Fiscal Hosting in the Internet Freedom Space

Zara Rahman

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interalia

Introduction

This report comes out of an Open Tech Fund grant given to interalia, a fiscal host registered in Germany, founded in 2024. As part of interalia's start up phase, we engaged in a number of conversations and interviews with people working in and around the space of funding and fiscal sponsorship, both within and aligned with the internet freedom space.

We wanted to ensure that interalia's organisational growth builds upon decades of learning, while also strategically meeting current needs in the space. We attended events such as the Global Gathering and the AWID Forum, where we held sessions and listened to needs coming out of both the core internet freedom space and aligned movement spaces. The insights from this report have been used to develop interalia's strategy and shape its offerings. We are sharing these findings here in case they may be helpful to others in the broader field. In parallel to writing this report, we also commissioned Rayya El Zein to explore what accountability and trust might look like in explicitly feminist fiscal sponsorship.

In the past decade, the internet freedom space has faced several key challenges due to its professionalisation and a general global political swing to the right. As philanthropic and state funding became more readily available for those working in the space (something that may change in the coming years), the sector faced more of the challenges of the "non-profit industrial complex". This includes dealing with the bureaucracy of existing as a 'professional' civil society organisation. Operating within professionalised civil society means navigating a growing amount of administration, from registering as a non-profit organisation to staying on top of country-specific tax regulations and employment laws, and much more.

In recent years, a general trend towards authoritarianism and a shift to the right in global political leadership, has also led to an increase in administrative crackdowns on civil society. Non-profit bureaucracy itself is increasingly used by states to crack down on civil society. These *administrative crackdowns* intentionally distract and drain civil society's resources, weaken connections and trust within movements, and discourage people from holding power to account. This is not a new tactic. As Suparna Chaudhry identifies in 'The Assault on Civil Society: Explaining State Crackdowns on NGOs', there are three common

types of administrative crackdowns: barriers to entry, "the use of law to discourage, burden, or prevent the formation of NGOs"; barriers to funding which "impose restrictions on how NGOs secure financial resources"; and barriers to advocacy which "restrict NGOs from engaging in the full range of free expression and public policy advocacy." Fiscal hosting is affected by all three.

Authoritarian states know that digital rights pose a direct threat to their power—as evidenced by harassment, attacks or even imprisonment of digital rights and freedom of expression activists in various countries (See: Iran, Venezuela, Turkey, Egypt). As a result, the internet freedom space is now especially targeted by administrative crackdowns.

In the context of all of these challenges, there are many ways in which fiscal hosting could play an important role within the internet freedom ecosystem. As research consultant Jocelyn Ban noted in the article, 'It's time to reimagine fiscal sponsorship' for Alliance Magazine: "As the expansion of global authoritarianism continues and private foundations restructure their grantmaking to move larger grants through intermediaries, fiscal sponsorship opens up new possibilities for funders and activists alike."

We understand fiscal hosting (also known as fiscal sponsorship) in its broadest definition to be "the sharing of nonprofit infrastructure with aligned but distinct charitable projects," as El Zein puts it in her report for interalia. This is also more traditionally understood as "a relationship between a nonprofit ("fiscal sponsor") and a nonprofit activity ("sponsored project") in which the nonprofit receives and expends funds to advance the project, retaining ultimate discretion and fiduciary control over the funds."

As we explore throughout this report, there are several ways beyond these core functions in which fiscal hosts can support the ecosystem—for example, by making it possible for people doing internet freedom work to stay under the radar, or by absorbing other types of risk. As many earlier studies have shown, fiscal hosting looks very different depending upon context, community needs, and thematic or movement focus. Here we explore what fiscal hosting has done, is doing, and could do to strengthen internet freedom work worldwide. We imagine and hope that some of these insights might be helpful to other movements too.

Fiscal Hosting: the Context

There are already several primers that explain what fiscal hosting is and does. To avoid rehashing this information, we will focus here specifically on the context that is relevant to the subject of this study: fiscal hosting for internet freedom work.

We identified two key landscape analyses of fiscal hosting based in specific geographies: CivSource's Study Research on Fiscal Hosting in Sub-Saharan Africa and Social Impact Common's Fiscal Sponsor Field Scan 2023 in the United States. The scale of fiscal sponsorship described in these two reports is vastly different, but there are some common findings. For example, both note an expansion beyond basic fiscal hosting support into capacity building. This highlights the potential catalytic role of fiscal hosts in expanding civil society's work in general. Meanwhile, both studies also said fiscal hosts struggle to cover core operational costs because surviving on overhead from projects alone is not sustainable.

