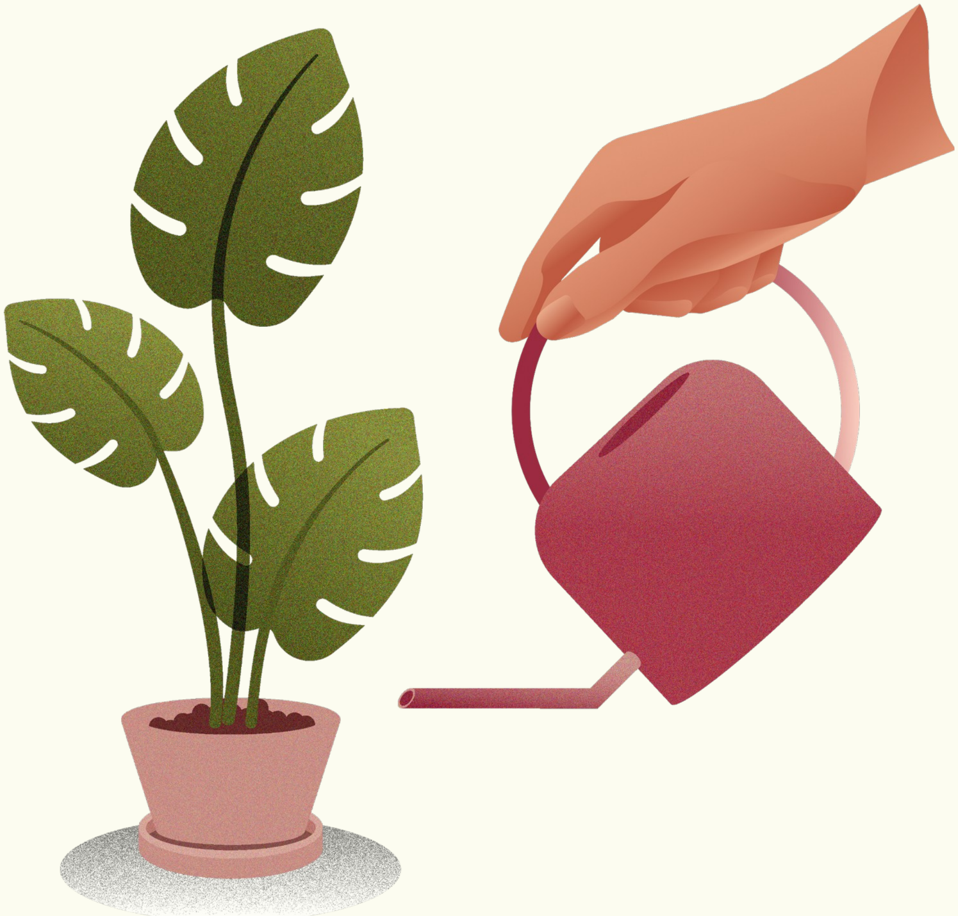

A Delicate Dance: Exploring Feminist Fiscal Sponsorship

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interalia

About

Rayya El Zein is an independent writer, researcher, and facilitator. She brings a global, justice-centered perspective to philanthropy, public policy, and community-led institution building. She works with artists, activists, technologists, and the range of institutions they encounter.

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Overview

In this report, I summarize reflections offered by 17 people on the subject of accountability, risk, and trust in fiscal sponsorship. interalia, a fiscal sponsor based in Germany, commissioned this research to explore what *feminist fiscal sponsorship* informed by ideas of *solidarity, care,* and *equity* could look like.

The 6-month research process was designed to surface the needs and views of feminist funders, fiscal sponsors, and sponsored projects working in social justice movements. I understand fiscal sponsorship (or fiscal hosting) to be the sharing of nonprofit infrastructure with aligned but distinct charitable projects.[1] This study builds on debates in progressive philanthropy in the US and elsewhere about the role of intermediaries in making philanthropy more equitable, and connects with efforts to develop and professionalize the field of fiscal sponsorship. The report contributes to an ongoing discussion of what services, software, and staffing are needed to do the work well.

We are sharing the report publicly in hopes of sparking further questions and conversations among fiscal hosts, between hosts and projects, and/or by projects as they seek out aligned homes for their work. Over three sections, it provides an overview of the current state of the field; a taxonomy of business models/revenue streams; and key opportunities for communication and governance.

[1] This infrastructure may include tax status, management systems, staff, compliance, insurance, employer of record, tech stack. It may also describe shared "soft" infrastructure including training, consulting, coaching, public communications, security audits and digital hygiene, and leadership or professional development developed by the host (alone or in partnership with outside collaborators) and offered to sponsored projects.

Section 1	**"A Delicate Dance"** consists of reflections on the current landscape of philanthropy and social justice intermediaries, like fiscal sponsors. These perspectives illustrate how fiscal hosts imagine the challenges and impacts of their work.
Section 2	**"Comparing Apples to Apples"** shares first hand perspectives on the limitations of purely transactional relationships with fiscal hosts, and outlines a schema of different business models and revenue streams. It draws from various sectors—and is not comprehensive—but offers a way to compare fiscal hosts and the services they offer.
Section 3	**"Channels not Barriers"** collects ideas for building and maintaining trust, accountability, and good communication between fiscal hosts and projects through organizational structure. This section draws attention to how communication and governance benefit from clear, frequent, and multi-directional processes.

Throughout this report, I argue that fiscal sponsorship has the potential to mitigate the risks identified in the first section, and that it requires accountability rooted in transparent communication and governance structures, as described in the third section. Indeed, this could be the basis for a *feminist* approach to fiscal sponsorship. These structures and processes, inspired by ideas of solidarity, care, and equity, could help hosts and projects arrive at *transformative* relationships instead of *transactional* ones.

Positioning

I have written this report in the first person to underscore the subjectivity of the author and the relatively small scale of the research. Following the lineages of ethnographic research informed by feminist values, I acknowledge my subjectivity as a researcher, and the limitations and openings my own positioning and experiences bring to this work. I start by acknowledging some of these here.

With few exceptions, most of the people I interviewed over six months were in the US, working at or with US fiscal sponsors. I attribute this geographic sampling to my existing professional networks, my physical location in the US, and the fact that most of my outreach was virtual (meaning I was mostly reliant on cold emails to meet new people).

This limitation in scale was not by design.

My research coincides with recent writing about fiscal sponsorship "in the service of equity" in the US, as well as with recent landscaping, field development, and capacity building of fiscal sponsors and other "intermediaries" elsewhere.[2] As such, this study unintentionally reinforces the US-centrism of much writing about fiscal sponsorship, despite the continued growth of the field outside of the US.

While it is true that fiscal sponsorship historically developed in the US in response to specific tax legislation in that context, the practice of intermediary capacity building, commoning infrastructure, trust-based philanthropy, and other ways to imagine the gaps that fiscal sponsorship bridges in a global philanthropic ecosystem is developing rapidly outside the US. Much is to be learned from these new undertakings that this report does not address.

Despite this limitation in scope, the findings should still be relevant for hosts, projects, and funders worldwide because of (a) the dominance of US capital in the philanthropic ecosystem, (b) the similarity of US tax and legal models to that of many countries, and (c) the needs of many projects and hosts outside the US to comply with US codes and cultural norms. Still, future research on fiscal sponsorship should consider what assumptions have been based on US practices, as these may not apply in other geographic or political contexts.

My research is also affected by my position in the field. I came to this short-term contract in 2024 having just left a fiscal sponsor in (what I perceived to be) an acute crisis of trust and accountability. I welcomed the opportunity offered by interalia to deepen my

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[2]See TSNE, *Reimagining Fiscal Sponsorship in Service of Equity: A Case Study Report of Emerging Practices and Recommendations for Fiscal Sponsors*, February 2021, https://tsne.org/wp-content/uploads/2021/03/Reimagining-Fiscal-Sponsorship-in-Service-of-Equity.pdf; CivSource Africa, *Study Research on Fiscal Hosting in Sub-Saharan Africa*, https://static1.squarespace.com/static/593ea10db8a79bc4102e122f/t/6784bcd2054ea96a23ab0860/1736752349346/Research+Fiscal.pdf; Jennifer Mohamed-Katerere, Chilande Kuloba-Warria and Elisabeth Kwamou, *Philanthropy Ecosystem in Africa: Proposals to strengthen localisation, identify intermediaries and transform funding systems*, Oak Foundation, August 2024, https://oakfnd.org/wp-content/uploads/2024/10/Africa-Scoping-Report-Executive-Summary-October-2024.pdf; Andrea Rodericks Et Al., *Understanding The Re-Granting Ecosystem in the Global South: Environment, Gender, Social Justice & Human Rights in Asia, Latin America and The Caribbean*, Oak Foundation, May 2024, https://philanthropydialogues.org/wp-content/uploads/2024/09/RutaCivica_Part1_ExecutiveSummary_Understanding-Regranting-Ecosystems-in-the-Global-South.pdf. I appreciate Bipasha Ray for bringing the Oak Foundation studies to my attention.

understanding of what more explicitly politicized fiscal sponsorship could look like on the heels of my departure from Code for Science & Society, a mid-sized, US-based fiscal host working in the open source and open science ecosystem.

My experiences there surely influence the conclusions I come to in this study. At the same time, I have done my best to ensure that this report is not a response to dynamics or individuals at that organization. Over the course of this research, I learned that many of the dynamics that characterized Code for Science & Society in the years I worked there were not unique to that institution. More importantly, I found practitioners developing many strategies and practices to address those dynamics and build out their work differently. I find these lessons encouraging, humbling, and hopefully of use to anyone building, working at, or leading fiscal hosts and/or those partnering with them.

Section Descriptions

In Section 1: “A Delicate Dance,” I synthesize what my interviewees told me about the current state of philanthropy and civil society. I propose that fiscal sponsorship can be a powerful “operational home” for social justice movements. However, everyone I spoke to also underscored that the assumption that feminist or progressive philanthropy can be of service to social justice movements is full of contradictions. One person framed it as a “delicate dance.”[3] This understanding of support for grassroots and social justice leaders as a relational, creative engagement–as a dance–is grounding for this study.

