



**SOCIAL IMPACT
COMMONS**

Funder/Donor Collaboratives

Considerations & Opportunities for Fiscal Sponsors

April 20, 2023



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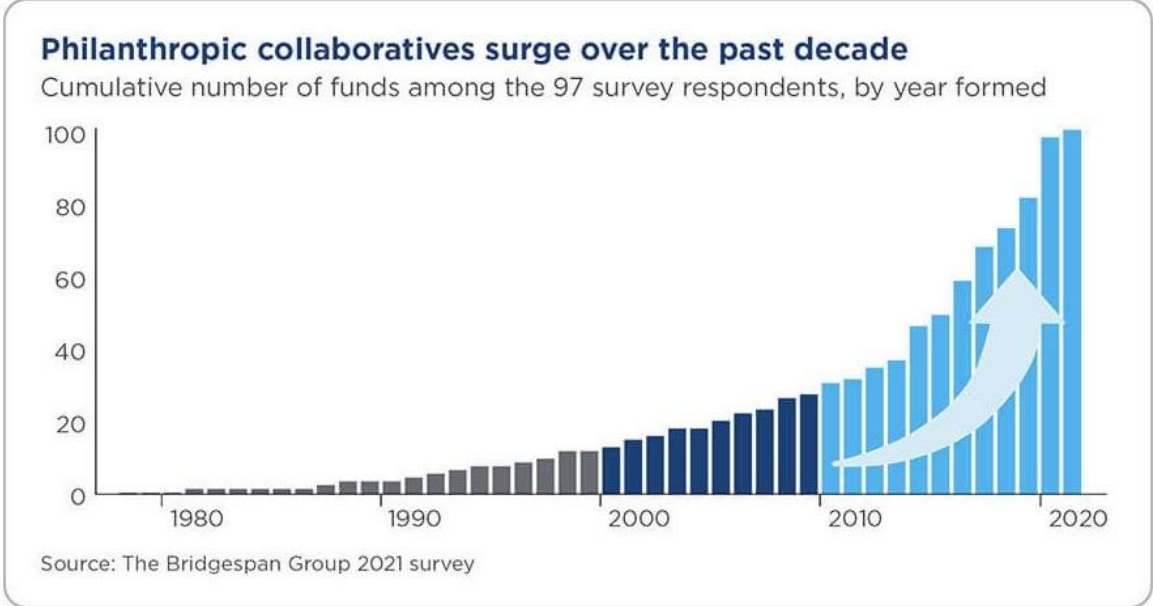


Why should fiscal sponsors be interested in funder collabs?

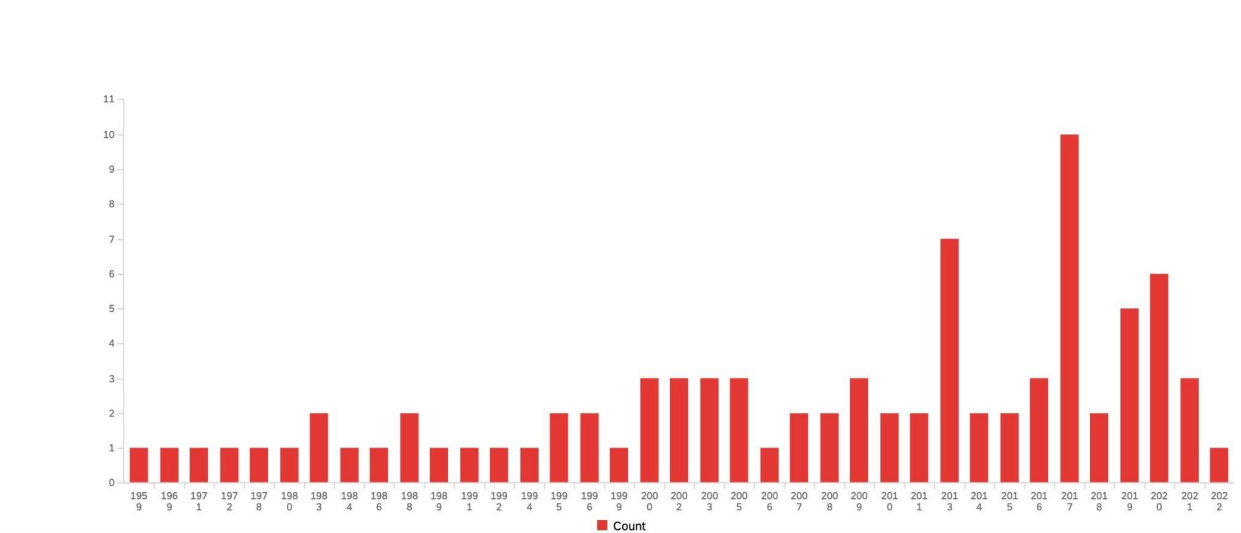
- They often use fiscal sponsorship (mostly 'Model A', occasionally 'Model C') as their structure for pooling and administering/regranting funds.
- Funder collaborative are become part of the program model for some fiscal sponsors, but often in a siloed manner.
- We see potential in this new and rapidly growing way in which philanthropy is organizing itself for more close integration into fiscal sponsorship, opening up new avenues to resourcing projects.



