate improvements in practices and systems within the ecosystem of collaborative funds, while increasing the efficiency and effectiveness of philanthropic investment more broadly.

The following activities and practices have the potential to strengthen learning and knowledge sharing among funds and host organizations:

Continue to support peer-led and peer-developed learning.

Funders should avoid putting too much outside research and support into this space and instead focus resources on catalyzing organic, peer-based networked learning. Because collaborative funds and fiscal sponsors are practitioner-led spaces, unlocking those insights will have the most practical solutions. Using case studies and scenario planning, rather than academic papers and evaluations are likely to be more useful learning journeys for most practitioners. As an example, movement-level collaborative funds that demonstrate an understanding of the unique challenges faced by the differently abled, youth, women, returning citizens, BIPOC, LGBTQIA+, etc., and have valuable perspectives on how to navigate these challenges, support healing, and create trusted partnerships. These leaders are ideal trainers for relationship-building tactics. Fiscal sponsor organizations and the lawyers and consultants that support this industry also have unique insights and those learnings should also be mined for better practice discovery.



"It's much more comfortable for me to be with other collaborative fund staff in a safe space absolved of power dynamics without major funders present. As soon as funders are present, it feels like we are being judged for performance."

—Collaborative Fund Leader



Learning Activation

Make data collection and standardization a shared expectation.

Creating standard practices for gathering and coding data on collaborative funds—for example, a shared taxonomy of issue areas, a common nomenclature for collaborative funds, and a consistent four-digit (or letter) code for tracking collaborative funds—will facilitate research efforts and enable an increased understanding of investment trends and key investment gaps in the field. Funders can support technology-enabled initiatives to standardize data tracking and reporting by collaborative funds and hosts that Social Impact Commons, National Network of Fiscal Sponsors, Candid, and others are advancing. Organizations such as [Datakind](#) could be activated to provide objective guidance on standards. Organizations in the nexus might also consider investing in a shared intellectual property strategy that allows for some period of proprietary information rights with a ‘release’ of content publicly to the field within one year of a fund’s launch, for example. Without establishing clear expectations, and having some accountability mechanisms, prevailing behaviors are likely to persist.

Create a clearinghouse of resources, tools, templates, agreements, and frameworks.

Fund directors and staff at host organizations would benefit from sharing resources such as draft governance MOUs, grant agreement templates, vendor resource lists, and much more. Currently, any sharing of tools and resources is ad hoc, leading to unnecessary duplication of effort and other inefficiencies across the sectors. Funders can invest in the creation of a shared clearinghouse and incentivize fiscal sponsors and other host organizations to commit to sharing tools and information—for example, by investing in host organizations’ core operating capacity and conditioning those investments on hosts’ commitment to sharing knowledge and resources with their peers. They could also consider annual grants predicated on the creation and dissemination of these learnings.

Advance a comprehensive, multi-year learning agenda.

Major funders should align around a multi-faceted learning agenda that excavates existing data and knowledge housed in the sector. The agenda could identify and analyze investment trends, platform innovations, approaches to pricing fiscal sponsorship services, governance models, and more. The process for developing the agenda is best served by including all nexus actors—funds, hosts, and donors as well as consultants, grantees, advisors, advisory and fiscal sponsor board members, journalists, and academics who all bring different points of curiosity and critiques to the work.

“Fiscal sponsors haven’t done a great job of assuming leaning into their power and aggregating this bounty of knowledge, networks and strategies into their own vision and mission. Organizing and rationalizing the archipelago of projects, leaders, campaigns, objectives, networks operating within a fiscal sponsor’s universe (not to mention across fiscal sponsors) in service of increased coordination and effectiveness is the next horizon fiscal sponsors could create, appropriate to the increased role they have in philanthropy and the social sector broadly. It may not be in their own individual interest, but it is in the field’s best interest.”

—Donor Advisor



Platform Innovation

The dynamism of collaborative funds depends upon the availability of flexible investment platforms with the legal structure, administrative capacities, and expertise to deploy varied forms of capital. And yet funders have devoted scarce interest in the kind of platform innovations that power this dynamism—whether the use of [c3 fiscal sponsorship organizations to create return-seeking, revolving impact investment funds](#); the development of operational and compliance structures to support innovative litigation finance vehicles; or the creation of multi-entity platforms that enable funders to deploy charitable, political capital, and investment

capital in complementary ways. These innovations are often designed by donor advisors, consultants, and lawyers and stay on the margins, rather than the mainstage, of philanthropy's conversations.

