Fiscal Sponsor Field Scan 2023

SURVEY REPORT

November 2023

Report created by Social Impact Commons

Asta Petkeviciute, Chief Financial Steward

Joshua Sattely, Chief Legal Steward

Thaddeus Squire, Chief Commons Steward

SOCIAL IMPACT COMMONS

National Network of Fiscal Sponsors

About Social Impact Commons

Social Impact Commons is a nonprofit capacity building, research, and advocacy organization supporting the national fiscal sponsorship ecosystem. We provide direct advisory support, tools and templates, discounted software and services, regular member conversations, and workshops, as well as ongoing research on and advocacy for the fiscal sponsorship field. Additionally, we provide advisory support to philanthropy and philanthropy serving organizations. Established in 2020, Impact Commons supports more than 40 supported member organizations and over 500 individual practitioners, representing more than 2,000 sponsored projects serving a diversity of communities.

About the National Network of Fiscal Sponsors

The National Network of Fiscal Sponsors (NNFS) is a professional network of organizations and individuals working in the field of fiscal sponsorship, who recognize the value of working together to develop the field. The NNFS community convenes events, shares peer knowledge, advocates for the field, and develops best- and next-practices together, to advance the work of fiscal sponsors for the public benefit. Founded in 2004, NNFS currently supports a membership of 190 fiscal sponsors and convenes an annual conference of sponsors, alongside other program resources.

Cover Images:

Left: Image from Enlace Tres Vidas (working in Puerto Rico), a fiscally sponsored project of Haciendo Acciones Socio-Ecológicas Resilientes (HASER), photo with permission from HASER.

Center: Image of the removal of a confederate monument in New Orleans, LA, undertaken through a social action fiscally sponsored by the Foundation for Louisiana, photo with permission from Foundation for Louisiana.

Right: Image of When Black + Brown Go Green (working in Los Angeles, CA), a fiscally sponsored project of Movement Strategy Center, photo with permission from Movement Strategy Center.

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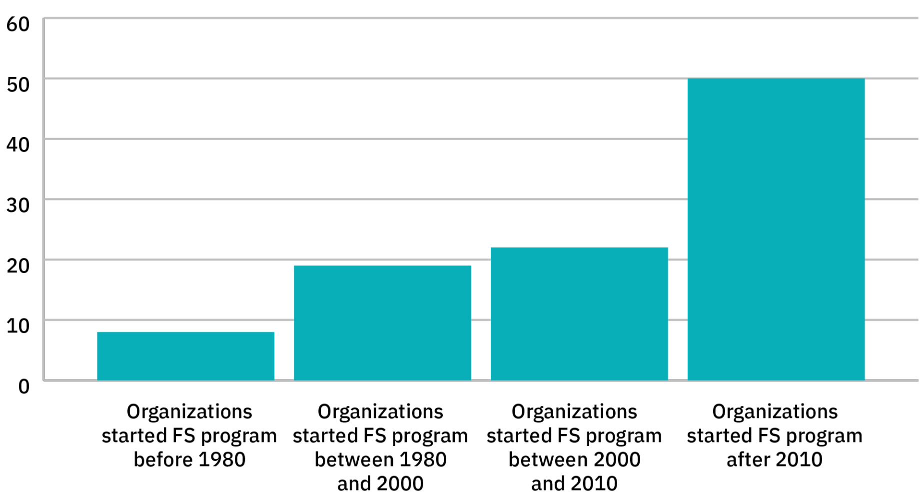
Executive Summary

In the winter of 2022/23, Social Impact Commons and National Network of Fiscal Sponsors (NNFS) put out a call to nonprofits known to serve as fiscal sponsors and representing a diversity of size, age, mission focus, sponsorship model, and geographic location. Our goal was threefold: create a quantifiable overview of the field of fiscal sponsorship, secure a greater understanding of where the field is today, and establish a baseline for future evaluation and analysis. Our survey gathered data in three areas: 1) basic descriptive data from 100 fiscal sponsor organizations and their programs; 2) data on diversity, equity, inclusion, and access (DEIA); and 3) information on fiscal sponsor practices and respondents' overall capacity to provide sponsorship support. From the vast amount of data we were able to gather, a story emerges about the current state of fiscal sponsorship in the United States. The purpose of this Field Scan is to share that story with all interested parties including the fiscal sponsors themselves and the general philanthropic community.

Fiscal sponsors steward a tremendous amount of charitable work. As of the time of our survey, respondents collectively supported over 12,000 charitable projects, stewarded over $2.6 billion in philanthropic and $575 million in government funding for sponsored projects, and employed or contracted with over 18,000 people, distributing more than $600 million in salaries and fees to employees and contractors, separate from benefits.

Number of sponsored projects supported	**12,184**
Sponsored project funding and revenue stewarded	$2,602,508,804
Government funding to projects stewarded	$576,396,746
Number of employees and contractors engaged by projects	18,602
Contributions to individual incomes for project employees and contractors	600,397,974

The field is growing rapidly. Within our sample, 73% of respondents were formed after 2000, with a sharp upward trend in new sponsorship programs starting around 2010. This means that three times as many sponsorship programs were created in the last 20 years than were created in the 40 years prior to 2000 (our oldest respondent was founded in 1959).



In what year did you begin serving as a fiscal sponsor? n=100

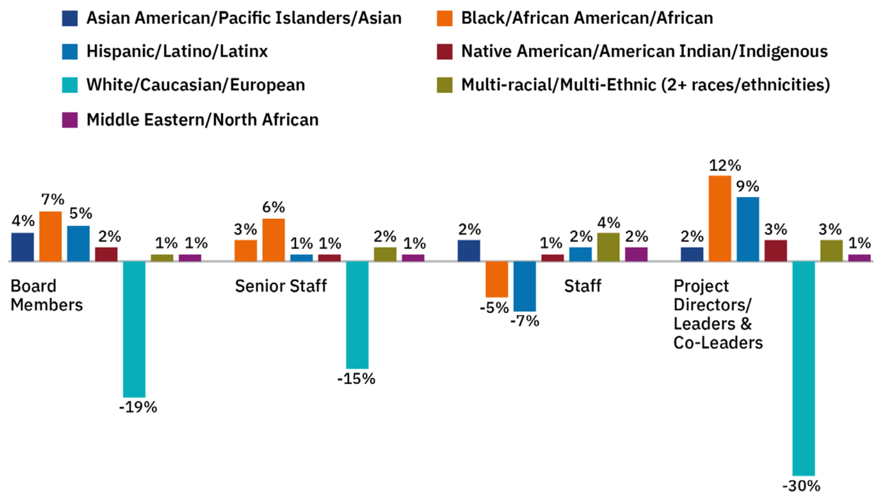
Locally-focused fiscal sponsors and medium to large sponsors are leading this growth. Most of these newer sponsorship programs launched since 2000 (53%) identify as locally or regionally focused, working within the communities they serve, followed by sponsors with a national (38%) and international (9%) geographic reach. Medium to large sponsors (expenses between $1 and $50 million) were the majority (58%) of our sample, with 26% operating below $1 million and 16% above $50 million. Medium to large sponsors (expenses between $1 and $50 million) also managed the greatest diversity of portfolio sizes and the majority of overall projects: 10,414 projects or 85% of all projects reported.

Organization's features	# of Organizations responded	# of Projects sponsored	Total expenses of fiscally sponsored projects	Total expenses of organizations
Very Small (under $100K)	4	18	$72,313	$160,611
Small (between $100K and $499K)	10	211	$8,767,724	$2,134,613
Medium (between $500K and $1M)	12	284	$4,796,166	$9,185,201
Medium/Large (between $1M and $10M)	41	4,178	$122,312,983	$187,113,798
Large (between $10M and $49M)	17	6,236	$239,277,689	$366,410,846
Very Large ($50M and above)	16	1,257	$2,089,295,945	$3,305,404,547
Grand Total	**100**	**12,184**	**$2,464,522,820**	**$3,870,409,607**

Fiscal sponsor support for projects is expanding beyond basic back-office support to include more whole-systems capacity building. The majority of sponsors (73%) offer basic back office support (corporate home, finance, HR, legal, insurance, and compliance), with many also offering vital capacity building (61%) and fundraising (49%) support to their projects. Models "A" and "C" remain the predominant models practiced. Forty-eight percent of respondents offer both Model "C" and "A". Overall, our sample was balanced 68% "Model C" Pre-approved Grant and 72% "Model A" Comprehensive. Most respondents (76%) carry out other programs and services in addition to fiscal sponsorship.

Sponsors–and to a larger degree, the projects they support–exhibit greater diversity than the nonprofit sector overall. Comparing our diversity, equity, inclusion, and access (DEIA) data with a larger data set collected directly by Candid via their website using the same survey protocol we employed for our survey, we found that fiscal sponsors and the projects they support exhibited notably greater diversity than the average data profile of the broader nonprofit sector. For example, with regard to racial identity, with the exception of "Staff" (where "White/Caucasian/European" is generally on parity between our sample and the broader sector) fiscal sponsor data shows greater representation across all other groups. The below graph shows deviation of our fiscal sponsor survey data from the baseline data provided by Candid. Positive bars (above the line) indicate areas where there was greater representation of racial groups in our fiscal sponsor sample than in the broader nonprofit community. Negative bars (below the line) indicate groups with lesser representation in the fiscal sponsor sample than in the broader nonprofit community.

Average Representation Across Race Differences in Field Scan vs. Candid dataset

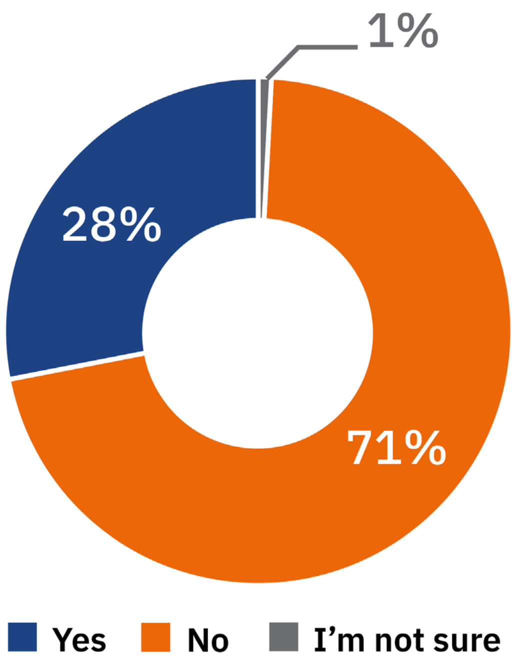


Greater relative diversity, in like manner to the above, was also tracked in other demographic areas addressed: gender, transgender, sexual orientation, and disability. It is important to note that these differences are based on a smaller set of field scan respondents; roughly 50% of our sample were able to provide demographic data as compared to a much larger overall data set from Candid. Nevertheless, the data indicates fiscal sponsors are advancing DEIA and equitable practices in the nonprofit sector.

The majority of participants report sound management practices, though there is room for improvement as a field. On the one hand, for example, most sponsors (54%) said they budget and track their full cost to deliver their support with 76% of sponsors consistently tracking project expenses separate from the sponsor's "core" operating costs. Most sponsors (78%) reported recovering all of their costs to deliver services. Concerning other management practices, 73% provided budget-to-actual reports to projects, 92% used a standard fiscal sponsorship agreement, and 72% of sponsors reported board involvement in decision making about new projects.

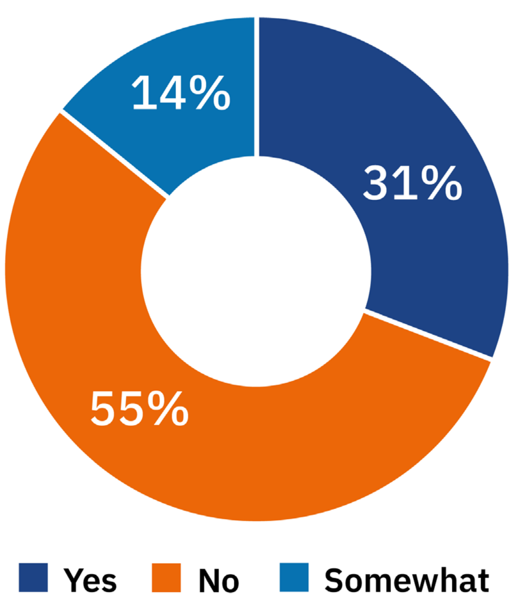
On the other hand, 46% of sponsors did not budget or track full cost to deliver their services or were unsure about their whole cost to deliver services, and overall, sponsor portfolios (projects only) were more financially liquid than the sponsor was in and of itself, evidencing some possible financial vulnerabilities. Roughly one in four sponsors did not deliver budget-to-actual reports to projects while one out of two fiscal sponsors required projects to prepare and share annual budgets. The majority of sponsors provide reports by request, and only 35% offer projects direct access to their financial records. Finally, 75% of sponsors reported they did not involve project representatives at all in governance, with the balance incorporating project voice through largely advisory means.

Fiscal sponsors are challenged to meet the demand from new projects, with sponsors reporting operating capacity as the chief barrier. For every two new projects brought in, sponsors turned away one project. For example, 86% of sponsors stated that they turned away projects over the reporting period for a total of 897 projects, which is about half (46%) of all new projects added across all respondents. A quarter of our overall sample reported temporarily suspending new project intake during the reporting period.



Have you temporarily suspended or stopped new project intake within the last fiscal year? n=87

Of these, 80% of respondents with suspended intake cited lack of operating capacity as the main driver for their decision, with 38% indicating a hiatus on new project intake owing to strategic planning. Among smaller fiscal sponsors (expenses < $10 million), 48% reported not recovering full costs, indicating that the need for subsidy for sponsorship support increases as budget size of the sponsor decreases. The greatest staff capacity needs reported were in program (project) management (28%) and finance (21%). Two-thirds of respondents anticipated adding sponsorship staff in the next 12 months and replied either "unsure" or "no" when asked if they have sufficient staff and technology capacity to support their projects.



Do you have adequate staff to support your fiscally sponsored projects? n=86

Conclusion

The data illustrates a rapidly growing field with a strong base of shared practice, supporting a great diversity of charitable activity. The work of fiscal sponsors is guided by a focus on equity and diversity that is sector leading. But fiscal sponsors are struggling to meet demand for their resources, suggesting a need for more direct philanthropic support for sponsors themselves, not just support for sponsored projects.

Moving beyond this study, there is work to be done in developing consistent standards of practice and corresponding key performance indicators for sponsors so that we can better understand and monitor the evolution of the field over time. Finally, the field needs further research into the capacity challenges it faces and dynamics driving its ongoing growth, so that we are able to broaden and deepen our understanding of the value and impact of fiscal sponsorship to the sector.

Fiscal sponsorship, with more concerted field building and investment, is poised to be a catalytic force for the sector, a vanguard for equity and access to nonprofit resources, and a framework that can help structure our sector for greater resilience, efficiency, and impact well into the 21st century.

Background

What is fiscal sponsorship?

Why this study?

How did we go about it?

Who responded?

What is fiscal sponsorship?

Fiscal sponsorship usually describes a relationship between a 501(c)(3) 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. Operationally, projects typically maintain independence of public identity, constituent relationship management, and core mission-related decision making. Unlike a traditional program carried out by a nonprofit, fiscal sponsorship arrangements are usually memorialized in an agreement or memorandum of understanding setting forth respective roles and responsibilities where the leadership of the project reserves the right to exit the relationship. In recent years, fiscal sponsorship structures and practices have been applied to 501(c)(4) social welfare nonprofits as well.

The practice of fiscal sponsorship has been in existence since at least 1959, when the Massachusetts Health Research Institute in Boston (now TSNE) began offering what is now known as "Model A" or Comprehensive Fiscal Sponsorship. For the first several decades, the field grew organically and only began to develop a field identity in the early 1990s with the work of attorney Gregory Colvin and his landmark book, *Fiscal Sponsorship: Six Ways to Do It Right* (Study Center Press, 1993), which has enjoyed two subsequent editions. Field building began to accelerate in the early 2000s with growing case law in support of fiscal sponsorship and the founding of the National Network of Fiscal Sponsors (NNFS) (2004) as the convening organization for the field, followed by the establishment of Social Impact Commons (2020) as a direct-service capacity builder for fiscal sponsors.

Why this survey?

This is the first national fiscal sponsorship field scan in seventeen years. This is the second such effort in the history of the field. The first, "Fiscal Sponsorship Field Scan: Understanding Current Needs and Practices" (Tides Center, 2006), was commissioned by Tides Center and surveyed 111 fiscal sponsors.

The field of fiscal sponsorship has been receiving increasing interest from philanthropy and nonprofit leaders in recent years, largely in response to urgent calls for social justice and increasing threats to civil society and the health of our planet. More and more, fiscal sponsors are seen as a path to rapid deployment of resources and a more equitable and accessible way for leaders of all kinds to access nonprofit infrastructure and get to work. The above is indicated in an uptick in journalistic writing[1] and five recent studies that focused on exploring equity- and community-centered practices and fiscal sponsorship.[2]

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[1] For example, *Nonprofit Quarterly* (NPQ) ran three significant articles from 2018 to 2020: "Fiscal Sponsorship: A Balanced Overview" (Gene Takagi, January 28, 2020), "Is Fiscal Sponsorship Right For You?", (Priscilla Hung, July 24, 2020), and "Fiscal Sponsorship: A Hidden Resource for Nonprofit Entrepreneurs" (Fredrik O. Andersson and Daniel Gordon Neely, February 21, 2018)

[2] *Reimagining Fiscal Sponsorship in Service of Equity* (TSNE, 2021); *Leveraging Fiscal Sponsorship for Racial Equity* (New Venture Fund, 2021); *Centering Equity in Intermediary Relationships* (Change Elemental, 2020); *Mapping Baltimore's Fiscal Sponsorship Landscape* (J. Denlinger Consulting and The Racial Equity Asset Lab, 2021); *Powerful & Proximate: Fueling the Dreams of Grassroots Organizations through Fiscal Sponsorship* (Washington, DC field scan, Equivolve Consulting, 2022)

Nevertheless, understanding and awareness of fiscal sponsorship within the nonprofit community and philanthropy remains limited.[3] In recent years, philanthropy appears to have made significant strides in embracing fiscal sponsorship through funding sponsored projects but both Impact Commons and NNFS members consistently report limited understanding for the case to invest directly into fiscal sponsors as well as their projects, which is noted in several of the four studies cited in the footnote.

Our purpose in undertaking the current field scan was to begin to establish a baseline of understanding of the fiscal sponsorship landscape today and a basis for continued research and advocacy to:

*>> **RAISE AWARENESS** - Empower fiscal sponsors and their allies to be stronger advocates for the resources that sponsors need to be more impactful and sustainable.*

*>> **INCREASE INVESTMENT** - Build the case for the funding community to encourage direct investment in fiscal sponsors and create more supportive funder policies, practices, and partnerships.*

*>> **DEEPEN UNDERSTANDING** - Study the operating practices and needs of fiscal sponsors in order to guide the continued development of fiscal sponsorship practice as well as investment in the field.*

Who should read this? And how?

This research was undertaken primarily for the benefit of fiscal sponsors of all models[4], both aspiring and established, and philanthropy. We hope the findings of this report also speak to sponsored project leadership, philanthropy serving organizations, nonprofit alliance leaders, researchers, and others interested in the nonprofit sector.

For our reporting, we have included the direct data outputs from the original questions, in which cases the graph title is the original survey question. In some cases several individual data points from the survey have been collated and presented together for analysis, including minimal interpretative commentary beyond what the data says directly. It is our hope that others will delve into the data for deeper analysis, including identifying priorities for further research, data collection, and interpretation.

While most of the participating organizations provided responses within all three parts of the survey, all questions were not answered by all respondents. Throughout the report, we provide the actual respondent number (n=NN) for each question and any percentages referenced are calculated based on the number of respondents to the given question, not the n=100 for the survey overall.

All references to size in financial throughput are expressed in operating expenses with regard to:

- **“Organization” -** total organizational expenses (fiscal sponsorship and all other programs)
- **“Portfolio” -** total expenses of sponsored projects alone plus support cost allocation (fees)
- **“Projects” -** average expenses of individual sponsored projects per portfolio

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[3] Dr. Jeffrey Prottas, “How Foundations View Fiscal Sponsorship”, (Brandeis University, 2014), p. 11.
[4] All references to “model” or “models” in this report refer to the alphabetical taxonomy of fiscal sponsorship models developed by Gregory Colvin and expounded in *Fiscal Sponsorship: Six Ways to Do It Right* (Study Center Press, 1993).

Additionally, we have created several graduated scales that underpin and breakdown the presentation of data analyses for clarity and comprehension. The purpose of the breakpoints is to demonstrate the differences in financial scale between fiscal sponsors and their projects, based on our belief that more granularity about this relationship is needed since many projects operate at a very small financial scale.

Operating Expenses

Organization Expenses

- Very Small — <$100,000
- Small — $100,000 - $499,000
- Medium — $500,000 - $999,000
- Medium/Large — $1 million - $10 million
- Large — $10 million - $49 million
- Very Large — >$50 million

Portfolio Size (Project Count)

- Level I — <10 projects
- Level II — 10 - 29 projects
- Level III — 30 - 99 projects
- Level IV — >100 projects

Individual Project Average Expenses per Portfolio

- Average Expenses per Project of <$10,000/year
- Average Expenses per Project of $10,000 - $49,000/year
- Average Expenses per Project of $50,000 - $99,000/year
- Average Expenses per Project of $100,000 - $499,000/year
- Average Expenses per Project of >$500,000/year

How did we go about it?

This study was undertaken as a collaboration between Impact Commons and the NNFS. Impact Commons, as project lead, created an initial set of research questions that guided the scope of inquiry, with input from NNFS:

- **What are the basic dimensions of the fiscal sponsor ecosystem?**
- **What are the communities supported by fiscal sponsors?**
- **What is the capacity of the field, its practices, and what are current capacity challenges?**

A group of advisors, assembled by both organizations, provided input into the design and content of a survey instrument, which was built, hosted, and administered by Qualtrics, a research platform. The survey was divided into three parts, per the above research questions:

- **Part I. Basic Profile** - including key organizational descriptors, such as expense size, model(s) practiced, number of projects, geographic focus, etc.
- **Part II. Diversity, Equity, Inclusion and Access (DEIA)** - including key constituent demographics, and DEIA practices. For this, we used the protocol developed by Candid/Guidestar in partnership with CHANGE Philanthropy and released under a Creative Commons license with one addition to the protocol: for all of the demography questions, the role of Project Director was added to existing categories of Board Members, Senior Staff, and Staff.
- **Part III. Fiscal Sponsor Program Capacity** - including more detailed program financial information, staff capacity, governance, and sponsorship management practices.

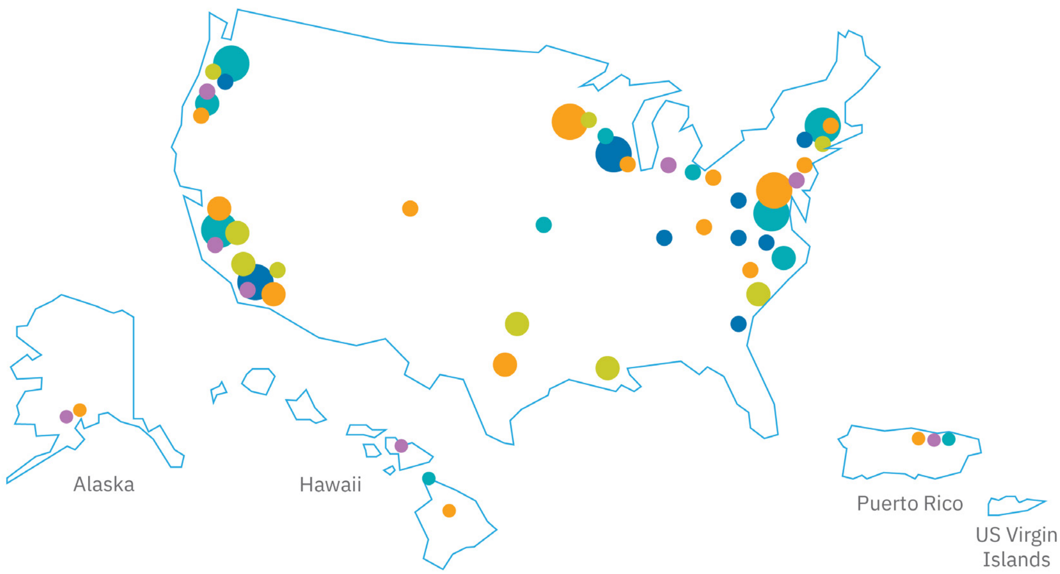
The survey was disseminated via email to 696 nonprofits known or understood to serve as fiscal sponsors, collated from the databases of Impact Commons, NNFS, and several other organizations, only filtering for fiscal sponsors legally seated in the U.S. Otherwise, the survey included screener questions establishing the minimum threshold for participation to be the sponsorship of at least one project within the last fiscal year, and total sponsored project expenditures for that year of $2,500 or more. Eligible participants were asked to provide data for the last completed fiscal year, which places the period of reporting generally from January 1, 2021 through December 31, 2022. Respondents could indicate whether financial data was audited, internally prepared, or estimated.

Gathering financial and organizational data on fiscal sponsors remains challenging, as compliance-related public data, chiefly the IRS Form 990, does not ask organizations to identify as fiscal sponsors. So it is difficult to establish a total population of sponsors in the U.S. for research purposes. Fiscal sponsorship also represents a broad range of program design, from organizations dedicated solely to this work, to nonprofits that may occasionally provide fiscal sponsorship and do not identify publicly as a sponsor. Our best guess is that there are somewhere between 500 and 5,000 fiscal sponsors active in the U.S. today (5,000 sponsors would be ca. .2% of the current nonprofit ecosystem of roughly 1.8 million nonprofits). Keyword searches in Candid for “fiscal sponsor/ship”, sorting for organizations with reported revenues of greater than $50,000 yield 586 organizations as of July 2023. The direct contact data we have on where fiscal sponsors are operating was gathered from the field by the handful of peer organizations involved in this study. Since there was a high degree of overlap between the Candid search data and peer-gathered records, we decided to use the peer list of 696 organizations in seeking our sample.

Direct public links to the survey were available on the websites of Impact Commons and NNFS. The instrument remained open from November 1, 2022 to March 31, 2023, with 100 fiscal sponsors responding substantially to all three parts of the instrument, yielding a response rate of 14%, which was deemed statistically valid, with a margin of error of +/- 9%.

Who responded?

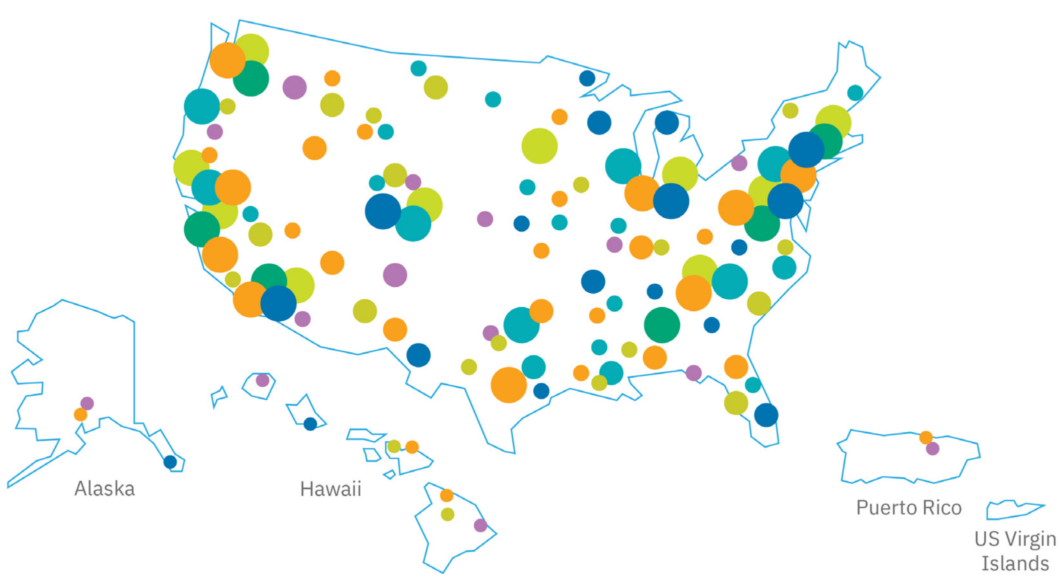
Concentration map of the 100 respondents to the field scan survey. See appendices for complete list of participating organizations.



For both the above and below maps, the size of circles denotes relative concentration of fiscal sponsor organizations. Color is used for contrast only.

Field scan participating organizations reflect roughly the same geographic distribution as the general population of fiscal sponsors that we found when we queried Candid's IRS records using "fiscal sponsor/ship" as our keyword in our search. Sorting for organizations reporting more than $50,000 in annual expenditures, a search in July 2023 yielded 586 organizations.

Concentration map of the 586 organizations yielded by keyword searches in Candid's IRS database.



Fiscal Sponsor Field Scan 2023

Summary Findings

Part I: Basic Sponsor Profile

Part II: Diversity, Equity, Inclusion, and Access

Part III: Operational Capacity & Practices

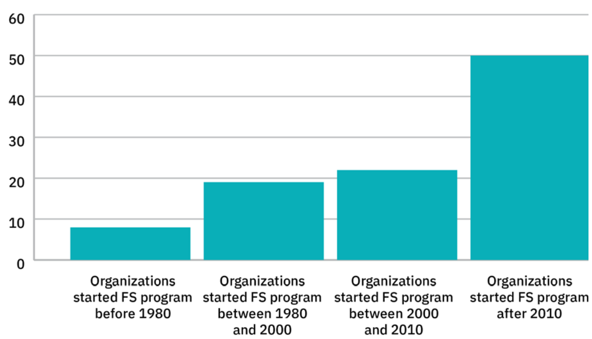
Conclusion - The View Forward

PART I - Basic Profile

Strengths

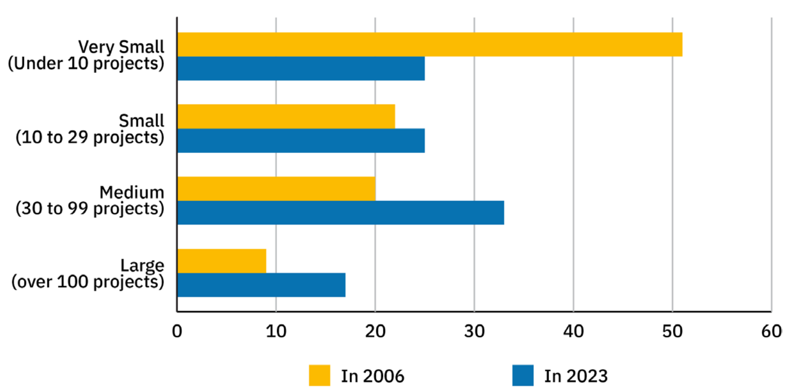
>> Fiscal sponsors steward a significant amount of charitable work. In their last reporting year, respondents collectively supported 12,184 projects, stewarded over $2.6 billion in sponsored project funds and $575 million in government funding to projects, employed or contracted with over 18,000 people, contributing more than $600 million to individual incomes (employees and contractors combined). Median organization size in expenses and revenues was $5.4 and $6 million, respectively. Median project portfolio size was 29 with expenses and revenues at $2.5 and $2.6, respectively. The median amount of government support to projects was $542,385.

>> The ecosystem is growing rapidly. Within our sample, 73% of respondent programs were started after 2000, with a sharp upward trend in new sponsorship programs starting around 2010. This means that three times as many programs were created in the last 20 years, as were created in the 40 years prior to 2000. (Our oldest respondent started fiscal sponsorship work in 1959.) We specifically asked about the starting year for *fiscal sponsorship programming*, knowing that an organization's legal formation date does not always correspond to when fiscal sponsorship services commence.



(a) Growth in fiscal sponsorship programs after 2000 (Comparison of geographic focus and start year) n=99

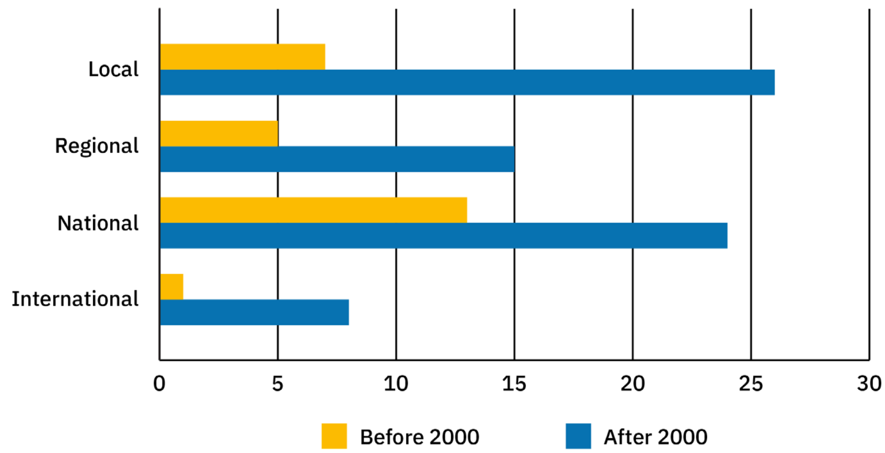
Compared to the 2006 field scan (the first and last study prior to this one), we saw marked growth in the size of portfolios of sponsored projects. In 2006, most sponsors supported fewer than 30 projects with the largest cohort supporting under 10 projects. By the 2023 field scan, we saw considerable growth in the number of portfolio sizes greater than 30, in particular those above 100. It is important to note that the 2023 cohort was close in size to the 2006 cohort (111 sponsors), but was not tracking data from exactly the same group of sponsors, making this trend data approximate at best.