Based on anecdotal evidence, the fiscal hosting space has indeed struggled in recent years, with some closing or reducing operations, or only taking on projects with relatively high incomes. There are many reasons for this, but some relate to one of the most common fiscal host business models, namely, relying solely on a percentage overhead from projects for revenue. It creates an unhealthy financial dependency, because if a project suddenly loses funding or gets into bureaucratic difficulties, the fiscal host then also lacks the income and resources to support, and may even put more (not less) pressure on the project.

As Rayya El Zein explains in her report, 'A Delicate Dance, Exploring Feminist Fiscal Sponsorship,' many fiscal hosts have developed supplementary revenue streams in addition to fiscal hosting overhead fees, noting that "few are breaking even with fiscal sponsorship fees alone." The business models and services are not widely understood— especially among sponsored projects—which is one reason El Zein calls for greater transparency.

In 'Fiscal Sponsorship: A 360 Degree Perspective', the Trust for Conservation Innovation describes how fiscal sponsorship involves more than 'just' managing money on behalf of someone else. There is also a great deal of legal and fiduciary responsibility involved:

> *Fiscal sponsorship is not a conduit arrangement because the fiscal sponsor does not simply receive funds and then hand them over to someone else. Instead, the sponsor receives and distributes the funds on behalf of a project with a charitable purpose and bears legal responsibility for ensuring that funds are used for their intended purpose.*
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> **Trust for Conservation Innovation**

In a worst-case scenario, the actions of a hosted project could jeopardize the non-profit status of the fiscal host, which, in turn, would threaten the funding of all its hosted projects. There are several ways to mitigate these risks, such as implementing policies and guidelines that hosted projects are contractually required to follow—but indeed, the obligations of fiduciary responsibility can create various grey zones and fault lines for fiscal hosts, including in the case of Code for Science & Society, as reported in The Guardian in 2024.

Fiscal hosts also hold a unique role within philanthropy; they don't hold the same power that grantmakers or foundations do, but they do hold control (and thus power) over the finances of hosted projects. They often also hold relationships with funders that hosted projects might not. We noted in our interviews and research for this paper, that there is a blurry position of accountability within the space. This is also echoed in El Zein's research. This position of power needs accountability mechanisms to deter misuse of power, but these are relatively rare. In addition, the responsibility of philanthropy as it relates to fiscal hosts also remains blurry and in need of clarification, as we explore in later sections.

Geographic bias

From our landscape scan and from conversations with internet freedom activists, there seems to be a more widespread understanding of the formal concept of fiscal sponsorship in the United States than in other areas of the world. This has something of a recursive element to it. There are more people who know about the concept and benefits in the United States, and therefore there are more people who seek fiscal sponsors there. It follows that there are also more fiscal sponsors to meet that demand, and so on.

That said, informal approaches to fiscal sponsorship appear to be extremely widespread, often without explicitly referring to the practice as fiscal sponsorship. These informal

methods rely heavily upon trusted, unwritten relationships between people.

Examples we heard of included people working in small consultancy companies accepting money on behalf of friends, noting that there is typically less oversight over commercial companies compared to non-profit legal entities. Additionally, non-profit entities may sign contracts and accept funds on behalf of community members who they know and trust (without charging overhead) to save them the hassle of setting up a legal entity.

More resources exist to examine the state of fiscal sponsorship in the United States than in other areas of the world. This includes the National Network of Fiscal Sponsorship's Field Scan and resources like the Solidarity Economy Funding Library of the New Economy Coalition, which categorises various fiscal sponsors (and others in philanthropy) according to their scope. Fiscal sponsorship as a practice also seems, anecdotally and from desk research, more professionalised in the United States. For example, there are consultancies focused specifically on fiscal sponsorship; and fiscal sponsors who operate with revenues at orders of magnitude higher than in other areas of the world (eg. New Venture Fund's revenue approached $1 billion USD in 2021; Tides Center reported revenue as over $600 million USD in 2023)

The field is expanding elsewhere, though. In the report, Study Research on Fiscal Hosting in Sub-Saharan Africa, CivSource uncovered a number of key insights about the role of fiscal hosting in the African context based on insights from 43 stakeholder interviews and 120 survey responses from fiscal hosts across Sub-Saharan Africa in 2023.