I argue that iterative processes for developing relationships and establishing trust are crucial, and that transparent communication, inclusive governance, and conflict resolution are essential for establishing accountability. I see this as an antidote to the risks that were identified by my interviewees. A strong commitment to accountability, paired with advanced financial and operational infrastructure, can transform fiscal sponsorship from merely transactional to simply transformational.

To that point, Section 2: “Comparing Apples to Apples” begins with a description of the “transactional trap.” Most people I spoke to were critical of relationships between hosts and sponsored projects that are reduced transactional service delivery. Treating

[3] I borrow both concepts–fiscal sponsorship as an operational home–and the process of figuring out how as a delicate dance, from my interview with Blair Franklin, Alight Alchemy, interview with the author, November 24, 2024.

projects as clients and entirely determining the pace and tone of interactions, was considered a betrayal of feminist (and other explicitly political) expressions of what fiscal sponsorship could be. Section 2 centers this issue along with the reality that many fiscal sponsors struggle to make ends meet with revenue from sponsorship fees alone.

As one interviewee said, it's impossible to compare services and fees across fiscal hosts without also considering their business models (in other words, "comparing apples to apples"). So, here I offer a schema of business models. I draw on my interviews as well as desk research to outline some prominent pairings (ie fiscal sponsorship fees + a range of activities). Finally, this section explores how the social infrastructure of fiscal sponsors —such as communication processes, decision-making, and conflict resolution—is influenced by their business model and of how they invite projects to collaborate with them.

Section 3: "Channels not Barriers" begins with reflections on accountability and risk. Here, I share reflections from my interviewees on what accountability looks like structurally. Over and over, the people I spoke to emphasized the importance of the *processes* of building trust over any ideal end state. This relates to struggles across the nonprofit sector, but their reflections helped me map the most crucial areas within fiscal sponsorship for clear communication, decision making protocols, and processes to handle conflict.

With intentional design and routine maintenance, organizations can create channels instead of barriers. I avoid making specific recommendations, but suggest areas to prioritize for experimentation across the wide range of services, revenue streams, and relationships in the field. This section shows how teams can start from a place of real awareness and commit to opening *channels not barriers*.

Feminist Approaches

My biggest takeaway from what I heard over the course of this research, is an emphasis on process. **The people I spoke with overwhelmingly attributed the impact on social justice movements in the *how* not the *what* of fiscal sponsorship.** This came through across different political positions and understandings of what the work is or could be. Some spoke of feminism, others of mutual aid, resource distribution in a commons, solidarity, collectives, cooperatives, and interdependence. The understanding of feminism I rely on here is admittedly cursory and centers on this attention to process.

While I heard echoes of different strains of feminism, anarchism, libertarianism, decentralization, and social ecology in my conversations with different people, I do not attempt to force everyone’s views into a single political vision nor a specific articulation of feminism. Within interalia itself, I also heard a range of understandings and approaches to feminism. Ultimately, I am directed in this report by their *curiosity* about what “feminist” fiscal sponsorship *might* entail, as opposed to a specific political articulation of what they believe this to be. I argue that a feminist approach to fiscal sponsorship could involve an emphasis on the *how*–since the *what* (the services provided, geographies reached, capacities developed, and community built) is a result of the trust established between hosts and projects.

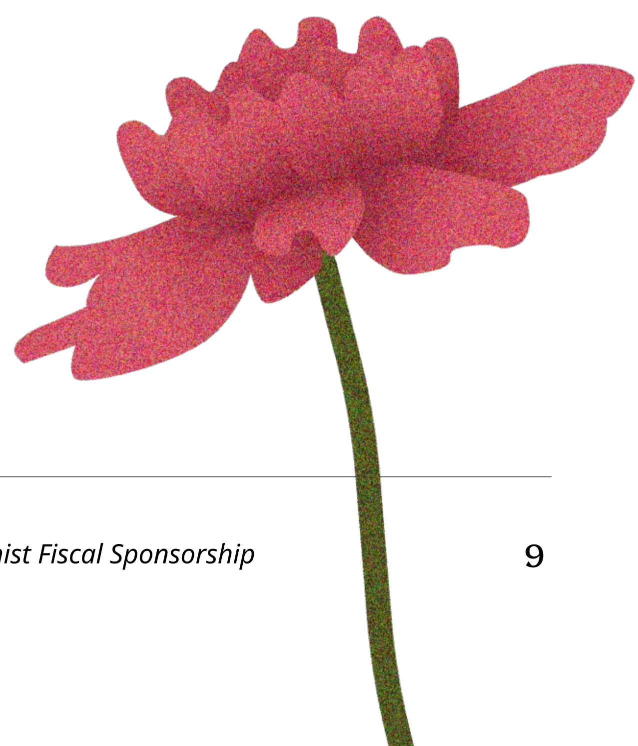
With this report, I try to show how my interviewees consider this *how*, and where in the organizational design of fiscal sponsorship this attention to process seems most important.

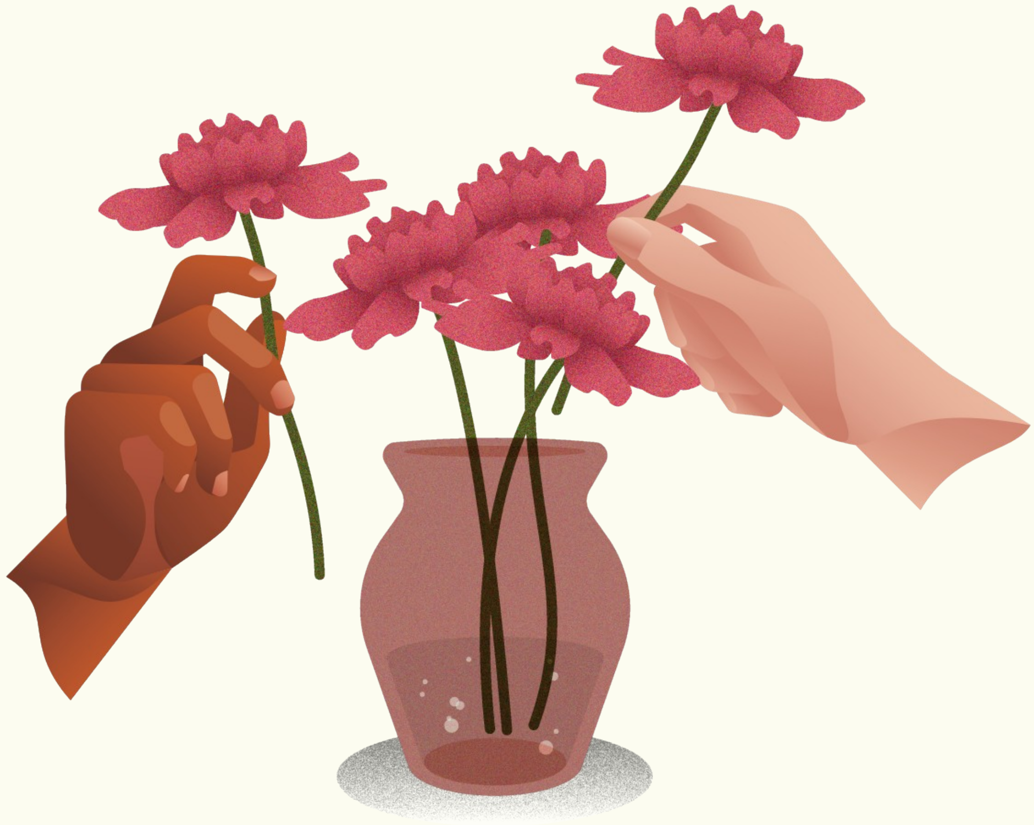
How to Use This Report

My hope in all of this, is to offer more windows into the work of fiscal sponsorship, which remains grossly misunderstood by projects, by funders, and the wider public.

Besides its use to interalia, it would be great if publicly sharing this report could help projects form new questions to assess a potential host; help sponsors empower their staff and address burnout; and/or help funders understand what sponsors are struggling with and what resources might help. I do not attempt to offer a formula or a schema for building feminist fiscal hosts. There is no equation for success. But there are fellow travellers and they have wisdom to share. I try to collect some of that wisdom in these pages and encourage those who hear themselves in these testimonies to seek each other out.

For ease of reading, I refer to interviewees by their role and a brief description of their primary organization. Endnotes following each direct quote list the name of the speaker, affiliation, and the date of the interview.





Section 1

A Delicate Dance

I've never had a time where civil society was not being actively cracked down on.

ESRA'A AL-SHAFEI

How to understand the possible impact of fiscal sponsorship on social justice movements today?[4] What difference might *feminist* fiscal sponsorship have on grassroots organizing or community-led initiatives? What would values of solidarity, equity, and care look like in the design and delivery of their infrastructure and services? In order to explore what the answers may be, I first ask interviewees how they understand the material context in which they work. I weave their perspectives into a historical understanding of the growth of global philanthropy, civil society, and the non-profit sector since the 1960s. This growth has been accounted for in a number of ways.

Researchers critical of the global entrenchment of neoliberal policies (especially financialization, debt, and privatization) have explained the growth of the nonprofit sector as a byproduct of the retraction of public spending in neoliberal approaches to state building. By this I mean the widespread shrinking of the public sector in developing countries through conditions on foreign loans. This discipline through debt has ensured that the resulting gap in the provision of public services has been taken up by aid funding and both foreign and domestic non-governmental organizations.[5] Similar patterns apply in the US and parts of Europe where neoliberal attacks on public funding leave additional servicing around care for students, pensioners, the sick, immigrants, and other populations in the hands of nonprofit organizations.

[4] Some of the most common fiscal sponsorship structures are outlined by Greg Colvin and Stephanie Petit in *Fiscal Sponsorship: 6 Ways to Do It Right* https://fiscalsponsordirectory.org/?product=fiscal-sponsorship-6-ways-to-do-it-right-3rd-edition.