(b) Comparison of portfolio sizes reported in 2006 vs. 2023 field scans

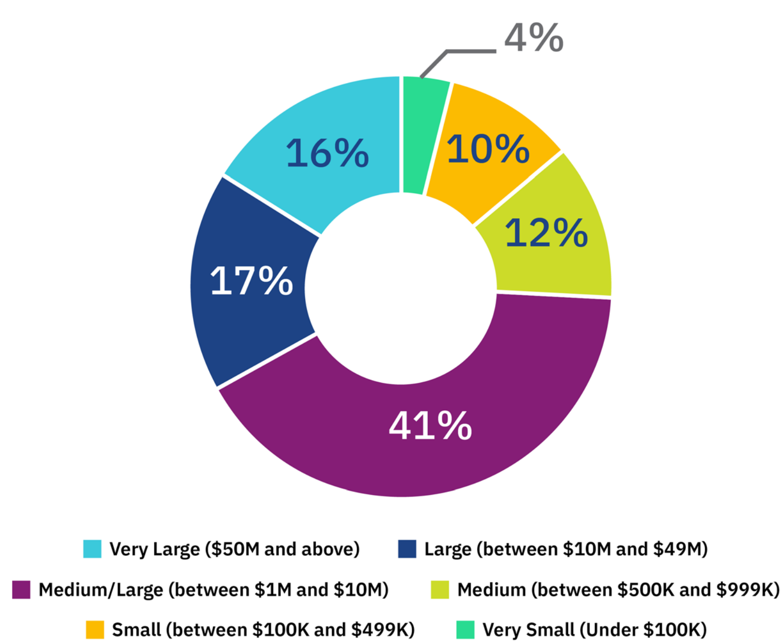
>> Medium to Large-size and locally-focused fiscal sponsors are leading this growth. Most of these newer sponsors launched since 2000 (53%) identify as locally or regionally focused, working closely with the communities they serve, followed by sponsors with a national (38%) and international (9%) geographic reach.

(c) Growth in fiscal sponsorship programs after 2000 (Comparison of geographic focus and start year) n=99



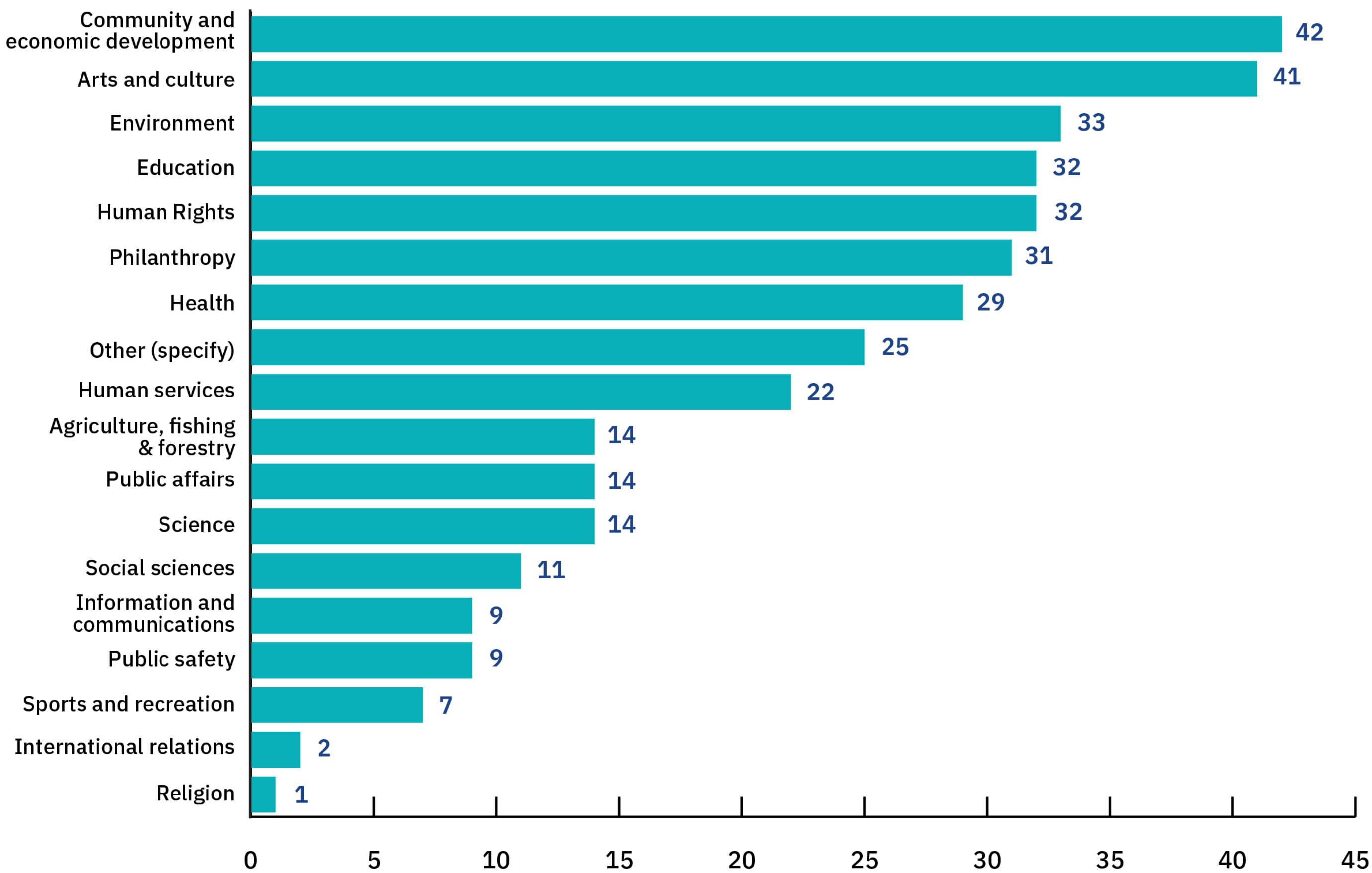
Medium/large to large sponsors (expenses between $1 and $50 million) were the majority (58%) of our sample, with 25% operating below $1 million and 17% above $50 million. Medium/large to large sponsors (expenses between $1 and $50 million) also managed the greatest diversity of portfolio sizes and the majority of overall projects: 10,414 projects or 85% of all projects reported.

(d) What were your organization's total annual operating expenses? n=99



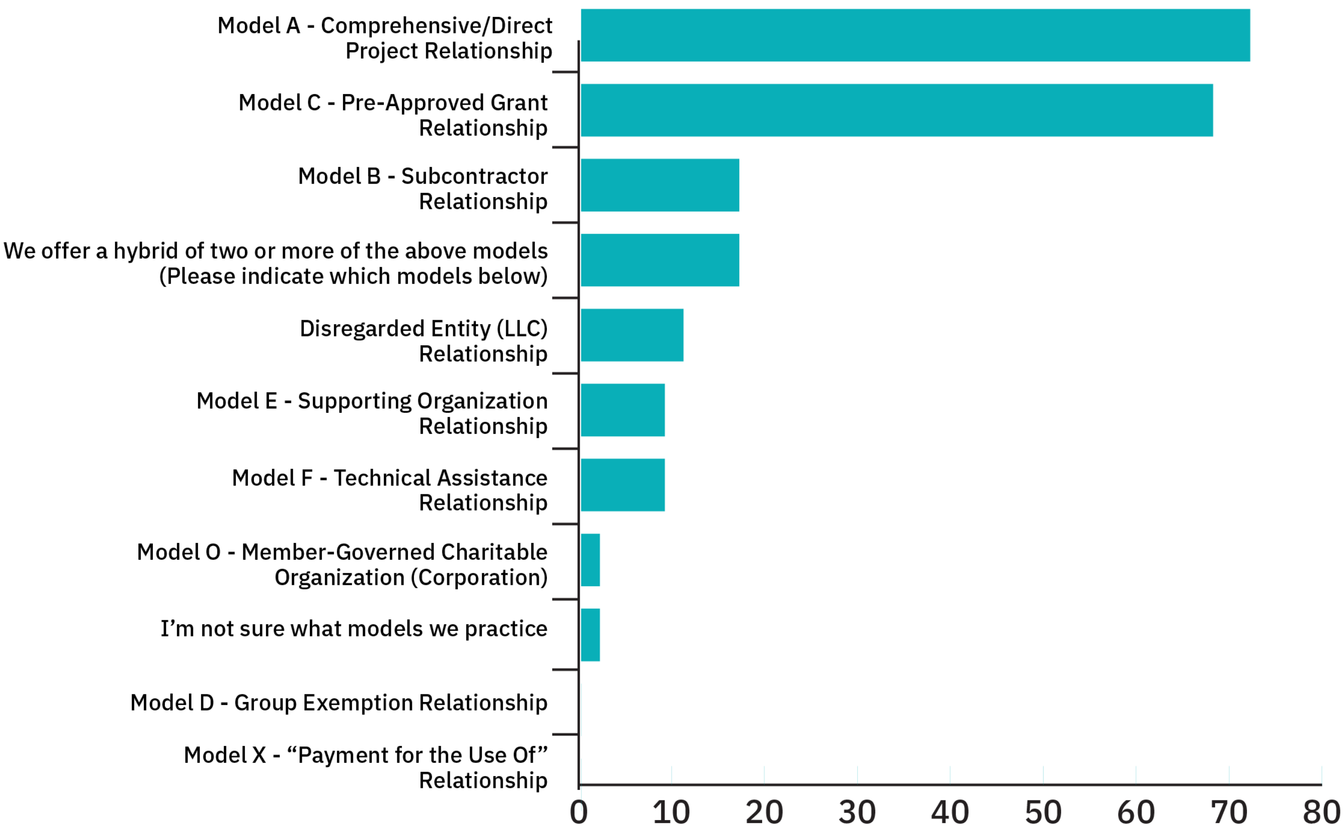
>> "Community and economic development", "arts and culture", and "environment" were the top three mission impact areas supported by sponsors. An average of 39% of respondents reported supporting these fields, followed by "education" (32%) , "human rights" (32%), "philanthropy" (31%), and "health" (29%).

(e) What best describes your field/mission focus? n=368



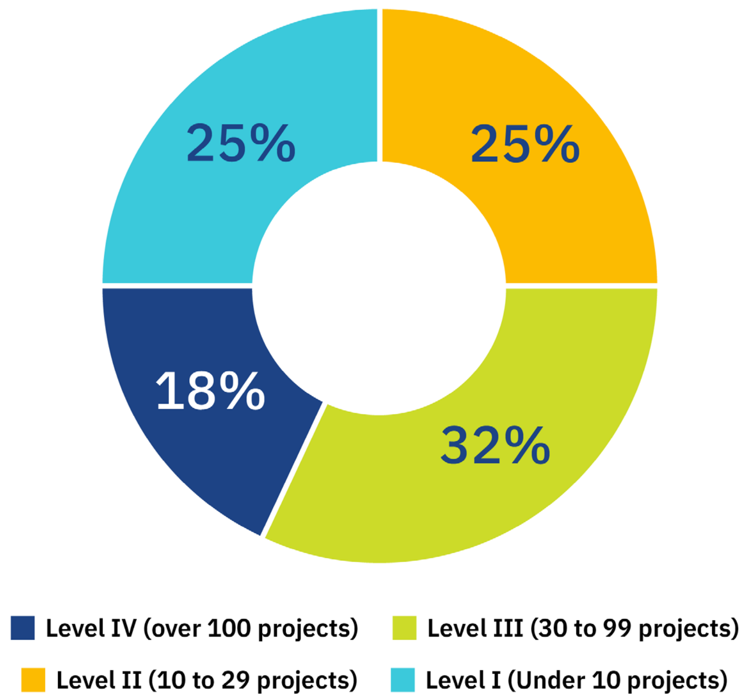
>> Most sponsors offer both "Model A" and "Model C" sponsorship as well as other programs and services beyond fiscal sponsorship. Our sample was evenly balanced between "Model C" Pre-approved Grant (68%) and "Model A" Comprehensive (72%) fiscal sponsors, representing the majority models offered, with 48% of respondents offering *both* "Model C" and "Model A". Only 18% and 17% of our sample offered *only* "Model A" and "Model C", respectively. Most (76%) respondents carry out other programs and services in addition to fiscal sponsorship. And for 51% of those respondents, fiscal sponsorship work constituted more than 60% of total organizational expenses.

(f) Which model(s) of fiscal sponsorship do you actively practice? n=99



>> Half of sponsors manage sponsored project portfolios of fewer than 30 projects with the next largest group of sponsors managing between 30 and 99 projects. While 32% of respondents maintained portfolios of between 30 and 99 projects, 50% of respondents managed fewer than 30 projects, and 18% managed portfolios of 100 or more projects. Despite being in the minority (18% of respondents), those sponsors with portfolios over 100 projects accounted for 72% of all reported project expenses under management, with medium-size portfolio managers stewarding the second largest share of project expenses at 19%.

(g) How many projects did you sponsor? n=100



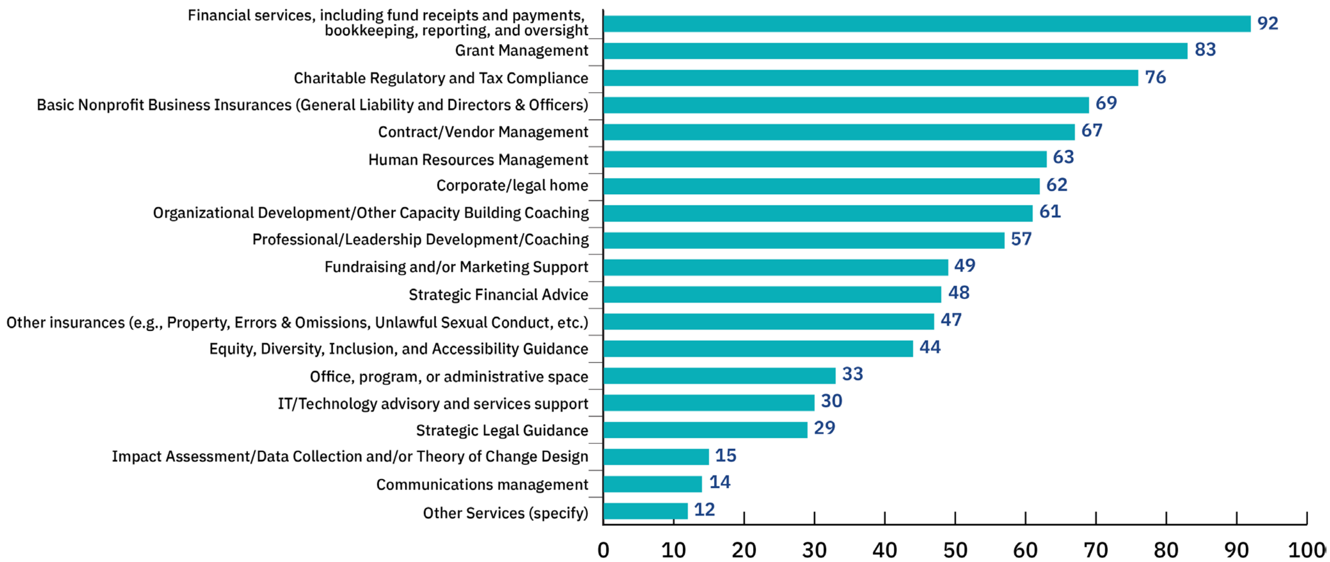
>> Cost recovery strategies for fiscal sponsorship support vary, but most apply cost allocations ("fees") as fixed percentages on project revenue. Over 50% of respondents stated that they collect the shared costs by applying a fixed percent on revenues. Only 5% of respondents confirmed that their method of cost recovery is based on expenses. Still many use tiered or variable cost rates on revenues, as well as minimum annual fees.

Overall, sponsors reported cost allocation rates ("fees") to be between 1% and 15%, and of those that applied fixed rates, these ranged between 5% and 12% of revenue. The sample (18% of respondents) offering only "Model C" fiscal sponsorship reported allocation rates between 6% and 8%. The group of respondents (17%) offering only "Model A" reported cost allocation rates between 8% to 12% of revenues. Eleven sponsors referenced assessing a flat rate over a regular period of time, with rates varying from $30,000 to $666,000 per year. Overall, 78% of all respondents confirmed that they recover most or all of costs. The majority of the organizations that were able to recover their costs are larger in expense and have established fiscal sponsorship programs.

Opportunities

>> Fiscal sponsorship's core support areas are expanding beyond basic back-office to include more whole-systems capacity building support for projects. The majority of sponsors (73%) offer basic back office support (corporate home, finance, HR, legal, insurance, and compliance), with many also offer vital capacity building (61%), professional development coaching (57%), and fundraising support (49%) to their projects. The support areas toward the middle of the following graph indicate a potentially burgeoning range of practices or expansions beyond the traditional fiscal sponsorship model toward more holistic, capacity building support. It is significant to note that 58% of respondents (n=100) offer those support areas that reach beyond core back office.

(h) What services or support do you offer to your sponsored projects? n=951



>> Medium/large fiscal sponsors represented the largest cohort of respondents, suggesting a "critical capacity" threshold of about $1M in operations as sponsors grow in scale. Medium/large sponsors (expenses $1 million and $10 million) manage the greatest diversity of portfolio sizes, individual project sizes, and mark the threshold at which we start seeing portfolios of 100 projects or more. Sponsors with portfolios of greater than 100 projects accounted for 72% of all sponsored project revenue reported.

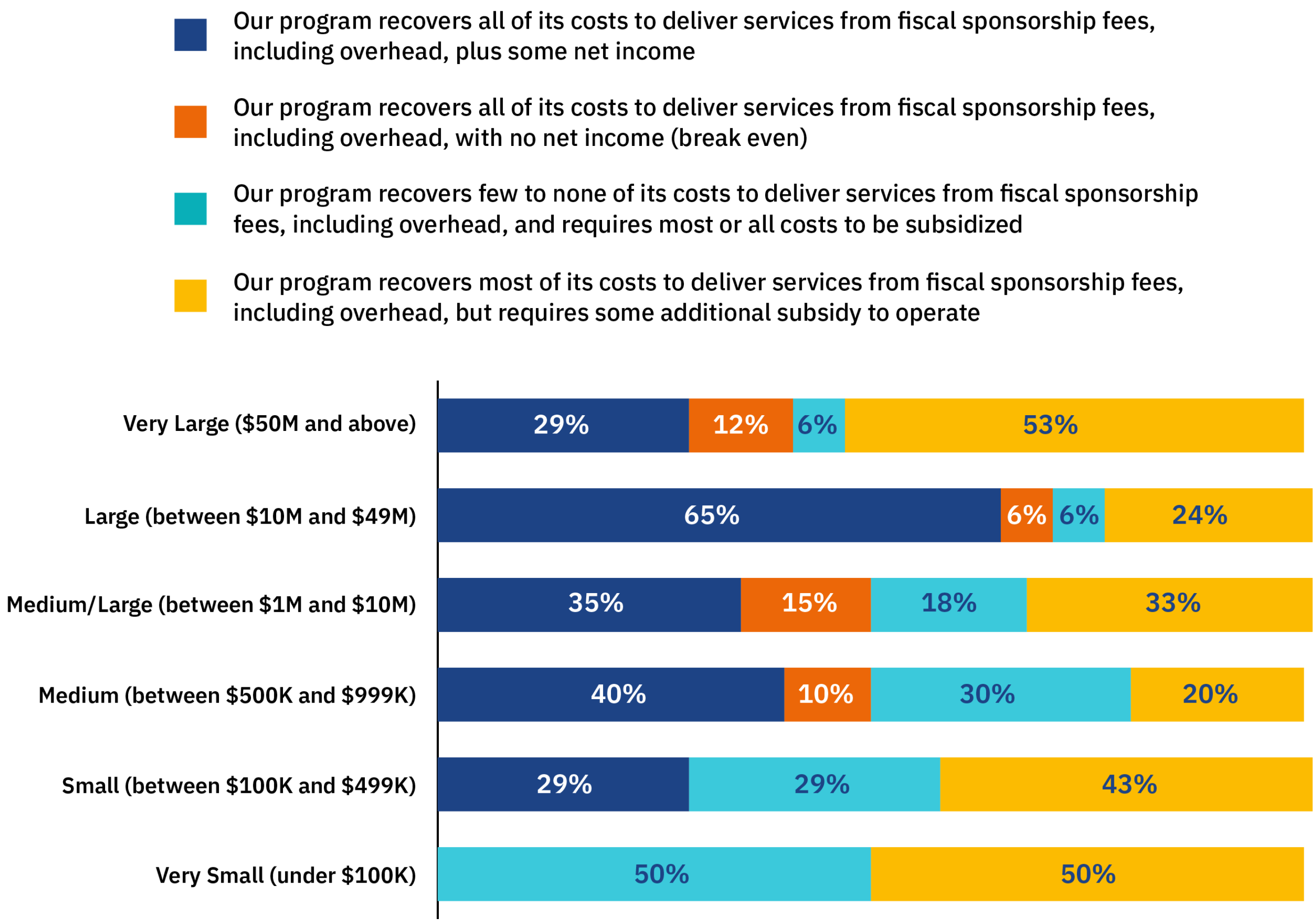
(i) Number of projects and total project portfolio expenses reported by organization size

Organization's size	# of Organizations responded	# of Projects sponsored	Total expenses of fiscally sponsored projects	Total expenses of organizations
Very Small (under $100K)	4	18	$72,313	$160,611
Small (between $100K and $499K)	10	211	$8,767,724	$2,134,613
Medium (between $500K and $1M)	12	284	$4,796,166	$9,185,201
Medium/Large (between $1M and $10M)	41	4,178	$122,312,983	$187,113,798
Large (between $10M and $49M)	17	6,236	$239,277,689	$366,410,846
Very Large ($50M and above)	16	1,257	$2,089,295,945	$3,305,404,547
Grand Total	**100**	**12,184**	**$2,464,522,820**	**$3,870,409,607**

>> At the smaller end of the expense spectrum, sponsors struggle with capacity and scaling. Most sponsors (78%) reported recovering most to all of their costs to deliver services, with 22% recovering few to none of its costs, or unsure about cost recovery.

Looking just at fiscal sponsors operating below $10 million, 54% percent of all smaller fiscal sponsors (expenses less than $10M) reported that they are not recovering their costs indicating a need for sustained subsidy for sponsorship support increasing as the overall budget size of the sponsor decreases. In light of the critical scale threshold noted above related to medium/large sponsors, the challenges with recovering full cost for sponsors below $1 million could also be addressed through direct capital investment in capacity building and scaling up for those sponsors where such a strategy makes sense.

(j) Fiscal sponsor cost recovery by sponsor program size in annual expenses
n=100



By the Numbers

1. Economic & Operational Impact			
Area of Impact	**Total**	**Median**	**Mean**
Overall organizational expenses (n=99):	$3,870,409,607	$5,353,534	$38,704,096
Overall organizational revenues (n=99):	$4,486,634,197	$5,977,890	$44,866,342
Number of sponsored projects (n=100):	12,184*	29	122
Total sponsored project portfolio expenses (n=96):	$2,464,522,820	$3,226,137	$25,672,113
Total sponsored project portfolio revenues (n=59):	$2,602,508,804	$4,727,191	$44,110,319
Government funding to sponsored projects reported by respondents (n=46):	$576,396,746	$542,385	$12,530,364
Number of sponsored project employees (n=55):	7,433	26	135
Number of sponsored project independent contractors (n=63):	11,169	63	177
Total employee payroll (n=50):	$412,194,079	$1,093,473	$8,412,124
Total contactor expenditures (n=52):	$188,203,895	$951,909	$3,619,306

2. Program Age, Geography, and Life Stage	
Number of fiscal sponsor programs started after 2000:	73%
The share of growth in sponsors that are locally and regionally focused:	53%
3. Sponsorship Models, Mission Areas Represented, and Resources	
Representation of “Model A” Comprehensive Fiscal Sponsorship in our sample:	72%
Representation of “Model C” Pre-Approved Grant Fiscal Sponsorship in our sample:	68%
Number of sole “Model A” and “Model C” respondents, respectively:	18% + 17%
In addition to core support, capacity building is offered by:	61%
In addition to core support, fundraising is offered by:	49%
4. Portfolio Size Relative to Total Project Assets under Management	
Sponsors managing fewer than 30 projects:	50%
Sponsors managing between 30 and 99 projects:	32%
Sponsors managing more than 100 projects:	18%
Share of total reported project expenses for the organizations with >100 projects is:	72%
5. Portfolio and Project Size Relative to Overall Sponsor Budget Size	
The portion of sponsors operating between $1M and $49M in overall expenses:	58%
The greatest diversity in project and portfolio sizes are in medium/large-size sponsors:	41%
Respondents offering programs in addition to fiscal sponsorship:	76%
Number of respondents where fiscal sponsorship was >60% of overall expenses:	51%
6. Fiscal Sponsorship Costs and Cost Recovery	
Respondents using a fixed percent cost allocation applied to revenues:	58%
Sponsors reporting recovery of all/most of their costs through allocations:	78%
Share of smaller fiscal sponsors (<$10M) that would benefit from subsidy for their sponsorship work:	54%

(*) Within this total, one organization’s portfolio accounts for 4,952 projects.

PART II
Diversity, Equity, Inclusion, & Access

For each of the demographic analyses below, we provide the summary data from the field scan expressed as percentages (the first graph in each section). This is followed by a comparative analysis of the field scan data sample next to the much larger sample of responses to the same question protocol gathered by Candid via its website between 2020 and October 2023 (n= ca. 200,000). In each case the baseline (literally the horizontal center line of the graph) represents Candid's data, and the bars (+/-) represent the deviation of the field scan's data from the Candid data set.

Throughout this section of the report, the "n=N" figures often exceed 100 (the number of responding organizations for our survey). This is owing to the fact that respondents were asked to provide answers in percentages for each demographic identity (i.e., Black/African American/African, Female, Trangender, Disabled, etc.) meaning that for each constituent group (i.e., Project Directors, Staff, Senior Staff, and Board) total responses exceeded 100 in most cases, depending on how many different identities were represented in each constituent group. Percent responses were then averaged for all respondents for each demographic identity to yield the data presented in each summary graph. We share the summary responses for each demographic group below along with the Candid comparatives. Both the summary data graphs for each group along with details of response rates for each group are shared in the Data Index following the Detailed Summary sections.

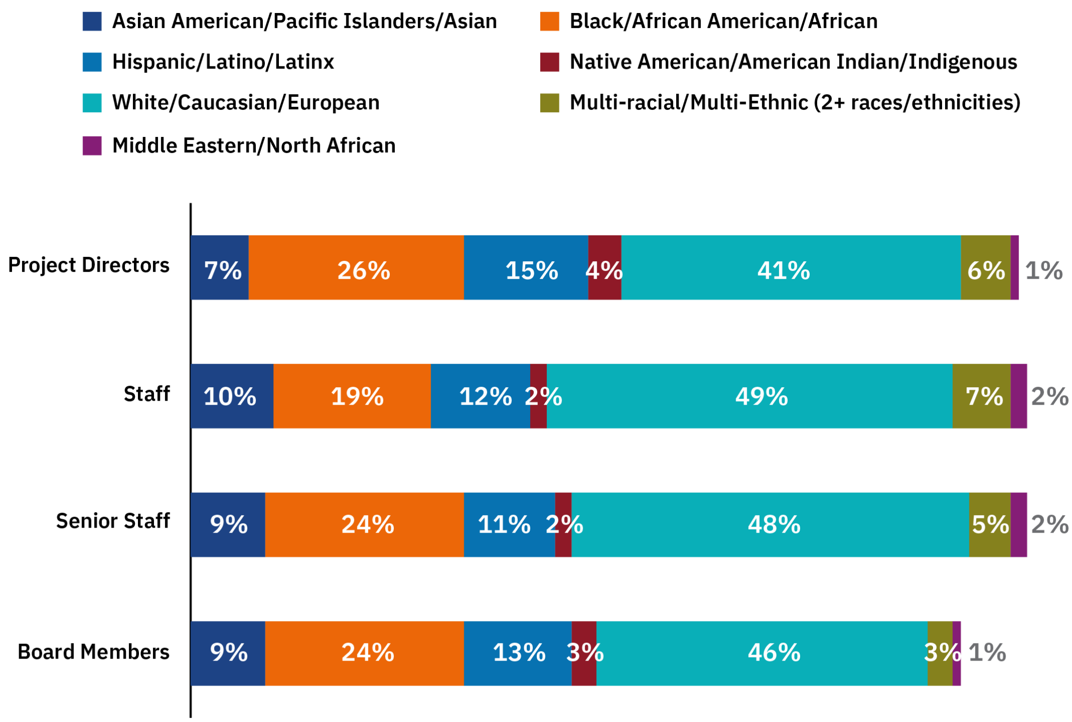
Strengths

>> Sponsors–and to a greater degree, the projects they support–exhibit more diversity than the nonprofit sector overall. Comparing our diversity, equity, inclusion, and access (DEIA) data with a larger data sample collected directly by Candid via their website using the same survey protocol we employed for our survey, we found that fiscal sponsors and the projects they support exhibited notably greater diversity than the data profile of the broader nonprofit sector.

Racial Demography of Staff and Leadership: With regard to racial identity, with the exception of "Staff" (where "White/Caucasian/European" is generally on parity between our sample and the broader sector) fiscal sponsor data shows greater representation across all other groups. The graph below shows deviation of our fiscal sponsor survey data from the baseline data provided by Candid. It is notable that the greatest relative diversity of representation relative to the other constituent groups tracked was among Project Directors, which had the lowest representation of White/Caucasian/European and the highest percentage of the remaining top three groups represented, including Native American/American Indian/Indigenous (at 4% or roughly double their representation in the other three constituent groups).

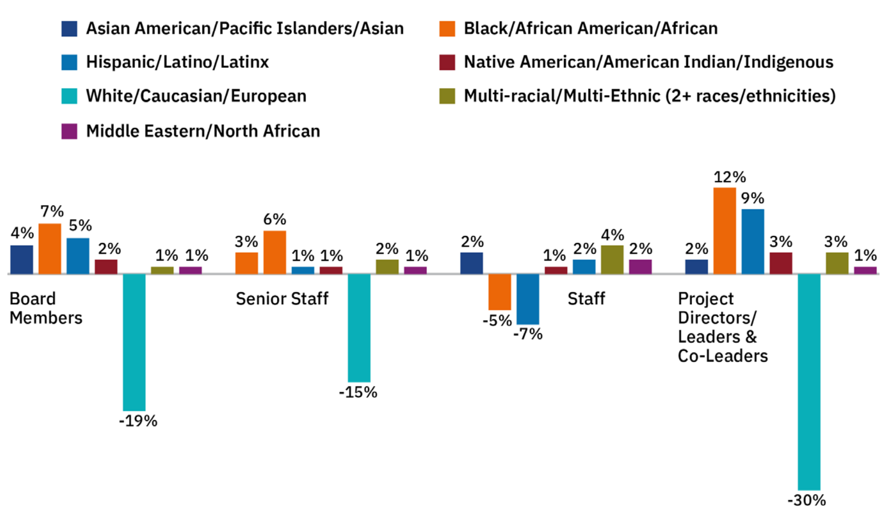
(a) Average racial demography by constituent group

Project Directors n=208 Staff n=263 Senior Staff n=194 Board Members n=267



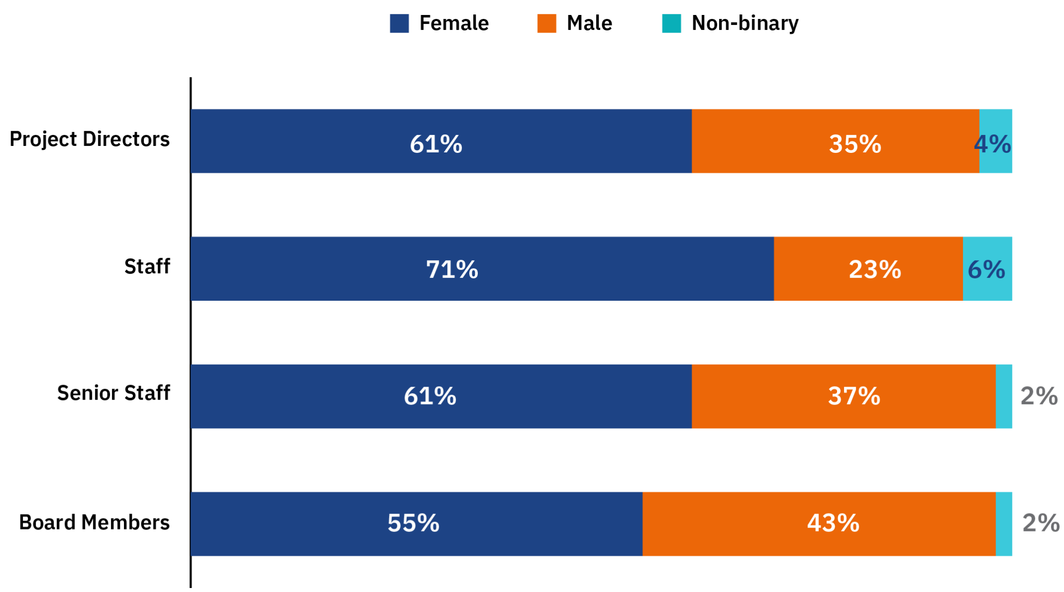
The below comparative graph shows a notably lower preponderance of of White/Caucasian/European identifying people (the negative bars) in the field scan data than the larger nonprofit population data collected by Candid, whereas the positive bars show higher representation than in the Candid data set of other racial identity groups, notably Black/African American/African, and Hispanic/Latino/Latinx.

