

## Key Insights & Strategic Recommendations

Collaborative Work Session:

Strengthening Baltimore's Fiscal Sponsor Ecosystem

Tuesday, October 8, 2024 • 9:30 am - 2:00 pm • Annie E. Casey Foundation

### 10/8/24 Meeting Summary

On October 8, 2024, a group of stakeholders gathered for a collective strategy session to strengthen Baltimore's fiscal sponsor ecosystem. The meeting aimed to review findings from recent interviews, begin creating a shared vision for the ecosystem, and prioritize strategies for advancing this vision into 2025. By the end of the session, participants hoped to leave with a clear direction for future steps, new insights on fiscal sponsorship to inform the field, and a sense of collective purpose.

Participants began by expressing their aspirations for the session. The group wanted clarity on the ecosystem's ultimate goals and next steps, as well as the resources required—financial, human, and temporal—to bring their vision to life. They recognized Baltimore's unique opportunity to become a model for fiscal sponsorship excellence and emphasized the importance of building trust, fostering compassionate accountability, and gaining buy-in from funders and the broader community. There was a desire to understand and communicate about fiscal sponsorship more effectively, while also developing specific actions and concrete asks that could engage the funders and broader community.

The session's discussion revealed several critical questions around the ecosystem's vision. Participants explored the distinct roles fiscal sponsors play and the gaps in understanding their purpose by the broader community. They questioned whether the work differed between fiscal sponsors and the projects they support, and reflected on the ideal outcomes for Baltimore's fiscal sponsor landscape. Recognizing the complexities inherent to fiscal sponsorship, the group discussed the need to move beyond minimal standards, envisioning a high-functioning ecosystem that could be resilient to external pressures.

Several key observations emerged, highlighting the need for financial literacy across boards, fiscally sponsored projects, funders, and hosts. Many participants noted that a shared understanding of fiscal sponsorship—including fiduciary responsibilities, fee structures, and legal considerations—could help eliminate confusion and foster stronger relationships across the ecosystem. This discussion led to an emphasis on rebranding fiscal sponsorship work and narrative change, with a vision of promoting "Investing in Baltimore" as a significant movement. Resources for convening and collaborative support were identified as essential to building alignment across fiscal sponsors, funders, and projects.

From these discussions, the group envisioned Baltimore's fiscal sponsorship ecosystem five years into the future. They imagined a community with a deeper understanding of fiscal sponsorship, where informed and educated decisions on resource use could become the norm. The vision included a sustainable business model that provides fiscal hosts with access to

working capital and general operations support, which would allow them to meet emergent needs and scale their impact. In this ideal ecosystem, funders would play a more engaged role, and the community would benefit from shared resources that foster resilience and growth.

The session then divided into groups to establish priorities. Group 1 focused on the importance of regular convenings among fiscal sponsors, funders, fiscally sponsored projects, and consultants to foster relationships and establish accountability structures, with ties to national networks where possible. They emphasized the need for narrative change to clarify fiscal sponsorship's role and impact in Baltimore, along with working capital to enhance cash flow for fiscal sponsors. Group 2 centered their priorities on financial literacy and fiscal standards, emphasizing shared convenings, resources, and long-term investments in infrastructure. Their vision included building a strong fiscal sponsor ecosystem by developing a pipeline of resources and providing stabilization support in the short term to foster growth.

As the session concluded, participants shared reflections on the day's progress. There was a palpable sense of optimism and determination, with many feeling more connected, energized, and hopeful about the future. Participants left inspired by the collective power in the room and with a commitment to drive Baltimore's fiscal sponsorship ecosystem forward.

The next steps for this initiative will involve documenting the outcomes of the session and reconvening to finalize decisions and identify actionable next steps. Moving forward, the group will organize efforts around funder engagement to support the identified priorities, laying the foundation for a strengthened fiscal sponsor ecosystem in Baltimore.

## Session Participants

1. Allison Duggan - Director of Community Grants, Fusion Partnerships
2. Andrew Coy, CEO, Digital Harbor Foundation
3. Blair Franklin - Principal, Lead Weaver & Facilitator, Alight Alchemy
4. Danista Hunte - President & CEO, Maryland Philanthropy Network
5. Heidi Arndt - Executive Director, Uplift Alliance
6. Laurie Bezold (aka Polly Riddims) - Former Managing Partner, Board Co-Chair, Fusion Partnerships; Fiscal Sponsor and Nonprofit Consultant
7. Linda Keely - Fiscal Portfolio Transition Consultant, Maryland Philanthropy Network; Founder & Trustee, RAW Trust
8. Michael Camlin - Senior Associate for Education Achievement, Baltimore Civic Site, Annie E. Casey Foundation
9. Polly Riddims - Independent Consultant; Fusion Partnerships
10. Rachel Donegan - Director of Partnerships, Baltimore Civic Fund
11. Roger Schulman - CEO & President, Fund for Educational Excellence
12. Sarah McCann - Director of Partnerships, Fusion Partnerships
13. Talib Horne - Director, Baltimore Civic Site, Annie E. Casey Foundation
14. Danielle Torain-Victor - Co-Facilitator, Torain Advisory
15. Jonalyn Denlinger - Co-Facilitator, J. Denlinger Consulting