The lack of strategic focus on and investment in platform innovation for collaborative funds is a missed opportunity for funders, grantees, and changemakers, one that slows the development and spread of high-impact investment vehicles and locks up critical resources and capacity in efforts to reinvent the same operational backbones. There are various ways funders can support and accelerate platform innovation:

Invest in Innovation and Challenge Grants.

Fiscal sponsorship organizations typically absorb the costs of platform innovation out of their operating budgets; they typically do not recover those costs through the fees they charge collaborative funds, which are only generated once the new platforms are up and running. Funders can spur more experimentation in platform design by providing innovation grants to host organizations and collaborative funds seeking to develop new vehicles or structures for deploying capital in creative ways—with requirements for publishing and sharing these new models with the field.

Convene Platform Innovators.

There is a small group of consultants, attorneys, and donor advisors who are engaged in platform innovation and experimentation, and currently no intentional space where these innovators can convene, share what they have learned, troubleshoot common challenges, and conceive new ideas. While competition among this group places some constraints on the degree to which they will share information with one another, donor investments to establish and convene a leadership and learning cohort of platform innovators can help accelerate the spread of their ideas and knowledge.

Continue to Support Thought Leadership.

Finally, donors can sponsor thought leadership activities—a paid series of articles in trade publications such as *The Chronicle of Philanthropy*, *Inside Philanthropy*, or *Stanford Social Innovation Review*, panel discussions at conferences like GEO, SOCAP, or the Center for Effective Philanthropy—that spotlight creative, high-impact platform innovations and elevate the importance of this kind of work in the discourse within the sector. These thought leadership perspectives benefit from the 360-degree viewpoints of all nexus actors who can be co-authors or participate in advisory groups that provide nuance and perspective to each publication. Authors, in turn, might benefit from understanding multiple stakeholder views given the multi-dimensional nature of the work.

Engage in the Evolution of Charitable

Regulatory Standards.

Standard interpretation of IRS regulations are definitely one of the rate-limiting factors in spurring greater innovation across the platform, so there may be limits to the value of challenge or innovation grants spurring breakthrough innovations. The IRS does periodically update its regulations to keep pace with trends in philanthropy, and engagement with the service through proxy PSO and research organizations as well as legal counsel and academics could yield success in tapping into multiple forms of capital to accelerate impact.



Risk Diversification

Collaborative funds hosted at large fiscal sponsors enable funders to transfer reputational and legal risks to host organizations, providing funds and funders with a degree of anonymity and organizational distance. As described earlier, by pooling a large number of funds and projects, large fiscal sponsorship organizations provide a level of anonymity for donors of controversial projects that shield them from some political, reputational, and legal risks. However, funders often do not adequately recognize this risk transference, nor compensate host organizations commensurately.

Asymmetry of risks also generates conflicts between fund leaders and host organizations around issues of compliance. Some funds have a mandate to act aggressively on their issues, while fiscal sponsors have an interest in minimizing risks for their entire portfolio of hosted funds and for the organization itself. Collaborative funds express some frustration by 'over-lawyering' practices when fiscal sponsor hosts prohibit certain activities. External factors, like changes in labor and employment or charitable laws across various jurisdictions and/or changing regulations further complicate matters.

When reputational risks accumulate at host organizations that have become targets of orchestrated attacks on the part of political opponents, these host organizations bear the

burden and costs of crisis communications and political defense, and the staff burnout, decreased morale, and turnover that can accompany these challenges. The same holds for collaborative funds that are public about their work, their funders, and their causes. Funds and funders may seek alternative host organizations to avoid the reputational risks of associating with a fiscal sponsorship organization that has become a political target, thereby layering future financial challenges onto this new organization's political and reputational struggles. At a time when important civil society initiatives face increasing threats from partisans and even some state actors, these dynamics destabilize the sector and may deter fiscal sponsors and other host organizations from assuming risky, but socially important projects. These attacks on host organizations serve to create further risk misalignment between donors and hosts. At times, collaborative funds are caught in the middle -- more on public display than donor investors and without public support.

The asymmetry of risks among donors, funds, and hosts is a structural feature of this sector, and the associated conflicts and challenges are endemic and must be managed rather than eliminated. We recommend the adoption of two broad sets of practices within the field:





Platform Innovation

Identify risks up front, acknowledge differences in how they will be allocated, and price accordingly.