> *They concluded that fiscal hosts could be crucial towards creating "a more inclusive, resilient civil society ecosystem" more broadly. They also noted some regional differences in approaches to fiscal hosting, namely that "East Africa's fiscal hosting landscape is led by national organizations, while West and Southern Africa see the rise of multinational entities."*
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> **CivSource**

Within open source communities in Asia, fiscal hosting is readily mentioned in online documents. For example, in the organising of North East Asia WikiCon in Seoul 2025, applicants were asked if they have a fiscal host. Open Culture Foundation in Taiwan was established to serve as the fiscal sponsor for Taiwanese open tech communities.

One consequence of fiscal hosting being less known as a formal practice is, "donor scepticism and government distrust," as CivSource's report on Sub–Saharan Africa puts it. This is a trend that we have also noticed at interalia from German foundations unfamiliar with fiscal hosting, whose grant officers bring in legal teams before proceeding.

The State of the Internet Freedom Field: Funding

In the last few years, the social structures that underpin the open source software ecosystem have increasingly been recognised; in particular, the crucial role that relatively few individuals (note: not organisations) hold in creating and maintaining vital open source projects. One of the most pivotal pieces of work highlighting this trend was research by Nadia Asparouhova (née Eghbal) in 2016. She highlighted various models of how maintainers work, and showed how many vital pieces of open source infrastructure are maintained not by formal institutions or organisations, but by relatively few individuals—or groups of individuals—who come together to cooperate not because of their jobs, but because of a shared interest in a particular piece of software or open source project.

Today, there are many more funding options available for individuals or project teams in the open source space since Asparouhova's first report looking into this space. For example: Microsoft-owned code platform Github launched their Github Sponsors program in 2019, whereby users of the platform could choose to financially 'sponsor' (that is: donate funds) on a regular basis to their peers, or in their words, "to financially support the open source projects they depend on, directly on Github." This feature made it far easier for code maintainers and developers to add a 'Sponsor' button directly to their profile and repository pages, with zero fees for sponsorships from personal accounts. The program was originally only for individuals, but 'organisation-funded sponsorship' was added in 2023.

Trend: more intermediary funds

The last few years have also seen the rise of more intermediary funds within philanthropy explicitly dedicated to supporting individuals or smaller ad-hoc teams within the open source space, and specifically on key aspects of the open source landscape, including:

- the Prototype Fund, funded by the German Ministry of Education and research, set up to support individuals and small teams to develop open source applications in the civic tech space; hosted at Open Knowledge Foundation Deutschland

- the Sovereign Tech Agency, funded by the German Federal Ministry for Economic Affairs and Climate Action; supporting the development, improvement and maintenance of open digital infrastructure

- the Digital Infrastructure Fund, funded by Ford Foundation, Sloan Foundation, Mozilla, Omidyar Network and Open Society Foundations, hosted on Open Collective, to further study the maintenance of digital infrastructure

- The Numun Fund, working to support and grow the feminist tech movement in the majority world, hosted at Women Win

Interestingly, the majority of these funds *are themselves* fiscally sponsored, or operate using another legal entity. (The Sovereign Tech Agency is the exception here, and only recently in late 2024 spun out as its own entity.) Indeed, there are now fiscal hosts that cater exclusively to philanthropy, such as Global Dialogue whose goal is to, "partner with independent funders to advance rights, equity and diversity," and NEO Philanthropy.

Gaps: taking into account the operational needs of the individual

Because of the global nature of many of these funds, they rarely take into account the specific operational or financial needs of the people they collaborate with. They may also have specific operational limits due to their sources of funding. For example, the Prototype Fund is financed by the German government; and to receive money as a team, team members must create a GbR (Gesellschaft bürgerlichen Rechts (GbR), or *General Partnership)* which is a foundational business structure in Germany.

One exception to this is the Sovereign Tech Agency's 'Fellowship for Maintainers', launched in September 2024, which offers "different contracting options" for participants in the fellowship, including the option for full-time employment (which, in the German context includes a broad range of social welfare benefits), or freelancing with a wide range of contracted hours. These options were developed following a survey and extensive feedback from the maintainer community they seek to support.