## Vision & Priorities for 2025 Investment

This section outlines a 5-year vision for Baltimore’s Fiscal Sponsor Ecosystem, key priorities for ecosystem-building efforts, and potential investment opportunities based on insights from the October 8, 2024, work session. As a draft, it is intended for group review and input before finalization. This information will help inform a shared work plan for 2025, to be developed as the next step in this collaborative effort.

### 5-Year Vision for Baltimore’s Fiscal Sponsorship Ecosystem:

- **Enhanced Understanding and Awareness:** Fiscal sponsorship is widely understood across sectors and among community stakeholders, with clear insights into its impact and complexities, fostering a culture of informed decision-making among fiscal hosts, funders, and stakeholders.
- **“Sustainable”, Resilient, and Responsive Business Models:** Fiscal sponsors operate within a sustainable framework that utilizes shared resources and a balanced mix of earned income, contributions, and philanthropic support. Strengthened financial practices support consistent service quality, stability, and growth across the sector. These business models are adaptable, designed to meet the diverse and evolving needs of Baltimore’s communities.
- **Robust Working Capital and Financial Flexibility:** Fiscal hosts have reliable access to working capital, allowing for responsive support of sponsored projects, streamlined cash flow management, and resilience in the face of emergent needs.
- **Increased Funder Engagement and Operational Support:** Funders are deeply engaged, offering strategic backing and general operational support that empowers fiscal hosts to focus on their missions and enhance community impact.

<p><b>Priority 1</b></p> <p>Convene &amp; Strengthen Relationships Across the Fiscal Hosting Ecosystem</p>	<p><b>Summary:</b> Facilitate regular convenings to foster trust and strengthen connections among fiscal sponsors, funders, fiscally sponsored projects, and support organizations. These gatherings will serve as collaborative spaces to deepen understanding, share best practices, and address shared challenges within Baltimore’s fiscal hosting ecosystem. By building a network of engaged stakeholders, we aim to create a cohesive, supportive environment that drives collective impact, promotes resource-sharing, and enhances the sustainability and resilience of all entities involved in the ecosystem.</p> <p><b>Potential Investment Needs and Opportunities:</b></p> <ul style="list-style-type: none"> <li>● <b>Funding for Regular Convenings:</b> Support for a series of structured gatherings among fiscal sponsors, funders, fiscally</li> </ul>
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	<p>sponsored projects, and support organizations. These convenings will provide spaces for relationship-building, shared learning, and collaborative problem-solving to address challenges within the ecosystem.</p> <ul style="list-style-type: none"> <li>● <b>Resources for Collaborative Infrastructure:</b> Investment in logistical needs such as venues, technology, facilitation tools, and materials to create effective, accessible, and inclusive convening spaces, allowing all stakeholders to participate fully and productively.</li> <li>● <b>Facilitation and Coordination Support:</b> Funding to hire skilled facilitators or dedicated project managers who can design and lead these convenings, helping to build trust among stakeholders, foster meaningful dialogue, and ensure tangible outcomes from each session.</li> <li>● <b>Collaboration Grants:</b> Allocation for grants that encourage collaboration across organizations, enabling fiscal sponsors, funders, and projects to co-design solutions, share resources, and explore new ways of working together.</li> </ul>
<p><b>Priority 2</b></p> <p>Develop &amp; Fortify Baltimore’s Fiscal Hosting Sector</p>	<p><b>Summary:</b> Invest in building a robust fiscal hosting sector that supports sustainable growth, strengthens infrastructure, and enhances best practices across organizations. This effort will include fostering sector-wide standards, increasing financial and operational literacy, and providing targeted resources to bolster fiscal sponsors and their projects. By prioritizing shared learning, capacity-building, and access to essential resources, we aim to create a resilient ecosystem that empowers fiscal sponsors to thrive and adapt to evolving needs while ensuring impactful, high-quality support for their sponsored projects and the broader community.</p> <p><b>Potential Investment Needs and Opportunities:</b></p> <ul style="list-style-type: none"> <li>● <b>Mapping and Documentation of Standards:</b> Investment in a comprehensive mapping of the local fiscal hosting landscape, focused on identifying key players, defining shared language, and establishing sector-wide standards of practice to improve cohesion and understanding.</li> <li>● <b>Project Management and Facilitation for Ecosystem Building:</b> Funding for hired facilitators, consultants, or dedicated staff to lead and coordinate citywide efforts to strengthen the fiscal hosting ecosystem, ensuring streamlined project management and collaborative progress.</li> <li>● <b>Development of Sustainable Business Models:</b> Explore, test, and implement business models and plans for fiscal sponsorship that ensure financial stability, operational resilience, and scalability within the sector, supporting long-term impact with the recognition that diverse models are important for the ecosystem.</li> </ul>