As a regular practice, donors, funds, and host organizations should identify potential risks related to a collaborative fund's activities at the inception of the fund, align on how those risks will be managed, and price for them. When fiscal sponsors or other host organizations take on risky projects, they bear potential legal, communications, and crisis management costs and should be compensated accordingly.

Make collective investments in defense against political attacks.

Political attacks on large fiscal sponsorship organizations that host controversial but socially important projects represent a systemic risk for the entire set of funders who are invested in those issues. The targeting of fiscal sponsors is generally part of a larger campaign of political attacks on a broader group of funders and grantees. As such, rather than retreat from fiscal sponsors who have been targeted, funders should create shared resources for legal defense, crisis communications, and government relations strategies, and form war rooms to coordinate their collective defense.

Consider strategies that rest on collective 'offense' rather than simply playing 'defense.'

Funders have a range of tools they can deploy to shape a collective narrative around supporting movements and social and environmental changes they wish to support including relationships with local legislators (as members of their communities), and trade associations that represent their interests. The self-organized interest groups of collaborative funds and hosts have nowhere near that power. Rather than being viewed as advancing their own interest in institutional self-preservation, donors could shape a collective strategy to bring greater transparency and support to the work.

Strengthening the Enabling Infrastructure for Collaborative Funds

Over the past decade, collaborative funds have proven to be highly effective platforms that amplify donor impact and enable ingenuity, creativity, risk-taking, and speed of grantmaking well beyond the capacities of institutional funders. Together with the fiscal sponsor platforms that provide backbone support, these funds have now become a permanent part of the philanthropic landscape and will continue to grow due to internal and external factors. The past four years have proven the efficiency of these platforms as the absorptive capacity for grant-makers and increasingly as the spaces where the most innovative work happens. Siloed information sharing, capacity challenges, risk misalignments in the wake of public attacks, and funder focus on cost-minimization have strained the “nexus” or partnerships. Funders should recommit to understanding and strengthening the enabling infrastructure required to sustain high-impact collaborative funds to help ensure the impact and efficacy of these organizations for the coming decade.



25 Recommendations for Donor Consideration

For those who don't have the time or patience to read through the findings in great detail, we have provided a summary of the major recommendations by area. If any of these seem particularly compelling, we would encourage you to read the corresponding section.

1. Engage all nexus partners early and often in program design. ([Operational Excellence](#))
2. Embrace alternate pricing models. ([Operational Excellence](#))
3. Standardize grant agreements for collaborative funds. ([Operational Excellence](#))
4. Fund pivot moments across the collaborative fund life cycle. ([Operational Excellence](#))
5. Embrace technology-enabled solutions. ([Operational Excellence](#))
6. Support data standardization. ([Operational Excellence](#))
7. Publicly announce the launch of collaborative funds and their host organizations. ([Operational Excellence](#))
8. Codify roles and decision rights for fund directors, advisory board members, and fiscal sponsorship hosts, while leaving room for adaptation. ([Adaptive Governance](#))
9. Engage donors, fund leaders, and fiscal sponsors in scenario planning. ([Adaptive Governance](#))
10. Establish and promote clear guidelines and norms for the roles and responsibilities of advisory board members. ([Adaptive Governance](#))
11. Broaden the profile of staff who serve on advisory boards. ([Adaptive Governance](#))
12. Create more inclusive governance practices and norms at fiscal sponsorship organizations. ([Adaptive Governance](#))
13. Define and develop the critical competencies unique to the nexus workforce. ([Talent Cultivation](#))
14. Invest in curated coaching and support for collaborative fund leaders. ([Talent Cultivation](#))
15. Continue to support peer-led and developed learning. ([Talent Cultivation](#))
16. Make data collection and standardization a shared expectation. ([Learning Activation](#))
17. Create a clearinghouse of resources, tools, templates, agreements, and frameworks. ([Learning Activation](#))
18. Advance a comprehensive, multi-year learning agenda. ([Learning Activation](#))
19. Invest in Innovation and Challenge Grants. ([Platform Innovation](#))
20. Convene Platform Innovators. ([Platform Innovation](#))
21. Continue to Support Thought Leadership. ([Platform Innovation](#))
22. Engage in the Evolution of Charitable Regulatory Standards. ([Platform Innovation](#))
23. Identify risks up front, acknowledge differences in how they will be allocated, and price accordingly. ([Risk Diversification](#))
24. Make collective investments in defense against political attacks. ([Risk Diversification](#))
25. Consider strategies that rest on collective 'offense' rather than simply playing 'defense.' ([Risk Diversification](#))

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From the Author

While I tried to be as objective as possible during this research study, as with any body of work, both lived experience and biases have factored into this study. I thought I would share my biases as well as what I discovered from doing this work upfront to level-set expectations and provide an open space for challenging the findings in this work. Good research is only made better when findings are cross-examined, challenged and clarified.