Funder collabs are on the rise alongside fiscal sponsorship.



S1_orginfo_1 - Organizational Information In what year did you begin serving as a fiscal sponsor? If unsure, provide your closest es... Page Options ▾



Source: 2022 Fiscal Sponsorship Field Scan



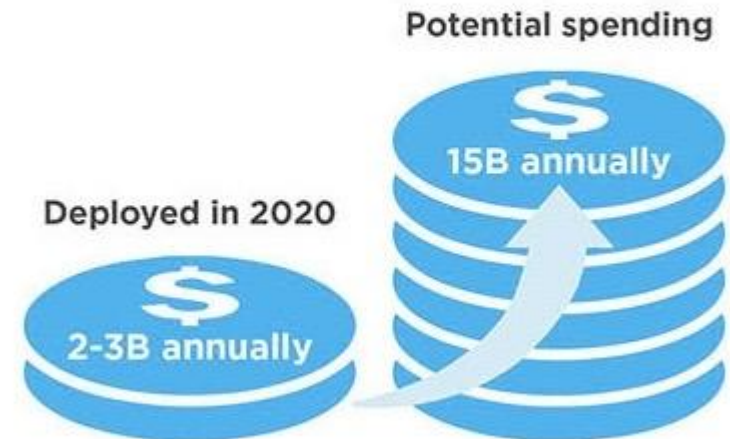
There is a lot of money in play.

Growth of funds moving more than \$50M a year



Source: Research completed by The Bridgespan Group in 2018 and 2021

Collaborative funds have the potential to deploy substantially more resources



Source: The Bridgespan Group 2021 survey, n=97



There are motivation parallels to fiscal sponsorship.

Bridgespan's recent report on donor collaboratives cites three main motivations:

- **Efficiency** - Funders want to outsource staffing and administration of funds, including other matters, such as compliance and governance.
- **Effectiveness** - Funders want to leverage relationships, knowledge, power shifting, and trust that is grounded more in the communities/fields being addressed.
- **Engagement** - Funders want to collaborate more directly with each other, as well as with beneficiary groups, such as power-sharing through participatory grantmaking.

Sound familiar?



There are several models.

Movement Building Organizations - These are largely social justice or other movement building organizations with a funder collaborative at the core, either for financing direct action and work and/or operating re-granting activities.

Fiscal Sponsorship - These are sponsored projects (“Model A” or “Model C”) that are platforms for funders to pool funds and engage in direct activity and/re-granting, with decision making either by funders as a collective and/or through participatory processes.

Consortia - Two or more funders enter into a collaboration agreement/MOU to work together toward particular programmatic or impact goals using allocations of their funds. Funds are not pooled; grants are issued from individual funders, per the terms of the MOU.



Opportunities for fiscal sponsors.

Fiscal sponsors that either manager funder collabs as a separate program or are interested in leveraging collab movement might consider collabs as...

>> **Sources of Collective/Internal Subsidy for Fiscal Sponsor Services** - A funder collab allows for costs of fiscal sponsorship to be reduced for start-ups, smaller projects or the portfolio as a whole.

>> **Internal Grantmaking to Projects for Program/Services** - Funder collabs could have a closer grantor-grantee relationship (albeit internal to the sponsor) through RFPs or other grantmaking mechanisms.

>> **Additional Service/Program Line** - Sponsors could consider offering a funder collab platform service for funders in their community/field. Many sponsors are already engaged in this programmatic work as part of their overall business and impact model.





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