The open source sector is also supported by academia and the private industry, financially and in code contributions, as documented in this 2024 Open Source Software Funding Report by researchers at GitHub, the Linux Foundation, and Harvard University. Their key findings include that "organisations contribute $7.7 billion USD annually to open source software" the majority of which is via employee labour. (Note: their definition of 'organisations' includes private sector companies, any kinds of entities or public agencies.)
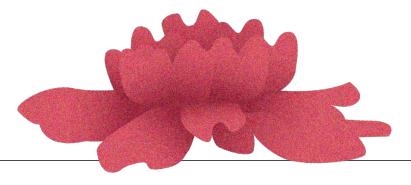
Trend: individual-focused fellowships

Individuals working within the field can pursue various fellowships to support their personal work, instead of on an organisational level. Notable examples include the Open Tech Fund Fellowships; Mozilla Foundation's Tech & Society Fellowships; SMEX's Mariam Al-Shafei Fellowship on Tech & Human Rights; Amnesty Tech's fellowship programme; as well as some sitting at the nexus of digital rights and journalism, such as Balkan Investigative Reporting Network (BIRN)'s Digital Rights and Freedoms Journalist Fellowship, the Asia Pacific Forum on Women, Law, Development (APWLD)'s Media Fellowship on Digitalisation and Feminist Digital Rights and Justice, or the (now sunsetted) Knight–Mozilla OpenNews fellowships,

One funding source for individuals working in the field of 'openness' which ended in 2024, was the Shuttleworth Foundation fellowships, which from 2001–2024 provided funding for fellows with a clear angle to changing the world for the better.

If we consider the funding space more broadly than 'open source' or 'internet freedom', other funding mechanisms for individuals include fellowships such as the Just Tech Fellowship of the Social Science Research Council in the United States, which provides "unrestricted individual awards of $100,000 per year for two years" with supplementary funding to help subsidise dependent care, healthcare, equipment, communications, and more. These fellowships are only open to people based in the United States, however.

Section 3

Fiscal Hosts Focused on Internet Freedom

The last couple of years have seen some turbulence in the fiscal sponsor space, particularly for those serving the digital rights and internet freedom communities. One major fiscal sponsor was Open Collective Foundation (OCF), who announced in February 2024 that they would dissolve the organisation by the end of 2024, thus ending a fiscal sponsorship program which served over 600 projects, hosting a collective $18 million USD. However, the software platform behind OCF (Open Collective) is still running, and serves as the technical backbone for other fiscal sponsors who remain, such as Open Source Collective (who fiscally hosted 2,579 collectives in January 2025), Open Collective Europe, and others.

Another fiscal host, Code for Science and Society, whose stated mission is to advance "the power of data to improve the social and economic lives of all people" and who previously hosted several high profile projects in the space, lost the majority of their staff in 2024 due to political discord at the organisation, as documented by The Guardian. Outside of the internet freedom space, other fiscal sponsors also faced hurdles. In May 2024, Black Lives Matter Global Network Foundation Inc. sued its former fiscal sponsor, the Tides Foundation, saying the fund was withholding and had "egregiously mismanaged" more than $33 million USD in donations earmarked for Black Lives Matter.

In response to Open Collective Foundation closing, other organisations in the space stepped into the role of fiscal sponsor to support projects that found themselves without a home for their operations; such as Superbloom, an organisation that "leverage(s) fiscal sponsorship as a tool to support the growth and maturity of the digital rights and Internet Freedom communities, with a focus on human-centered research and design," and Aspiration Tech, whose "Fiscal Sponsorship Program provides a full and customizable slate of fiscal sponsorship services to mission-aligned technology, data, and digital rights projects."

Informally, other organisations stepped into the breach to provide a fiscal host for others alongside their other programmatic work. For example, Mallory Knodel's Exchange Point provides fiscal sponsorship for internet infrastructure organisations, projects and research. Closer Than You Think, a collective founded in 2020, offers a "temporary fiscal or structural home for emergent ideas or initiatives" through their Chrysalis offering. Uwani Foundation, an organisation which started as a tech hub in Nigeria, also now offers fiscal hosting.

Section 4

Key Needs in the Space

In interviews and conversations with people from within the internet freedom space and more broadly, we noted the following needs.

For civil society within the internet freedom space

Need: more cross-movement collaboration

Generally speaking, there is renewed interest and understanding that in order for open source technology—or digital rights advocacy more broadly—to work for society, more diverse perspectives must be involved at earlier stages. A variety of developments are evidence of this. For example, there are more intermediary funds focused at specific intersections of tech + other movements now (See: Numun Fund, European AI Fund, the Green Screen Coalition, and more.) Additionally, tech or digital rights organisations are increasingly engaging with, supporting and amplifying the work of people from outside the "traditional" digital rights space (See: the Feminist Internet Research Network.)