[5] This has been variously referred to as "NGOization," "disaster capitalism"; and central side effects of "neoliberal state-building," more generically as the crisis of the welfare state and more specifically as a mirror of the military industrial complex (see next note). See smail, F., & Kamat, S. (2018). NGOs, Social Movements and the Neoliberal State: Incorporation, Reinvention, Critique. *Critical Sociology*, *44*(4-5), 569-577; Naomi Klein, *Shock Doctrine: The Rise of Disaster Capitalism* (New York: Picador, 2007); David Harvey, *A Brief History of Neoliberalism* (Oxford: Oxford University Press, 2005); Paul Amar, *The Security Archipelago: Human-Security States, Sexuality Politics, and the End of Neoliberalism* (Durham, NC: Duke University Press, 2013).

The impact of these dynamics on social movements and grassroots organizing is often analyzed through a connected critique of the political economy of aid. Invoking the "nonprofit industrial complex," a central piece of this analysis is how the proliferation of non-governmental organizations (NGOs) effectively captures (extracts talent and energy from) grassroots resistance.[6]

The depoliticization of civil society has been devastatingly effective in sustaining "failed" states across the Global Majority, and has been a core tenet of anti-colonial analysis for decades.[7] In recent years, nonprofit practitioners and community activists have also identified how the Black Lives Matter movement— the largest outpouring of grassroots energy into anti-police and anti-racist mobilizing in the US —has been largely professionalized by progressive philanthropic initiatives, amounting to what scholar-activist Dylan Rodriguez has called a "counterinsurgency." Rodriguez explains that this "liberal/progressive counterinsurgency" is "the full spectrum of pacification, isolation, and domestication strategies that extend beyond violent state repression."[8] Others refer to this capture of resistance as "the professionalization of dissent," in the endless pursuit of philanthropic funding.[9]

Aside from this explicitly political critique of neoliberalism, the dramatic growth of the nonprofit sector since the 1960s has also been attributed in the US and some countries in Europe (France, The Netherlands, Great Britain) to the general increase in affluence of citizens of those countries since the 1960s. This does not refer to increased money for giving (the proportion of funds available for philanthropic giving has not grown substantially) but a growing demographic able and willing to purchase some of the services non-profits provide (especially around education and healthcare).[10]

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[6]See INCITE!, *The Revolution Will Not Be Funded: Beyond the Non-Profit Industrial Complex* (Cambridge, MA: South End Press, 2007); Kamat S (2013) Preface. In: Choudry A, Kapoor D (eds) *NGOization: complicity, contradictions and prospects*. London: Zed Books, viii–xii.

[7]Facon-Salelles, C. (2024). NGOization and Politicization of Aid. *Middle East Law and Governance*, *16*(2), 241-252; Toufic Hadad, *Palestine Ltd.* (London: Bloomsbury, 2018); Paul Amar, *The Security Archipelago: Human-Security States, Sexuality Politics, and the End of Neoliberalism* (Durham, NC: Duke University Press, 2013).

[8]Roberto Sirvent, "Insurgency and Counterinsurgency : An Interview with Dylan Rodriguez, *Black Agenda Report,* November 2, 2022, https://mronline.org/2022/11/10/insurgency-and-counterinsurgency/.

[9]See Choudry and Kapoor, *NGOization: Complicity, Contradictions, and Prospects.* Beyond the professionalization of dissent, other historians have also documented the close relationships between the CIA, FBI and private American foundations and the effect of these coordinations on the pacification of both Black community organizing and indigenous resistance in the US and abroad. See Robert L. Allen, *Black Awakening in Capitalist America: An Analytic History* (Trenton, NJ: African World Press, 1990) and Gerard Colby, *Thy Will be Done: The Conquest of the Amazon, Rockefeller and Evangelism in the Age of Oil* (New York: Harper Collins, 1995).

Finally, the growth, and specifically the breadth and diversity of the nonprofit sector in the US, is linked to movement pressure during the Civil Rights Movement, which freed up government funds for community access through grants and contracts with nonprofits. The US Congress only agreed to federal funding for services like healthcare and education after public pressure ended racial segregation. As a result, since the 1980s, federal funds make up about ⅓ of non profit budgets in the US.[11] The Civil Rights Movement also undid regulations about who could direct or start tax-exempt organizations, opening the doors to a considerable social and racial diversification of who worked in and led nonprofit organizations.

As the nonprofit sector has grown, so too has the shape and number of philanthropic intermediaries. Donor collaborations, capacity builders, funding intermediaries, and the services they provide (regranting, pooled funding, program design, organizational capacity, fiscal sponsorship) have grown and developed as well. Fiscal sponsorship is one of these intermediary, capacity building practices and services that has grown with the expansion of the sector globally.[12]

Fiscal sponsorship began in the early 20th century in the US, but there is no official codification, certification, or centralized standardization of what fiscal sponsorship is (in the US or elsewhere).[13] It can take on a range of different shapes and services. The guide *Fiscal Sponsorship: 6 Ways to Do It Right* by California lawyers Greg Colvin and Stephanie Petit offers different "models" of fiscal sponsorship, primarily based on the legal relationships between hosts and sponsored projects. This influential text, first published in 1993 and most recently updated in 2019, lists models alphabetically from Model A to Model L. It also outlines scenarios to which each model may best apply.

As a historic document, *6 Ways to Do It Right* conveys both anxiety and excitement about a philanthropic practice that is not well understood, even within the nonprofit sector. Other literature on fiscal sponsorship since the 2000s (as the number of fiscal sponsors

[10]Note that this refers to the large drivers to the growth in the nonprofit sector, like non-profit universities and hospitals. David Hammack, "Growth, Transformation, and Quiet Revolution in the Nonprofit Sector Over Two Centuries," *Nonprofit and Voluntary Sector Quarterly*, vol. 30(2), 2001: 157-173.
[11]David Hammack, "Growth, Transformation, and Quiet Revolution in the Nonprofit Sector Over Two Centuries," *Nonprofit and Voluntary Sector Quarterly*, vol. 30(2), 2001: 157-173.
[12]Tom David, "Power and the Changing Role of Intermediaries," *Nonprofit Quarterly* April 1, 2021, https://nonprofitquarterly.org/power-and-the-changing-role-of-intermediaries/
[13]TSNE, *Reimagining Fiscal Sponsorship in Service of Equity*(TSNE, 2021); see also Jill Blair and Tina Cheplick, *More Than the Money: Fiscal Sponsorship's Unrealized Potential*, May 2007 https://s3.amazonaws.com/nnfs/file_assets/15e43895b6dc/MoreThanMoneyFSPotential.pdf.

rose significantly) also grapples with this tension: explaining the potential impact of fiscal sponsorship on the philanthropic ecosystem while pointing to specific practices.[14]

More recent research on fiscal sponsorship highlights financial insecurity and systemic sustainability challenges among sponsors in general.[15] Anecdotes of acute crises at several US fiscal hosts from 2023-2024 point to several additional organizational challenges.[16]

Challenges Faced

Before asking questions about the challenges facing fiscal sponsors and fiscally sponsored projects, I asked people I interviewed to reflect on what is happening generally in the nonprofit sector. One of the questions I asked was, "Are you seeing a "crackdown" on civil society and what does this look like?" In response, some said 'yes,' or 'yes, but not more so than historically' (as in the quote at the top of this section). Others weren't sure. Altogether, they mentioned several constraints and/or emergent challenges which may be loosely grouped as: (a) policy changes targeting tax law or reporting requirements in the US and Europe; (b) the rise of surveillance and authoritarianism; (c) the rise in professionalization of civil society while the cost of living is going up; and (d) aversion to risk and overt articulations of politics among progressive fiscal sponsors and funders in general – especially compared with philanthropy supportive of causes on the political right. I collect some of these reflections here, organized by challenge.

[14]Asta Petkeviciute, Joshua Sattely, and Thaddeus Squire, *Fiscal Sponsor Field Scan 2023: Survey Report*, Social Impact Commons, November 2023, https://static1.squarespace.com/static/5e84b5eaa39e6c2b3f14571b/t/65b13f7fd746ae371dbc84e4/1706114968580/2023+Fiscal+Sponsor+Field+Scan+Report.pdf; the National Network of Fiscal Sponsors hosts a directory of mostly US-based fiscal hosts https://www.fiscalsponsors.org/; December 2024 saw the release of a new directory of fiscal sponsors based in Africa curated by CivSource Africa, https://directory.civsourceafrica.org/

[15]Petkeviciute et al. *Fiscal Sponsor Field Scan 2023.*

[16]OCF Collective, "Open Collective Official Statement - OCF Dissolution," February 28, 2024, https://blog.opencollective.com/open-collective-official-statement-ocf-dissolution/ ; Paul Ivanov, "NumFOCUS concerns," April 18, 2024, https://pirsquared.org/blog/numfocus-concerns.html; Timothy Pratt, "'Progressive Except for Palestine': How a Tech Charity Imploded over a Statement on Gaza," *The Guardian,* December 3, 2024, https://www.theguardian.com/technology/2024/dec/03/tech-industry-gaza-palestine.

POLICY CHANGES

Most interviewees in the US mentioned the *Stop Terror-Financing and Tax Penalties on American Hostages Act*, informally referred to as H.R. 9495. This bill empowers the US Treasury Department to rescind the tax-exempt status of any nonprofit it deems to be "supporting terrorism."[17] Most referred to the "chilling effect" that this bill was already having on peers and projects.[18] Interviewees also invoked the punitive stance of US universities towards student protestors in the spring of 2024, and the collapse of definitions of anti-Semitism and terrorism in accusations against critics of Israel and its genocide of Palestinians.

Similar dynamics surfaced in the US around the defunding of diversity, equity, and inclusion (DEI) initiatives following a 2023 Supreme Court decision finding affirmative action unconstitutional.[19] One interviewee based in Europe spoke of a tax regulation reform in one country that affects what activities are tax-exempt. Since rules can be applied retroactively, they can be used to force nonprofits to close down for lack of funds when faced with large tax bills for activities that were previously exempt.