I encourage you to contact me directly to engage.



Biases:

- It goes without saying (but needs to be named) that when you've worked in a particular area (in my case, the field of fiscal sponsorship), you feel the need to defend the work and practice. For me, I was moved to stand in solidarity with my many colleagues who worked tirelessly each day to support impact, many who never directly interacted with leaders of collaboratives. While I tried to be as objective as possible about some of the challenges fiscal sponsorship is facing, there may be more to interrogate in that space.
- This study is long on quotes and assertions and short on data and empirical evidence. We are hampered by incredibly imprecise measurements and lack of standard data collection practices both across donor collaboratives and host organizations. Over the years, I have observed too many outside researchers and consultants share imprecise or incomplete findings not because of their lack of expertise, but because of the underlying data quality issues. I chose not to spend my time (or the foundation's resources) in that area. Instead, I relied on deep conversations and interrogations of practices. The inner evaluator in you (like the inner data nerd in me) will be left wanting.
- Quotes in the study are anonymous which may lead to discomfort. Interviewees were kind enough to share their unvarnished opinions, but we are still uncomfortable as a field directly criticizing their partners in the work. I wanted to respect those cultural norms while still stating facts and feelings.
- I tried to avoid naïve platitudes about the goodness of work but also avoided blistering critiques of longstanding donor behaviors. There's plenty of that going around in the field, and I didn't need to pile on.

From the Author

Discovery:

- When I first came into the practice of philanthropy over a decade ago with no experience in the field, I kept searching for ‘best practices’ or ‘standard operating procedures’ and was told that if you’ve met one foundation, you’ve met one way of doing the work of foundations. This extended into the work of collaborative funds and fiscal sponsor host organizations – each one works differently. As a provider of fiscal sponsorship services, we wanted to meet donors (clients) where they were. In retrospect, we may have missed an opportunity to standardize practices for the many rather than optimizing for the largest most vocal donors. After all, what is the real risk associated with standardizing a grant agreement for a donor collaborative such that a fiscal sponsor is reporting out one way (rather than twelve different ways?) Within the client/vendor construct, it was hard to challenge conventional norms.
- As I spoke with interviewees, there were few who asked the direct question – how we justify the philanthropic intermediary complex (that is, the collaborative funds and the host organizations that benefit from philanthropy’s largesse as well as this author and others who are paid to study this field) when we should just fund grantees directly. I don’t have a great answer to that question.

It’s a bit like asking why philanthropy can’t be the best version of itself. Vanity, power dynamics, institutional preservation, long-standing relationships, (dis)trust all have a part to play – I hope future studies and conversations will pick up on the culture that had led to the rise of intermediaries and whether some of those cultural norms can change. I think that will be a good healthy conversation, notwithstanding the very real discomfort that the conversation will raise.

- The power dynamics in this space are real – funders often receive filtered information simply because of their place and space in the system – does trust and relationship building help us overcome that? I’m not convinced.
- I remain awed and inspired by the collective commitment to impact that draws everyone I spoke with to the work – in spite of the challenges, friction, subscale investments, great people come to work each day to support this ecosystem. I’m honored to have had a chance to work with so many of them.

Ganguli Associated, LLC

Ganguli Associates was founded in October 2011 as a Virginia LLC, with a longer-term goal of helping individuals and organizations as they navigate “key organizational moments” (turnaround, start-up, leadership transitions, organizational restructuring, spinning into a stand-alone entity, among others.)

After a successful 25-year career in both the private and philanthropic sector, Sampri Ganguli wanted to devote her time and energy to advancing equitable decision-making and ownership practices in organizations. Her practice has served as a platform to support women leaders succeed in predominantly male dominated spaces, and supporting organizations build authentic equity commitments and practices. I am a 100% woman and minority owned business, with certified WOSB status conferred by the Small Business Administration, finally living my belief that women should be the purveyors of our own financial destinies.

By design, I work exclusively with clients that support my personal values – these include issues that help to elevate the voices, values, and perspectives of marginalized women of color. I’m grateful for all the opportunities I’ve been given (and some opportunities I’ve taken) and I support individuals, organizations and causes that are aligned to those values.