(b) Comparison of average representation of racial demography: field scan vs. baseline Candid data set



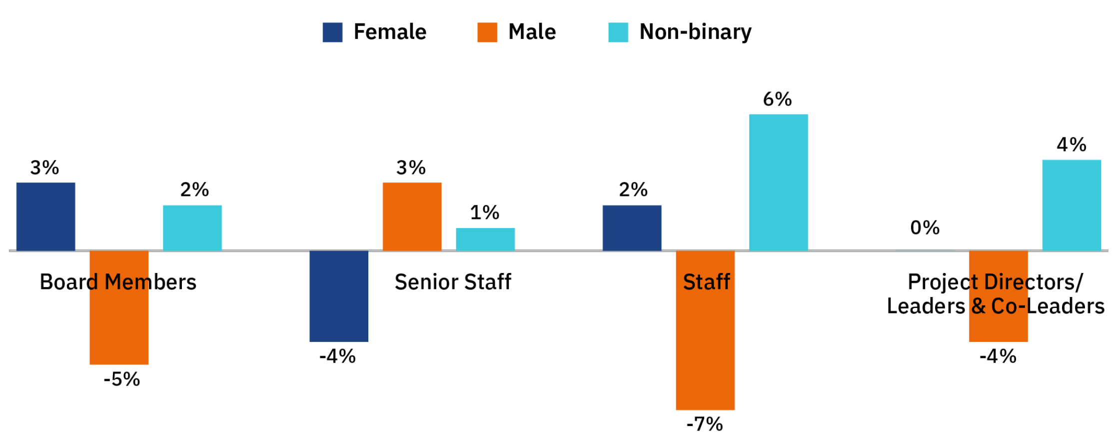
Gender Demography of Staff and Leadership: In field scan data summary below what is notable is the fact there is more than twice the representation of non-binary-identifying individuals among Project Directors (4%) and Staff (6%) as compared to Senior Staff and Board Members making these two groups comparatively more diverse in gender identity than Senior Staff and Board Members.

(c) Average male/female/non-binary demography by constituent group
Project Directors n=85 Staff n=147
Senior Staff n=124 Board Members n=150



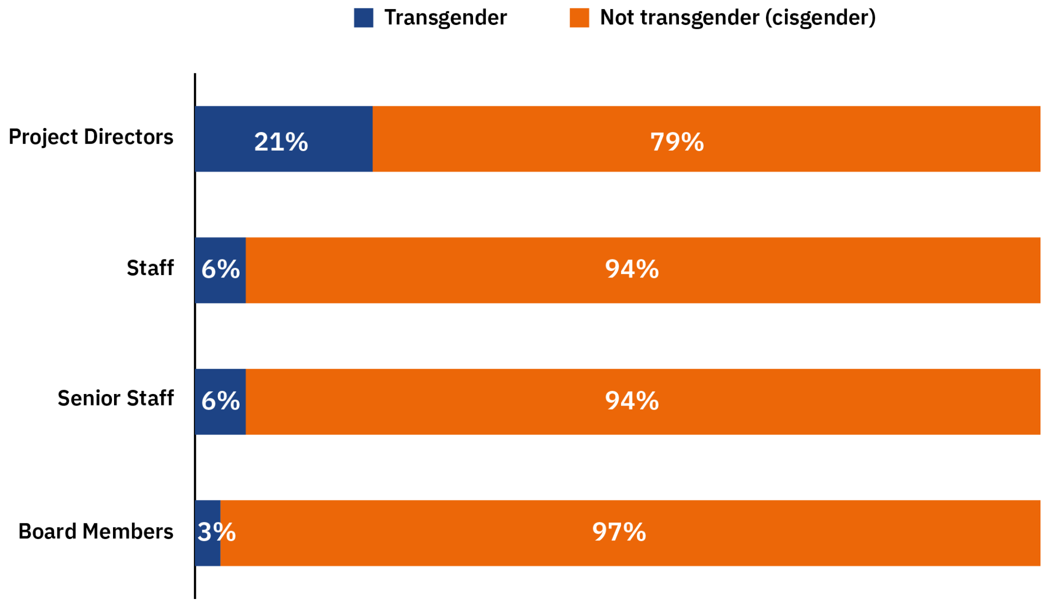
In our comparison of field scan data with Candid's broader nonprofit data on gender, we find fiscal sponsors with notably less representation of male identifying individuals than the general population, with the exception of Senior Staff, which showed more male than female representation. The above-noted gains in representation for non-binary individuals is seen across all constituent groups.

(d) Comparison of average representation of gender demography: field scan vs. baseline Candid data set



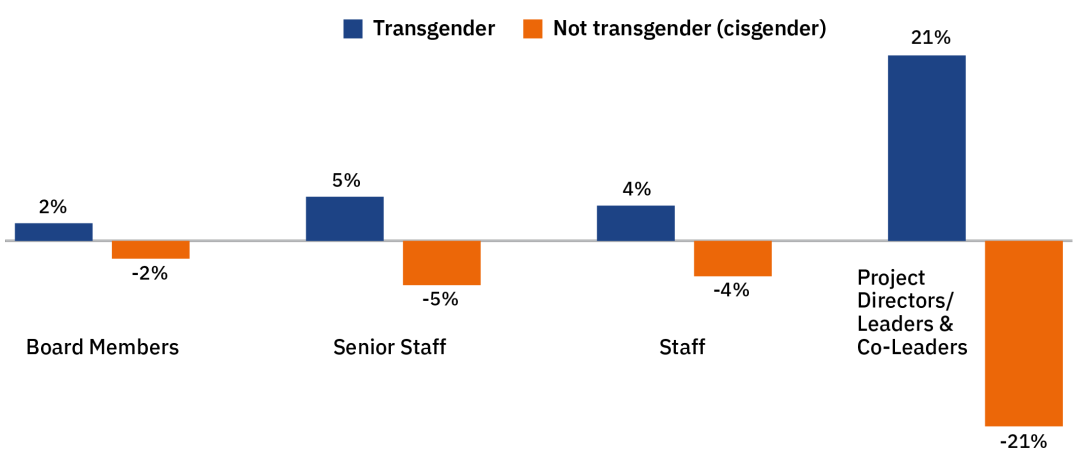
<u>**Transgender Demography of Staff and Leadership:**</u> Of the data collected for transgender-identifying individuals, the majority of representation was in those who identify as cisgender, an average of 91% across all constituent groups. Particularly of note, though, is the 21% who identify as transgender among Project Directors, more than three times the representation in the other three groups. Transgender representation among Board Members was the lowest at 3%.

(e) Average transgender demography by constituent group
Project Directors n=33 Staff n=45 Senior Staff n=39 Board Members n=35



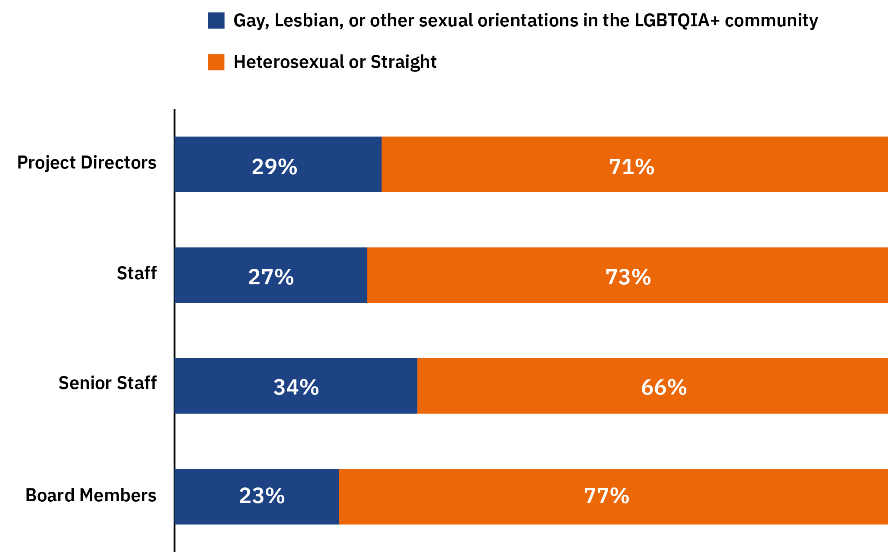
In our comparison of field scan data with Candid's broader nonprofit data on transgender identity, we find fiscal sponsors with more representation of transgender identifying individuals than the general population across all constituent groups.

(f) Comparison of average representation of transgender demography: field scan vs. baseline Candid data set



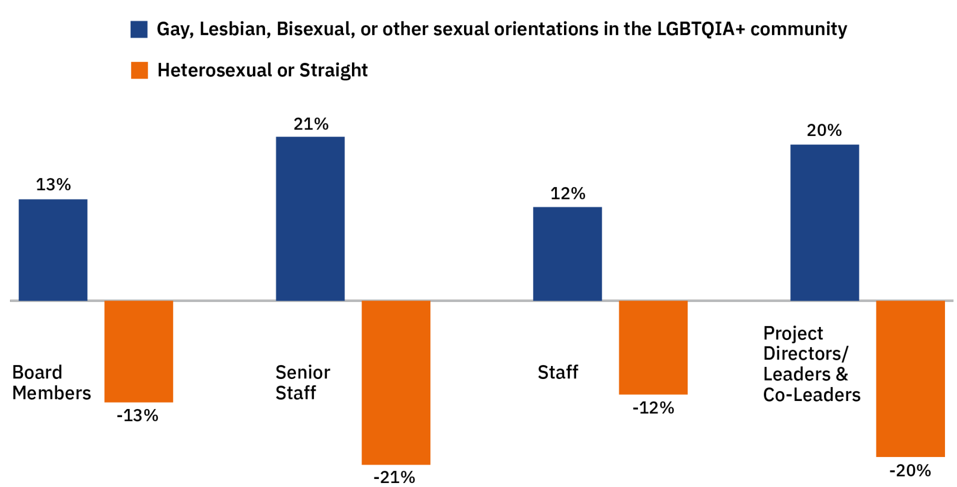
<u>Sexual Identity Demography of Staff and Leadership:</u> The majority identity group reporting was Heterosexual/Straight, at an average of 72% over all four constituent groups, followed by an average of 28% for those identifying as LGBQIA+. The largest representation of LGBQIA+ individuals was found among Project Directors (29%) and Senior Staff (34%).

(g) Average LGBQIA+ and heterosexual demography by constituent group
Project Directors n=36 Staff n=52
Senior Staff n=51 Board Members n=48



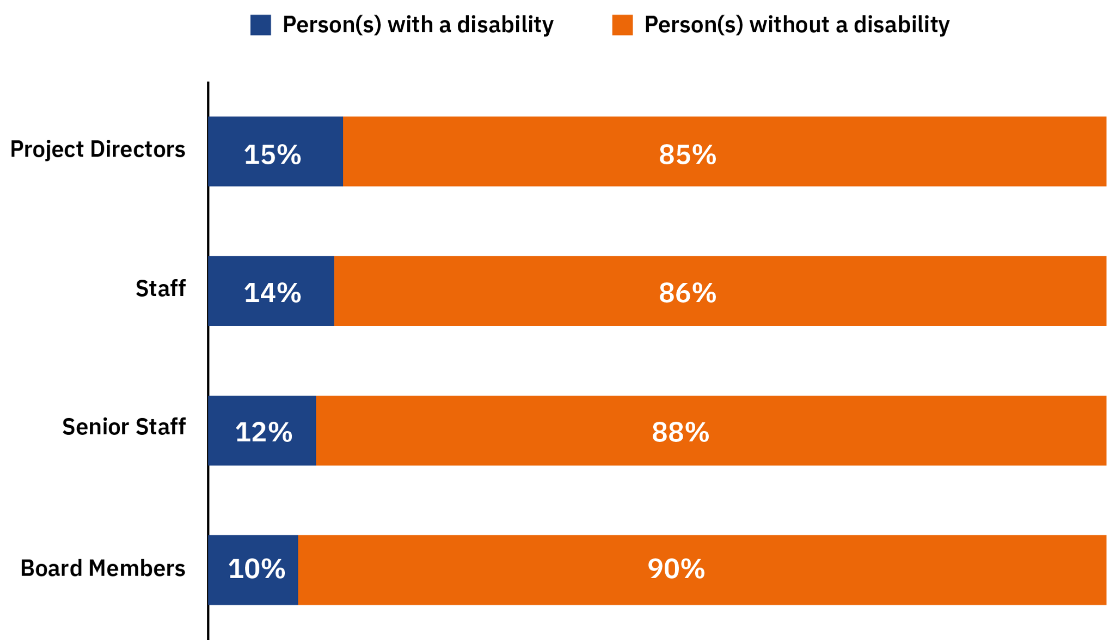
As with the other comparisons of the field scan data with the larger Candid data set, we see lower representation of the predominant population of heterosexual identifying individuals, and greater representation of LGBQIA+ people.

(h) Comparison of average representation of transgender demography: field scan vs. baseline Candid data set



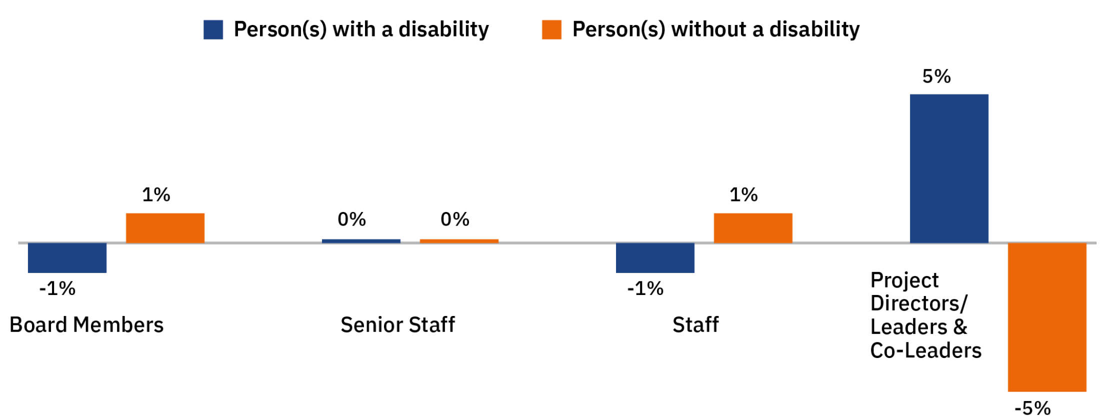
Disability Identity Demography of Staff and Leadership: The majority identity group reporting were people without a disability, at an average of 87% across all four constituent groups, followed by an average of 13% for those identifying as individuals with a disability. As with other identity groups, the largest representation of individuals with a disability was found among Project Directors (15%), followed by Senior Staff (14%).

(i) Average disability demography by constituent group
Project Directors n=21 Staff n=36 Senior Staff n=27 Board Members n=26



Comparing our field scan with Candid data, we find the greatest variances in representation among Staff and Project Directors, as compared to Candid's Leaders/Co-Leaders data. There are fewer people with disabilities among Staff and far greater individuals with disabilities among Project Directors.

(j) Comparison of average representation of individuals with disabilities demography: field scan vs. baseline Candid data set



Opportunities

>> Fiscal sponsors support a diversity group of stakeholders, but more work is needed to further diversity. There is evidence of more diverse representation among the key stakeholders of fiscal sponsors than in the overall nonprofit sector, indicating that fiscal sponsors can be a path toward supporting a more diverse nonprofit landscape. Nevertheless, there remains much work ahead. In the above analyses, Project Directors generally evidenced more diversity than Staff, Senior Staff and Board Members, indicating that sponsors still need to work on achieving better representation of the communities they serve among core staff and governance.

>> Use of data in driving diversity, equity, inclusion, and access practices, as assessed using Candid's questions, illustrated an emerging but not yet predominant commitment to DEIA work. Of those organizations that responded to the seven statements below concerning equity-centered use of data, most (an average of 58% across all practice statements) indicated that "rarely", "decline to state", are "unsure", or engage in "none of these" practices, with an average across all of 23% responding that they do "some of the time", and an average of only 19% reporting they do "all of the time". (See the Data Index for detailed response data for each statement.)

It is important to note that the high levels of responses "none of these" doesn't necessarily indicate an absence of equity-centered practices, just non-relevance or non-engagement related to the practices as defined by the statements below. It is notable that the responses concerning the employment of non-traditional methods of data collection (statement 6) with 28% of respondents answering "all the time", and the incorporation of equity considerations in strategic planning (statement 7) with 31% of respondents answering "all the time", showed the highest levels of practice as compared to the other five statements in this section.

Data was collected on the following seven statements regarding DEIA practices:

1. We review compensation data across the organization (and by staff levels) to identify disparities by race.
2. We disaggregate data to adjust programming goals to keep pace with changing needs of the communities we support.
3. We disaggregate data by demographics, including race, in every policy and program measured.
4. We ask team members to identify racial disparities in their programs and/or portfolios.
5. We analyze disaggregated data and root causes of race disparities that impact the organization's programs, portfolios, and the populations served.
6. We employ non-traditional ways of gathering feedback on programs and trainings, which may include interviews, roundtables, and external reviews with/by community stakeholders.
7. We have long-term strategic plans and measurable goals for creating a culture such that one's race identity has no influence on how they fare within the organization.

>> Equitable practices around staff, board, and vendor development were stronger than the use of data to drive equity-based decisions by sponsors, but there is nevertheless room for improvement. Of those organizations that responded to the six statements below concerning equity-centered policies and practices aimed at board, staff, and vendor recruitment, an average of 39% respondents across all practice statements indicated that they do not engage in these practices or do not chose to report ("rarely", "decline to state", "unsure", and "none of these"), with an average across all of 24% responding that they do "some of the time", and an average of only 37% reporting they do "all of the time".

For this set of practices, we saw more representation of affirmative practice (an average of 37% responses across all six statements) as compared to an average of 18% "all of the time" responses to the above seven data-related statements, suggesting that the integration of data into equity practices lags other approaches concerning staff, vendor, and board development as many organizations continue to center equity.

The six practices that we gathered data on are the following:

1. We use a vetting process to identify vendors and partners that share our commitment to race equity.
2. We engage everyone, from the board to staff levels of the organization, in race equity work and ensure that individuals understand their roles in creating culture such that one's race identity has no influence on how they fare within the organization.
3. We have a promotion process that anticipates and mitigates implicit and explicit biases about people of color serving in leadership positions.
4. We measure and then disaggregate job satisfaction and retention data by race, function, level, and/or team.
5. We seek individuals from various race backgrounds for board and executive director/CEO positions within our organization.
6. We help senior leadership understand how to be inclusive leaders with learning approaches that emphasize reflection, iteration, and adaptability.

>> Overall, data collection and reporting was weakest for the DEIA-related questions in this part of the survey, with high levels of unavailability or nonparticipation. Generally, DEIA data responses were the lowest in all the data we collected, with high rates of "unsure", "don't collect", "decline to state" and with the fewest overall responding participants, averaging roughly 50% of our sample. While demographic data on Project Directors did indicate greater diversity, there was less data available on project directors than for sponsor board and staff, evidencing the need for more consistent data collection on project leadership, if the fiscal sponsorship field is to continue to build its case for supporting diverse communities and leaders.

By the Numbers

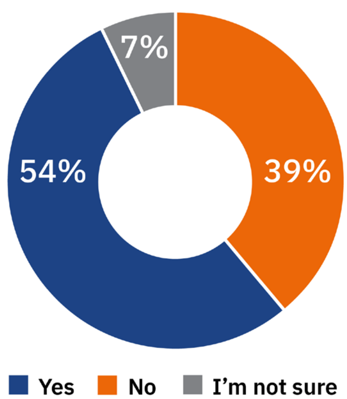
1. Racial Demography of Staff and Leadership	
Racial groups represented, averaged over all four constituent groups:	
White/Caucasian/European	46%
Black/African American/African	23%
Hispanic/Latino/Latina/Latinx	13%
Asian American/Pacific Islander/Asian	8%
Multi-racial/Multi-ethnic	5%
Native American/American Indian/Indigenous	3%
Middle Eastern/North African	1%
2. Gender Demography of Staff and Leadership	
Gender groups represented, averaged over all four constituent groups:	
Female	62%
Male	35%
Non-binary	3%
Cis-gender	91%
Transgender	9%
3. Sexual Identity Demography of Staff and Leadership	
Sexual identity groups represented, averaged over all four constituent groups:	
Heterosexual/Straight	72%
LGBQIA+	28%
4. Disability Identity Demography of Staff and Leadership	
Disability identity groups represented, averaged over all four constituent groups:	
Persons without a disability	87%
Persons with a disability	13%
5. Diversity, Equity, Inclusion, & Access Practices: Use of Data	
Organization responses, as an average of respondents across seven practice points:	
"All of the time"	19%
"Some of the time"	23%
"Rarely", Decline to state", "Unsure", "None of these"	58%
6. Diversity, Equity, Inclusion, & Access Practices: Staff, Board, and Vendor Development*	
Organization responses, as an average of respondents across seven practice points:	
"All of the time"	39%
"Some of the time"	23%
"Rarely", Decline to state", "Unsure", "None of these"	39%

PART III
Sponsorship Program Capacity

This part of the survey contained the most extensive set of questions and data points, all relating to financial, legal, and personnel practices behind the sponsor-project relationship. Much of this practice-related data will be of interest to sponsors and projects but represents neither a strength of the field nor an opportunity for growth per se. For this data, please see the Data Index section for collated responses for all Part III questions. Below, we have pulled out some areas that represent general consensus around and evidence of strong practice, as well as some areas of attention where growth may be indicated in the form of the need for more widespread practice.

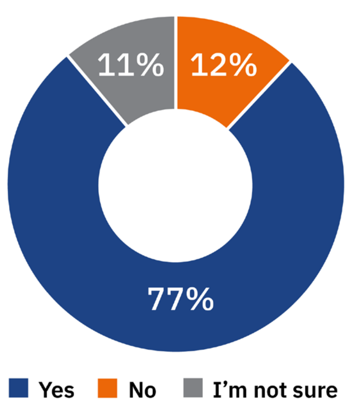
Strengths

>> More than half of all sponsors (54%) report that they track their whole cost to deliver support to projects. That said, we do not know if the definition of full cost and methods used to calculate it are consistent across respondents. Nonetheless, the majority of sponsors are aware of their full cost to deliver their support and other resources.



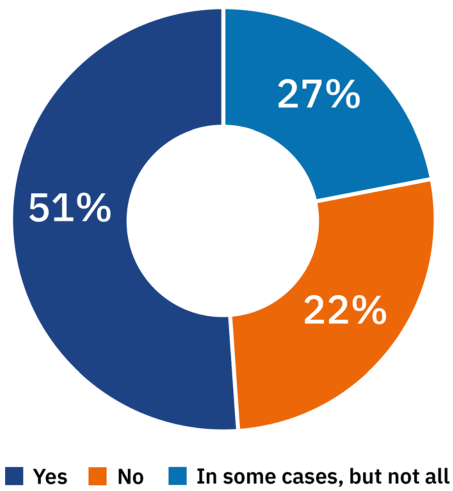
(a) Do you budget and track your cost to deliver fiscal sponsorship services separately from the expenses of your projects' activities and other programs of your organization? n=90

>> Roughly three-quarters (77%) of sponsors track sponsored project funds separately from other program or general operating costs. Twelve percent report they do not track sponsored funds separately with 11% unsure how they track project funding. Fund accounting practices are also less consistent among smaller sponsor organizations under $1 million in size.

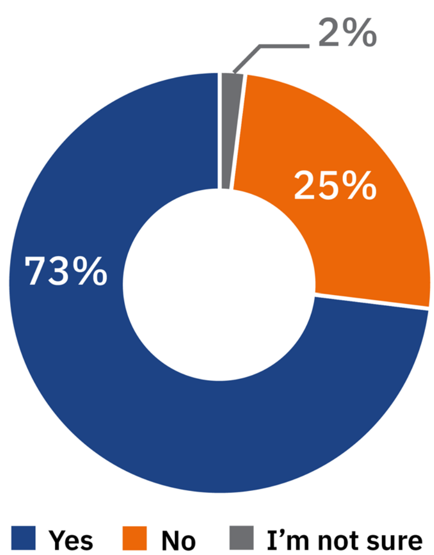


(b) Do you track the costs and revenues incurred by your sponsored projects separately from the other costs and revenues of your organization? n=82

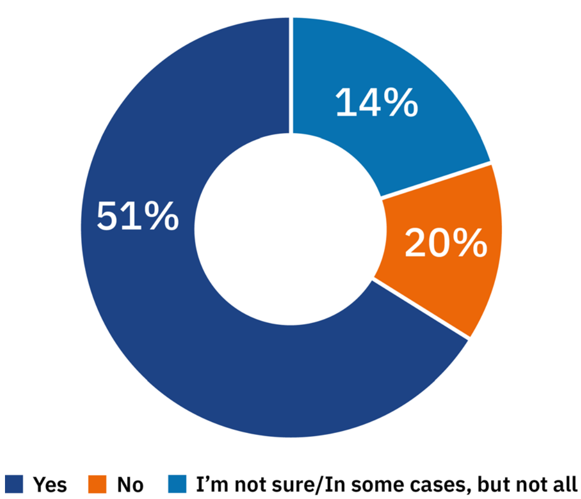
>> Most sponsors require projects to prepare and submit annual budgets and provide basic financial reports back to their projects. Still roughly a quarter of sponsor respondents neither require budgets nor report back to their projects regularly, which doesn't necessarily indicate intentionally poor practices, but rather could be attributed to a variety of reasons outside the scope of the survey: lack of staff capacity, adequate systems, etc.



(c) Do you require that your projects prepare and submit an annual budget?
n=86

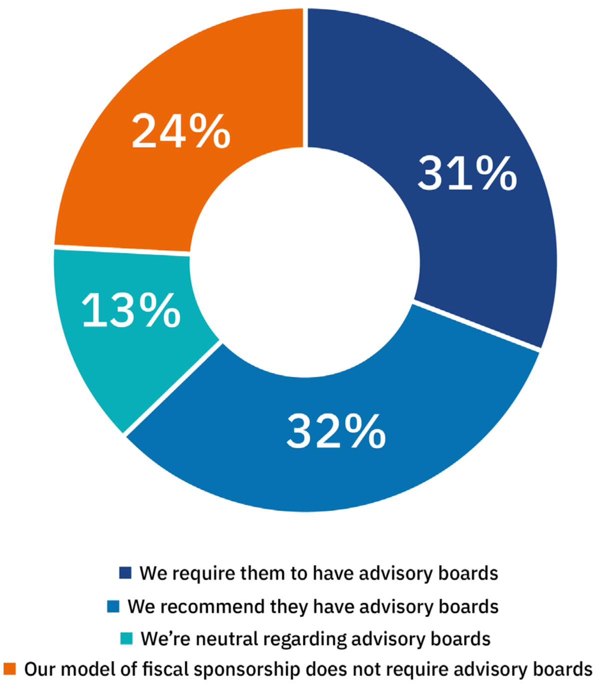


(d) Do you provide budget-to-actual reports to individual projects?
n=44



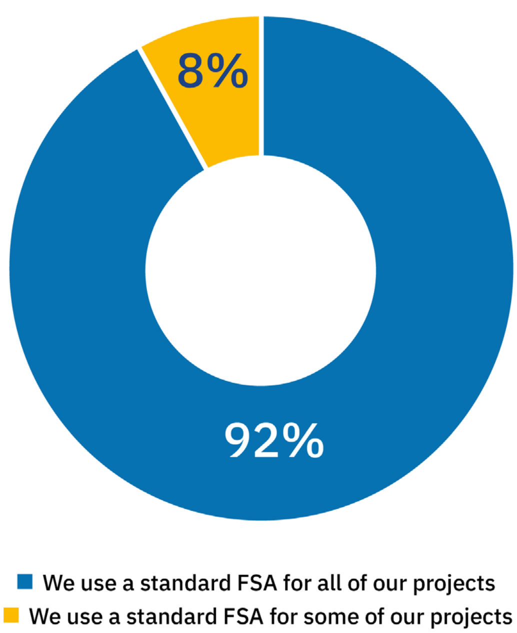
(e) Do you maintain individual balance sheet reporting for each sponsored project?
n=86

>> The largest group of sponsors (32% of respondents) *recommend* Advisory Boards for sponsored projects, followed closely by 31% which *require* Advisory Boards. The balance of responses were from sponsors who were neutral on the subject or whose model(s) do not require advisory bodies for projects.



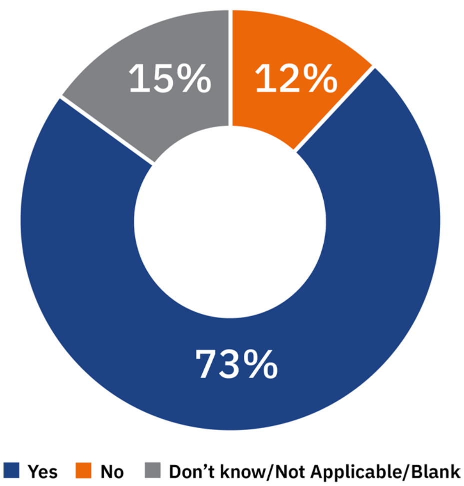
(f) Which of the following best describe your organization's approach to advisory boards for sponsored projects?
n= 87

>> Most fiscal sponsors (92%) use a form of Fiscal Sponsorship Agreement (FSA) with all of their projects, with only 8% using FSAs some of the time. This is roughly in keeping with 2006 Field Scan responses that 90% (n=111) of sponsors used FSAs with all of their projects.



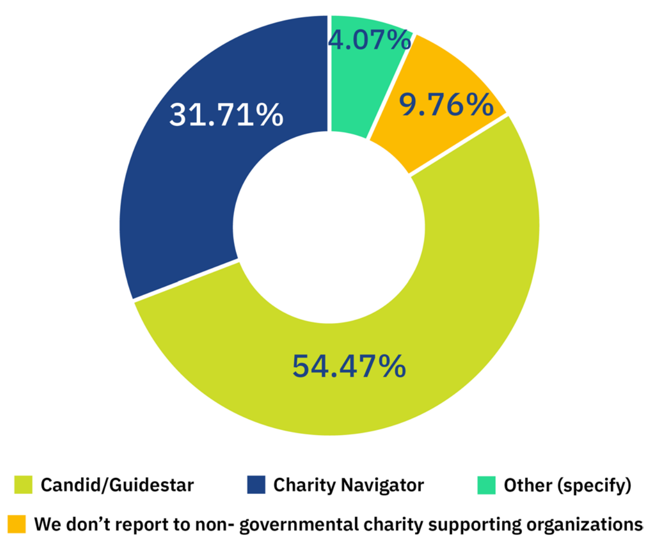
(g) Do you use a standard Fiscal Sponsorship Agreement (FSA) or MOU form for your sponsored projects?
n=86

>> Of respondents (excluding those who only provide "Model C") 73% offer General Liability Insurance coverage to their projects.



(h) Do you maintain general liability insurance for your projects? n=73

>> The majority of sponsors (90%) maintain profiles with a charity accountability or "watchdog" organization. Only 10% of sponsors reported not maintaining such voluntary public profiles.



(i) Do you maintain profiles with charity reporting "watchdog" organizations? n=73

>> Most sponsors offer basic benefits to both employees, and the employees of their projects. Many also offer extended support and best practices for staff development, such as professional development, orientation, trainings, etc. Separating out sponsors who offer only "Model C" fiscal sponsorship, which typically do not function as the employer of record for project staff, yields the adjusted data set below. 73% of the adjusted respondent group offer health benefits to project staff. Of those who offer short-term and long -term disability benefits to staff, 83% also offer them to project employees. And 88% of the organizations that offer retirement funds to their employees also offer them to the employees of their projects. Of the organizations that offer "Model A" sponsorship, only 16% do not offer benefits to project employees, and only 8% offer benefits to neither core nor project staff.

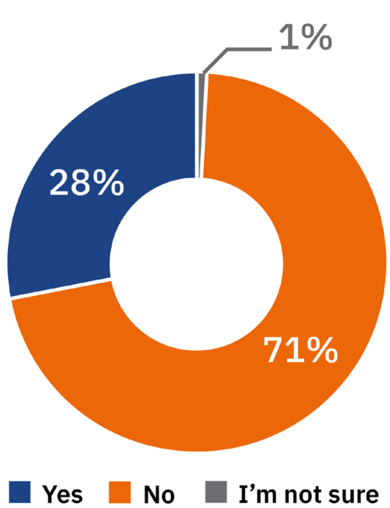
(j) Benefits offered to both core sponsor and project staff (omits sponsors offering exclusively "Models C, E, or F") Core Staff n=188 Project Staff n=169

Concerning additional support offered to employees, respondents (n=86) reported as follows:

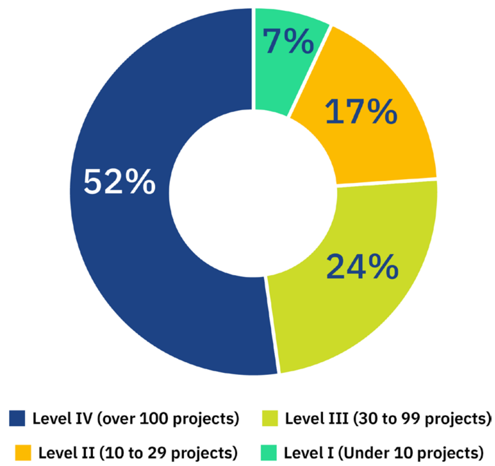
Area of Employee Support	% Reporting
Offer professional development to the organization and project staff	91%
Conduct staff training and orientation for sponsored project employees	71%
Maintain a Project Manual or other written policy guide for sponsored projects	73%
Maintain a Human Resources Manual or equivalent for core and project staff	65%

Opportunities

>> Demand for sponsorship support exceeds sponsor program capacity ("supply"). A little over a quarter of respondents reported that they temporarily halted new project intake. Overall data shows that for every two new projects taken in, one project was turned away. The leading reason for holds on new projects is overall program capacity, with 62% of sponsors reporting active or imminent staff recruiting needs, in particular in front-line project relationship management and finance.