SURVEILLANCE & AUTHORITARIANISM

In Western and Central Asia, interviewees saw a "crackdown" on civil society in new policies to review the legitimacy of channels and vehicles for outside funding. This coincides with a rise in what some call "authoritarian neoliberalism," or the "reconfiguring of the state into a less democratic entity through constitutional and legal changes…"[20] In other words, while on the one hand neoliberalism has meant the growth of civil society in response to the retraction of state public services (as discussed above), we have also

[17]For context on the bill, see: Darryl K. Jones, "The 'Nonprofit Killer Bill' Seems Scary–Current Law Is Worse," *The Chronicle of Philanthropy*, January 23, 2025 https://www.philanthropy.com/article/the-nonprofit-killer-bill-seems-scary-but-current-law-is-worse.
[18]Anke Wessels, Executive Director, Center for Transformative Action, interview with the author, December 19, 2024.
[19]See for example, The Associated Press, "Grant Program for Black Women Business Owners Is Discriminatory, Appeals Court Rules," *NPR*, June 23, 2024, https://www.npr.org/2024/06/03/g-s1-2649/fearless-fund-grant-program-appeal-ruling.
[20]Ian Bruff, "The Rise of Authoritarian Neoliberalism" *Rethinking Marxism*, *26*(1), 2013: 113–129.

seen a growth in state enforcement of unpopular policies, and of suspicion, censorship, and attempted closure of (especially) foreign-funded nonprofits.

One interviewee said that the shape and feel of "fascism" depends on who is delivering it (which administration or country).[21] I interpret this as a caution against fixating on the harm of a particular administration or moment as being worse than before. They said fundamentally, "you are surrounded by fascism anywhere that you go [...] "[22] This speaks to both the specificity of policy shifts as well as to the relentless crackdown on civil society.

These dynamics have a negative effect, whether or not an organization is directly targeted. An Operations Manager at a fiscally sponsored project working in tech justice aptly framed the intersection of political urgency and heightened surveillance as, "constraints on our ability to act and envision what kind of actions we can take."[23] Like the "chilling effect" of institutional policy changes above, surveillance affects how the work of social justice is imagined.

PROFESSIONALIZATION OF CIVIL SOCIETY

Interviewees also noted that a general increase in cost of living is raising pressure across the nonprofit sector. Many noted that it limits the capacity that funders, fiscal sponsors, sponsored projects have for risk when people are dependent on being paid. A feminist funder told me, "we are losing people in the [movement] ecosystem because of this."[24] The philanthropic ecosystem is absorbing individuals who leave underfunded grassroots work because of burnout. They then impose standards and patterns they once critiqued in order to keep better-paying jobs (at funders and intermediaries).

The professional growth of individuals, largely experienced as empowerment on an individual level, contributes to structural capture of movements and professionalization of dissent. In the face of this, the new CEO and ED of a small fiscal host focused on movement work said social justice movements may want to exit nonprofit structures

[21] Esra'a Al-Shafei, cofounder Numun Fund, Surveillance Watch, interview with the author, November 25, 2024.
[22] Esra'a Al-Shafei, cofounder Numun Fund, Surveillance Watch, interview with the author, November 25, 2024.
[23] Mike Medow, Operations Manager at DAIR, interview with the author, November 4, 2024.
[24] Esra'a Al-Shafei, cofounder Numun Fund, Surveillance Watch, interview with the author, November 25, 2024.

altogether. She said, “The urgency on the ground might be getting out of the 501(c)(3) formation.”[25] She explained,

> *I saw one of the MOVE [members, Mike Africa, Jr.][26] give a talk and he was basically like, ‘The whole organization [MOVE] became about getting all these folks out of prison for the last 40 years.*
>
> *Our mission of living peacefully, one with animals, one with communing with all kinds of spirits was completely squashed because we had to get everybody who survived out of prison.’ And I think you could make the same argument about the injection of capital into projects … that the whole project becomes about getting money. That’s like a prison in and of itself. It redirects all of the work to getting more and more and more and more money.*
>
> *And whatever you do, you’re thinking about how you’re going to fundraise for it.[27]*
>
> **MILIAKU NWABUEZE**

Which is to say that many of my interviewees feel trapped by progressive philanthropy and formal nonprofit structures that do not serve the ultimate horizons they work towards. Others spoke of the difficulty of grabbing audience attention in movement ecosystems that are overwhelmed with initiatives, activities, and emergent threats. A Co-Director of Fiscal Sponsorship and Org Development at a fiscal sponsor focused on education/knowledge production said, “we're not just here to appeal to the people that are already making Google searches for intersectional feminist open access texts. We're here to draw eyeballs from people that have not traditionally been interested in this, or wouldn't do a flat search for this in Google.”[28] This challenge of navigating ‘markets of attention’ also speaks to the contradictory priorities initiatives navigate across the ecosystem.

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[25] 501(c)(3) refers to the type of public benefit charity and activities permitted to it in the US tax exemption code.
[26] MOVE is a Black community organization in Philadelphia that bore the brunt of extreme police violence in the 1980s.
[27] Miliaku Nwabueze, CEO and ED, Library of the Commons, interview with the author December 5, 2024.
[28] Jessica Meyerson, Co-Director, Org Development and Fiscal Sponsorship, interview with the author, November 13, 2024.

AVERSION TO RISK

Many of the people I interviewed were keen to share perspectives on how progressive funders are risk averse. The Senior Director of Fiscal Sponsorship and Infrastructure at a midsize sponsor servicing social justice projects in the US, spoke of how risk aversion in funding can constrain how grantees even envision what actions to take. She said, "Donors and institutions that are already extremely risk averse are going to stand back and see what happens politically before taking action. That alone has the ability to choke out an entire movement by depriving it of resources and political capital before anything is even implemented from the other side."[29]

Many of those I interviewed projected an "aversion to risk" on funders they worked with. This often stemmed from a feeling unsupported in long-term strategic vision and in shared sense of urgency.[30] The founder of an arts-focused fiscal sponsor and the Commons Steward at a nonprofit for capacity building of fiscal sponsors, said risk avoidance is often framed in positive terms as prudence or responsibility. He said, "Philanthropy is still stuck overwhelmingly in the paradigm of 'fiduciary prudence.' This guides the stewardship of all charitable assets, and that model [is] perpetuation of corpus, and growth of corpus, at all costs. And anything less than that is potentially an abdication of prudence."[31]

Several interviewees said this hesitancy to act is in marked contrast to funders on the right, who seem to be moving strategically with peers and intermediaries.[32]

[29]Ariel Cohen, Senior Director of Fiscal Sponsorship and Infrastructure, Praxis Project, interview with the author November 20, 2024.

[30]An independent consultant and Director of Fiscal Sponsorship at another fiscal sponsor servicing social and racial justice groups also reflected on pace of funding, offering, "there are people, it's life or death for folks, and that's not necessarily what folks are feeling on the inside when they're actually the one saying yes we're going to give you the grant. They're not feeling the urgency the way that people on the ground are." (Alexandra Sinclait, independent consultant, Director of Fiscal Sponsorship at Proteus Fund, interview with the author January 13, 2025.)

[31]Thaddeus Squire, Chief Commons Steward, Social Impact Commons, founder CultureWorks Greater Philadelphia, interview with the author November 7, 2024.

[32]The differences between right and left leaning funding practices in the US and corresponding appetite for risk has been the subject of analysis for some time. See for example, Karen Paget, "State of the Debate: Lessons of Right-Wing Philanthropy," *The American Prospect* December 19, 2001 https://prospect.org/power/state-debate-lessons-right-wing-philanthropy/.

Living the Contradictions

Everyone I interviewed said that none of these conditions were altogether "new," but rather an intensification or continuation of long-existing dynamics. They also said that accessing and rechanneling resources held captive in private philanthropy was a strategy worth exploiting. One person called it "recommoning" resources, adding "that's a hell of a lot of money to leave on the table."[33]

These reflections on the challenges, blockers, and constraints within the ecosystem illustrate how clearly aware interviewees are of the limitations that confine their movement. Their thoughts on the possible impact of fiscal sponsorship on social movements are not naive aspirations to fix harm and unevenness in the nonprofit sector.

An independent consultant working on organizational development with fiscal sponsors said, "fiscal sponsorship is the operational home to so many of our movements that we just don't think about. So many folks that are doing radical activism are fiscally sponsored; so [fiscal sponsors'] success is really critical. When they fail, it impacts the entire ecosystem. It's a really delicate dance. It's so delicate. And folks come at that lots of different ways. Trying to figure out how to do that dance, well, it's just really hard." These words have inspired the framing of this report.

A feminist approach to fiscal sponsorship might start with this acknowledgement of the delicacy of the creative, iterative, relational work of figuring out how to dance. Importantly, this dance is not a fix or a resolution, it's a wading in. The Community Director at a fiscal sponsor serving projects working in the disability justice space called it "living the contradictions."[34] The co-founder of a feminist intermediary that regrants resources primarily from large US-based foundations, said this work is *not* "a solution." She said, "It's not the perfect model. But it's a step forward, because we wanted, really, to start."[35]

I was struck by the willingness of the people I spoke with to refuse to resolve the contradictions and implications of their work. In their reflections, an independent consultant offered:

[33]Thaddeus Squire, Chief Commons Steward, Social Impact Commons, founder CultureWorks Greater Philadelphia, interview with the author November 7, 2024.
[34]Alex Locust, Community Director, SPM Disability Justice Fund, interview with the author, November 19, 2024.
[35]Esra'a Al-Shafei, cofounder Numun Fund, Surveillance Watch, interview with the author, November 25, 2024.

This is maybe an intense thing to say, but I do think to be a nonprofit leader there is a little bit of a delusion that you have to hold. There is just such a deep faith that the thing you're doing is going to be the thing, while the foundation which it is on is precarious … it's violence, state violence, genocide, and slavery.

I think there's something that perhaps we can try and figure out collectively in this moment around knowing what the limitations are–being really real about that, actually– the many ways we resource each other. Nonprofits are one of the ways.