Need: sharing information and human connections

At the time of writing in April 2025, a number of key philanthropic players in the internet freedom space are in flux right now: Open Tech Fund, Open Society Foundations, the Bureau of Democracy, Human Rights, and Labor (DRL) from the US State Department, to name a few. People from smaller organisations say it is difficult to keep up with current events or understand what the consequences may be. Philanthropy is a difficult space to break into. Many foundations have a 'no unsolicited proposals' notice on their website, or only give funds to people they already know. Newcomers will often rely on personal introductions and networking opportunities to even get a foot in the door, though some funders do now have tactics to make this easier.

Need: fundraising support for internet freedom groups

One of the main needs we heard from groups we spoke to was for help with fundraising—everything from identifying potential public grant opportunities, to building relationships with funders, to grant writing, and reviewing proposals. This seems to be a widely shared need. Movement Strategy Center said fundraising help is one of the top requests for support they receive from hosted projects. In response, they dedicated funds to launching

a "Fundraising Task Force" in December 2024. Typically, however, a fiscal sponsor steps in at a point at which a source of funds is already identified. They may not have funds or staff available to support needs for 'extra' capacity building.

Need: learning materials about what a fiscal sponsor can (or cannot) do

As we heard repeatedly during the research for this report, there is a great deal of opacity in how fiscal hosts operate. This is largely not intentional, and relates more to the fact that fiscal host practices differ greatly depending upon context, business models, and the varying needs of specific communities or organisations. That said, more clarity and information resources are needed around what fiscal hosts can offer, what the legal boundaries and grey areas are, and where they do indeed have some wiggle room.

Need: staying under the radar

As authoritarian regimes (and democratic ones, too) increasingly seek to repress civil society activities they disagree with, the role of digital technologies becomes ever more important—and with that also, the role of teams building technologies to circumvent or avoid repression. There are very real reasons why people working on this might want to avoid mentioning their legal names on grant proposals, or be subject to transparency requests. Fiscal hosts play an important role here, receiving funds on behalf of others, while ensuring they have strong operational security internally to avoid data leaks and breaches.

For fiscal hosts and civil society

Need: shared knowledge, resources and assets

Many different organisations within the space run events, ranging from small team retreats to larger convenings. As various people we spoke to noted, there is no established place to search for or share information about venues or locations to facilitate planning. From what we heard, each organisation does their own research, although there could be lots of knowledge to share. Specific thematic hubs have sprung up that partly meet these needs—for example, RadHR, "a space where groups and organisations invested in building a fairer and more equitable society can come together to share the nuts and bolts—the policies, processes, practices and stories—of how we organise ourselves based on our values." Groups like the Digital Rights HR & Ops listserv (facilitated by Superbloom and independent consultant Yvette Alberdingk Thijm) also meet this need for groups explicitly within the digital rights space, though they currently operate without dedicated funding.

Need: support on navigating non-profit law in different jurisdictions

At times of political turbulence and the uneven application of non-profit regulations, some communities will consider establishing legal entities in new geographic locations, moving countries, or finding new fiscal hosts to enable access to new sources of funds. For any of these actions, solid knowledge of non-profit law is required, which differs from country-to-country, and typically requires a firm grip on the local language and politics. There are networks of lawyers who work pro bono, such as TrustLaw, or PILNet, who could be of help —but building and managing those relationships takes intentional work, and knowing who to trust for legal advice also requires a certain level of social capital.

Need: operationally secure, accounting and donation software

As identified in CivSource's report, there is great potential for technology to help streamline fiscal hosts processes and administration. However, there are few open source options that can be used in different languages, which are also affordable, and lightweight enough to provide key features without being too overwhelming. The platform Open Collective offers a "legal and financial toolbox" for grassroots groups with radical transparency—but this may be *too* much transparency given the threats faced by internet freedom groups.

Need: investigate how (open source) tech can help streamline finances

We heard from various civil society groups and hosts that they combine different tech platforms. Some use custom accounting platforms like Buchhaltungsbutler or Odoo; others rely solely on spreadsheets and CSV files from their bank; and yet others use more corporate platforms like Netsuite. A thorough review of tech needs for accounting and operations—including existing open source options—would be helpful not just for fiscal hosts, but also for groups who have some in-house operational capacity.