(k) Have you temporarily suspended or stopped new project intake within the last fiscal year? n=87



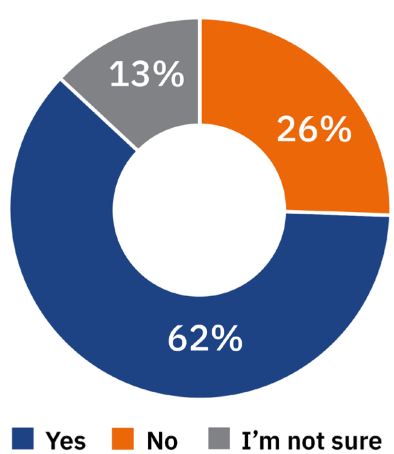
(l) Approximately how many projects have you turned away over the last fiscal year? (by portfolio size)
n= 897 projects across 62 organizations

Twenty-eight percent of respondents reported temporary holds on accepting new sponsored projects during the reporting period, with 80% of these citing lack of capacity as the main driver of this decision. Additionally, 86% stated that they turned away projects over the reporting period, a total of 897 projects, which is about half (46%) of all new projects added across all respondents.

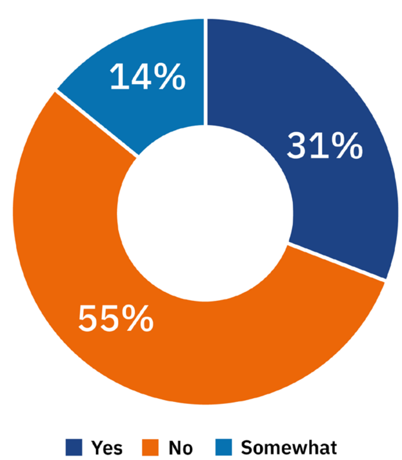
Projects Cycle	# of Projects	Across # of Organizations
Overall number of sponsored projects	12,184	100
New projects joining over the year	1,944	74
Projects turned away during the year	897	62
Projects transitioned during the year	442	49

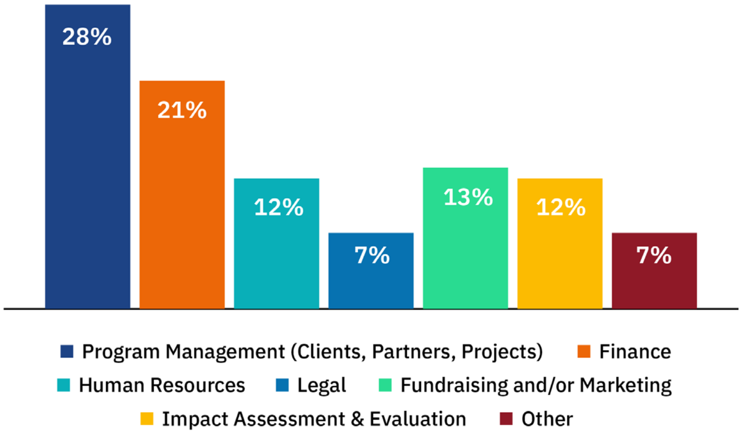
>> Staff capacity remains a concern for sponsors, with most sponsors reporting active new staff recruitment. Sixty-two percent of sponsors reported actively recruiting or needing to recruit more core staff to support projects, with the largest needs in project/program (front-line) management, followed closely by finance and HR. Only one-third of respondents said they have adequate staff and tech to support their fiscal sponsorship program, with 55% responding with "somewhat" adequate and about 14% say they do not have adequate capacity.

(m) Are you currently or do you anticipate searching for additional staff to support your sponsorship program in the next 12 months? n=86



(n) Do you have adequate staff to support your fiscally sponsored projects? n=86

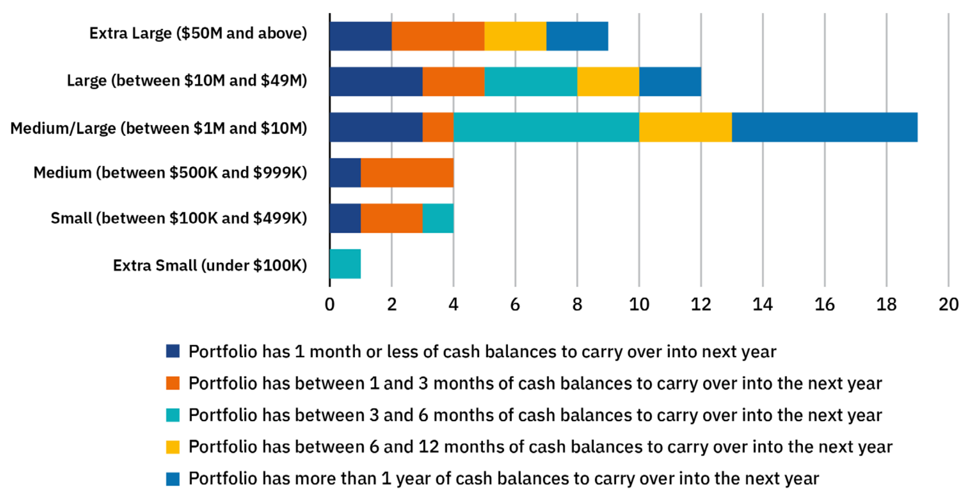




(o) What are your top two areas of immediate capacity needs? n=118 across 59 respondents

>> The overall liquidity of fiscal sponsors was highly variable across the spectrum of organization size, with nearly half of respondents evidencing less than 3 months of cash on hand. Liquidity is the measure of available cash on hand to meet near-term operating obligations, generally expressed as the number of months of available resources. Overall, 22% of respondents had less than 1 month of cash on hand; 26% of all respondents carried between 1 and 3 months of cash resources; 20% carried more than 3 to 6 months, 18% carried 6 to 12 months of cash, and 14% of all respondents carried more than 1 year of available cash.

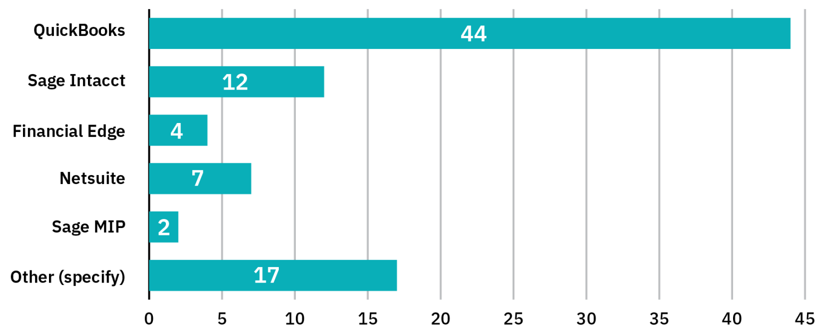
(p) Liquidity of fiscal sponsors by organization size n=96



In sum, 52% of sponsors reported more than 3 months liquidity with nearly a quarter operating with less than one month cash on hand. Liquidity figures, when analyzed across size of organization, presented a mixed story, though generally liquidity was stronger in larger sponsors than smaller sponsors. We also looked at the liquidity of sponsor portfolios as a whole as compared to sponsor core operations (as distinct from project operations). Please see Data Index for details on this analysis, but we note in many cases, particularly among larger sponsors > $10 million in expenses, that project portfolios are more liquid than the sponsor itself. The varying levels of liquidity in our sample, specifically the number of respondents reporting less than 3 months of liquidity, indicate the need for the field to build its overall working capital, especially on the sponsor side, to provide continuity and surety of support to sponsored projects.

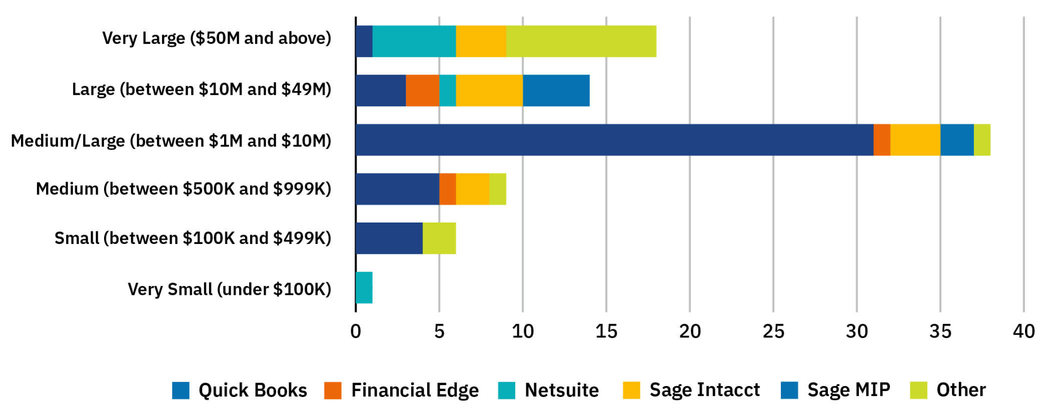
>> Most sponsors, including those operating above $1 million in expenses, are not using enterprise-level accounting systems. Accounting and sound financial management is a cornerstone of fiscal sponsorship. The top two financial accounting systems used by fiscal sponsors were QuickBooks (51% of respondents), followed by Sage Intacct (12%). However, to ensure transparency and legibility of finances for sponsored projects, most sponsors, in particular "Model A" practitioners, need to maintain true multi-entity accounting. This is challenging using QuickBooks, yet this system remains the dominant accounting system reported.

(q) What accounting system do you use? n=86



The transition to enterprise-level, multi-entity accounting systems did not seem to correlate to growth in portfolio size (see Data Index for accounting system usage by portfolio size), but rather overall sponsor financial size. This may indicate that the chief barriers to transitioning to a multi-entity system relate to overall staff capacity and capital to invest in such systems. Notably, QuickBooks utilization remained high among medium/large organizations (expenses between $1 and $10 million). Use of enterprise-level systems, such as Sage Intacct, Sage MIP, and Netsuite markedly increased once overall expenses grew above $10 million.

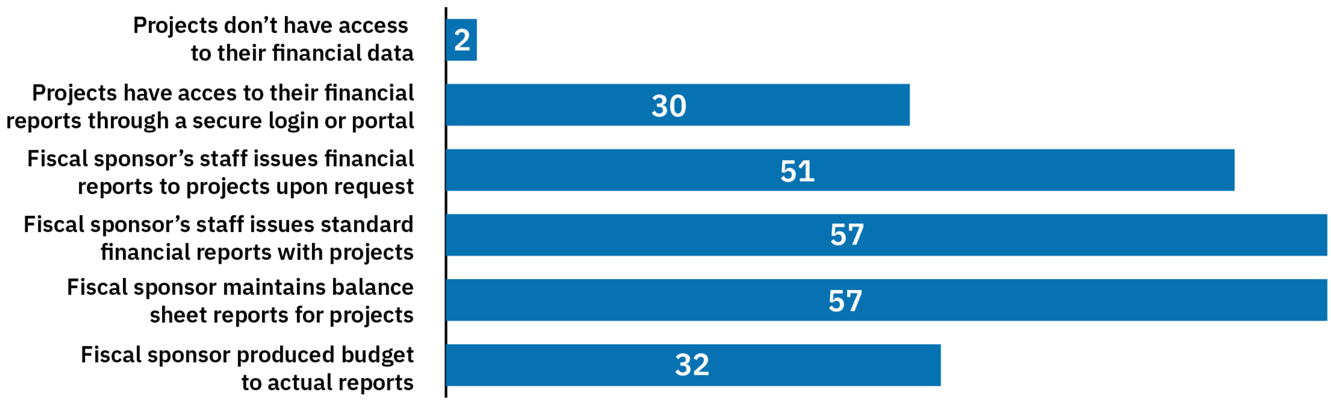
(r) Preponderance of financial systems utilized by fiscal sponsors by organization size n=86



>> There is room for growth in incorporating project voice and agency in governance and decision making for sponsors as well as in the support and nurturing of sponsor and project staff. While most sponsors (72%) do engage in some manner of board-level approval of new projects, 74% do not include projects directly in sponsor governance matters. As governance is the ultimate source of power and decision making in nonprofit structures, and power sharing is one of the values of equity-centered organizations, sponsors have room to grow in thinking about and utilizing the experienced voice of projects in sponsor governance.

>> While most sponsors provide basic reporting to projects, few offer direct online access to the project financials despite available technology to do so. Most sponsors offer financial reporting to projects, but the dominant practice remains either reporting on a set schedule or by project request, with only 30% of sponsors offering projects direct access to their financial information, despite available technology to facilitate this access. This may in part be owing to the challenges noted above in transitioning to cloud-based, enterprise-level accounting systems, which enable such access. It is notable that in the 2006 field scan only 4% of respondents provided real-time online access to financial reports, in 2023 the number of sponsors doing so increased to 30%.

Sponsor-to-project financial reporting practices n=86



By the Numbers

1. Financial & Business Practices	
Sponsors who know their whole cost-to-deliver support to projects:	54%
Respondents who track project financials separate from sponsor core operations:	77%
Portion of sponsors with less than 1 month of liquidity:	22%
Portion of sponsors with more than 3 months of liquidity:	52%
Sponsors using QuickBooks as their accounting system:	51%
Sponsors using enterprise-levels accounting systems (Sage Intacct, Netsuite, etc.):	29%
Sponsors that provide regular financial reports to projects:	63%
2. Sponsored Project Management	
Total sponsored projects reported:	12,184
New projects added during the reporting period:	1,944
Portion of sponsors who reported moratoria on new projects:	28%
Top reasons for spin out: stand-alone nonprofit status, move to another sponsor:	49%, 28%
Sponsors that require advisory boards:	31%
Sponsors that involve project representatives directly in sponsor governance:	12%
3. Staff & Support Capacity	
Number of full time equivalent staff reported by sponsors (including projects):	1,107
Sponsors reporting that they are planning to recruit/recruiting additional staff:	62%
Sponsors that feel they have adequate staff to support their projects:	31%
Sponsors who felt they have adequate technology to support their projects:	35%
Top areas of staffing needs reported: program/project management, finance	28%, 21%
4. People Management (Human Resources) Practices	
Benefits are offered to both core and project staff:	83%
Employment of staff directly instead of using a professional employment organization:	71%
Sponsors who manage payroll in-house:	57%
Offer professional development to the organization and project staff:	91%
Conduct staff training and orientation for sponsored project employees:	71%
Maintain a project manual or other written policy guide for sponsored projects:	73%
Maintain a human resources manual or equivalent for core and project staff:	65%
Have a customer/donor relationship management software:	59%
5. Legal, Insurances, & Risk Management Practices	
Sponsors that use a form of Fiscal Sponsorship Agreement (FSA):	92%
Sponsors reporting challenges in obtaining General Liability and other insurances:	9%
Providing other standard contract templates to their projects:	56%
Greatest areas of need in legal support -	
Contract or other transaction-related management:	43%
Tax-exempt matters:	27%
Human resources:	9%

CONCLUSION - The View Forward

Though we currently lack longitudinal comparative data, the field of fiscal sponsorship certainly appears to be growing and evolving. Based on the reports from the field and the studies cited in the background section, the motivation for growth points to our society's increasing challenges to social justice and civil society, as well as the rising threats of climate change and environmental sustainability.

The results of this field scan may not be surprising to those in the field and are likely to affirm perceptions regarding the attributes and patterns of practice among those who work in the field of fiscal sponsorship. For those less familiar with fiscal sponsorship, we hope this field scan affords them some valuable and useful insights into the state of fiscal sponsorship. Most importantly, this study serves to start building a data foundation to support (and also possibly to challenge) the body of largely qualitative and anecdotal research that exists to date. We view this effort as a first step in the broader endeavor to establish more standardized and consistent data collection and field reporting going forward. This, in turn, will improve access to such information for sponsors, sponsees, philanthropies, and policymakers.

The purpose of this report is not to reach too far beyond the data at hand to define specific recommendations concerning policy and practice. That is the job of the fiscal sponsor community in response to these findings. However, the field scan does suggest several broad areas of work and further research.

>> We need more shared standards for, and regular collection of data on the field. Some variances observed in the underlying data as well as lack of available data, in particular with regard to diversity, equity, inclusion and access, illustrates the need for a useful degree of standardization of key data sets as well as more regular data collection by and from sponsors.

>> Common data and common practices are related. More common data collection will necessitate the establishment of more common practices for the field, in particular in the area of financial accounting for fiscal sponsors, such as methods for calculating whole cost-to-deliver for sponsor support, fund accounting for projects, and how cost allocations (fees) are recorded. Such practices go beyond standards set by Generally Accepted Accounting Principles (GAAP) and the Financial Accounting Standards Board (FASB) and are more related to business practices specific to the field of fiscal sponsorship.

>> More research is needed into the emerging benefits and impacts of fiscal sponsorship. There is a need for further research in order to understand the forces driving growth in the field, current levels of comprehension and acceptance of fiscal sponsorship practices within philanthropy and the nonprofit sector in general, the health and impact of sponsor-sponsee relationships, and the evolving position of fiscal sponsors within the overall ecosystem of nonprofit intermediaries and solidarity economy practices, among others.

The field of fiscal sponsorship is poised to become a significant framework for shared infrastructure, solidarity, and equity for the 21st-century nonprofit sector. Realizing this potential, however, will require greater philanthropic investment in building the capacity of existing and future sponsors to support the continued growth and expansion of the fiscal sponsor ecosystem to meet the challenges and needs of diverse communities.

DATA INDEX

PART I: Basic Profile

PART II: Diversity, Equity, Inclusion, and Access

PART III: Program Capacity

3. Staff & Support Capacity

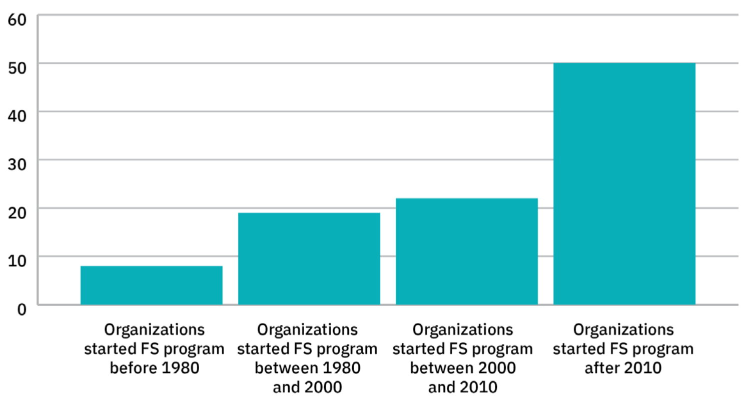
4. People Management (Human Resources) Practices

5. People Management (Human Resources) Practices

PART I - Basic Profile

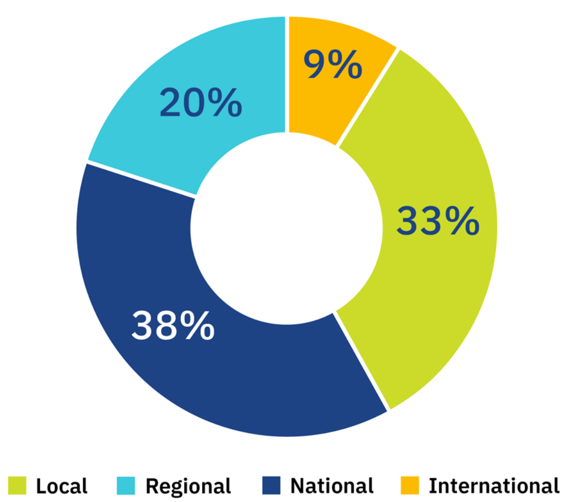
1. Program Age, Geography, and Life Stage

Overall, 73% of respondents began their fiscal sponsorship work after 2000.

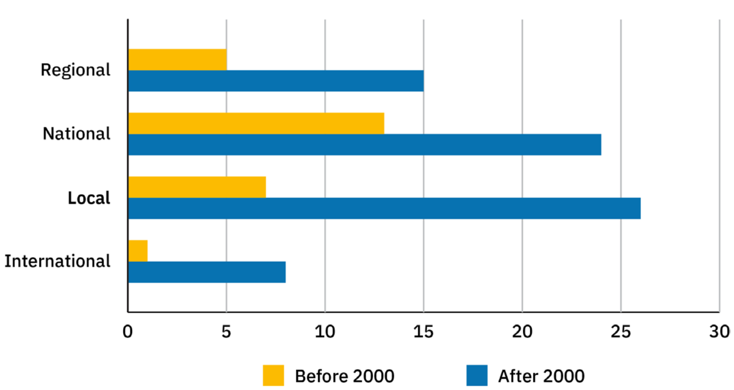


(a) In what year did you begin serving as a fiscal sponsor? n=100

The majority (53%) of respondents operated at the local and regional levels.



(b) Which best describes your fiscal sponsorship program's primary geographic focus? n=99

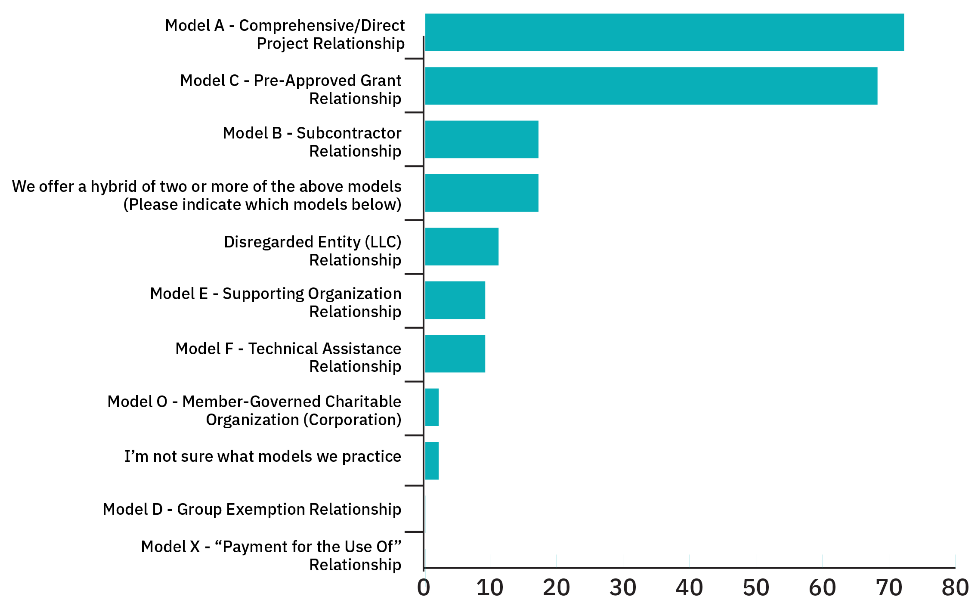


(c) Growth in fiscal sponsorship programs after 2000 (Comparison of geographic focus and start year) n=99

2. Sponsorship Models, Mission Areas Represented, and Supporting Resources Offered

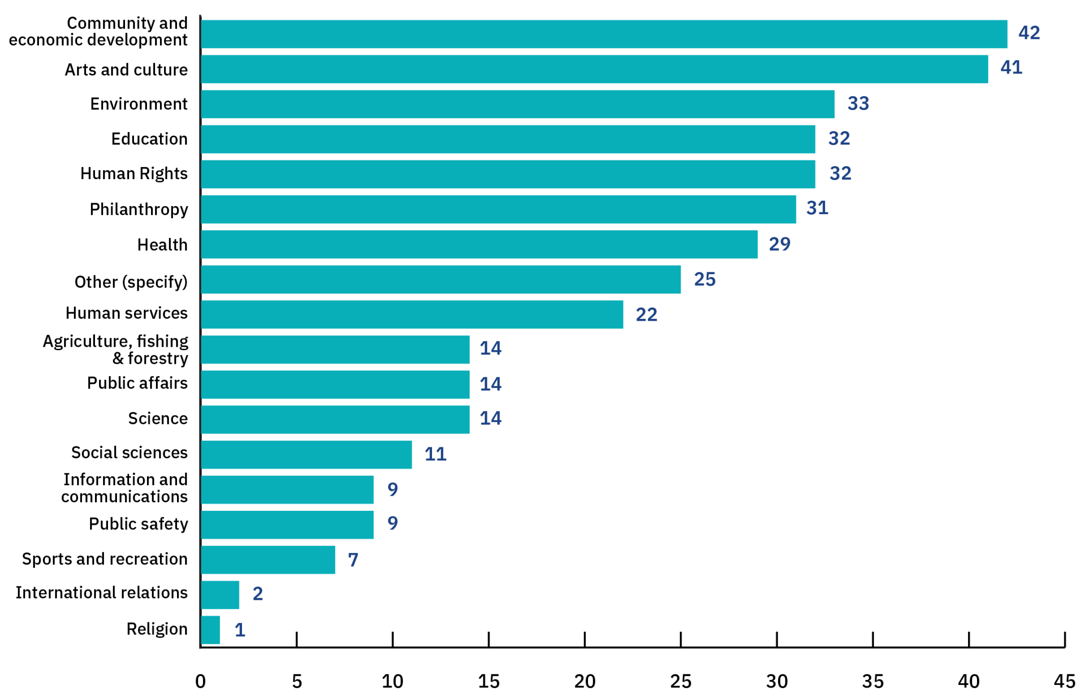
Our sample was nearly evenly split in representation between “Model A” Comprehensive fiscal sponsorship (72%) and “Model C” Pre-approved Grant (68%) sponsorship practitioners.

(a) Which model(s) of fiscal sponsorship do you actively practice? n=99



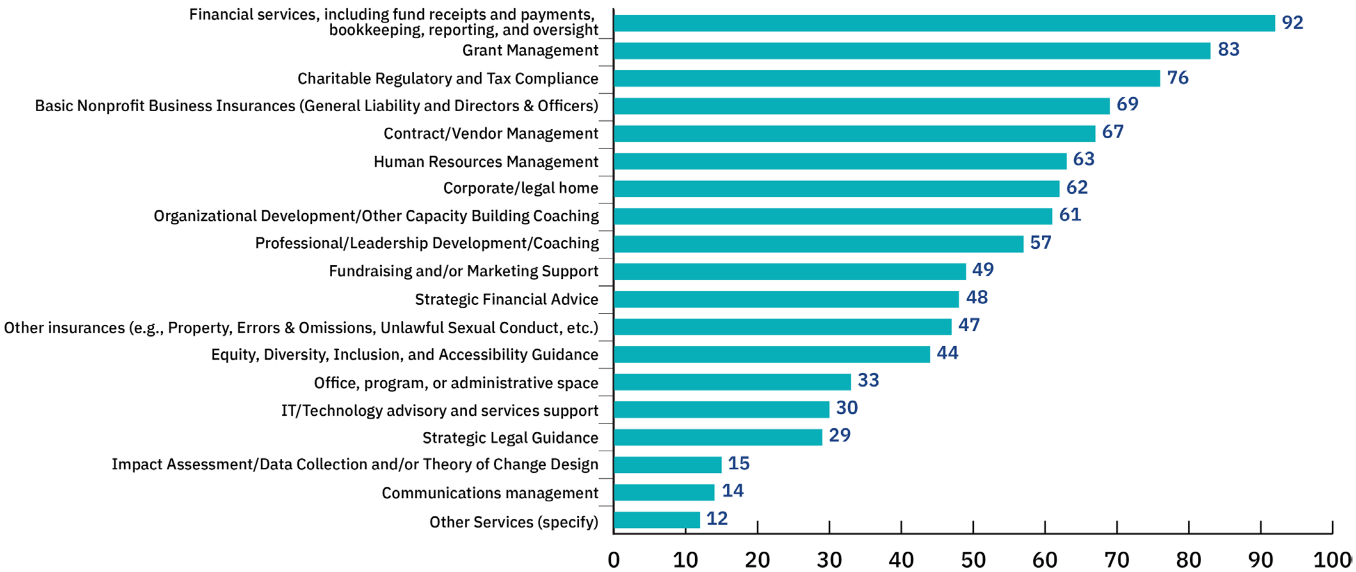
Of the project missions supported by respondents, “community and economic development”, “arts and culture”, and “environment” were among the top three impact areas reported.

(b) What best describes your field/mission focus? n=99



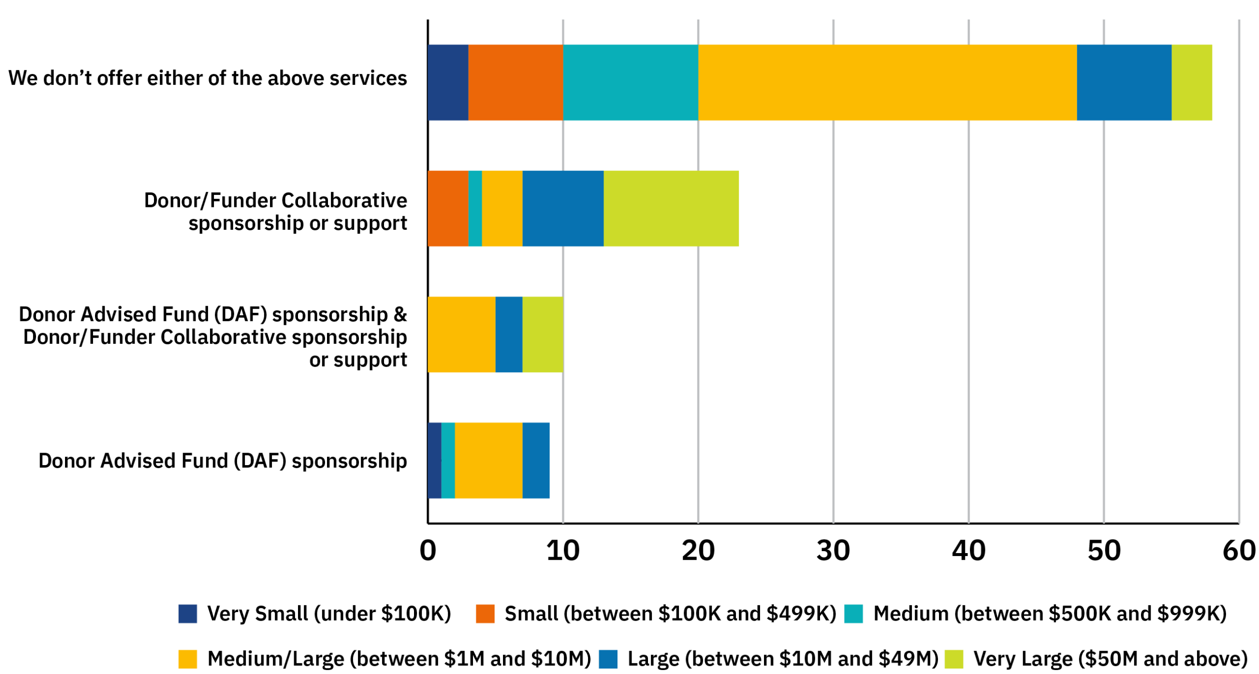
Core back office administrative support remains a mainstay of the field, but with expansions into other types of capacity building.

(c) What services or support do you offer to your sponsored projects? n=99



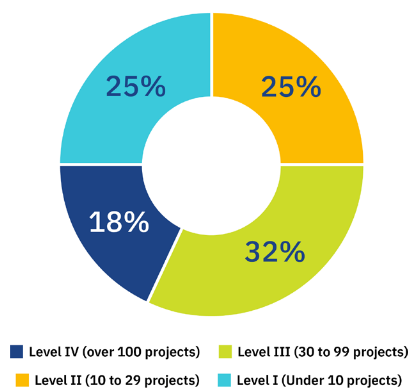
We asked how many fiscal sponsors also offer support as philanthropic intermediaries in the form of Donor Advised Funds (DAFs) or Donor/Funder Collaboratives, the latter of which often use "Model A" or "Model C"-type legal structures. Most respondents offer support to neither, but those who do count among the larger sponsors with expenses greater than $10 million, with the largest providers being above $50 million in annual expenses.

(d) Does your organization offer any of the additional services listed? n=99



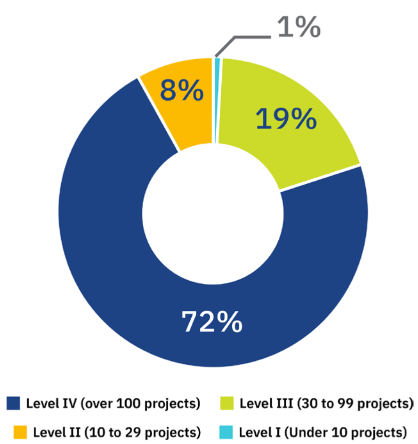
3. Portfolio Size Relative to Total Project Assets under Management

Thirty-two percent of respondents maintained portfolios of medium size (between 30 and 99 projects). Half of all respondents maintained portfolio sizes of under 30 projects.



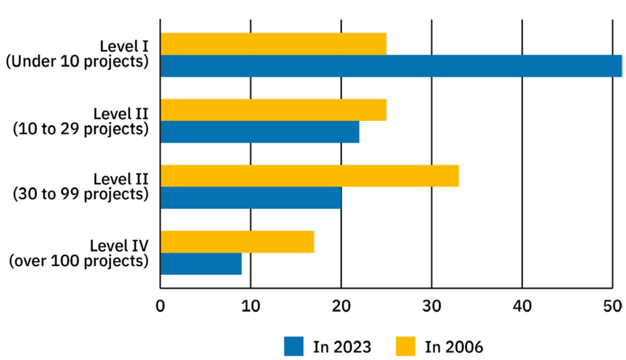
(a) How many projects did you sponsor? n=100

Despite being in the minority (18% of respondents), those sponsors with portfolios over 100 projects accounted for 72% of all reported project expenses under management, with medium-size portfolio managers stewarding the second largest share of project expenses at 19%.