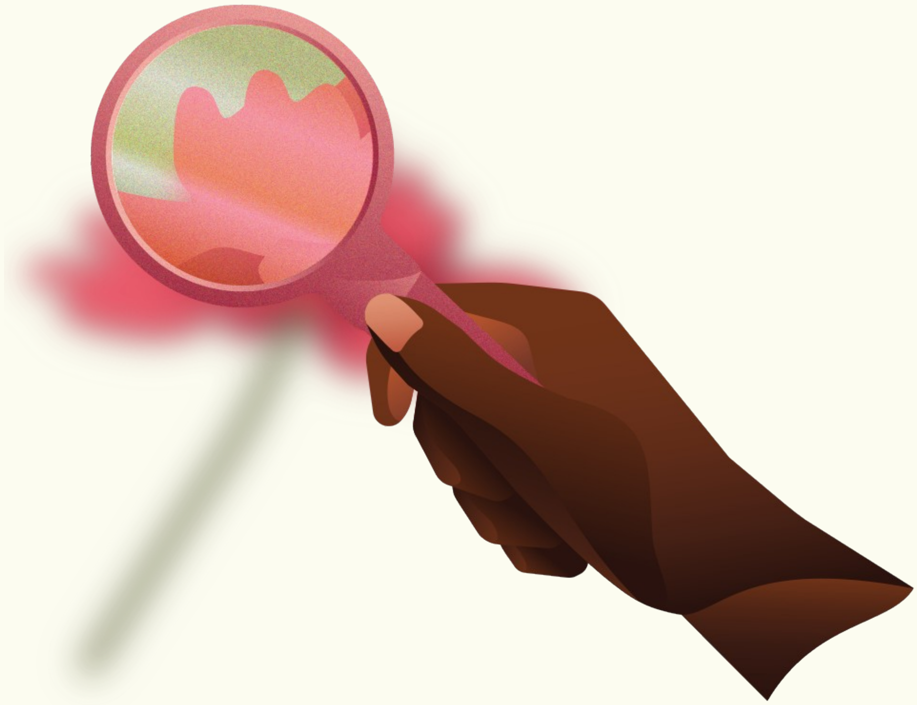
But they have also been an outsized sort of way that we've been resourcing each other. And we're starting to see the way in which that can easily be dismantled.[36]

BLAIR FRANKLIN

Suggesting that fiscal sponsorship can offer an "operational home" to social justice movements is not a promise to fix, cure, or heal the traumas and treacheries of the legal hoops that civil society has to jump through in order to receive funds, nor of the limited vision of progressive philanthropy. Fiscal sponsors can have a significant impact *without* resolving the contradictions.

The next section moves on from ideas about the impact of the work to its material shape and the business models of fiscal sponsors.

[36]Blair Franklin, Alight Alchemy, interview with the author, November 26, 2024.



Section 2

Comparing Apples to Apples

> *We need to be thinking about this as transformational work, not transactional work.*[37]
>
> **BLAIR FRANKLIN**

The Transactional Trap

Many of the people I interviewed said they were frustrated that the relationship between hosts and sponsored projects are stuck in a transactional framework. The manager of a feminist funding intermediary told me that, besides the challenges they face on an ecosystem level, the biggest challenge internally is that "we don't want to be transactional."[38] A fiscal host founder observed that "most of the field is very transactional. They use terms like services and fees [...] which presents a model of a service shop, and a retail kind of commodity, which we don't see as being really conducive to healthy operating conditions or healthy communities."[39] These perspectives reflect a widely shared feminist value–not treating a client as revenue. This section discusses the limitations of what I've called 'the transactional trap' before exploring a range of business models. I offer these for fiscal sponsorship teams to consider how their relationships with projects are structured in parallel to other revenue streams they develop.

The founder of a new fiscal sponsor seeking to attract projects interested in mutual aid and resource distribution said, "the hardest part is being more than just a service provider, being more than what's essentially a vendor. I think it can really feel like you're just a bunch of really busy servers at a restaurant."[40] These remarks point to the risk of burnout and exhaustion and hint at a day-to-day reality of the work that is at odds with the imagination of positive impacts fiscal sponsors could offer movements (things like care, capacity, camaraderie, community, resources, solidarity, collectivity, and more).

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[37]Blair Franklin, Alight Alchemy, interview with the author, November 26, 2024. Franklin attributes this to her teacher, Adar Ayira.
[38]Gloria Rosales Peña, Ignita, interview with the author October 31, 2024.
[39]Thaddeus Squire, Chief Commons Steward, Social Impact Commons, founder CultureWorks Greater Philadelphia, interview with the author November 7, 2024.
[40]Nathan Hewitt, founder, Raft Foundation, interview with the author, January 14, 2025.

An independent consultant and former operations manager at a fiscal sponsor told me: "People often focus on, like, how do you fix the fiscal sponsors? But I think it's as much on the project side. Like, how do you get the projects to buy-in on expecting it not to be just transactional? How do you really get both parties to see this as a collaborative relationship and not just this service provider thing?"[41] The desire to shift the transactional relationship between projects and sponsors took on many different forms across my interviews. Some treated it as unchangeable, others said fiscal hosts could structure things differently; yet others wondered how projects could be invited to imagine the interaction differently. Many recognized the interpersonal and organizational strain of the transactional trap on the host.

The founder above also said, "when you use the words 'service' and 'fee,' you're creating separation between you. [...] That means you're more likely to end up in an 'us versus them' situation, rather than a 'we' situation." He concluded, "when you're in a transactional relationship, you're at a disadvantage, you're much less resilient than you would be if you had more of a relational experience."[42] All of this points to the interpersonal strain the transactional fiscal sponsorship puts on the work.[43]

Some interviewees recognized the advantages of intentional peer governance at fiscal sponsors, including constituent leadership, resource sharing and redistribution, interdependence, and community-building influenced by ethos and values coming from trauma-informed conflict resolution, mutual aid, interdependence, solidarity, and other core tenets of movement work. A Community Director at a small fiscal host told me, "rather than everyone having to come to the sponsor for resources, why not reach out to

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[41] Joe Hand, independent consultant, interview with the author, November 20, 2024.

[42] Nathan Hewitt, founder, Raft Foundation, interview with the author, January 14, 2025.

[43] Thaddeus Squire (Chief Commons steward, Social Impact Commons) suggested this widespread problem can be understood as a material result of shifts within philanthropy itself. He told me, "we're seeing fiscal sponsorship actually being adopted as shifts in philanthropy are leaving them [sponsors] without viable revenue models. So they're essentially taking a cooperative revenue model in the absence of government or private philanthropy support for essentially intermediate areas and alliances." (Interview with the author November 7, 2024.) In these remarks, he points to the kind of extreme of the individualization of the nonprofit model–where everything is encouraged to be its own independent entity–and nothing is tasked with the connective tissue to coordinate these activities. His analysis points to fiscal sponsorship as a kind of a coop, where income is pooled and shared out among a group of members or participants. These reflections offer ways to understand the impact of a given fiscal sponsor above or beyond its solvency as its own independent nonprofit. This is important because, as has been well-documented and as my interviewees also testified, fiscal sponsors are largely unable to meet core operating expenses by revenue from fiscally sponsored projects alone.

each other?"[44] However, most admitted, despite their enthusiasm, that these ideas about peer resourcing were still aspirational and not fully developed governance structures. The Senior Director of Fiscal Sponsorship and Infrastructure at a fiscal host serving social justice projects said, "there's no reason why it hasn't been done other than we haven't gotten to it yet, because of the same capacity constraints that every fiscal sponsor has and needing to prioritize the work that's right in front of you."[45]

Some interviewees offered reflections on project representation in the governance of sponsors; others put more emphasis on the availability of events or platforms that enable projects to directly reach each other, bypassing the sponsor as the sole holder of those relationships.

A few were very articulate about evading a kind of romantic, liberal attachment to "community" and emphasized that consent is needed for such iterative work to be meaningful.[46] The CEO of a fiscal sponsor focused on tech and movements said she puts more emphasis on "hub" than "community" in imagining their work, because "community isn't necessarily up to us. We don't make community, the people who are in community choose to do that. It's something we can foster and create space for, but it's not something we can make happen."[47]

In these reflections, she explains that meaningful community requires that "there actually has to be interdependence on a personal level." But that isn't something a third party, like a fiscal host, could direct. "Whether or not those people connect and actually build community with each other, come into communion with one another, is up to those people. It's not up to us."[48] These words offer a refreshing vision of the host's role as facilitating, but not determining relationships, since movement projects and movement leaders will *already have* networks of resources they are tapped in and connected to.[49]

[44]Alex Locust, Community Director, SPM Disability Justice Fund, interview with the author, November 19, 2024.
[45]Ariel Cohen, Senior Director of Fiscal Sponsorship and Infrastructure, Praxis Project, interview with the author November 20, 2024. Referring to the 2023 field scan by Social Impact Commons, one of its co-authors confirmed, "less than one percent [of the respondents in the field scan] had any involvement of project leadership in governance, for example. So we're very far away from a kind of pure governance normative stance in the field." (Thaddeus Squire, interview with the author November 7, 2024.)
[46]Miranda Joseph, *Against the Romance of Community* (Minneapolis: University of Minnesota Press, 2002).
[47]Miliaku Nwabueze, CEO and ED, Library of the Commons, interview with the author, December 5, 2024.
[48]Miliaku Nwabueze, CEO and ED, Library of the Commons, interview with the author, December 5, 2024.
[49]I am appreciative of conversations with Zara Rahman on this point.

The founder of a new host focused on supporting projects investing in mutual aid and interdependence of movement ecosystems and technology asked, "I wanted to see projects who are actually collectively choosing to fiscally sponsor themselves. Now, how do you do that?"[50] With this, he hints at a cooperative model of ownership of shared infrastructure that wouldn't be satisfied by token representation of sponsored projects on a fiscal sponsor's board or advisory committee. A "collective choice to sponsor themselves" is a question of how to subordinate the host's governance structure to collective autonomy by the projects.