Need: accountability mechanisms and clarity on the role of philanthropy

The power relationship between fiscal hosts, philanthropy, and hosted projects (particularly newer ones, with potentially fewer relationships or social capital in the space) are blurry. It's unclear what options a hosted project who is unhappy with the actions of their fiscal host has, or to what extent a funder (ie. the source of the hosted projects funds) could or would intervene, or how.

Rayya El Zein's report explores the importance of accountability in feminist fiscal sponsorship—but the recommendations in her report also apply to fiscal hosts that are not explicitly feminist and would strengthen the whole sector.

Section 5

Practical Uses of Fiscal Hosts in the Internet Freedom Space

In the research and writing of this report, we noticed two intertwined phenomena: first, that many groups who could benefit from fiscal hosting are unaware that fiscal hosts exist. And second, that even when people are aware of fiscal hosts, the exact mechanisms of what collaborations and partnerships with them might look like, is unclear to newcomers.

With this in mind, here we list a few examples of cases (either real life examples that we or partners have come across, or abstracted/anonymised from real life examples where necessary) where fiscal hosts can or have been helpful:

1. Unregistered or informal groups receiving funding

For unregistered groups looking to get funding to work on issues that lie within the bylaws of the fiscal host—particularly those operating in countries with exceptionally large administrative or bureaucratic burdens for non-profits—fiscal hosts offer a clear path to receiving funds without being subject to that burden.

What this looks like in practice: A fiscal host could sign the grant agreement with a funder on behalf of a collective, while entering into a contractual agreement with an individual or collective. The funds would be transferred to the fiscal host from the funder, who would then disburse the funds to the individual or collective in whichever way makes most sense given the context, for example, in two parts as a subcontractor across a number of months.

2. Organising events

For a group of people wanting to organise an event together, a shared bank account or space to gather funds and disburse collectively might make sense on an organisational or administrative level, to avoid a single person having to pay costs up front, for example.

What this looks like in practice: A group of people could sign an agreement with a fiscal host laying out what they plan to do. The fiscal host could receive the funds for organising an event, and/or receive donations that should go towards event costs. The fiscal host's bank account would be used to pay for event costs and booking travel.

> **Example:** In 2024, UbuCon Asia announced they would begin using the Open Collective platform with Open Source Collective as a fiscal host to manage their event finances. Previously, they relied on local teams to handle costs through their own non-profit entities, but it created administrative burdens, especially with travel grants for foreign participants. On Open Collective they could receive donations and increase transparency, allowing local teams to manage some finances with the global team keeping oversight.

3. Philanthropic foundations giving out small funding amounts

Larger foundations might not have the internal or operational infrastructure to practically disburse relatively 'small' amounts of funding to groups. In this case, a fiscal host could receive the 'larger' amount and be responsible for disbursing, for example, smaller community grants to different groups, even if they are themselves registered non-profits.

What this looks like in practice: A foundation could sign a contract with a fiscal sponsor and specify to whom they want the funds to be disbursed to. The fiscal host would charge an overhead to the foundation (perhaps higher than their usual rates depending on the amount of transactions and paperwork involved). They could then enter into contractual agreements with the specific groups who should receive the smaller amounts. The fiscal host would be responsible for accounting to the foundation (eg. activity and budget reports)

4. Pooled funds

Foundations or companies working together to pool funds for a specific cause might be undecided about who should take on the administrative burden of managing the fund.

What this looks like in practice: In this case, all contributors to the pooled fund could collaboratively choose a fiscal host to 'host' the pooled funds, then establish a group of representatives from their respective organisations who decide together how the funds are spent. The fiscal host takes on the responsibility of managing and disbursing those funds.

> **Example:** The Green Screen Coalition is a group of funders and practitioners looking to build bridges across the digital rights and climate justice movements. In 2023, they launched the Green Screen Catalyst Fund to invest for the first time in practitioners at the intersection of climate justice and digital rights. Several different foundations contributed funds, but the fund operations are 'hosted' by the Mozilla Foundation while the Ariadne Network (which is itself fiscally hosted by Global Dialogue) does the event and coordination work.

5. Non-profits wanting to redistribute some of their own funds

A non-profit entity might want to redistribute some of their own funds to other individuals or groups, but not have the operational infrastructure to do so. For example, it could be a non-profit organisation running a fellowship program that involves paying fellows for their time; or giving out flash grants after a community event.