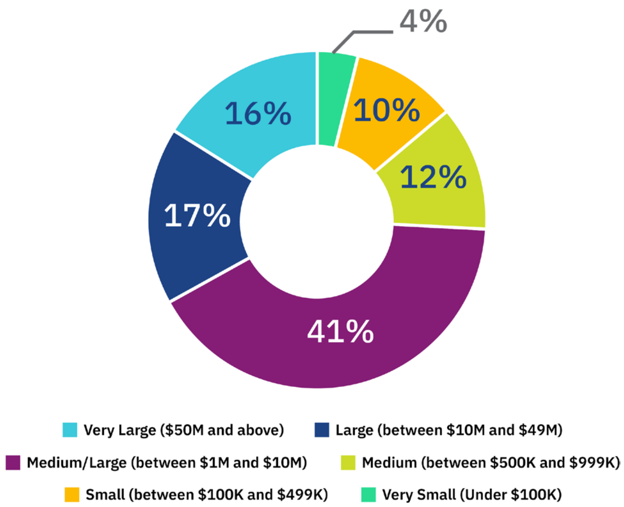
(b) Sponsored project portfolio expenses by portfolio size n=100

The 2006 Field Scan reported that "half (51%) of the organizations act[ed] as fiscal sponsors for eight or fewer projects, including one-quarter (25%) that sponsor between four and eight projects. The largest number of projects currently sponsored by a single organization is 400." In comparison, the 2023 survey found that ca. 25% of respondents had a portfolio with less than 10 projects. And the largest single portfolio–by far a single outlier–reported 4,952 projects.



(c) Comparison of portfolio sizes reported in 2006 and 2023 n=111 (2006) n=100 (2023)

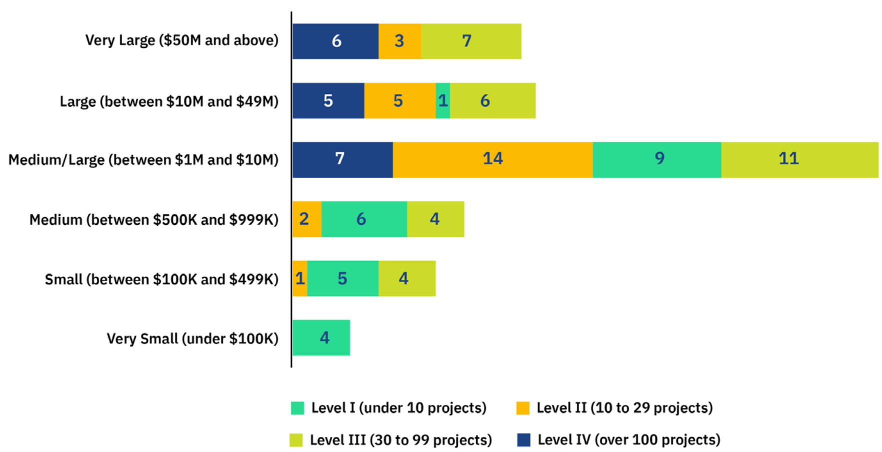
4. Portfolio and Project Size Relative to Overall Sponsor Size



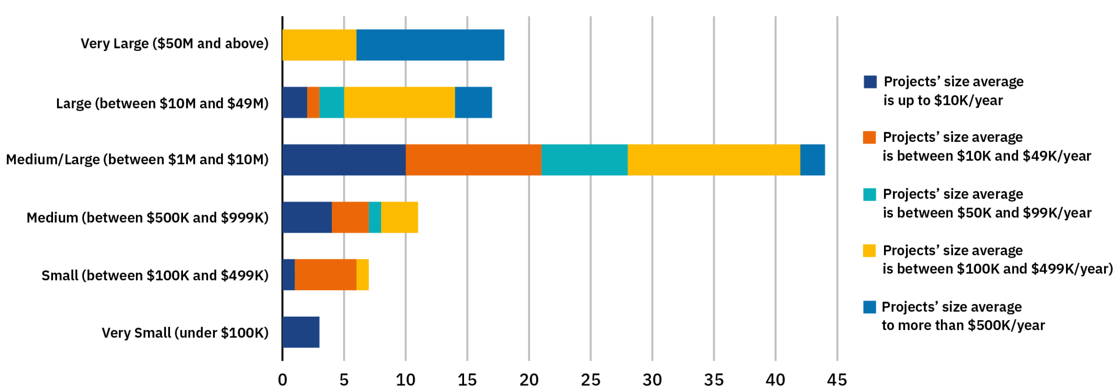
(a) What were your organization's total annual operating expenses? n=99

The largest portfolio size (> 100 projects) only appear with fiscal sponsor organizations with expenses greater than $1 million, while organizations with expenses less than $500,000 tend to have correspondingly smaller portfolios. It is notable that medium-expense organizations ($1 million - $10 million) manage the greatest diversity of portfolio sizes.

(b) Portfolio sizes by organization size n=100

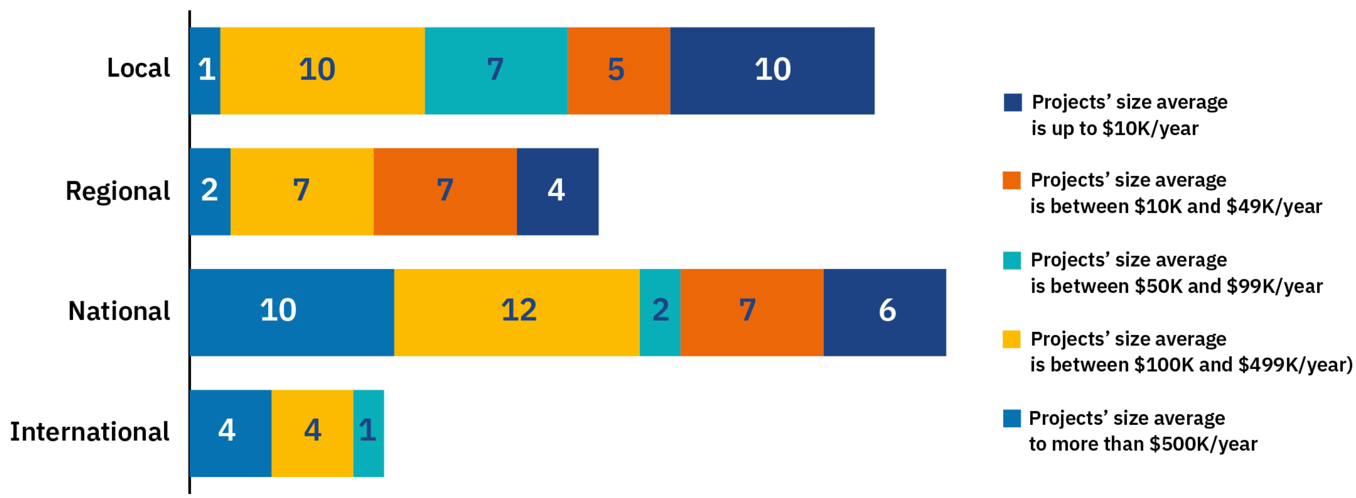


(c) Average size of individual projects by organization size n=99



National and international-focused sponsors tend to support larger projects (in expenses) than local or regional fiscal sponsors.

(d) Geographic reach of sponsors and average individual project size n=99



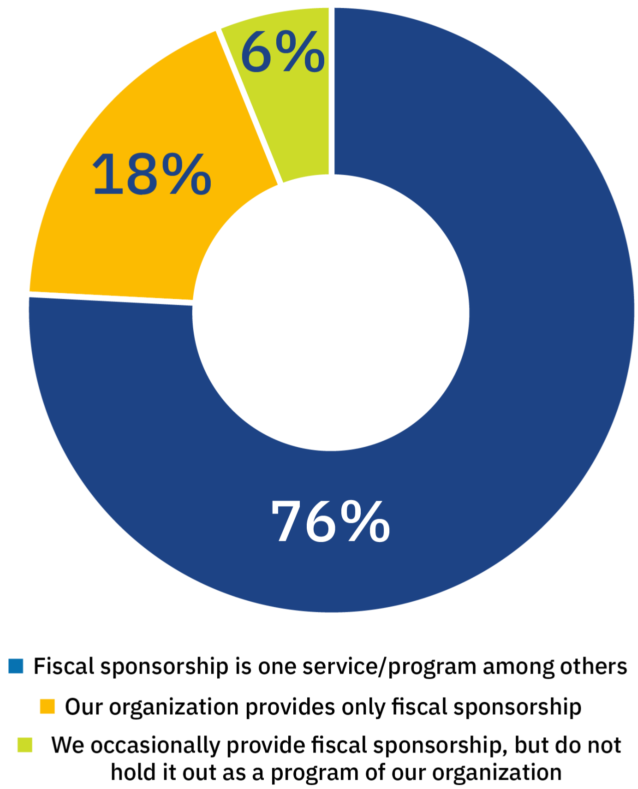
(e) Number of projects reported by organization size

Organization's features	Level I Under 10 projects	Level II 10 to 29 projects	Level III 30 to 99 projects	Level IV Over 100 projects	Grand Total
Very Small (under $100K)	18				18
Small (between $100K and $499K)	20	11	180		211
Medium (between $500K and $1M)	24	43	217		284
Medium/Large (between $1M and $10M)	40	270	597	3,271	4,178
Large (between $10M and $49M)	8	99	334	5,795	6,236
Very Large ($50M and above)		72	406	779	1,257
Grand Total	**110**	**495**	**1,734**	**9,845**	**12,184**

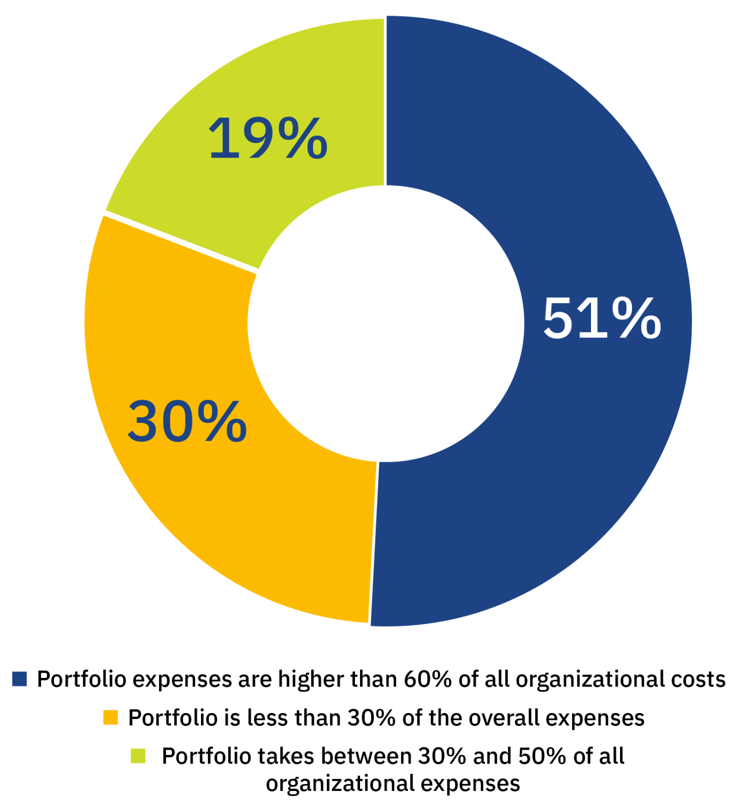
(f) Number of projects and total project portfolio expenses reported by organization size

Organization's features	# of Organizations responded	# of Projects sponsored	Total expenses of fiscally sponsored projects	Total expenses of organizations
Very Small (under $100K)	4	18	$72,313	$160,611
Small (between $ 100K and $499K)	10	211	$8,767,724	$2,134,613
Medium (between $500K and $1M)	12	284	$4,796,166	$9,185,201
Medium/Large (between $1M and $10M)	41	4,178	$122,312,983	$187,113,798
Large (between $10M and $ 49M)	17	6,236	$239,277,689	$366,410,846
Very Large ($50M and above)	16	1,257	$2,089,295,945	$3,305,404,547
Grand Total	**100**	**12,184**	**$2,464,522,820**	**$3,870,409,607**

(g) Organizations offering programs other than fiscal sponsorship n=99



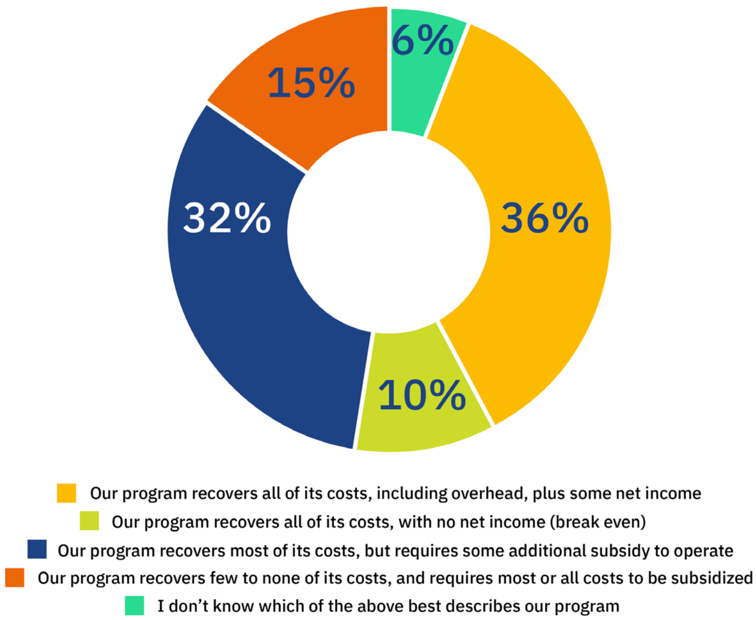
(h) Portfolio expenses as a percent of overall organization expenses for those sponsors that offer programs beyond fiscal sponsorship n=96



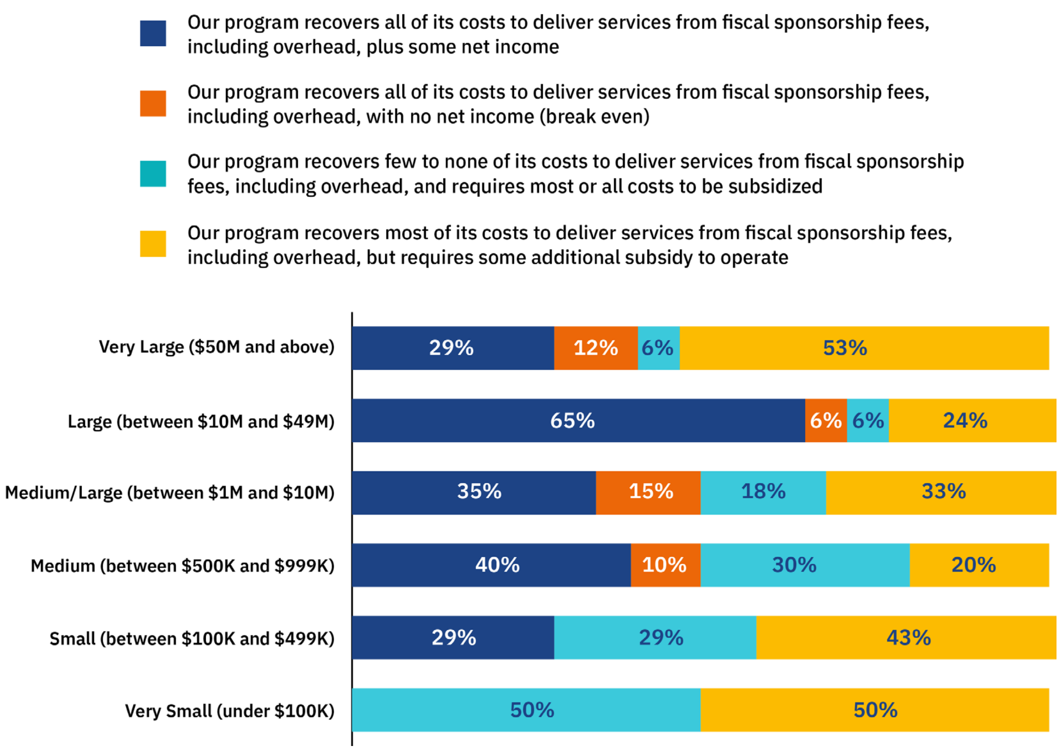
5. Fiscal Sponsorship Program Costs and Cost Recovery

54% of all smaller fiscal sponsors (expenses less than $10M) reported that they are not recovering their costs.

(a) Degrees to which sponsors report recovering full costs from cost allocations (fees) to sponsored projects



(b) Fiscal sponsor cost recovery by sponsor program size in annual expenses n=100

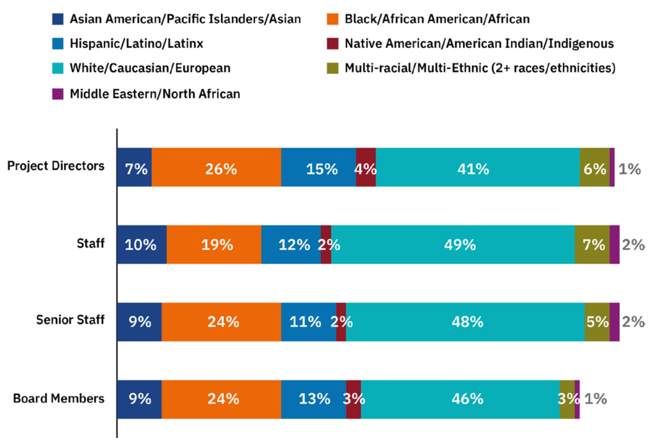


PART II - Diversity, Equity, Inclusion, and Access

For each of the demographic analyses below, we have provided the summary data, expressed as percentages (the first graph in each section), as well as the actual number of responses for each demographic data point (the second graph) in order to offer transparency concerning the varying size of data sets among the demographic questions.

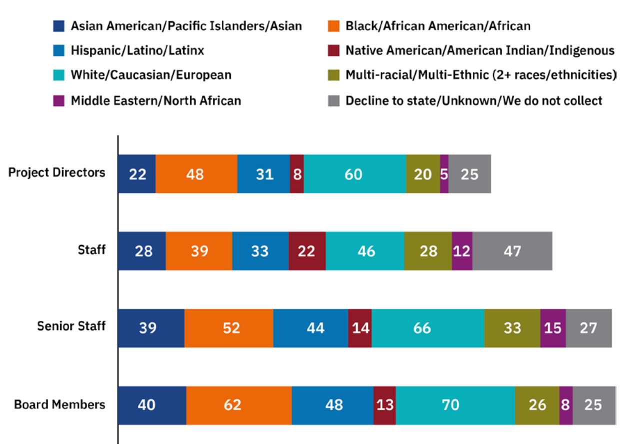
Throughout this section of the report, you will notice that the "n=N" figures often exceed 100 (the number of responding organizations for our survey). This is owing to the fact that respondents were asked to provide answers in percentages for each demographic identity (i.e., Black/African American/African, Female, Trangender, Disabled, etc.) meaning that for each constituent group (i.e., Project Directors, Staff, Senior Staff, and Board) total responses will exceed 100 in most cases, depending on how many different identities are represented in each constituent group. Percent responses were then averaged for all respondents for each demographic identity to yield the data presented in each summary graph.

1. Racial Demography of Staff and Leadership



(a) Average racial demography by constituent group
Project Directors n=208
Staff n=263
Senior Staff n=194
Board Members n=267

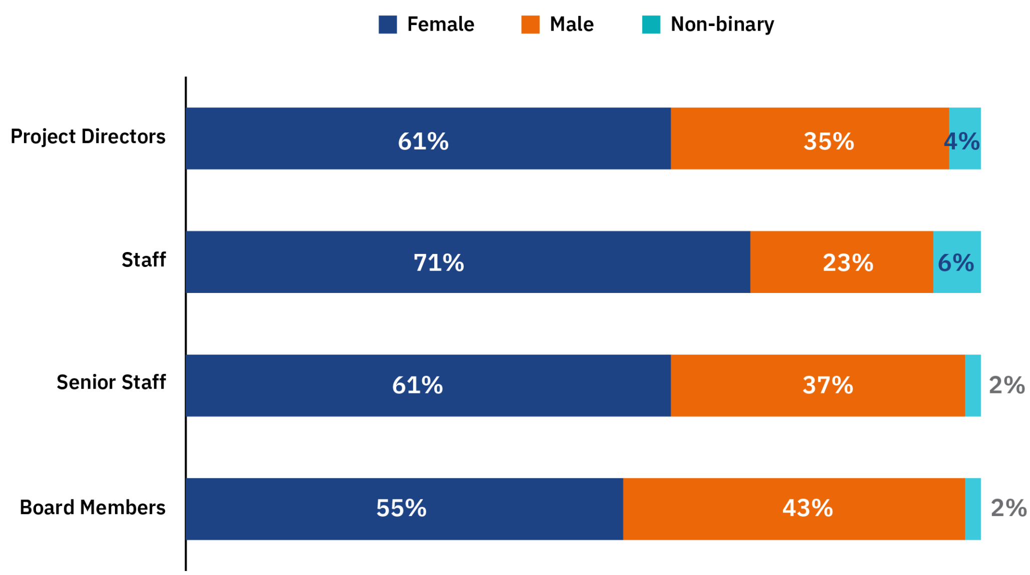
Respondent Numbers: The graph below shows the number of responses (individual data points) across respondents for each constituent group for the overall number of respondents, showing comparatively less availability of data for Project Directors and Senior Staff, than for Staff and Board Members. That the quantity of data for Senior Staff was the lowest may be owing to the fact that organizations tend to track data for staff as a whole and not separate out Senior Staff, and the fact that the Senior Staff group was entirely self-defined by each respondent (the least objectively definable constituent group).



(b) Total number of responses by constituent group (racial identity)
Project Directors n=255
Staff n=290
Senior Staff n=219
Board Members n=292

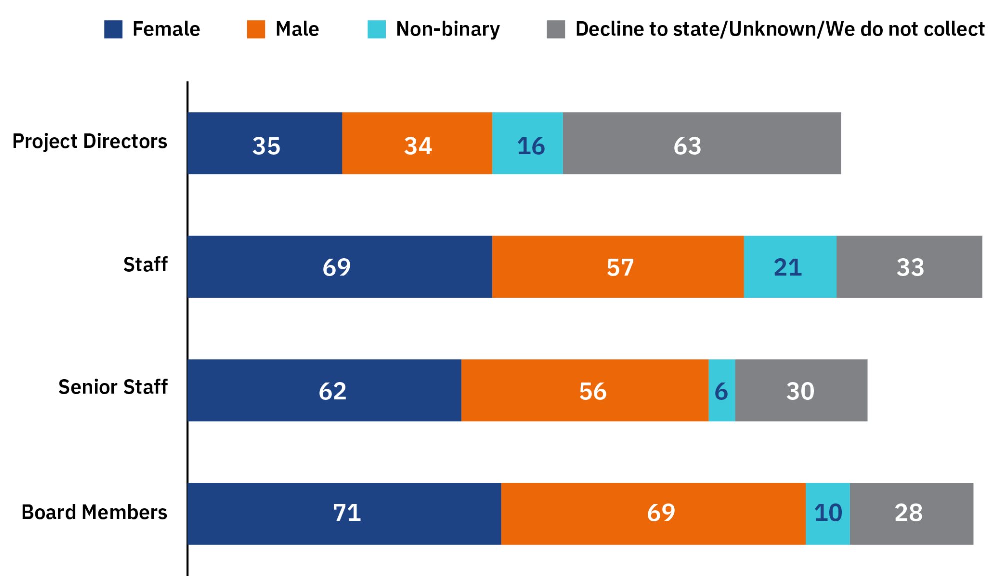
2. Gender Demography of Staff and Leadership

(a) Average male/female/non-binary demography by constituent group
Project Directors n=85 Staff n=147 Senior Staff n=124 Board Members n=150



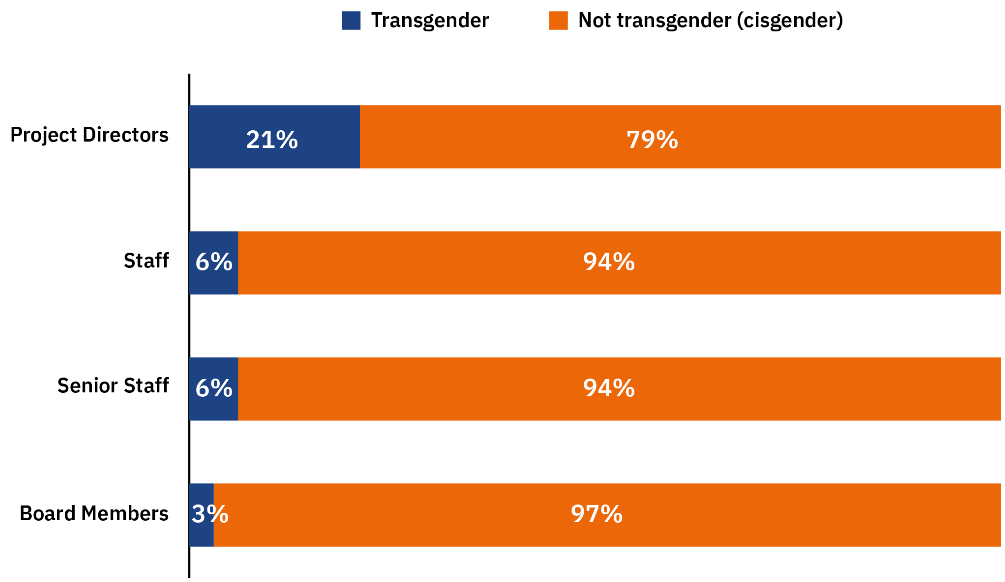
Respondent Numbers: The graph below shows the average number of responses (individual data points) across respondents for each constituent group for the overall number of respondents (n=97). There is less availability of data for Project Directors and Senior Staff, than for Staff and Board Members. Overall, as compared to racial demographics, there was much less identifying data in the set owing to higher levels of responses (average of 39%) of "decline to state", "unknown", and "we do not collect". It seems that gender identity data is not as regularly collected as racial identity data among the sponsors that responded.

(b) Total number of responses by constituent group (male/female/non-binary identity)
Project Directors n=148 Staff n=180 Senior Staff n=154 Board Members n=178



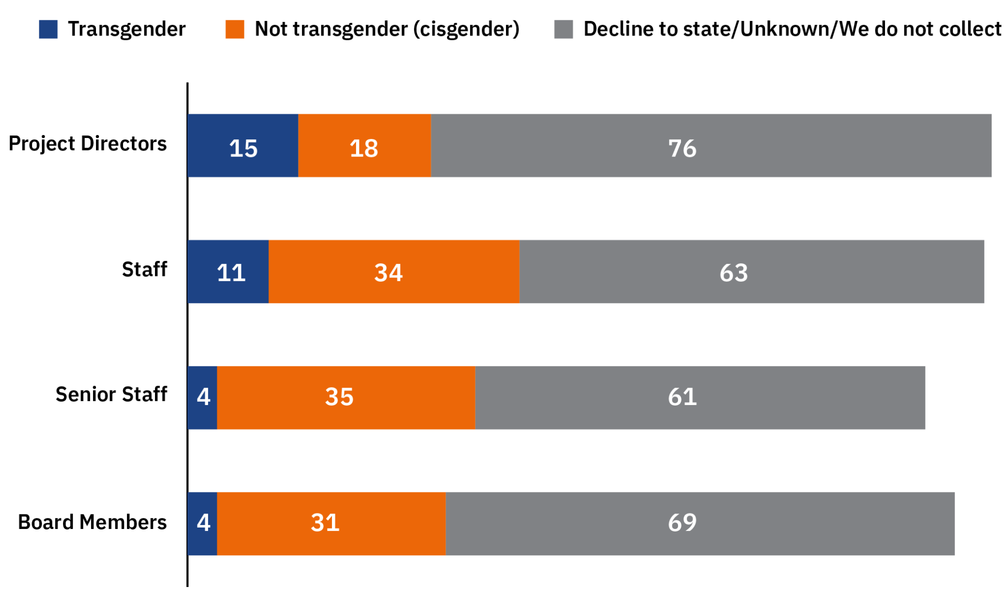
3. Transgender Demography of Staff and Leadership

(a) Average transgender demography by constituent group
Project Directors n=33 Staff n=45 Senior Staff n=39 Board Members n=35



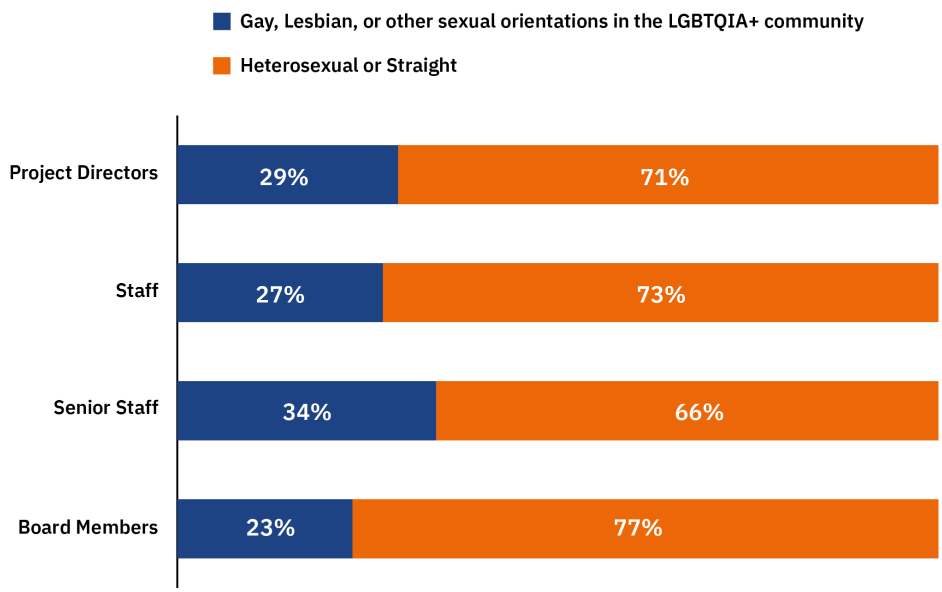
Respondent Numbers: The graph below shows the average number of responses (individual data points) across respondents for each constituent group for the overall number of respondents (n=97). In this case, we had a more uniform quantity of responses across constituent groups, but with the vast majority of responses (and average of 67%) being "decline to state", "unknown", or "we do not collect". We received the least amount of identifying data concerning trans/cisgender individuals within the general collection of gender identity-related data.

(b) Total number of responses by constituent group (transgender identity)
Project Directors n=109 Staff n=108 Senior Staff n=100 Board Members N=10



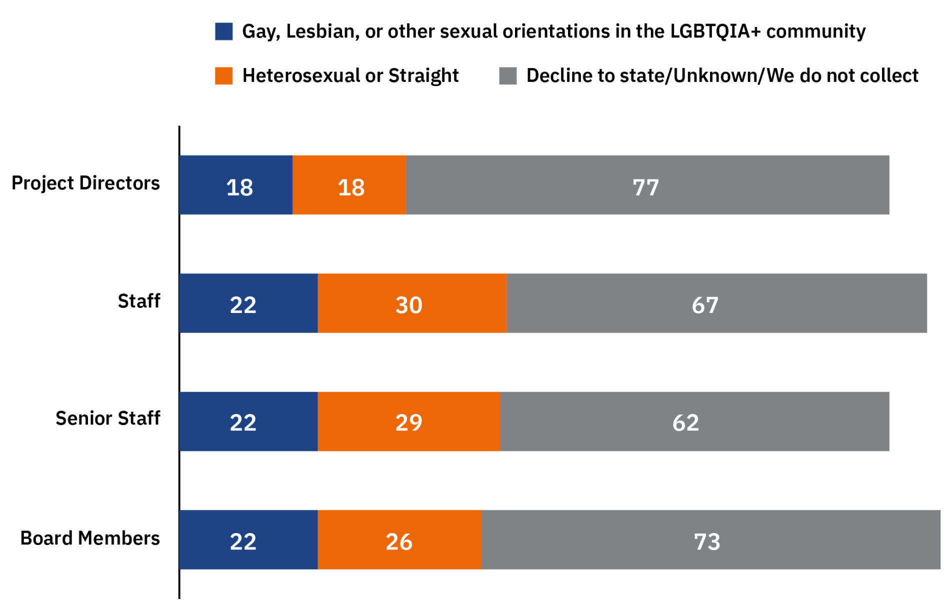
4. Sexual Identity Demography of Staff and Leadership

(a) Average LGBQIA+/heterosexual demography by constituent group
Project Directors n=36 Staff n=52 Senior Staff n=51 Board Members n=48

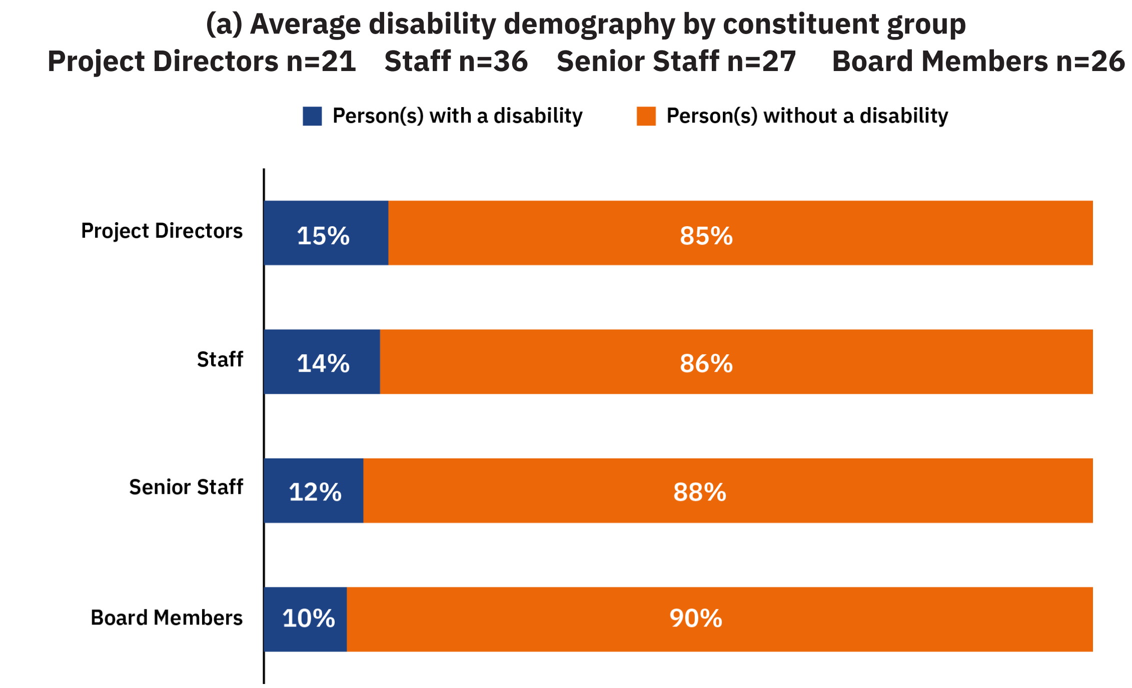


Respondent Numbers: The graph below shows the average number of responses (individual data points) across respondents for each constituent group for the overall number of respondents (n=97). As with the responses on trans/cis-gender identity, the quantity of responses was relatively uniform across constituent groups, but with the majority of responses (averaging 70%) being non-identifying: "decline to state", "unknown", or "we do not collect". The quantity of identifying responses (LGBQI+ or Heterosexual/Straight) were relatively uniform for Staff, Senior Staff, and Board Members, with notably fewer data points for Project Directors.