Others I spoke with also wondered about how to build collective, peer governance and shared ownership within the hierarchy of a traditional nonprofit.[51] Ideas to explore the potential of peer governance and collective ownership of shared infrastructure in a fiscal sponsor included, exploring the establishment of connected for-profit entities (LLCs) run as worker cooperatives where sponsored projects make up the stakeholder member base. This model could afford projects "a lot more direct accountability over the operational services [and] help hold the service provider accountable, because they [those building operational services] actually are reporting to the projects, not to the board, which has different incentives."[52]

The best-disseminated idea around horizontal governance of fiscal sponsorship is probably the Social Impact Common's framing of "commoning" nonprofit infrastructure. *Management Commons and the Future of Fiscal Sponsorship* lays out a manifesto with recommendations to improve the sustainability of the nonprofit sector through "collective stewardship, management commons, and more generally resource sharing."[53] An interview with one of the co-authors of the report related a story about the implementation of a framework of management commons in an active fiscal sponsor:

[50] Nathan Hewitt, founder, Raft Foundation, interview with the author, January 14, 2025.
[51] (In the US, where the board is entrusted with executive decision making about how resources are stewarded.)
[52] Joe Hand, independent consultant, interview with the author, November 20, 2024.
[53] Social Impact Commons, *Management Commons and the Future of Fiscal Sponsorship*, November 2023, https://static1.squarespace.com/static/5e84b5eaa39e6c2b3f14571b/t/6622b0925f424a482927b497/1713549458453/Future+of+Fiscal+Sponsorhip+-+Management+Commons+Vision+Paper+Fall+2023.pdf.

We used the term 'management commons' instead of 'fiscal sponsorship.' That was much more amenable and intuitively sensible to the artists we were talking to than, 'we're going to charge you a fee and we're just providing these services to you, and you're like a retail customer and we're done, no different than your dry cleaner.'
That was not a comfortable conversation because immediately things like profit seeking, profiteering, exploitation, all of the capitalist baggage comes into that conversation. [...]

We knew that something was going right when the projects started to ask our staff team, how they were doing at the beginning of our conversation instead of like treating them like the genie in the lamp: 'I need this, I need this, I need this, where's my thing, I'm paying you, you're not doing it fast enough'—that sort of transactional service-provider relationship. It's not as much about any kind of particularly unique operational model, obviously, it really has very little to do with the tech; [it] has everything to do with the culture of management, and the culture of relationship building, and the culture of intentional community building.[54]

THADDEUS SQUIRE

This "culture of intentional community building" as a way out of the transactional trap seems to me to be a necessary and integral part of a specifically *feminist* fiscal sponsorship, built around values of solidarity, equity, and care, and that attempts to wade in, without resolving, the current contradictions of the nonprofit ecosystem and progressive philanthropy. Importantly, this approach affords the space for important visioning work at the fiscal sponsor itself. It acknowledges that infrastructure is not neutral, is political, as much as it can also strive to be as invisible, unobtrusive, and as frictionless as possible.

This kind of visioning toward the organizational and inter-relational structure at the fiscal host is intrinsic to what kind of "home" for social justice movements they might be. An independent consultant working with fiscal sponsors on organizational development shared that if fiscal sponsors are effective operational homes to our movements, then they also become "models for how we keep, sustain, maintain relationship to each other in our movements [...they] become a place that we look to."[55] She gave the example of a fiscal host that moved to a 4-day work week. While not an easy shift, she said that projects saw it as the host embodying stated values of care. She said, "we start to model

[54]Thaddeus Squire, Chief Commons Steward, Social Impact Commons, founder CultureWorks Greater Philadelphia, interview with the author November 7, 2024.
[55]Blair Franklin, Alight Alchemy, interview with the author, November 26, 2024.

what our priorities are."[56] I infer in this that the fiscal sponsor comes to hold value for the project not only in what it provides (in terms of services) or connects (in terms of networks or contacts), but in what it is able to show projects is possible. *Feminist infrastructure*. It is in this way that what has been transactional work can be transformational work.

A complication of the feminist value of not treating a client as revenue, is the widely-shared problem at fiscal sponsors across sectors of not being able to cover costs adequately with revenue from fees alone. That is, the transactional trap not only betrays core values, but is also fundamentally unsustainable as a business model for many fiscal hosts. All my interviewees said fees from sponsorship were insufficient to cover basic operating costs and totally inadequate to intentionally scale operations, if and when fiscal sponsors experience considerable growth.[57] Even knowing the valuable role fiscal sponsors play, funders seem to be reluctant to adjust internal policies about fiscal sponsorship fees. Both projects and funders are ill-equipped to understand what fees are used for, or how to compare service offerings between different hosts. Many interviewees also said funders often have an attitude of fiscal sponsorship being only a temporary necessity until projects prove they can stand on their own. Many saw a bias towards individualism and specific notions of success in these attitudes that betrayed their own values, and priorities around care, interdependence, and sustainability, especially in movement work.

Conversations about fiscal sponsorship often refer to Colvin and Petite's *Fiscal Sponsorship: 6 Ways to Do It Right*. I avoid reprinting those here and instead chose to focus on the revenue streams of fiscal hosts. On their own, the codifications Colvin and Petite lay out in Model A-L have perhaps not fully helped the ecosystem imagine how fiscal sponsors operate sustainably, or to compare service offerings and fees between them. Outside the US, where other laws apply, Models A-L have limited relevance.

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[56]Blair Franklin, Alight Alchemy, interview with the author, November 26, 2024.

[57]Whether they are allocated administrative costs or fiscal sponsorship fees, Director of Fiscal Sponsorship at a large fiscal sponsor servicing movement work offered, "these frequently don't cover day to day operating costs. And they certainly basically never cover major capital improvements or enhancements to the fiscal sponsor's infrastructure operations that are absolutely necessary, particularly if you're scaling and growing." (Ariel Cohen, Senior Director of Fiscal Sponsorship and Infrastructure, Praxis Project, interview with the author, November 20, 2024) Other reports have published similar findings. Commenting on a draft of this report, an interviewee noted that while this is true, some "funder-facing fiscal sponsors, where all the projects are the inventions of philanthropy itself" have been able to recover costs, and a few to especially large margins. (Thaddeus Squire, correspondence with the author, February 3, 2025).

The Co-Director of Fiscal Sponsorship and Org Development at a knowledge production-focused fiscal host told me that fiscal sponsorship is "not well understood at all. One of the reasons fiscal sponsorship as a container, as a concept, is not well understood is that fiscal sponsorship on the ground looks very different in each fiscal sponsor organization."[58]

There is no formula for building the kind of relational infrastructures referred to in the preceding paragraphs. Further, communication patterns, ownership, and governance structures will differ by sector, size, and other aspects of the fiscal sponsor. Central among these aspects are the sources of revenue, especially since few are breaking even with fiscal sponsorship fees alone. This creates another vector of complexity when looking at fiscal sponsorship practices because, to quote the same co-director again, "in order to understand and compare apples to apples, it's almost as if you have to be able to compare the fiscal sponsors' business models to one another and its relational model."[59]

Comparing services will often feel uneven for fiscal sponsors leaning into developing relational infrastructure, as described in the previous section. The lead of a feminist fiscal host in Europe shared, "we end up having organizations… that are trying to do more radical feminist work, but that requires a completely different approach that can be a little bit more intense, because it requires a bespoke accompaniment. And then we ended up not really breaking even."[60]

The following table lists some of the ways hosts design revenue streams alongside fiscal sponsorship fees. The shape of activities affect how relational infrastructure is built and maintained. It is offered here as a way to collect and compare service offerings.

[58] Jessica Meyerson, Co-Director, Org Development and Fiscal Sponsorship, interview with the author, November 13, 2024.
[59] Jessica Meyerson, Co-Director, Org Development and Fiscal Sponsorship, interview with the author, November 13, 2024.
[60] Gloria Rosales Peña, Ignita, interview with the author October 31, 2024.

Common Business Models for Fiscal Hosts	
Fees only	Sponsorship fees are set at a flat rate or sliding scale depending on the services provided. It's usually not enough to meet the host's operating costs and difficult to grow portfolios. Hosts could recruit larger projects to help subsidize smaller, speculative projects.
Fees + consulting or coaching services	Consulting, coaching, editing, other services may be offered to projects and/or to the general public. Certain services may be included in fees with the option to add on more as needed.
Fees + membership dues	Membership and membership dues may or may not include fiscally sponsored projects (and be paid on top of sponsorship fees); rates may be set depending on services offered. Membership offerings could create tiers of access to infrastructure and services.
Fees + rent	If a host has physical property, a shared work or office space may be offered to projects or the general public at a discounted rate.
Fees + grant funds	A host can raise funds to support their own programming, events, or convenings from which projects may or may not benefit. A complication of this model can be entering into competition with sponsored projects for the same type of grant funding.
Fees + private partnership	A host can partner with a private company to support a specific program, for example a cohort of fellows or a group of start-up organizations whose fees are covered by a private sponsor.[61]
Fees + donor collaborations	A host can be spun off from or subsidized by a private foundation or public charity as a separate legal entity; a host can also set up a collaborative fund or Donor Advised Fund (DAF) and collect fees. This is a pool of money that may be directed by donors or a governing body that includes participating funders.[62]
Fiscal sponsorship fees + core funding	Hosts can receive grant funding to support their core operations (in other words, where no additional programming is expected) for development and maintenance of technical and human infrastructure, digital security, Research & Development (R&D) for new services, public communications, field capacity building, etc.
Any combination	The models above can be combined.

[61]The Urban Affairs Coalition waived the first year of fees for a cohort of projects in partnership with JP Morgan Chase (TSNE report, *Reimagining Fiscal Sponsorship in Service of Equity, 2023*)

[62]See especially Sampriti Ganguli, *Strengthening and Supporting the Enabling Infrastructure for Collaborative Funds*, September 2024, https://static1.squarespace.com/static/631b8576f6519e65b437e9f4/t/6737966cb7183543a26d4c5c/1731696239379/Supporting+the+Enabling+Infrastructure+for+Intermediares.pdf. Thanks to Bipasha Ray for bringing this study to my attention.