What this looks like in practice: A fiscal host could enter into a contractual agreement with the non-profit, and would receive the full amount to be redistributed. The fiscal host would then enter into agreements with the individuals or groups who should receive smaller amounts.

6. Receiving tax-free donations in another country

International organisations who are registered legally in one country may have a large enough presence in another country to make receiving tax-free donations a viable source of income.

What this looks like in practice: A fiscal host registered in the country where the organisation wants to receive donations could accept them on their behalf. Depending on the amount of overhead or administrative work, they would then transfer the money directly to the non-profit organisation's legal entity.

7. Individuals or groups working on high-risk issues

For people working in countries where human rights are "controversial" (for example: queer collectives in countries where homosexuality is illegal; people working on encryption tools in countries where encryption is illegal) there are valid reasons why someone would not want their name listed on the website of a funder. In these cases, a fiscal host can sign a grant agreement on behalf of an individual or group so that official documents do not mention them. Note: this entails some risk for the fiscal host, which should be addressed in advance.

What this looks like in practice: A fiscal host with strong operational security could enter into a (confidential) agreement with individuals working on high risk issues, and receive funds on their behalf. This would likely be discussed in advance with funders—who wish to give funds to the person—to ensure that transparency requirements fall upon the fiscal host only.

Section 6

Arguments against fiscal sponsorship

In our interviews with people who have been or are currently fiscally sponsored, a number of issues came up repeatedly from working with fiscal sponsors, including:

◆ **Loss of control over key project level decisions**
Some fiscal sponsors specify that hosted projects must use their employee handbook and policies, which can include mandating things like salary bands for staff; vacation policies; expenses policies and more. These can vary greatly in level of detail or the extent to which they are mandatory. However, we heard many times that in cases where the fiscal host demands that projects must follow their policies, it can be very frustrating for project leads who have little control over policies that might not make sense for their team.

◆ **Lack of 'learning as you go'**
For projects who let fiscal hosts take care of everything related to operations and finance of their project with a relatively 'hands-off' approach, we heard that this can act as a blocker to learning for the project lead. One perceived upside of starting your own legal entity is that you learn as you go—which might include making mistakes—but gives project lead(s) motivation and opportunity to engage with new sides of non-profit management.

◆ **Lack of clarity about what the percentage overhead is used for**
There is huge discrepancy in what fiscal hosts use their percentage overhead for, and it is difficult for a host to assess if they are getting a "good deal". This speaks to the lack of transparency and accountability in the space of fiscal hosting in general. There are few established best practices, and the actual costs of fiscal hosting vary greatly depending on time spent, salaries within the fiscal host, and other associated costs.

◆ **Existence of numerous external services for hire**
As outlined in this blog post by Nathaniel Heller from 2012, if you have the access and knowledge, there are plenty of alternative external services (particularly in the United States) that can help meet non-profit needs. For example, lawyers, accountants and HR services that are available for hire. These can be pieced together effectively instead of working with a fiscal host, assuming there is someone within the project who has the knowledge and expertise to manage, assess and commission all of those separate services.

Conclusion

Fiscal hosting holds great potential to support the work of individuals and projects within the internet freedom space, as part of a broader infrastructure that strengthens the ecosystem as a whole. They can share knowledge and resources as well as offer back-office support.

In response to the findings in this report, interalia has shaped its strategy to focus on tech and society in the broadest possible sense, starting small and aiming to offer fiscal hosting services in a way that meets the core needs of projects and people.

However, the very real issue of resources remains: charging a lower overhead increases accessibility and collaboration possibilities for a wider set of groups, but also means that staff internally have fewer resources and capacity to offer support. This remains a contradiction in terms of needs: groups within the space often need support to obtain funds or to work in specific ways (eg. international collaborations, or with high operational security) but fiscal hosts can only meet those needs if they have the capacity to do so. Diversifying business models seems essential for fiscal hosts to remain sustainable in the long run.

For people looking for fiscal hosting or seeking operational support, we hope this report has shed some light on the constraints and potential ways in which fiscal hosts can help. Many fiscal hosts offer initial chats to discuss needs, which we would always recommend as a first port of call. Ultimately, more transparency in terms of what hosts offer on paper and in reality, and better accountability mechanisms more broadly in the space, would serve to strengthen the field in general and improve practices. The growth of fiscal hosting in regions outside of the United States will undoubtedly also bring new, innovative practices and ways of operating that take into account a wider variety of contexts and realities.