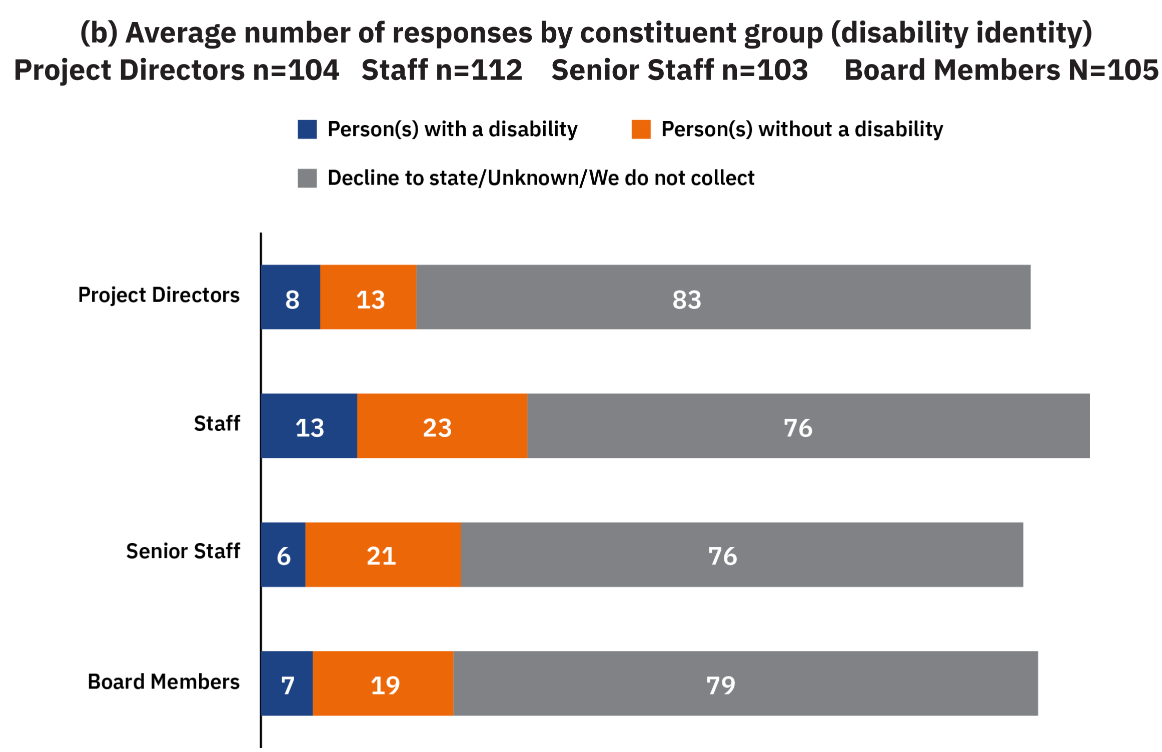
(b) Total number of responses by constituent group (LGBQIA+/heterosexual identity)
Project Directors n=113 Staff n=119 Senior Staff n=113 Board Members n=121



4. Disability Identity Demography of Staff and Leadership



Respondent Numbers: The graph below shows the average number of responses (individual data points) across respondents for each constituent group for the overall number of respondents (n=97). As with the gender and sexual identity groups, we received relatively uniform sets of responses across all constituent groups, but the majority of responses were non-identifying: “decline to state”, “unknown”, or “we do not collect” at an average of 87% over all four constituent groups. As noted with regard to other identity groups, we recorded the least amount of identifying data among Project Directors, with the number of non-identifying responses averaging 83.



5. Diversity, Equity, Inclusion, & Access Practices: Use of Data

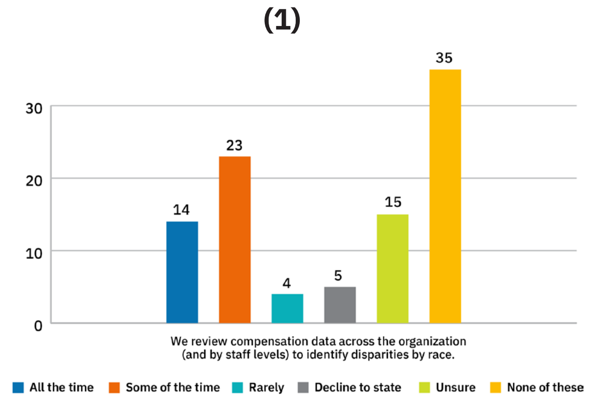
For sections 5 and 6, n=96 with the numbers above the bars indicating actual number of respondents per statement. For these two sets of statements, respondents were asked to what degree they engaged in the practices described. Unlike the demographic data these responses were not given in percentages. Our summary comments concerning overall ratios of affirming versus disaffirming or opt-out responses in these two sections are expressed in percentages, taking the total number of responses being analyzed as a percent of n=96.

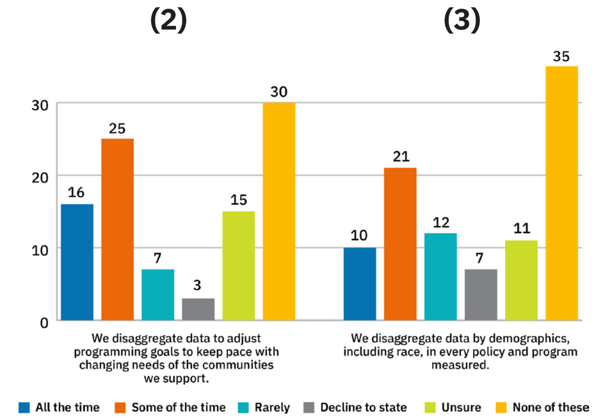
For these sets of questions about DEIA-related practice, it is important to note that the high levels of responses “none of these” doesn’t necessarily indicate an absence of equity-centered practices, just the non-relevance or non-engagement of the practices stated.

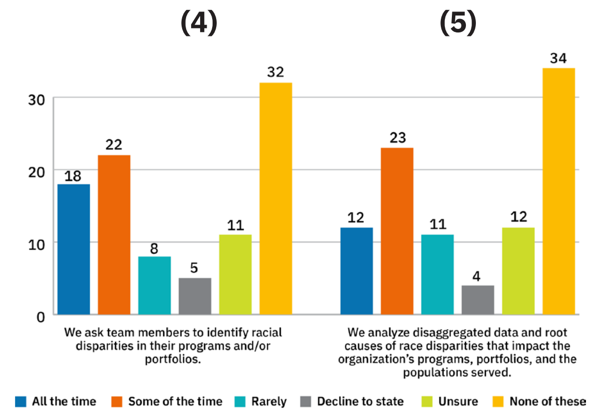
Of those organizations that responded to the seven statements below concerning equity-centered use of data, most (an average of 58% across all practice statements) indicated that “rarely”, “decline to state”, are “unsure”, or engage in “none of these” practices, with an average across all of 23% responding that they do “some of the time”, and an average of only 19% reporting they do “all of the time”.

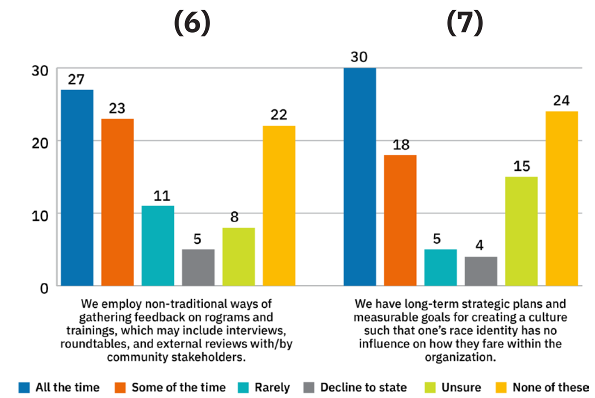
1. We review compensation data across the organization (and by staff levels) to identify disparities by race.
2. We disaggregate data to adjust programming goals to keep pace with changing needs of the communities we support.
3. We disaggregate data by demographics, including race, in every policy and program measured.
4. We ask team members to identify racial disparities in their programs and/or portfolios.
5. We analyze disaggregated data and root causes of race disparities that impact the organization’s programs, portfolios, and the populations served.
6. We employ non-traditional ways of gathering feedback on programs and trainings, which may include interviews, roundtables, and external reviews with/by community stakeholders.
7. We have long-term strategic plans and measurable goals for creating a culture such that one’s race identity has no influence on how they fare within the organization.

Affirmative responses (“all of the time” or “some of the time”) were relatively uniform across all seven statements. It is notable that the questions concerning the employment of non-traditional methods of data collection (6) with 28% of respondents answering “all the time”, and the incorporation of equity considerations in strategic planning (7) with 31% of respondents answering “all the time”, showed the highest levels of practice as compared to the other four statements in this section. The lowest preponderance of practice was in the area of disaggregating demographic data across every policy and program measured (5) with 10% of respondents answering “all the time”.







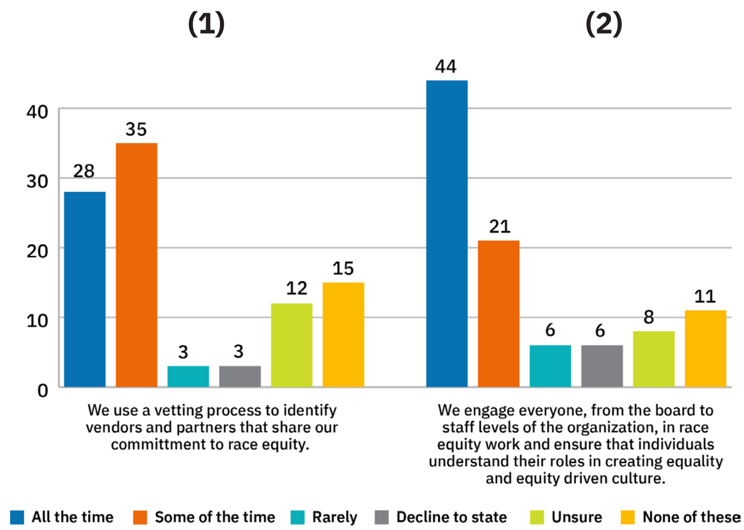


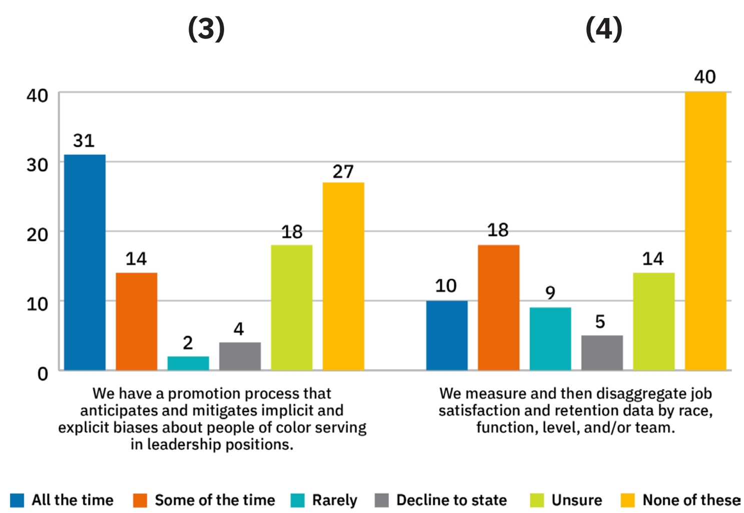
6. Diversity, Equity, Inclusion, & Access Practices: Staff, Board, and Vendor Development

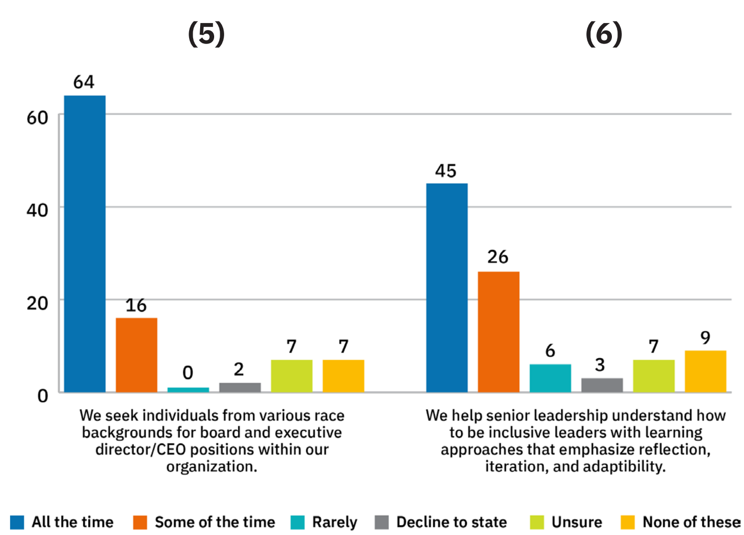
For all of the graphs below, n=96 with the numbers above the bars indicating actual number of respondents per statement. Of those organizations that responded to the six statements below concerning equity-centered policies and practices aimed at board, staff, and vendor recruitment, an average of 39% respondents across all practice statements indicated that they do not engage in these practices or do not chose to report ("rarely", "decline to state", "unsure", and "none of these"), with an average across all of 24% responding that they do "some of the time", and an average of only 37% reporting they do "all of the time".

1. We use a vetting process to identify vendors and partners that share our commitment to race equity.
2. We engage everyone, from the board to staff levels of the organization, in race equity work and ensure that individuals understand their roles in creating culture such that one's race identity has no influence on how they fare within the organization.
3. We have a promotion process that anticipates and mitigates implicit and explicit biases about people of color serving in leadership positions..
4. We measure and then disaggregate job satisfaction and retention data by race, function, level, and/or team.
5. We seek individuals from various race backgrounds for board and executive director/CEO positions within our organization.
6. We help senior leadership understand how to be inclusive leaders with learning approaches that emphasize reflection, iteration, and adaptability.

For this set of practices, we saw notably more representation of affirmative practice (an average of 35% responses across all six statements indicating organizations engaged in the practice “all the time”) than with data-related equity practices (an average of 18% of responses across all seven statements indicating organizations engaged in the practice “all the time”), suggesting that the integration of data into equity practices lags other approaches concerning staff, vendor, and board development as many organizations continue to center equity.



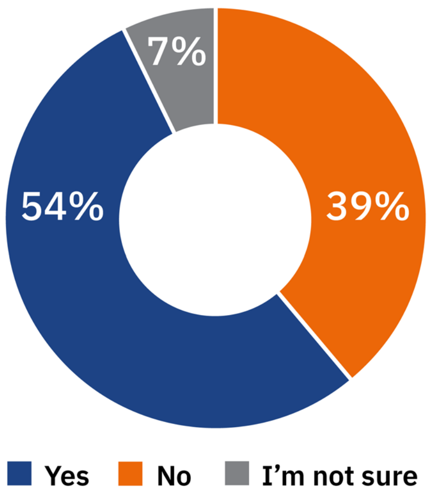




PART III - Sponsorship Program Capacity

1. Financial & Business Practices

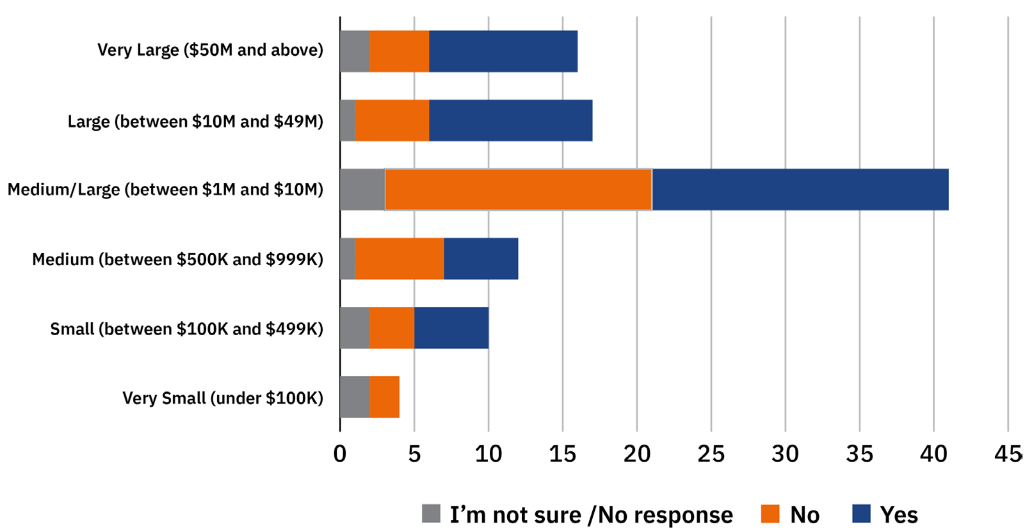
(i) Fiscal Sponsorship Cost-to-Deliver & Cost Recovery Tracking

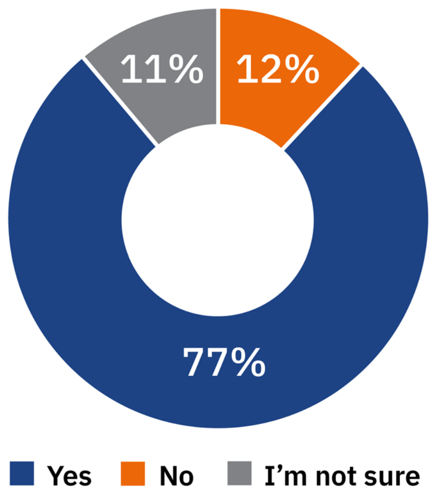


(a) Do you budget and track your cost to deliver fiscal sponsorship services separately from the expenses of your projects' activities and other programs of your organization? n=90

As indicated in Graph (b) below, the larger the organization, the more likely they are to budget and track fiscal sponsorship delivery costs. Organizations under $10 million in budget do not track these costs as frequently as larger organizations. For those who provided responses, the projected costs to deliver sponsorship support varied from 1% (for organizations with very small sponsorship programs relative to their overall size) to 100% of overall organizational expenditures, the latter percentage indicating an organization that has fiscal sponsorship as its only or predominant area of program activity.

(b) Fiscal sponsor cost-to-deliver support tracking (by organization size) n=90

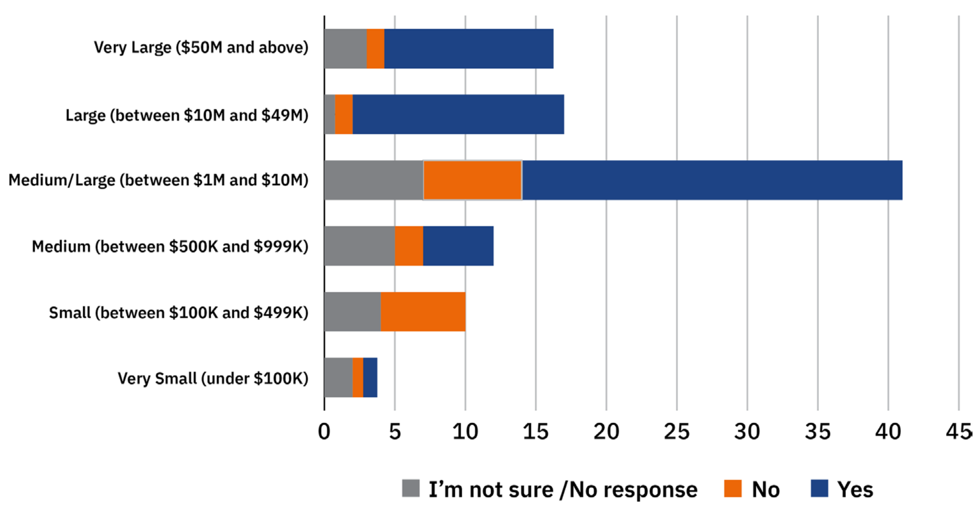




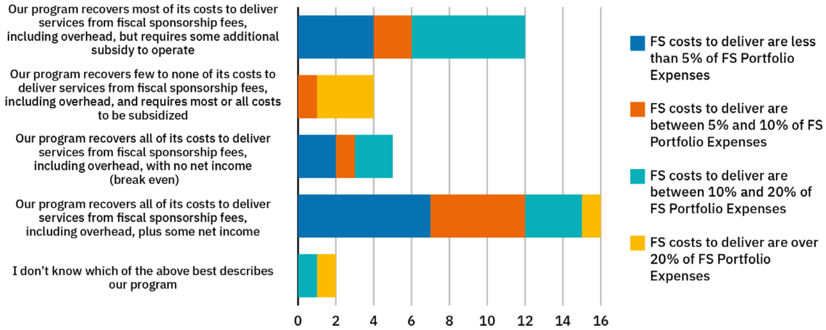
(c) Do you track the costs and revenues incurred by your sponsored projects separately from the other costs and revenues of your organization? n=82

As indicated in the graph below, the larger the organization, the likelier they are to budget and track fiscal sponsorship delivery costs. Organizations under $10 million in budget do not track these costs and revenues as frequently as larger sponsors–more than two times *less* likely to have consistent practices around tracking project financials separately.

(d) Sponsored project cost and revenue tracking (by budget size in expenses) n=82



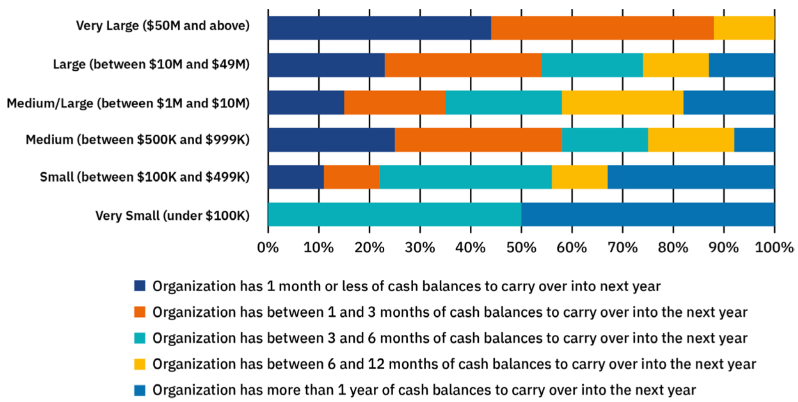
The graph (e) below shows how participants reported the degree to which they recover the costs to provide fiscal sponsorship support through costs allocated to projects (fiscal sponsorship "fees"), alongside actual reported costs-to-deliver. There are some potential correlations evident in viewing this data together. For example, sponsors that reported covering their costs, including overhead and net income largely had costs to deliver of less than 10% of portfolio expenses, while most of the sponsors that recovered few to none of their costs reported costs-to-deliver in excess of 20%. The majority of sponsors operating between these two extremes, recovering most costs and overhead with some added subsidy needed, reported costs-to-deliver between 10% and 20% of portfolio expenses.



(e) Cost recovery for fiscal sponsor support via cost allocations (fees) from projects (perceived and actual) n=39

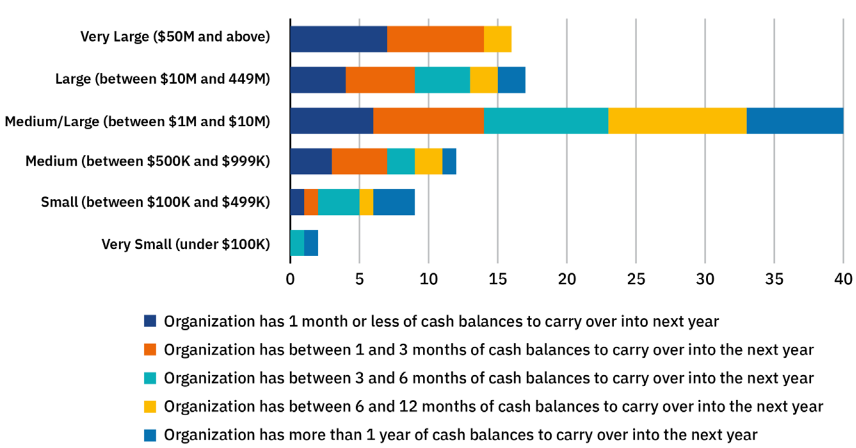
(ii) Fiscal Sponsor Liquidity

Liquidity is the measure of available cash on hand to meet near-term operating obligations. Overall, 22% of respondents had less than 1 month of cash on hand; 26% of all respondents carried between 1 and 3 months of cash resources; 20% carried *more than* 3 to 6 month, 18% carried 6 to 12 months of cash, and 14% of all respondents carried *more than 1 year of overall liquidity*.



(a) Liquidity of fiscal sponsor overall by organization size in expenses n=96

When we look at the same analysis as above, this time applied to liquidity of the project portfolios alone as compared to the sponsor organization size in expenditures (essentially separating out the core operations of the sponsor), we see a higher degree of liquidity (greater prevalence of more than 6 months of cash on hand) among the portfolios of the larger sponsors (with more than $1 million in expenses) as compared to their core operations. The most significant shift toward greater liquidity is found in largest sponsors with overall expenditures greater than $10 million. Overall, liquidity is stronger in the project portfolios than with the organization's core staff and infrastructure.

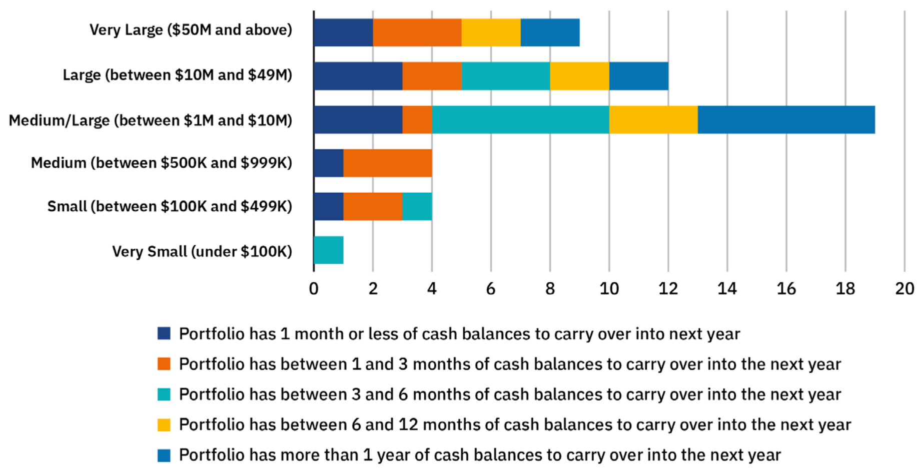


(b) Liquidity of project portfolio by overall organization size in expenses n=47

Collating several subsets of data where both overall organization and portfolio liquidity figures were reported, we were able to calculate the liquidity of the fiscal sponsorship program as compared to the fiscal sponsor organization overall. In the analysis below, "same" indicates parity between the liquidity of the portfolio and that of the sponsor's core operations (17 in total). Also indicated are the number of sponsors where the liquidity of the portfolio is stronger (19 in total) and the number of sponsors where the liquidity of the sponsor's core operations was stronger (11 in total).

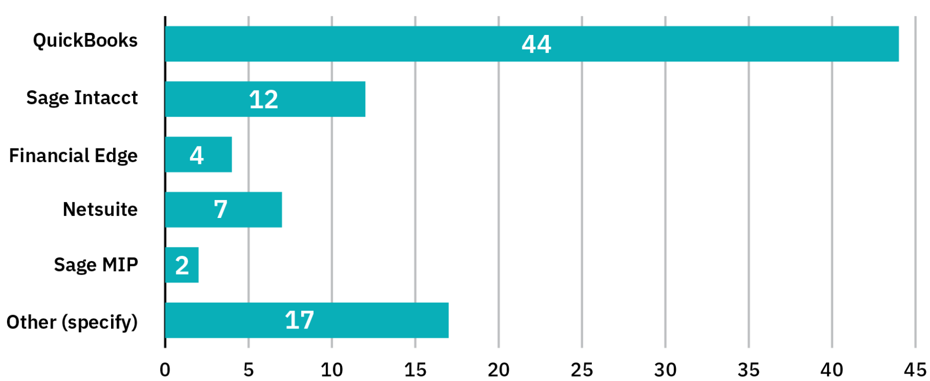
Most of the difference in liquidity between the sponsor and the portfolio occurs in the larger sponsors (expenses >$1 million). And overall, there is stronger liquidity in sponsor portfolios than the sponsors' core operations proper. Generally, parity in liquidity could be seen as an indicator of health, and difference in relative liquidity (depending on the degree) between sponsor and portfolio might indicate financial vulnerabilities.

(c) Liquidity of the sponsored project portfolio compared to the liquidity of the organization's core operations n=47



(iii) Financial Systems

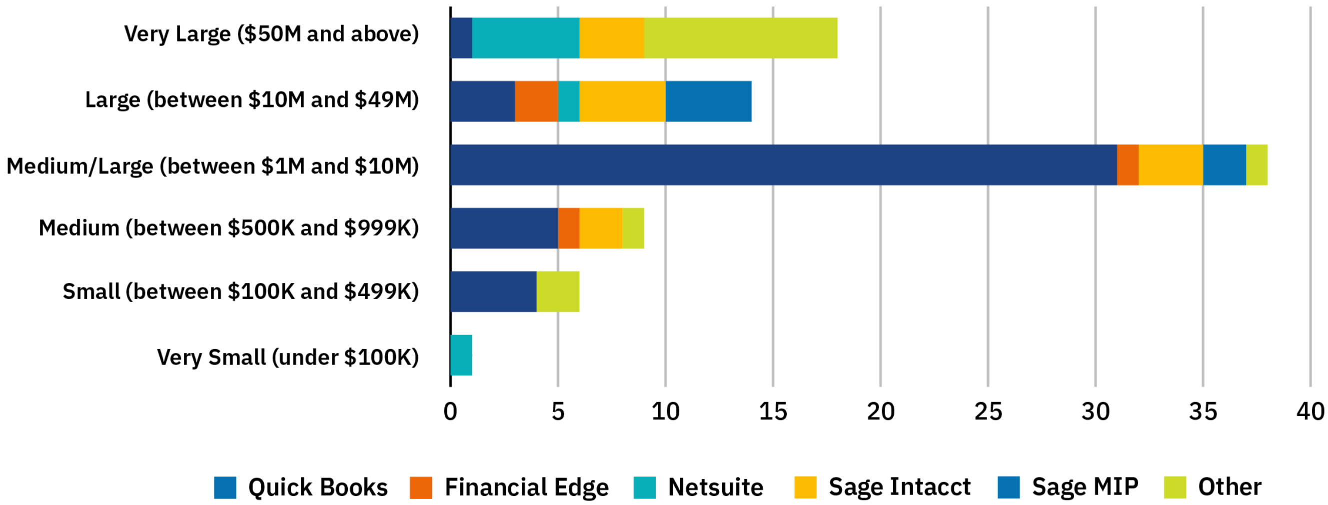
The top two financial accounting systems used by fiscal sponsors were QuickBooks (51% of respondents), followed by Sage Intacct (12%). Twenty percent of respondents reported using a variety of other systems, including Aplos, Great Plains, PeopleSoft, Solver, Stellar iPhi, AccuFund, Xero, and Serenic Navigator. Looking at the general class and capability of financial systems, 29% of respondents reported using an enterprise-level system (Sage Intacct, Financial Edge, Netsuite, Sage MIP) versus the 51% who used the more basic accounting system QuickBooks.



(a) What accounting system do you use? n=86

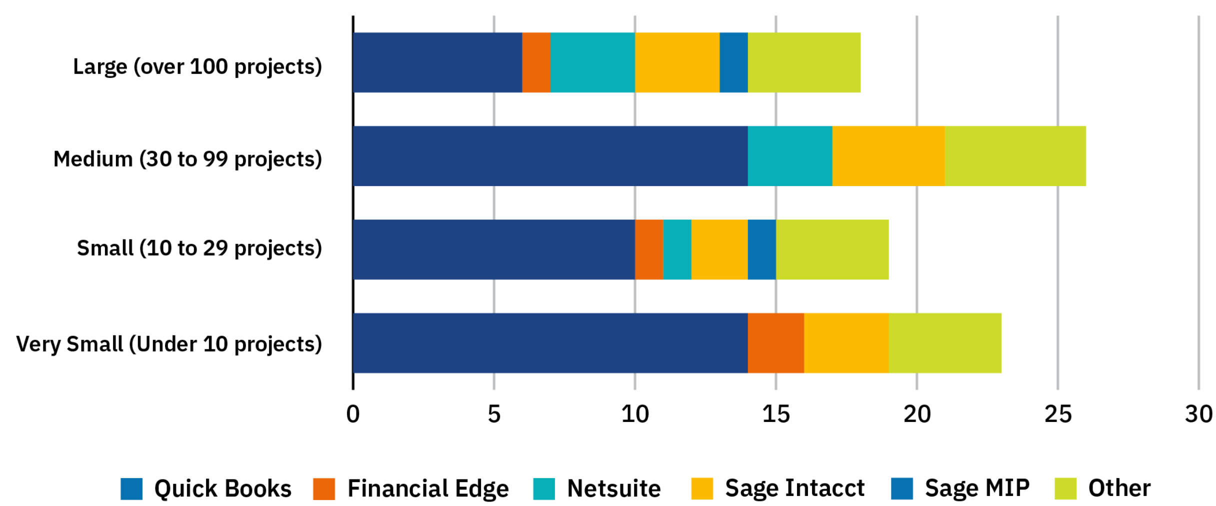
The largest preponderance of QuickBooks utilization was among medium/large organizations (expenses between $1 and $10 million), with increasing use of QuickBooks as sponsors grew in size from expenses of $100,000 to $1 million. Use of enterprise-level systems, such as Sage Intacct, Sage MIP, and Netsuite markedly increased once overall expenses grew above $10 million.