The shape of all these activities will affect the ways in which relational infrastructure can be intentionally built and maintained. As fiscal hosts explore ways out of the "transactional trap," they might holistically consider how other revenue streams intersect or distract from the support offered to projects. At the same time, developing relationships with the right host is a concern for projects as well as hosts. To that end, projects looking for aligned hosts could consider asking the questions in the box below.

Questions to Ask Potential Hosts

Projects who want to check on the financial health and alignment of a potential fiscal sponsor could ask these questions of them. They should speak to multiple hosts, check with their own peers and funders, and consult open financial documentation (in the US, a nonprofit's 990s).

Does your fiscal sponsorship program recover all costs from fees charged? What other sources of revenue do you have?	This helps you understand what other activities the sponsor is pursuing and lets you check for alignment/competition/other considerations. It shows the sponsor you are interested in understanding their business model and your project's place within it.
How has your team grown or developed relative to the growth of the sponsored project portfolio?	This is a check of the sponsor's capacity. Better than asking about the turn-around time on requests, it helps you gauge whether staff are overwhelmed. If staff numbers are not growing while the portfolio balloons, this is a flag. It is also a good idea to talk directly to other hosted projects to get a sense of their experiences, especially projects of similar size or type as your own. Follow up questions could be about staff retention rates or promotion structures. Empowered staff make for great partners. Demoralized staff will be more prone to burnout.
What governance structures are projects invited into?	This is a check on how project voices are incorporated into decision making that directly affects their operations.

In the next and final section, I offer an overview of relational structures that will necessarily vary according to business models and activities of the fiscal host. These serve as useful reminders of where to direct attention when intentionally approaching the development of relational infrastructure. The discussion in Section 3 continues to explore how to shift from transactional to transformational work.

Section 3

Channels not Barriers

There's no trick other than continuing to show up, and welcoming all the questions, and welcoming the deeper inspection into the underlying assumptions.[63]

JESSICA MEYERSON

We're starting from identifying principles from a point of self-awareness rather than a point of aspiration.[64]

MILIAKU NWABUEZE

The shift from transactional to transformational work can be a strategy to mitigate risk. It can be a strategy for building more resilient infrastructure. The first part of this section explores the ways in which my interviewees thought about accountability and risk. Then, I suggest areas in the design and governance of fiscal sponsors where openness could be transformational. In these suggestions—based on the perspectives of people I spoke to—I recommend designing and opening *channels* (conduits of ideas, information, and resources) as opposed to *barriers* (checkpoints, blockages, or bottlenecks).

The founder of a new, small fiscal sponsor who is building a new experiment based on his experiences as an employee at much larger fiscal hosts, said, "Risk is distance in this practice." He continued, "You are mitigating risk when you bring yourself into closer contact with what's actually happening."[65] I heard many stories of communication standards and iterative processes that strive for intimacy and proximity—opening channels—in order to guard against the risks that come from distance, blockage, and closure.

[63]Jessica Meyerson, Co-Director, Org Development and Fiscal Sponsorship, interview with the author, November 13, 2024.
[64]Blair Franklin, Alight Alchemy, interview with the author, November 26, 2024. Franklin attributes this to her teacher, Adar Ayira.
[65]Nathan Hewitt, founder, Raft Foundation, interview with the author, January 14, 2025.

“What are all the different ways that we are accountable to each other?” the co-director of one fiscal sponsor asked.[66] This question underpins an attempt to suggest areas in which accountability could best be felt at fiscal sponsors. All of my interviewees mentioned a range of relationships that identify or direct accountability, risk, mitigation, and trust. Accountability to oneself, to one’s team, to sponsored projects, to the board, to funders, and to the wider ecosystem all emerged as necessary components.

Many of those I interviewed highlighted the importance of iterative process in the building of relational infrastructure. The co-director of one fiscal sponsor in the process of redefining their service model and offerings to address burnout among staff, described it as,

> *...an emergent process, so every subsequent step that we take in the process reveals something new, and then we have to iterate on the plan. And sometimes, frustration appears, that’s normal. That’s not a problem to solve, that’s something to watch. There’s no trick other than continuing to show up, and welcoming all the questions, and welcoming the deeper inspection into the underlying assumptions.*[67]
>
> **JESSICA MEYERSON**

In these reflections, she underscores an understanding of relational infrastructure that is not built once and finished, but that is built gradually, through considerable friction, over time.

An independent consultant that works with fiscal sponsors on organizational development said, “Often folks say, ‘Come into our organization and create a policy.’ [And then they assume] ‘Okay, great. We're good, [we’re] done!’ And that's just not it. We haven't really gotten into the reasons why our relationships aren't functioning in the first place.”[68] She contends that this slower, iterative work is tricky to prioritize because it’s rare to have “shared investment across all the power centers inside of an organization” in the

[66] Jessica Meyerson, Co-Director, Org Development and Fiscal Sponsorship, interview with the author, November 13, 2024.
[67] Jessica Meyerson, Co-Director, Org Development and Fiscal Sponsorship, interview with the author, November 13, 2024.
[68] Blair Franklin, Alight Alchemy, interview with the author, November 26, 2024.

development of relational infrastructure.[69] In other words, investing in a slow process of values-alignment, and establishing sound decision-making structures for equitable and sustainable participation, could be important for the workers maintaining day-to-day relationships with projects, but may seem less urgent for leadership or boards that are more removed from this day-to-day work.

A core inter-relational challenge identified by interviewees is that it feels impossible to balance the priorities of different parties within a fiscal sponsor, including the sponsor's non-profit board, their staff, and sponsored projects. A former operations manager and current independent contractor said that from his experience working under more traditional boards, there is "no incentive to try and balance" the structurally opposed goals of the fiscal sponsor's board and sponsored projects.[70] On the one hand, the mandate of the board is to ensure that revenue is maximized and labor costs minimized. On the other hand, the fiscally sponsored project is keen to maximize services received, while minimizing fees spent. He wondered if this structural contradiction is even resolvable within a nonprofit structure.

Perspectives I found especially compelling (and closest to transformative) rooted discussions of accountability in the individual – being accountable to oneself. The organizational development consultant quoted above, said, "We're consistently going to cause harm to each other. That is part of our foundational truth, based on the land that we're standing on [in the US]. How do we minimize that and how do we just get practiced at having a good apology? How do we get practiced at getting curious? What are the accountability systems we want to start thinking about building into our everyday practice to be better and more accountable to ourselves?"[71] This is also a practice of self-awareness, what another person referred to as a distancing from aspiration, or being real about where we are now. She said, "the chief form of accountability that we can offer our projects is standing by the decisions that we make for the organization and answering for those ourselves."[72]

For some of my interviewees, accountability was a simple formula. The Executive Director of a mid-size fiscal host serving open tech projects said that at the host he led, the "really concise framework for accountability is good communication and good

[69] Blair Franklin, Alight Alchemy, interview with the author, November 26, 2024.
[70] Joe Hand, independent consultant, interview with the author, November 20, 2024.
[71] Blair Franklin, Alight Alchemy, interview with the author, November 26, 2024.
[72] Miliaku Nwabueze, CEO and ED, Library of the Commons, interview with the author, December 5, 2024.

transparency." He continued, "It's really clearly defined processes for all of the mission critical things (like hiring a person, putting a contract in place, getting an invoice paid, or an invoice sent out) and then following them."[73] For others I interviewed, practicing accountability was a practice to be honed, a muscle to be exercised, with patience and openness.

Over the course of my interviews, I noted the areas where both friction and opportunity were frequently identified. I collect them here as a list of areas (a map?) where it may be especially key to identify and document self-aware processes around openness and closure. When I asked the Executive Director of a new fiscal host servicing tech and social justice projects what she was prioritizing in their design, she said, "we're just trying to create channels rather than barriers."[74] Inspired by these words, I suggest how it could be especially impactful to create *channels* (conduits for energy, ideas, influence, resources) as opposed to *barriers* (bottlenecks, stopgaps, roadblocks, and checkpoints).

- **Structures through which projects communicate with each other.**

  My interviews mentioned a variety of asynchronous communication channels (Slack, Discord, Discourse) as well as synchronous events (virtual and in person) where, as one founder of a small, new fiscal sponsor said, "something of value is delivered to all attendees."[75] Formats could include, sharing feedback, brainstorming, talks, workshops, summits (gathering projects and their funders), etc.

- **Structures for multi-directional communication between projects, staff and leadership.**

  One interviewee called this "creating more relational infrastructure between fiscal sponsors and their projects."[76] As the Co-Director, Org Development and Fiscal Sponsorship at a mid-sized fiscal sponsor serving publishing, education, and knowledge production projects told me, this "*doesn't* just mean telling the sponsee

[73]Allen Gunn, Executive Director, Aspiration Tech, interview with the author, January 8, 2025.
[74]Miliaku Nwabueze, CEO and ED, Library of the Commons, interview with the author, December 5, 2024.
[75]Nathan Hewitt, founder, Raft Foundation, interview with the author, January 14, 2025.
[76]Blair Franklin, Alight Alchemy, interview with the author, November 26, 2024.

what the relationship is."[77] An Operations Manager at a fiscally sponsored project said communication "has to be two-way, you're also receiving feedback."[78] Establishing real transparency and trust is the basis of successful sponsorship. The Executive Director of a mid-sized sponsor servicing tech and social justice projects, refers to this as a commitment to "no surprises, no silent fails."[79]

Important to consider in these structures is: *through whom* does communication happen and *what impact* does it have. Many interviewees said that a single person often maintains the relationships with some or all sponsored projects. It is often that person's responsibility to relay decisions by the host to the sponsored projects, and to relay a project's concerns to host leadership and other relevant parties. Often this person is not empowered to affect any changes directly. This is a dynamic of *feminized* work in a classic sense. As an alternative, a *feminist* approach to fiscal sponsorship could opt for a combination of synchronous (roundtables, town halls, crit sessions), asynchronous (surveys, assessments, input forms, and documentation of policy changes) and/or structural elements (advisory councils, board of trustees, other governance) that explicitly incorporate project representation and facilitate regular exchanges between all parties.

- **Structures for transparent decision-making (where everyone's role is clear).**

I heard numerous frustrations about decision-making structures that were unclear, difficult to explain, or nonexistent. A Co-Director at a mid-sized fiscal sponsor said, "I found that I have to re-explain often times, not just the scope of what services we are providing, but what does the nature of that relationship mean in terms of: what are the decisions that we can make —that are ours to make? How do we understand those decisions impacting fiscal sponsees? What are the decisions that are in the fiscal sponsees' bucket to make? And being really clear about where those lines of decision-making are."[80] These decision-making structures affect

[77]Jessica Meyerson, Co-Director, Org Development and Fiscal Sponsorship, interview with the author, November 13, 2024.
[78]Mike Medow, Operations Manager, DAIR, interview with the author, November 4, 2024.
[79]Allen Gunn, Executive Director, Aspiration Tech, interview with the author, January 8, 2025. He explained further, "Early notification, proactive notification, radical transparency. And we'll do the same for you."
[80]Jessica Meyerson, Co-Director, Org Development and Fiscal Sponsorship, interview with the author, November 13, 2024.

projects as well as working conditions for staff. Several people described bottlenecks at fiscal sponsors that leave staff "feeling like we're not really empowered to make decisions," affecting well-being.[81]

Decision structures at fiscal sponsors need not be more complicated than at other nonprofits or other multi-stakeholder formations. A wide range of governance resources exist to help groups (in this case, the staff or leadership of fiscal sponsors —with or without input from sponsored projects) decide how they will make decisions, document, amend, and enforce them.[82]

- **Structures for staff promotion, leadership development, and growth.**

Sustainable scaling emerged as a shared pain point in many interviews. When a fiscal sponsor's portfolio grows, it can be especially challenging, especially for those offering comprehensive (or Model A) sponsorship.[83] This scaling affects everything from Human Resources, to compliance, to operational lift. Several people suggested that it is not the size of a fiscal sponsor that determines the complexity of its infrastructure, but its rate of growth.

As a Network Liaison in the Sponsored Projects program at a fiscal sponsor serving media and movement projects told me, *"a lot of the roles that have been hired and staffed and created over the past few years, start[ed] as more like purely support roles. But now some of those people have been here, you know, two, three, four years. I think we can be leaning on that expertise more. Structurally, it can be difficult to be like, ok, this person has evolved and has all this knowledge and experience now. But we didn't budget for giving them a promotion or a more important role this year. […] People are seen in these lower level support roles, but really have built up more expertise."*[84]

[81] Anne Haddox, Network Liaison, Allied Media Projects, interview with the author, November 20, 2024.
[82] See for example, CommunityRule, https://communityrule.info/. The point is that not having explicit structure will often default to inequitable and unsustainable structures, a learning surfaced across decades of feminist organizing. See among others, Jo Freeman, "The Tyranny of Structurelessness," 1970, http://www.cooperatives-wales.coop/wp-content/uploads/2013/01/The-Tyranny-of-Structurelessness-Jo-Freeman.pdf.
[83] Often called "comprehensive" where hosts assume all liability for project activities and project staff are staff of the host. For more, see Colvin and Petit, *Fiscal Sponsorship: 6 Ways*, 19-35.
[84] Anne Haddox, Network Liaison, Allied Media Projects, interview with the author, November 20, 2024.

Central to building a feminist organization must be attention to the well-being of the staff. Attention is often directed to the burnout of *sponsored project staff* (especially when those employees are also employees of the host (as in Model A). Less attention is usually directed towards the *staff at the host*. This is especially important since service provision tends to be such a key benefit of fiscal sponsorship. Without intentional structures for leadership development, professional growth, and internal promotion, women —especially women of color — are often hired into feminized work and then blocked from moving into meaningful leadership.[85]

- **Structures through which staff can align on values.**

Given the wide range of approaches to fiscal sponsorship and the general lack of knowledge about what it is, alignment on a fiscal sponsorship team (including its leadership and board) around values and services also takes time, is iterative, and deserves attention. Some interviewees from fiscal sponsors emerging from moments of acute crisis, shared perspectives on values that were unevenly held or only held on the surface. External facilitation may be helpful in these iterative processes to offer a bird's eye perspective on unfolding dynamics.

Again, these dynamics are not so different from those at other nonprofits or multi-stakeholder structures. Conversations around values and strategic visioning can be held in person or virtual, self-hosted or externally facilitated. The alignment around values should be iterative, regular, and, as noted above, rooted in self-awareness as opposed to aspiration.

- **Structures through which the host communicates its services, fees and mission.**

This refers to a wide range of written and public facing material (like a website), and semi-public facing (as in presentations to potential projects, funders, peers, etc). Developing these materials is a good way for staff to practice articulating the

[85]One interviewee referred to specific resources around developing horizontal staffing that prioritized service and loyalty over title and position, noting the correlation of job satisfaction with diversity of tasks. He referred me to holacratic management strategies (see https://www.holacracy.org/). (Thaddeus Squire, correspondence with the author, February 4, 2025.)

values and mission of the fiscal host transparently to projects and funders. The ability to do this well depends on the soundness of other structures around decision-making, values and services, as mentioned above.

- **Structures through which projects are recruited, vetted, and accepted as sponsored projects.**

  Many sponsors end up hosting by accident, as a favor, or without explicit intention. Formalizing processes and structures for vetting and recruitment of new projects rely on all of the previous structure points, and is a shared concern across a fiscal host (staff, board, other projects). As one person said, the organizational culture of a host changes as a portfolio grows. Elements of this structure could include: letters of interest from potential projects, open recruitment processes, interviews, responses to surveys or forms, formal application packages, presentations, internal assessments, vetting, and voting, various committee discussions and approval, or board approval.

A feminist approach to fiscal sponsorship might consider these pieces of social infrastructure *as integral* to the design and maintenance of the fiscal sponsor *as* its tech stack, accounting software, and/or legal compliance expertise. Infusing a fiscal sponsor with values of solidarity, care, and equity might start with the design of these elements, prioritizing creativity, process, and self-awareness over aspiration.

Conclusion

Based on interviews with people in the field, I have suggested broad recommendations for fiscal sponsors and for projects seeking aligned homes for their work. In Section 1, I summarized frustrations over perceptions of risk aversion at funders. While this may be true, it may also be difficult to address for individual program officers at foundations. I begin this conclusion with a few material recommendations ***to funders*** on how to support the capacity (strategic visioning, experimentation, resilience) of individual fiscal hosts as well as a healthy ecosystem of connected fiscal hosts.

- **Capacity building for individual fiscal sponsors.**

  Funders are increasingly recognizing the role they can play in expanding the infrastructure of the philanthropic ecosystem by investing in seed and core funding of fiscal sponsors. This support could take financial *and* other shapes. For example, an Operations Manager at a fiscally sponsored project said that, "the community stewardship role that fiscal sponsors play should be acknowledged to a greater extent and more invested in—and not just in terms of cash resources, but in terms of professional development and different kinds of capacity building."[86] Suggestions included investing in the tech stack and digital security of fiscal sponsors; supporting operational capacity to scale, experimentation in structure and business models, conflict navigation, leadership development, and more.

- **Field building.**

  There are several, US-based networks or hubs for fiscal sponsors offering synchronous and asynchronous meetups (Fiscal Sponsor Network, Social Impact Commons, Circles). Interviewees said they have some shortcomings: they are US-centric; and the relationships don't seem to result in 'offline' collaboration or partnership, though it's unclear why. Some interviewees warned against overdetermining the structure of possible collaborations; while others wished for more sustained support for convenings of values-aligned and sector-specific hosts. One Network Liaison at a fiscal sponsor, who found themselves facilitating an

[86] Mike Medow, Operations Manager, DAIR, interview with the author, November 4, 2024.

intermediary convening after funding had ended, asked, “what does it mean to convene this space online? Why are we the only ones holding it?”[87] This points to an incentive problem across the ecosystem. Hosts struggle to prioritize relationships between hosts, because of the already high demands on their capacity and time.

At the same time, some interviewees considered it urgent to “repression proof” movements through better connectivity and interoperability between hosts.[88] This could involve the development of a network of lateral relationships between fiscal hosts that could move resources and affiliations as needed. Practitioners recognize the collective power that could be mobilized through strengthening ties between fiscal hosts (inter-institutionally) but most are still struggling to sustain ties between their own boards, staff and projects (intra-institutionally). This tension points to the need for a specific kind of capacity building that addresses the needs of individual hosts *while* also attending to the health of the overall ecosystem of fiscal sponsors.

These two considerations for funders may be within the range of actionable for individual program officers. I suggest them as additional steps towards the development of an interdependent ecosystem of fiscal sponsors. It seems to me that the field (in the US) is still far from able to “repression proof” social justice movements by fluidly exchanging resources across fiscal hosts. Still, I am encouraged by the range of experiments and political visioning around the role fiscal sponsorship could play in supporting movement work. These visions are all the more urgent as global world order veers further from the humanitarian values that underpinned much of the 21st century and the growth of the nonprofit sector.

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[87]Anne Haddox, Network Liaison, Allied Media Projects, interview with the author, November 20, 2024.
[88]Ariel Cohen, Senior Director of Fiscal Sponsorship and Infrastructure, Praxis Project, interview with the author November 20, 2024.

In interviews, I heard a variety of metaphors to describe fiscal sponsorship. As cool record labels, as sheepish roadies (always offstage, never onstage), service shops, restaurants, benevolent landlords, parents, water bearers, furniture, shields, and cloaks. Staff and leadership at fiscal sponsors imagined their roles as facilitators, hosts, administrators, conduits, connectors, supports, artists, activists, craftspeople.

In this report, I have not argued for a single definition or shape for fiscal sponsorship. Instead I have suggested that a feminist fiscal sponsorship may center on focusing attention on *how* relational infrastructure is built and maintained. I have pointed to specific rhythms and processes in the maintenance of relational structures, which combined with state of the art financial and operational infrastructure, could help unlock meaningful accountability in the field of progressive philanthropy. These shapes of accountability could serve as powerful mitigation of the risks progressive philanthropy collectively faces.