(b) Preponderance of financial systems utilized by fiscal sponsors by organization size in expenses n=86



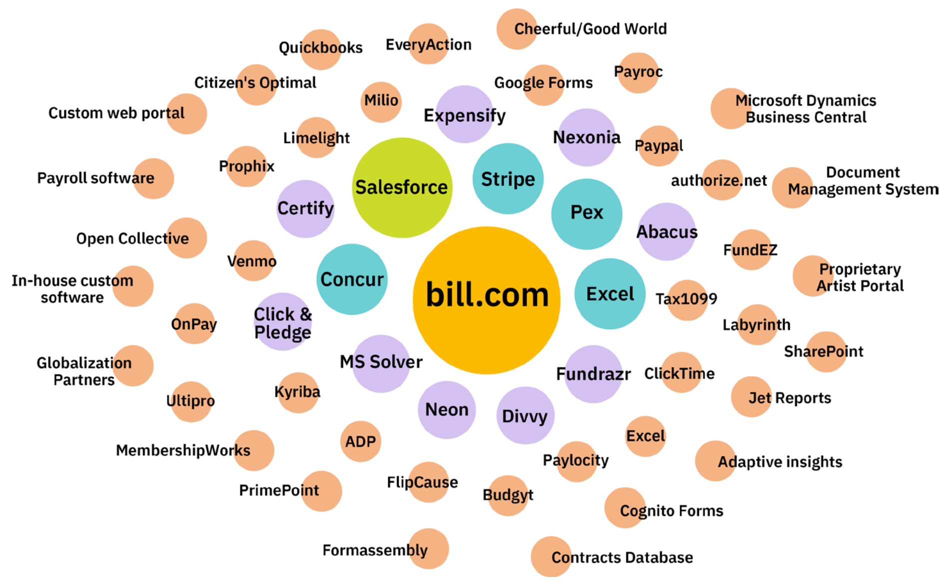
When looking at the preponderance of financial systems used in comparison to portfolio sizes, a different pattern emerges, one in which use of QuickBooks as well as more enterprise-level systems appear more evenly utilized across all sizes of portfolio. Comparing this view with the prior graph (b), it would appear that overall budget size is more of a driver of transitioning to enterprise systems, rather than size of portfolio.

(c) Preponderance of financial Systems utilized by fiscal sponsors by portfolio size n=86



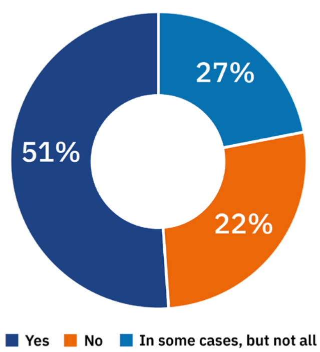
Forty-six respondents utilize additional software to complement their financial system, 36 of which integrate with the sponsor's main accounting system.

(d) Word cloud of chief softwares used in concert with financial systems



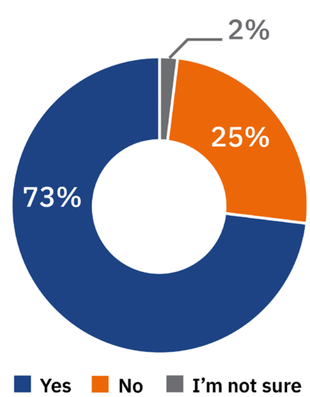
(iv) Financial Policies & Practices

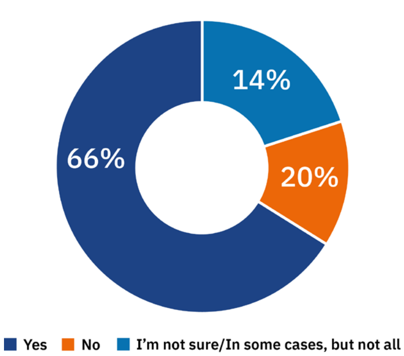
In examining practices around financial record keeping and reporting to projects, the following was reported with respect to requiring projects to submit budgets, preparing and reporting budget-to-actual financials, and maintaining separate balance sheets for sponsored projects. In all three cases the dominant practice was affirmative, but still roughly a quarter of sponsors reporting responded in the negative with regard to these basic financial practices.



(a) Do you require that your projects prepare and submit an annual budget? n=86

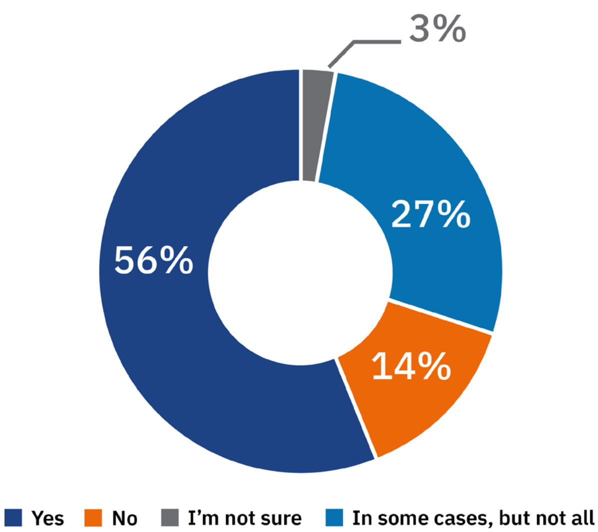
(b) Do you provide budget-to-actual reports to individual projects? n=44





(c) Do you maintain individual balance sheet reporting for each sponsored project? n=86

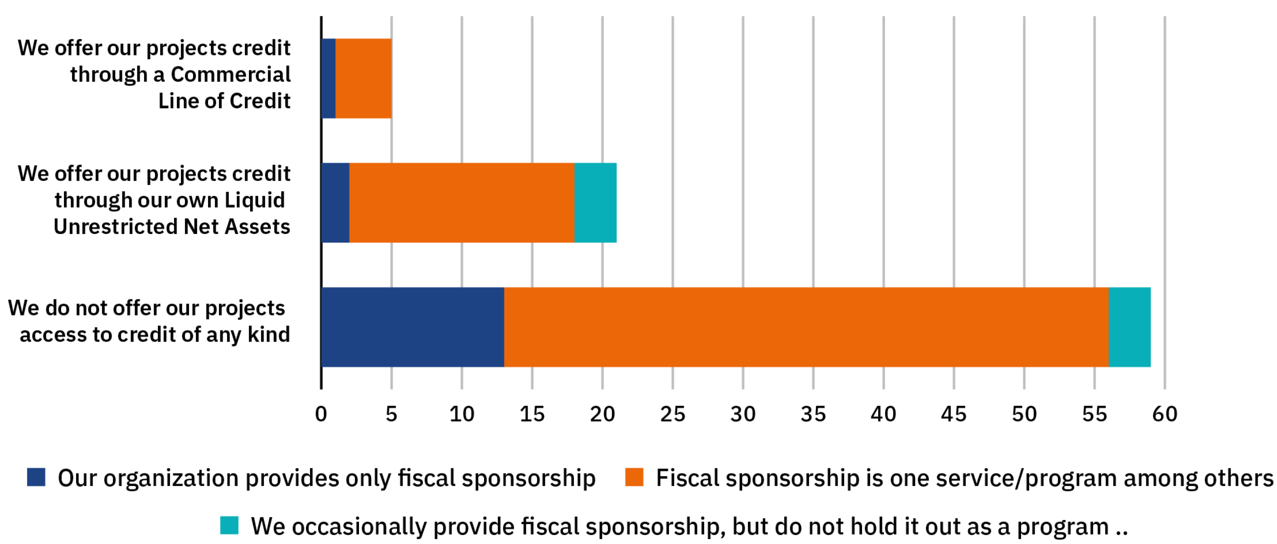
Practices and policies surrounding when and whether projects are able to take on liabilities and pay bills ("spend management") are central to fiscal sponsorship. Credit and working capital are key for some sponsored projects, particularly those projects supported by reimbursable grants common in government funding, where projects need to front costs before being reimbursed. Fifty-six percent of respondents expect that projects maintain enough cash to cover current expenses through the project's own net income (the sponsor offers no credit or revolving cash flow management resource), while 27% of the respondents extend their own credit or offer access to a commercial line of credit to assist projects with cash flow management.



(d) Do you require projects to maintain enough cash to cover current expenses at all times? n=86

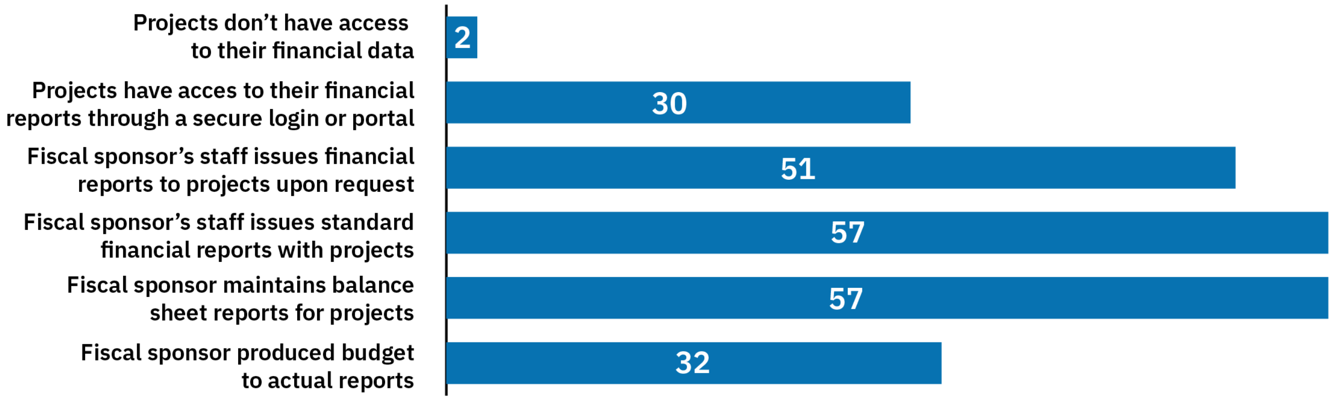
Most sponsors did not offer credit of any kind to projects (either through the sponsor's net assets or commercial lines of credit). Of those sponsors that did offer credit, they were largely organizations in which fiscal sponsorship was one among other program streams (23%).

(e) Do you extend credit to your projects under some circumstances? (within context of fiscal sponsorship program) n=86

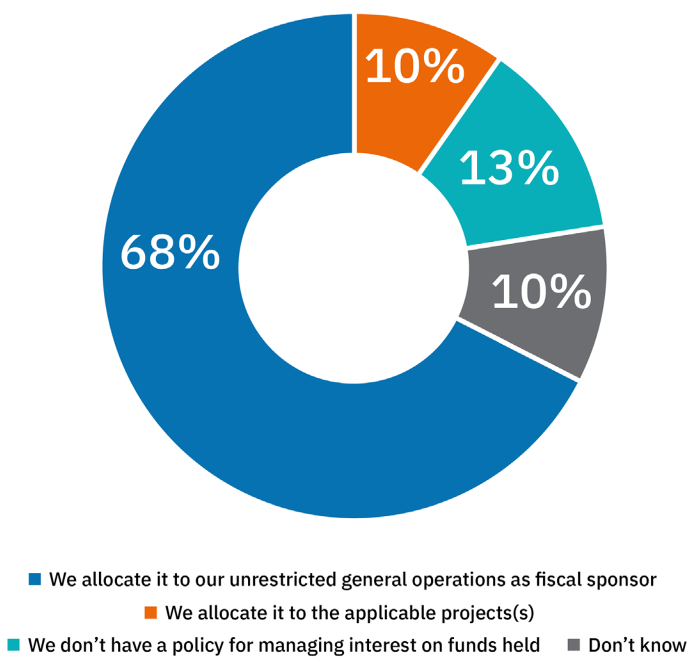


The dominant practice among sponsors is to issue financial reports on a regular schedule (or by request from the projects) utilizing standard reporting systems and forms. While in the 2006 field scan only 4% of respondents provided real-time online access to financial reports, by 2023 the number of sponsors doing so increased to 35%.

(f) Sponsor-to-project financial reporting practices n=86



Concerning practices around accounting and allocating accrued interest on project funds, the majority of respondents (68%) reported that they simply allocate any interest on project accounts to their unrestricted general operations, rather than allocating it back to specific projects. 13% of sponsors replied that they do not maintain a policy on interest management, don't know how they manage it, or reported the question to be not applicable.



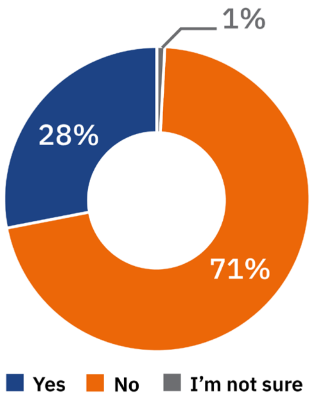
(g) How do you handle interest or other income on funds held, if not otherwise specified by a donor/grantmaker? n=63

2. Sponsored Project Management

(i) Project Intake, Spin Out, & Wind Up

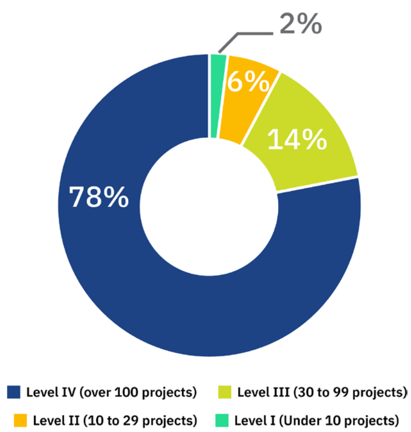
Projects Cycle	# of Projects	Across # of Organizations
Overall number of sponsored projects	12,184	100
New projects joining over the year	1,944	74
Projects turned away during the year	897	62
Projects transitioned during the year	442	49

Regarding project intake and spin out, around one in every four respondents (28%) confirmed that they suspended admitting new projects during the reporting period, with the largest number of moratoria introduced by sponsors between $1 and $10 million in expenses and those greater than $50 million. Eighty percent of these respondents mentioned lack of capacity as the main driver of this decision, with 38% citing strategic planning. A few mentioned that they stopped accepting new projects owing to system transitions.



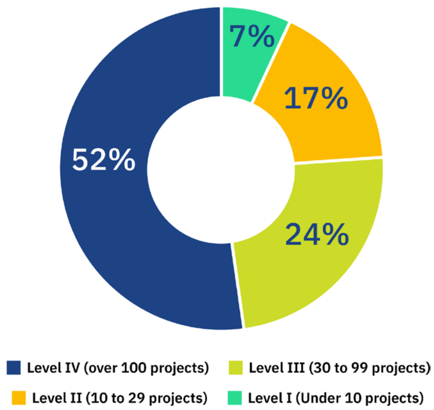
(a) Have you temporarily suspended or stopped new project intake within the last fiscal year? n=87

In contrast, 73% of respondents reported that they *added* new programs over the last year. In total, 1,944 new sponsored projects joined 73 different sponsor portfolios during the reporting period, which is 16% of all the reported projects across all portfolios. The graph below highlights how these numbers are spread across organizations by portfolio size.



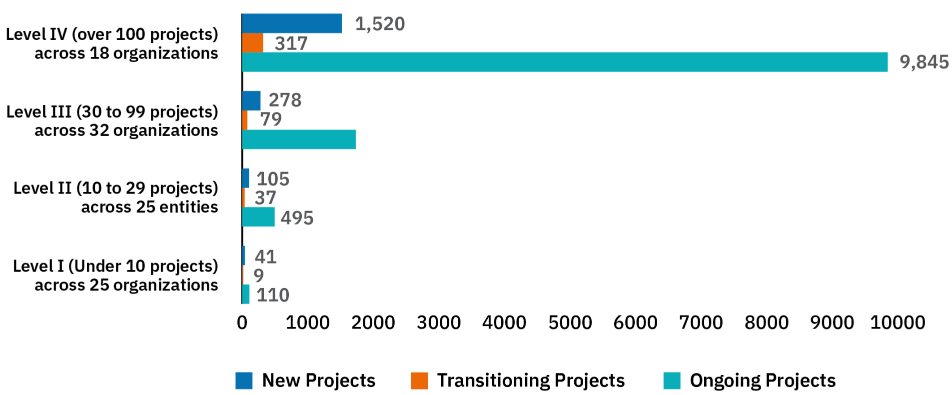
(b) Approximately how many projects joined your program over the last fiscal year (by portfolio size)? n=1,944 projects across 74 organizations

Seventy five respondents (86%) stated that they turned away projects over the reporting period, a total of 897 projects, which is about half (46%) of all *new* projects added across all respondents. For every two new projects brought in, sponsors turned away one.



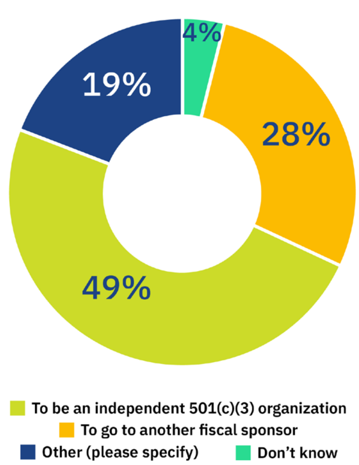
(c) Approximately how many projects have you turned away over the last fiscal year (by portfolio size)? n= 897 projects across 62 organizations

Seventy six (87%) of respondents stated that they intentionally transitioned projects out of their portfolios last year, a total of 442 projects across 49 organizations. When we compare the number of new projects with the number of transitioned projects, 22% transitioned relative to the number of new projects joining. However, looking at the detailed data set and reported transition and addition rates, 12 out of 78 respondents (15%) experienced higher rates of transitions than additions. Project acceptance and transition rates confirm that sponsors with larger portfolios were able to welcome more projects and manage the largest portion of project transitions.



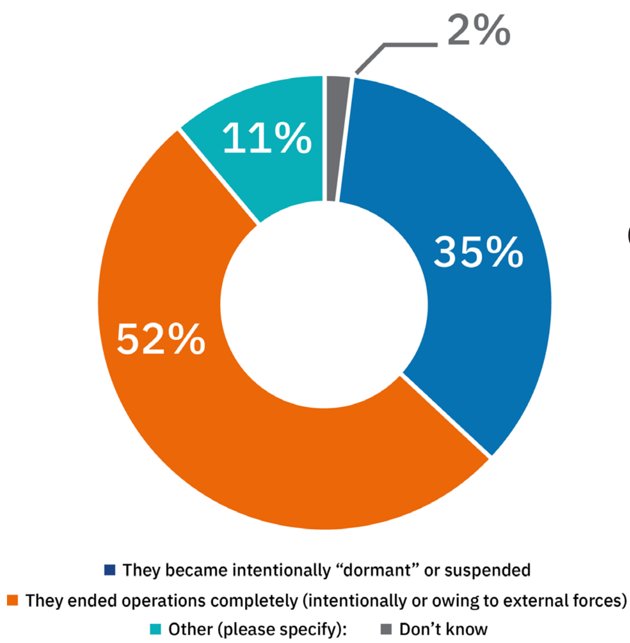
(d) Total number of projects reported by project status and portfolio size

Most projects (49%) transitioned away from fiscal sponsorship to stand-alone nonprofit 501(c)(3) status, followed by 28%, which transitioned to another fiscal sponsor. Under "other" reasons for departure sponsors cited that projects "completed their mission", "were short-term projects", or "dissolved due to shortage of funds or inactivity".



(e) Reasons for projects transitioning out of fiscal sponsors n=83

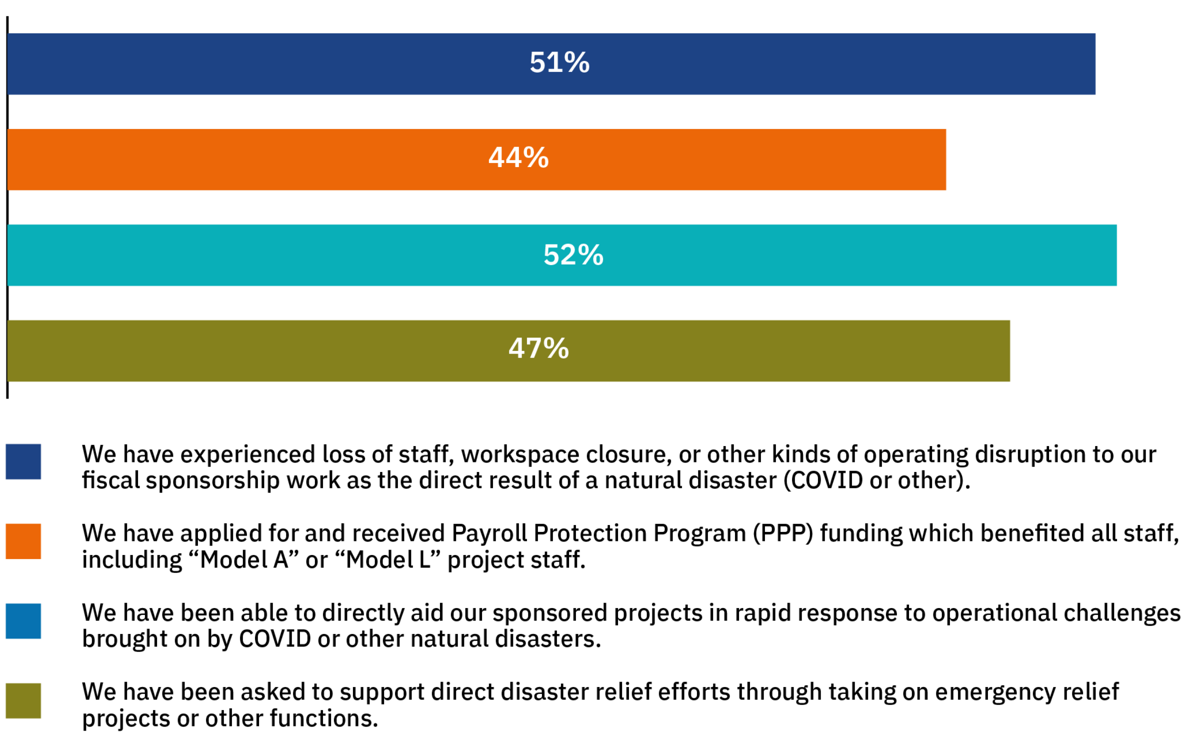
Sixty-three fiscal sponsors reported that they had projects that ceased their operations during the reporting period, a total of 979 projects. Of these reported cases, 52% were projects that "completely" ended operations, while 35% merely suspended operations or became intentionally dormant.



(f) Reasons projects ceased operations
n=63

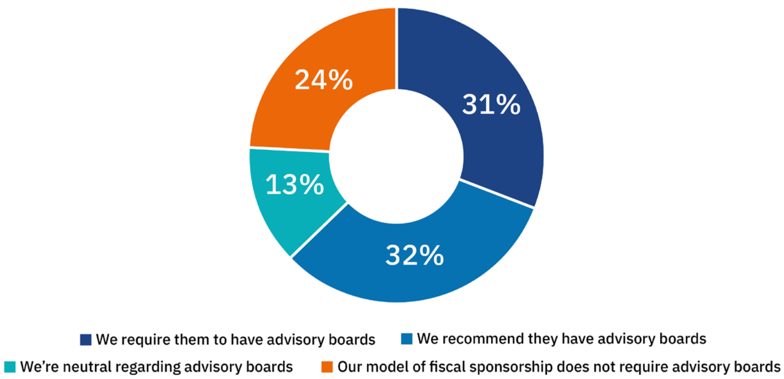
Fiscal sponsors provided significant assistance to their projects in the response to the COVID-19 pandemic. The below percentages represent how many of the respondents (n=96) to these statements (roughly half in all cases) responded affirmatively.

(g) Fiscal Sponsor Responses to COVID-19 n=96



(ii) Governance & Advisory

Most sponsors (32% of respondents) recommend advisory boards for sponsored projects, followed closely by 31% which require Advisory Boards. The balance of responses were from sponsors who were neutral on the subject or whose model(s) do not require advisory bodies for projects.



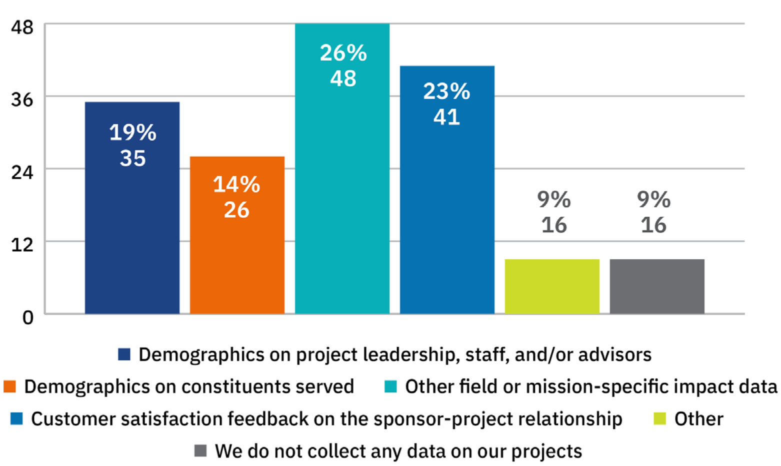
(a) Which of the following best describe your organization's approach to advisory boards for sponsored projects?
n= 87

Concerning the relationship between sponsored projects and the overall governance of the fiscal sponsor, 72% of all respondents reported that their boards participate in decision making or intentionally delegate approval of new sponsored projects to staff or other advisory groups. Additionally, 55% of all respondent boards engage in some manner of regular review and risk assessment of overall fiscal sponsorship portfolio. Concerning the involvement of project representatives in sponsor governance:

- 74% of respondents do not include projects directly in sponsor governance matters;
- 11% of respondents recorded that projects have minority of voting seats on their board;
- 8% of respondents offer avenues for informal inputs into governance matters; and
- 1% of respondents formally included project representation in governance matters.

(iii) Data Collection & Communications

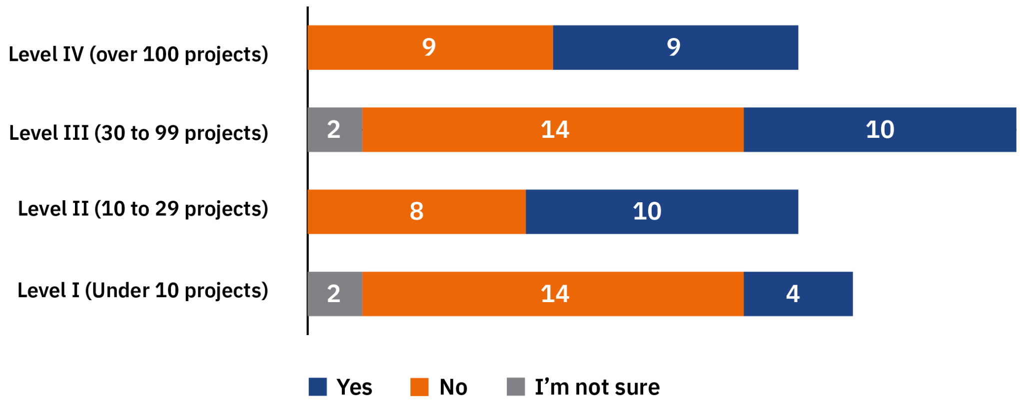
We were interested in what kinds of data that sponsors currently gather from their sponsored projects. The top three categories of data were field or mission impact data (26%), customer satisfaction data on the sponsor-project relationship (23%), and demography of project leadership, staff, and advisors (19%). Other types of data named include program strategy- and implementation-related data and information on financial activities. 9% of all the respondents do not collect any data.



(b) What kinds of information do you collect from your sponsored projects?
n=182 across 87 respondents

As it is common practice for many nonprofits to issue an annual report on their activities and impact, we asked to what degree sponsors reach beyond internal reporting to communicate to their community and stakeholders. Only 39% of respondents identified that they issue regular reports on their fiscal sponsorship work and/or the impact of sponsored projects. Sponsors with portfolio sizes between 25 and 100 projects engaged in the most external reporting. For those that did report regularly, most (79%) of these respondents acknowledged that the frequency of reporting was annual.

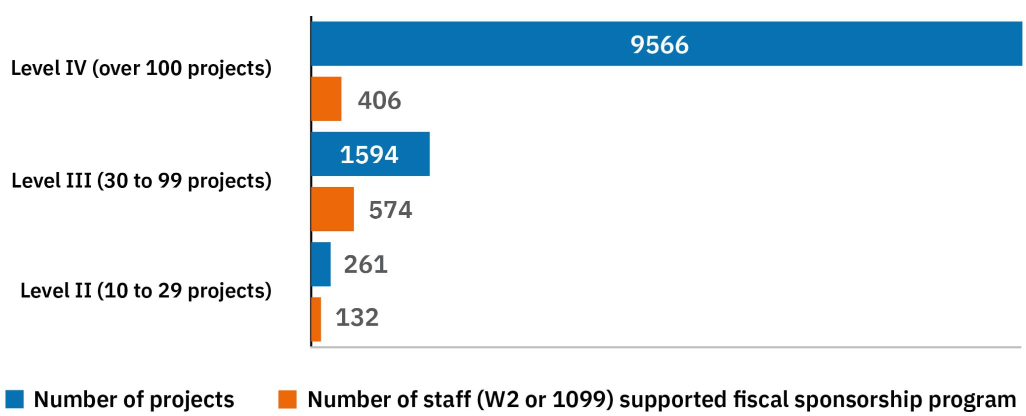
(c) Do you issue regular public reports on the work and/or impact of your fiscal sponsorship program? n=82



3. Staff & Support Capacity

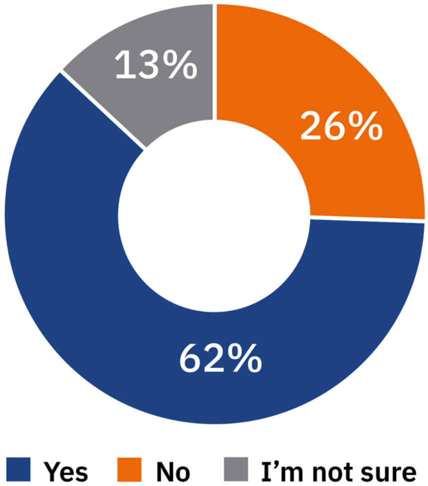
Across the 80 respondents offering information on staffing capacity, 1,107 full-time equivalent (FTE) staff were reported. Of note is the change in ratios of staff to number of projects in the portfolio, which was substantially larger among smaller portfolios, which is an indication of the operational economies of scale that fiscal sponsorship can provide, in particular the "Model A" comprehensive form. The number of projects indicated below are total projects counted within each portfolio size cohort.

(a) Fiscal sponsor staff capacity compared to portfolio size Including total number of projects within each portfolio cohort* n=80



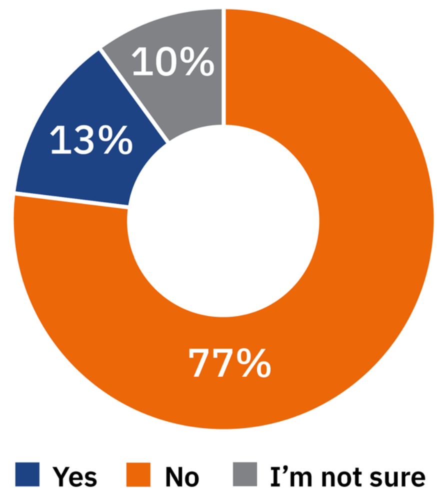
(*) Within this total for Level IV portfolios, one organization's portfolio accounts for 4,952 projects.

Of the 86 sponsors responding, 62% reported that they are planning to recruit or are currently recruiting additional staff members to support sponsored projects, a total of 118 projected new positions. But only 26% feel that they have adequate staffing to support their current fiscal sponsorship portfolio, let alone any further growth in the number or complexity of projects.



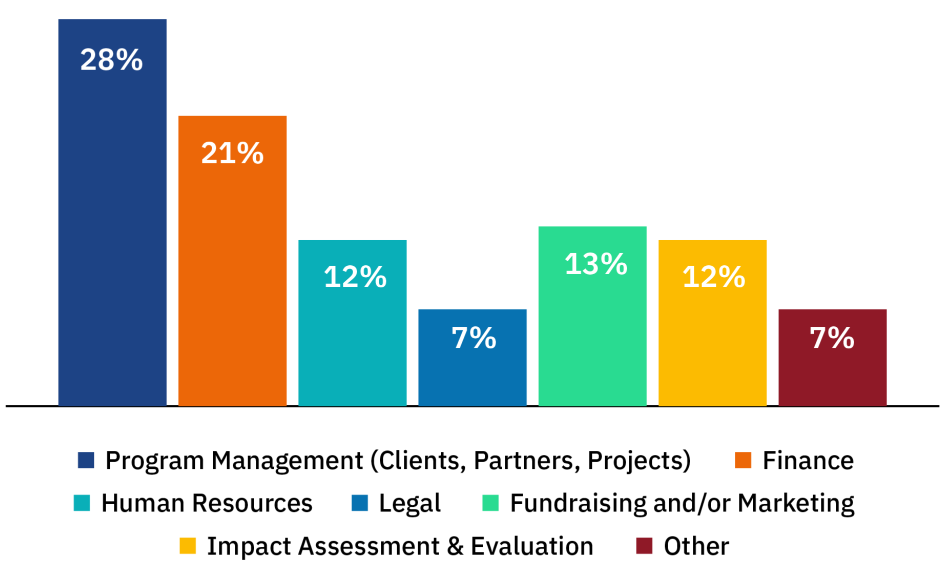
(b) Are you currently or do you anticipate searching for additional staff to support your sponsorship program in the next 12 months? n=86

(c) Do you anticipate any changes in chief executive leadership (CEO, Executive Director, President) over the next 12 months? n=86



Regarding the specific capacity needs of fiscal sponsors in order to best serve their projects, 28% of respondents cited Program Management (front-line work with sponsored projects), followed by 21% indicating needs in Finance and 12% requiring more support in people management (Human Resources). Under" "Other", sponsors cited needs in the areas of enhanced technology and systems integration.

(d) What are your top two areas of immediate capacity needs? n=118 across 59 respondents



Collating several data sets from our survey, we were able to calculate estimated average Level of Effort (LOE), measured in Full Time Equivalents (FTEs) across the key areas of operational support offered by fiscal sponsors to their projects.

(e) Average level of effort for project support by department

Average LOE spent by portfolio by function	Level I (under 10 projects)	Level II (10 to 29 projects)	Level III (30 to 99 projects)	Level IV (over 100 projects)	Grand Total
CEO Executive Director support	0.50	0.82	0.82	0.72	0.72
Finance and Accounting support	0.87	2.46	3.95	7.36	3.54
Legal and Compliance directly support	0.28	0.52	0.72	1.97	0.83
Fundraising and Marketing directly support	0.28	0.55	0.72	1.77	0.79
Technology and Internet directly support	0.05	0.14	0.65	1.97	0.66
Human Resources directly support	0.23	1.01	1.30	2.98	1.31
Impact data Gathering and Assessment directly support	0.14	0.13	0.05	0.72	0.24
Relationship Management for sponsored projects support	0.65	1.91	3.38	9.61	3.67
Other functions directly support	0.48	0.97	1.71	1.23	1.11

Critical to understanding fiscal sponsors' capacity to deliver support to projects is not only how organizations are building in-house staff, but also the degree to which outsourcing plays an important role in meeting capacity needs. Our survey yielded the following findings from sponsors (n=86). Beyond the largest represented functions named below, other outsourced functions included technology and change management.

(f) Key outsourced fiscal sponsor capacities

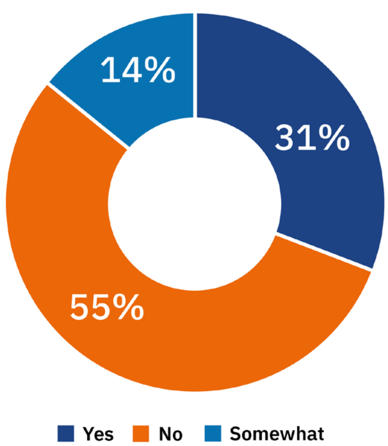
Outsourced Function	% Reporting
Legal services (See detail on legal services below.)	71%
Payroll management	41%
Accounting, bookkeeping, and general financial services	28%
Human resources management functions via consultants/management vendors	16%
Human resources via a Professional Employment Organizations (PEO)	10%

Only 27% (23 organizations) reported that they have in-house legal staff. This indicates growth in this area, since the 2006 field scan, where only 11 organizations had legal counsel on staff. Almost half of all respondents with larger portfolios have in-house legal staff, but only 18% of the smaller portfolios have in-house legal personnel.

(g) Outsourcing legal services by portfolio size

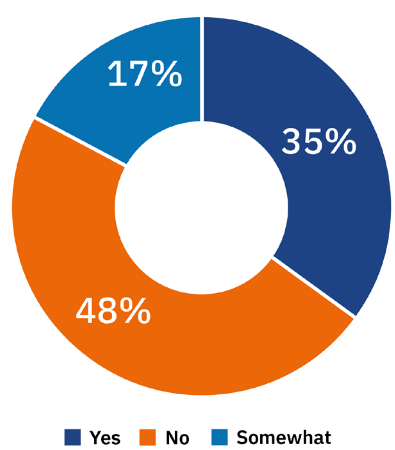
Portfolios and Legal Supports	Organization does not have access to legal services	Organization has inside counsel that works with outside counsel, as needed	Organization outsources legal services as needed
Level I (under 10 projects)	2	4	17
Level II (10 to 29 projects)		3	16
Level III (30 to 99 projects)		8	18
Level IV (over 100 projects)		8	10
Grand Total	**2**	**23**	**61**

In sum, we asked sponsors if they felt they had adequate staff and technological systems to support their current portfolios of projects. About half of respondents assessed themselves as having "somewhat" the needed capacity, with about one-third affirming adequate capacity and an average of 16% reporting that they did not have adequate capacity in the staff and systems.

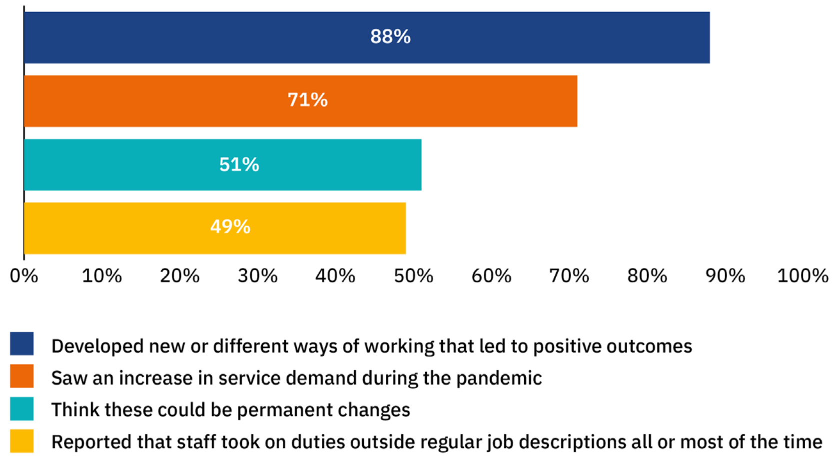


(h) Do you have adequate staff to support your fiscally sponsored projects? n=86

(i) Do you have adequate technology resources to support your fiscally sponsored projects? n=86



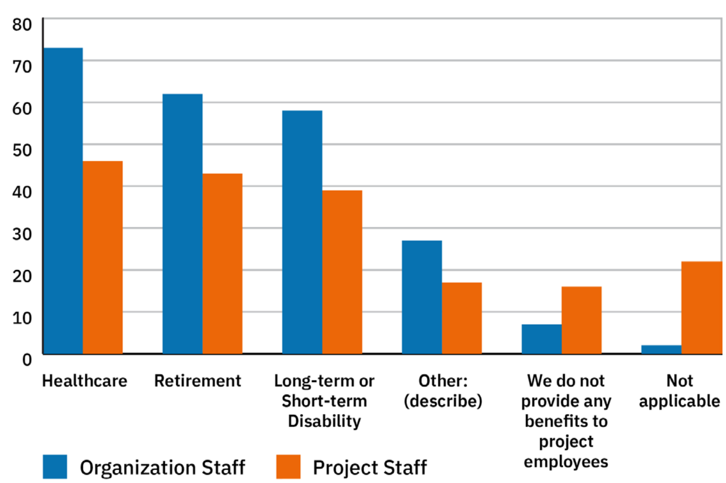
Inquiring about the impact that the COVID-19 pandemic had on sponsor staff and support capacity as well as support demand, 71% reported increased demand for service during the pandemic, with most developing new and different ways of working in response to the crisis. Just over half of respondents viewed pandemic changes as permanent.



(j) Impacts of the COVID-19 pandemic on fiscal sponsors

4. People Management (Human Resources) Practices

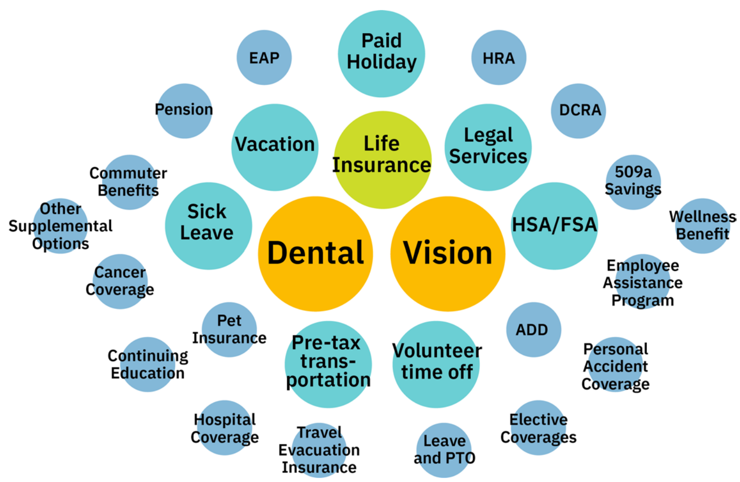
Overall we found that employee benefits were not offered as frequently to sponsored project employees as they are to the sponsor's core staff. This discrepancy could be owing to a number of factors from project employee/contractor misclassification to under-developed or noncompliant employee benefit policies. Beyond the difference in offerings between core sponsor and project staff, the chief benefits, where offered, were almost uniformly healthcare, retirement, and long-term/ short-term disability, in that order of prevalence.



(a) Benefits offered to both core sponsor and project staff (all respondents, inclusive of "Model A" and "Model C" only practitioners) Core Sponsor Staff n=230 Sponsored Project Staff n=183

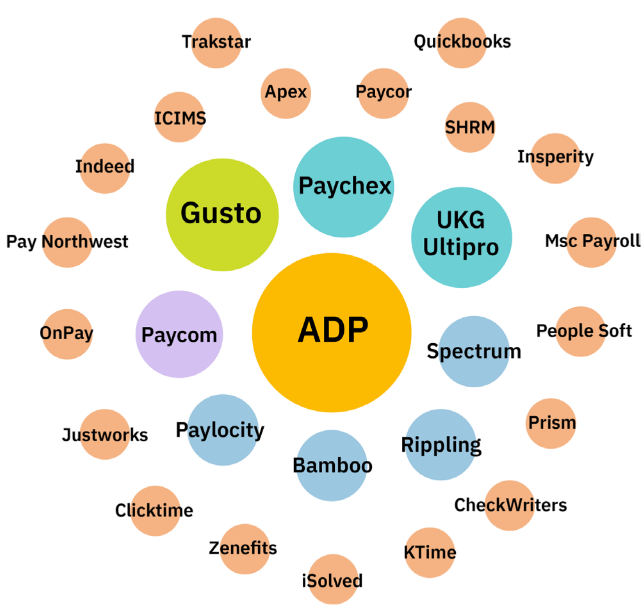
Removing sponsors who offer *only* "Model C" fiscal sponsorship, which are not generally the employer of record for project staff, yields the below adjusted data set. Only 73% of the adjusted respondent group offer health benefits to project staff. Of those who offer short-term and long -term disability benefits to staff, 83% also offer them to projects. And 88% of the organizations that offer retirement funds also offer them to the projects. Of the organizations that offer "Model A" sponsorship, only 16% do not offer benefits to projects, and only 8% offer benefits to neither core nor project staff.

(b) Benefits offered to both core sponsor and project staff (omits sponsors offering exclusively "Models C, E, or F")
Core Staff n=188 Project Staff n=169



(c) Additional benefits offered by sponsors to employees

Seventy one percent of those who responded, confirmed that they employ their staff directly (as opposed to using a Professional Employment Organization), and 59% (51) confirmed that they use Human Resources Management (HRM) technology to manage their staff, with 57% (49) managing payroll in-house. Vendors ADP, Gusto, Paycom and Spectrum were the most commonly used systems.

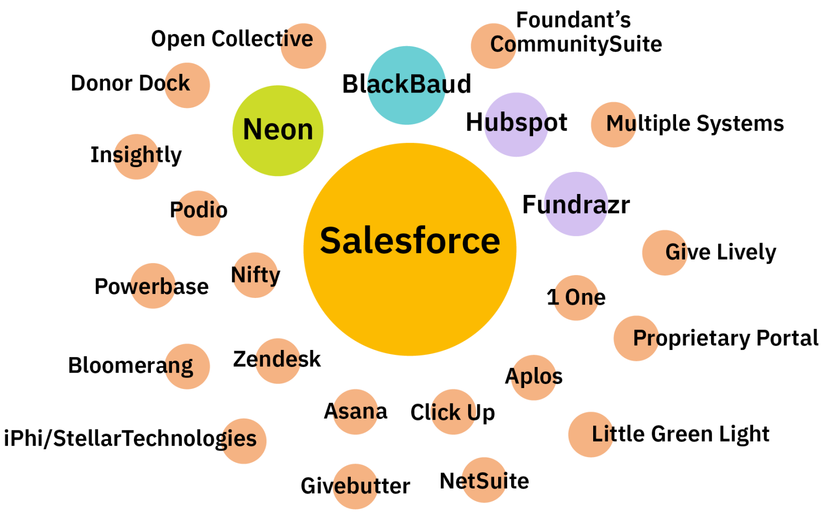


(d) Preponderance of systems and vendors used by fiscal sponsors to manage payroll

Concerning additional support offered to employees, respondents (n=86) reported as follows:

(e) Areas of support offered by sponsors to employees

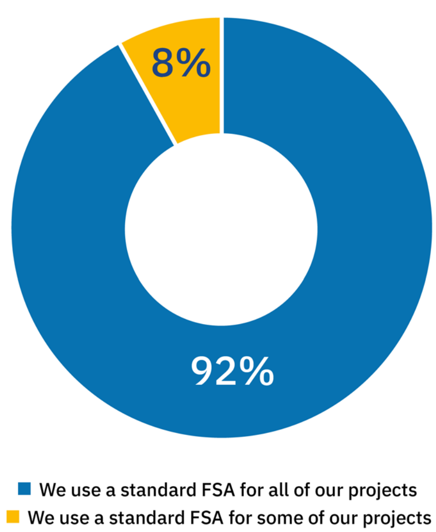
Area of Employee Support	% Reporting
Offer professional development to the organization and project staff	91%
Conduct staff training and orientation for sponsored project employees	71%
Maintain a project manual or other written policy guide for sponsored projects	73%
Maintain a Human Resources manual or equivalent for core and project staff	65%
Have a customer/donor relationship management software	59%



(f) Preponderances of customer relationship management (CRM) softwares reported by fiscal sponsors

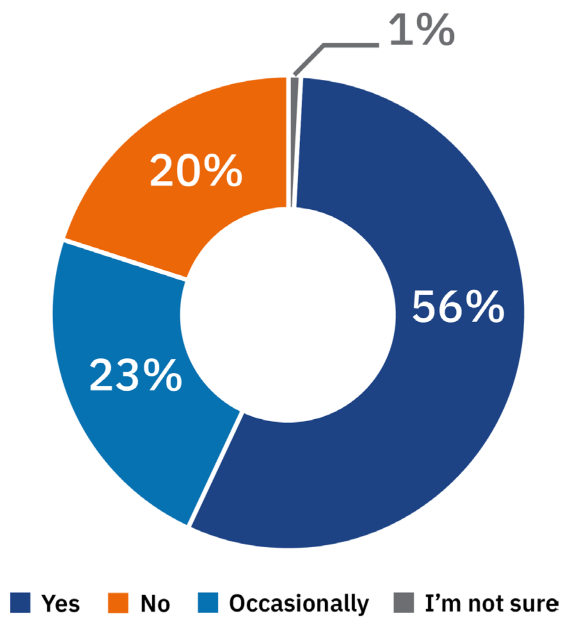
5. Legal, Insurances, & Risk Management Practices

Most fiscal sponsors (92% of respondents) use a form of Fiscal Sponsorship Agreement (FSA) with all of their projects, with only 8% using FSAs some of the time. This is roughly in keeping with 2006 Field Scan responses that 90% (n=111) of sponsors used FSAs with all of their projects.



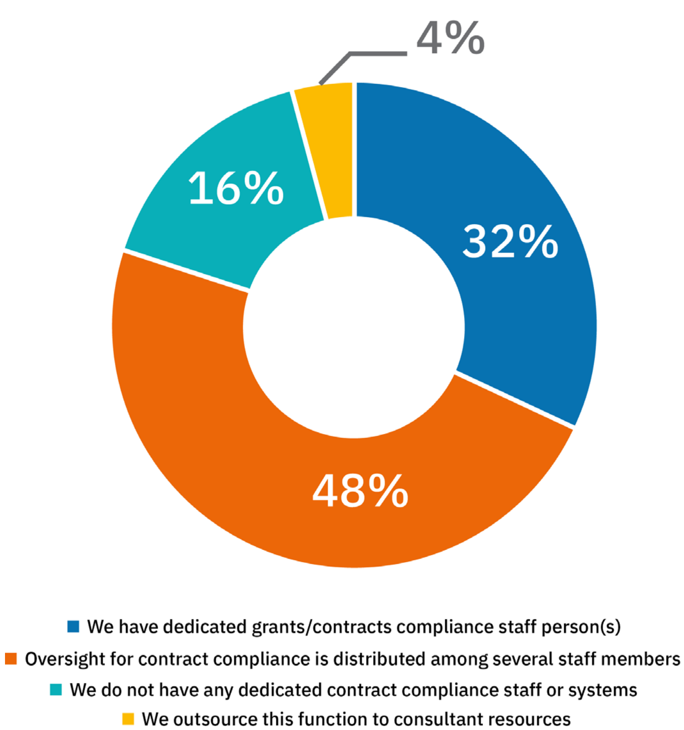
(a) Do you use a standard Fiscal Sponsorship Agreement (FSA) or MOU form for your sponsored projects? n=86

Likewise, most fiscal sponsors responding (56%) provide other standard contract templates to their projects (e.g., Independent Contractor Agreement, Nondisclosure Agreement, Licensing Agreement, etc.).



(b) Do you provide other standard contract templates to your projects (e.g., Independent Contractor Agreement, Nondisclosure Agreement, Licensing Agreement, etc.)? n=86

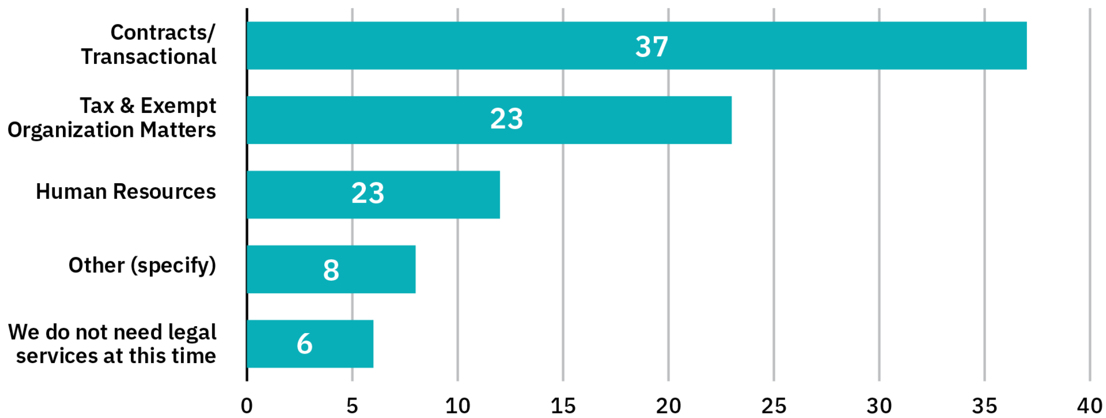
The largest number of responding fiscal sponsors (48%) reported that the process of ensuring compliance with contracts related to their fiscal sponsorship work was distributed among several staff members, with 32% others confirmed that they have dedicated staff to manage contract compliance.



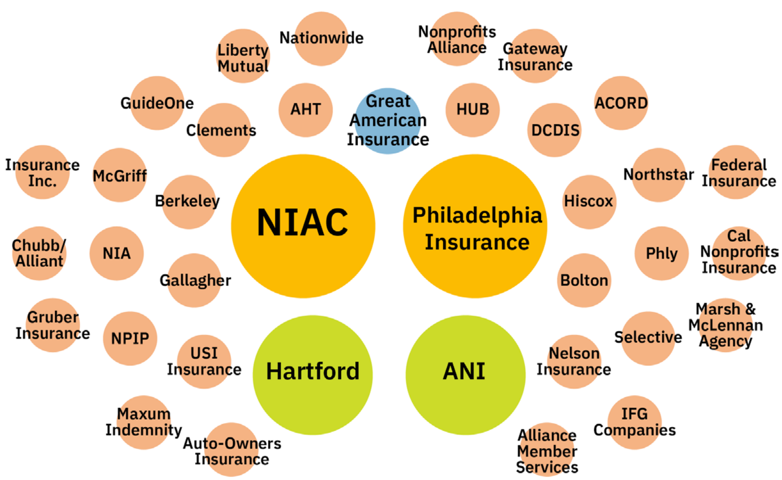
(c) How do you maintain contract compliance? n=86

The majority of respondents (43%) indicated that they need more legal support for contract or other transaction-related management, followed by needs in the area of guidance in tax-exempt matters (27%) and human resources (14%).

(d) What kinds of legal services do you find you need the most? n=86

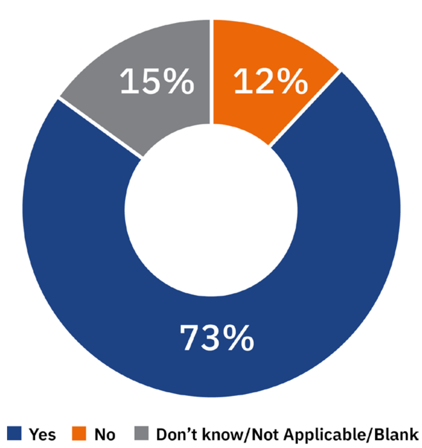


The majority of the respondents (61%) reported not having trouble securing General Liability Insurance coverage. Only 9% reported that they had issues with insurance providers and their services.



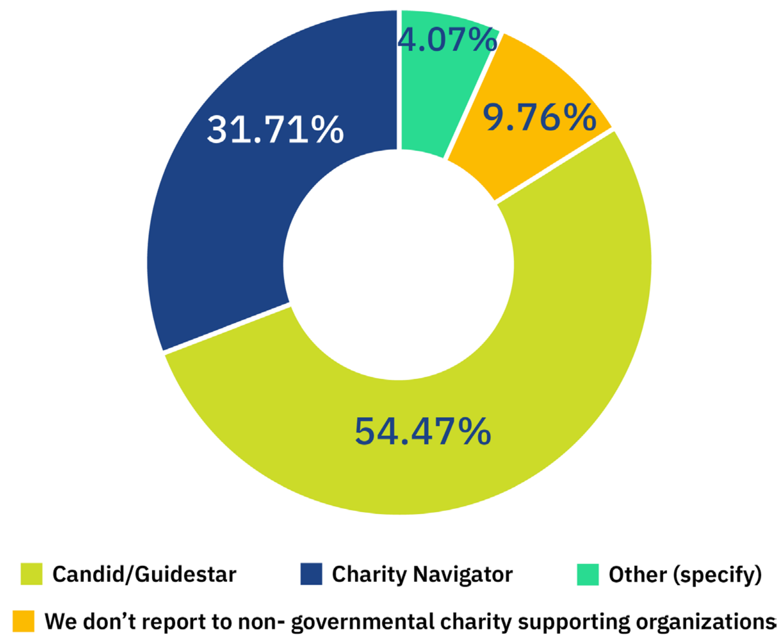
(e) Preponderant insurance carriers used by fiscal sponsors n=66

Of respondents (excluding those who only provide “Model C”) 73% offer General Liability Insurance coverage to their projects.



(f) Do you maintain general liability insurance for your projects? n=73

(g) Do you maintain profiles with charity reporting "watchdog" organizations? n=73



GLOSSARY

The following terms are defined below because they carry specific meanings for or are closely related to the field of fiscal sponsorship or are terms common to the nonprofit sector but given a specific definition for the purposes of this report.

Advisory Board - in the context of fiscal sponsorship, is generally encouraged for all sponsored projects, in particular “Model A” Comprehensive Fiscal Sponsorship. These boards are usually all-volunteer advisory bodies that bear many of the functions of true nonprofit boards (networking, advisory, strategic guidance and oversight, etc.), but do not bear ultimate fiduciary responsibility for charitable funds. That responsibility lies with the fiscal sponsor’s board proper.

Cost Allocation - recovered costs for the fiscal sponsor’s support through a defined rate or “cost allocation”, usually expressed as a percentage of either sponsored project revenues or expenses. While often incorrectly referred to as a “fee” or “fee-for-service”, a more accurate term would be “cost allocation” as fiscal sponsorship isn’t a management service (which is not inherently charitable) but rather a means for nonprofit infrastructure to be shared and portions of overall cost allocated to projects.

Cost-to-Deliver - the whole cost (direct and indirect costs) of providing support to fiscally sponsored projects and is largely a portion of the fiscal sponsor’s core staff plus additional direct costs, such as insurances, software, occupancy, etc.

Core Staff/Project Staff - for the purpose of this report, refers to the internal management staff of the fiscal sponsor whose work and capacity is shared by the whole portfolio of sponsored projects. Project staff are staff members who work exclusively with the sponsored projects, supported by the sponsor’s core staff.

Donor Advised Funds (DAFs) - a separately identified fund or account that is maintained and operated by a section 501(c)(3) organization, meaning a sponsoring organization. DAFs are statutorily defined via the Pensions Protection Act. Each account is composed of contributions made by individual donors who retain some degree of advisory direction over how the funds of the account are distributed as grants. Many fiscal sponsors also offer DAF sponsorship service, so this structure for managing philanthropy continues to evolve alongside fiscal sponsorship.

Donor/Funder Collaboratives - a range of structures through which multiple donors and/or foundations pool funds together for re-granting purposes, often to engage in grantmaking outside of their institutional norms or policies, such as participatory grantmaking. Donor and funder collaboratives often use “Model A” or “Model C”-type structures to manage pooled funds, and thus, like DAF sponsorship described above, some fiscal sponsors offer distinct support programs for funder collaboratives.

Fiscal Sponsor - while not a legal term or concept per se, it is described as an arrangement in which an exempt organization, typically a 501(c)(3) public charity, furthers its mission by receiving and expending funds to support a mission-aligned "Project" while retaining discretion and control over the funds. Depending on the model, fiscal sponsors may also share their legal home, back office, and other resources with their Projects. Unlike a traditional program carried out by a nonprofit, fiscal sponsorship arrangements are typically memorialized in an agreement that defines roles and responsibilities. The leadership of the Project usually reserves the right to exit the relationship.

In recent years, fiscal sponsorship structures and practices have been applied to 501(c)(4) social welfare nonprofits as well. As the field has developed, other terms have emerged to describe the same relationship, such as "fiscal host/ing", "management commons", "fiscal home", "administrative home", etc. Although occasionally used, the term "fiscal agent" is legally inaccurate to describe this arrangement and should be avoided.

Fiscal Sponsorship Agreement (FSA) - a legal agreement between the sponsor and project (or sponsee), where the contracting party on the sponsor's side is a 501(c)(3) nonprofit corporation and on the project's side, either a non-exempt entity of some kind, a person, or an unincorporated association. The FSA outlines the basic terms and conditions of the fiscal sponsorship relationship.

Level of Effort - the time dedicated by a contractor or employee to perform the work entailed in their scope or job description, usually measured in hours or Full Time Equivalent (FTE) units.

Liquidity - the amount of cash on hand that a sponsor or project has to pay for operating expenses, expressed as a unit of time, usually months of cash on hand.

Model A - Comprehensive Fiscal Sponsorship - often called "direct project" fiscal sponsorship, it is an arrangement where the fiscal sponsor furthers its mission by sharing its legal home and back office infrastructure with mission-aligned projects while retaining the discretion needed to ensure compliance with applicable laws and regulations. Back office infrastructure includes though not limited to: tax and regulatory filings, financial and grants management, compliance, the ability to hire staff, asset management and liability insurance. Basically the project becomes a program of the nonprofit but there are defined roles and responsibilities as to how the nonprofit supports and works with the program with maximum allowable strategic and programmatic decision making, including the right to exit the relationship, sitting at the project level.

Model B - Subcontractor Relationship - a form of sponsorship in which the sponsor agrees to receive charitable funds on behalf of the project, which is represented by a separate, non-exempt entity. The sponsor subcontracts with the project's entity to perform the work required by the donor or grantmaker. The project entity performs the work in accordance with grantor/donor wishes and reports to the sponsor on the work completed and related financial activities.

Model C - Pre-approved Grant Relationship - relies on a re-granting relationship between the sponsor and entity or person carrying out a charitable project, whereby the sponsor receives charitable contributions and re-grants funds to a person or non-exempt entity for final expenditure and performance of the charitable purpose. The project then reports back to the sponsor on the uses of the funds.

Model L - Disregarded Entity - entails the formation of a LLC subsidiary entity or "disregarded entity" under a fiscal sponsor, which serves as sole member of the LLC. Through the sole member (owner) relationship, the fiscal sponsor's tax exemption flows through to the LLC, which contains the operations, key assets, and liabilities of the sponsored project. From a compliance reporting standpoint, the LLC is consolidated into the parent sponsor and disregarded for federal tax purposes. "Model L" is used to house exceptional risks, complex assets, or to facilitate spin-out of the same. It is often operated with the same administrative support provided under "Model A" and thus is sometimes referred to as "Model A-L".

Other Models - while attorney Gregory Colvin, in his landmark book, *Fiscal Sponsorship: Six Ways to Do It Righ*t (Study Center, 1993) identified other models beyond those described above, these are far rarer or less identified with the practice of fiscal sponsorship than "Models A, B, C, and L".

Philanthropic Intermediary - any organization that provides a platform for philanthropic work, including Donor Advised Fund (DAF) sponsors, Model C fiscal sponsors, funder and donor collaboratives, as well as cloud-based technology solutions that aggregate giving or provide a platform for giving to a particular purpose, mission, or community.

Sponsored Project - the generic term for the nonprofit activity carried out via a fiscal sponsorship relationship. Regardless of the fiscal sponsorship model, projects typically operate independently with regard to public identity, core constituent relationships, and general decision making about strategy, programming and resource allocation, subject to policies and oversight provided by the sponsor. While the term "project" or "sponsee" remains widespread, alternate terminology may be encountered to denote the same, such as "partners", "affiliates", "members", and other organization-specific terms.

Project Director - the field term to denote the authorized representative who interfaces with and manages the day-to-day relationship between the sponsor and the project. The project director may be a paid or volunteer position with the project and may be staff or a member of the Advisory Board for the project.

Public Charity/Private Foundations - Per the IRS, a private foundation, domestic or foreign organization, described in section 501(c)(3) of the Internal Revenue Code except for an organization referred to in section 509(a)(1), (2), (3), or (4). In effect, the definition divides section 501(c)(3) organizations into two classes: private foundations and public charities.

Generally, organizations that are classified as public charities are churches, hospitals, qualified medical research organizations affiliated with hospitals, schools, colleges and universities that:

- Maintain an active program of fundraising and receive contributions from many sources, including the general public, governmental agencies, corporations, private foundations or other public charities,
- Receive income from the conduct of activities in furtherance of the organization's exempt purposes, or
- Actively function in a supporting relationship to one or more existing public charities.

Private foundations, in contrast, typically have a single major source of funding (usually gifts from a family or corporation rather than funding from many sources) and ofte nhave as their primary activity the making of grants to other charitable organizations and to individuals, rather than the direct operation of charitable programs. Public charities receive favorable tax and compliance treatment. It should be noted that many public charities, such as community foundations, have the word "foundation" in their name.

Reporting Period - data gathered for this report that was reasonably clean and clear was provided by the participating sponsor organizations for their last completed fiscal year at the time the survey was issued. The reporting period for this study generally ran from January 1, 2021 and December 31, 2022. We did not require the reporting period to be subject to independent financial scrutiny or other verification processes.

Social Welfare Organization - tax-exempt organizations under Section 501(c)(4) of the Internal Revenue Code, which are not organized for profit and are operated exclusively to promote social welfare. The organization must operate primarily to further the common good and general welfare of the people of the community that it serves and may engage in unlimited lobbying, though some 501(c)(3) organizations are prohibited from engaging in political activity.

ACKNOWLEDGEMENTS

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NNFS Steering Committee: Jonathan Barona, Kathy Bolts, Melinda Higgs, Theresa Hubbard, Lisa Jackson, Susan Kamprath, Alicia Lara, Nicki Leszman, Sarah McCann, Mike Medow, Louisa Mfum-Mensah, Elaine Ng, Arun Prabhakaran, Shannon Scott, Lupe Solorio, Thaddeus Squire, Noah Stockman, and Ruth Williams

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PARTICIPATING FISCAL SPONSORS

Access Philanthropy Charities
Allied Media Projects
AnchoRRa
Angels for Angels
Arts Alive
Arts Business Collaborative
Assembly for the Arts
Austin Creative Alliance
Beloved Community
Brooklyn Arts Council
Build Missouri Health
Build Up, Inc.
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Center for Empowered Politics Education Fund
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Center for Rural Affairs
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Centro De Economía Creativa
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Community Capital Fund
Community Foundation of Louisville
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Evergreen Social Impact
Foundation for Independent Artists, Inc.
Foundation for Louisiana
Fractured Atlas
Friends of Hopewell Valley Open Space
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For media and other inquiries about this publication, contact:

Thaddeus Squire, Chief Commons Steward
Social Impact Commons
6370 Church Road
Philadelphia, PA 19151 USA
T 215 760 1634
E thaddeus@socialimpactcommons.org
W socialimpactcommons.org