	<ul style="list-style-type: none"> <li>● <b>Short-Term Stabilization Support:</b> Allocation of funds for immediate stabilization initiatives that help fiscal sponsors and projects manage urgent needs, address cash flow needs, adapt to challenges, and maintain operational continuity.</li> <li>● <b>Long-Term Investment in Organizational Infrastructure:</b> Dedicated funding for the development of critical infrastructure, supporting the long-term growth and sustainability of fiscal hosts, including investments in technology, human resources, and operational systems.</li> <li>● <b>Partnership Support for National Network Collaboration:</b> Resources to foster partnerships with national networks, enabling access to technical assistance, best practices, and broader industry insights that enhance the capacity and impact of local fiscal hosts.</li> </ul>
<p><b>Priority 3</b></p> <p>Educate Key Stakeholders &amp; Transform Narratives Around Fiscal Hosting</p>	<p><b>Summary:</b> Engage and educate funders, board members, and community leaders to build a shared understanding of fiscal hosting’s value and complexities. Through targeted outreach, learning sessions, and narrative change efforts, we will clarify the role of fiscal sponsors, demystify processes, and address misconceptions. This work aims to foster informed decision-making, elevate fiscal hosting’s impact, and promote it as a vital component of community support. By aligning perspectives and enhancing sector visibility, we can strengthen stakeholder engagement and build widespread recognition of fiscal hosting as a critical infrastructure for social impact.</p> <p><b>Potential Investment Needs and Opportunities:</b></p> <ul style="list-style-type: none"> <li>● <b>Education Sessions for Funders, Boards, and Community Leaders:</b> Support for tailored workshops and learning sessions that introduce stakeholders to the value and complexities of fiscal hosting. These sessions will cover key topics, such as fiscal sponsorship models, fee structures, fiduciary responsibilities, and legal considerations, fostering an informed, unified understanding across the ecosystem.</li> <li>● <b>Public Awareness and Narrative Shifting Campaigns:</b> Investment in campaigns to elevate fiscal hosting’s role and impact, including evaluation of individual and collective impact, partnerships with media outlets, storytelling initiatives, and content creation that highlights successful projects and demonstrates the sector’s value to Baltimore’s social fabric. This work will address common misconceptions and promote a positive narrative around fiscal hosting.</li> <li>● <b>Development of Educational Materials and Toolkits:</b> Resources for creating accessible educational materials—such as guides, FAQs, infographics, and case studies—that explain fiscal hosting’s role, operations, and benefits.</li> <li>● <b>Technical Assistance for Narrative Change:</b> Allocation for specialized consultants or communications experts to lead</li> </ul>

	<p>strategic narrative shifts, guiding language, media engagement, and framing approaches to ensure clear, consistent messaging around fiscal hosting's significance and impact.</p>
<p><b>Priority 4</b> Mobilize &amp; Allocate Working Capital for Fiscal Hosts</p>	<p><b>Summary:</b> Secure and strategically deploy working capital to enhance the financial resilience and flexibility of fiscal hosts. By providing access to timely funds, we can empower fiscal hosts to better support their projects, navigate cash flow challenges, and respond to emergent needs. This approach will help stabilize the sector, allowing fiscal hosts to focus on long-term impact, growth, and sustainable operations that benefit both their sponsored projects and the communities they serve.</p> <p><b>Potential Investment Needs and Opportunities:</b></p> <ul style="list-style-type: none"> <li>● <b>Working Capital Fund for Fiscal Hosts:</b> Establish a dedicated fund to provide fiscal hosts with timely access to working capital, helping them cover operational expenses, support sponsored projects, and manage short-term cash flow needs. This flexible funding will allow fiscal sponsors to meet immediate demands without compromising long-term sustainability.</li> <li>● <b>Long-Term Capital Investment Grants:</b> Support multi-year grants to bolster fiscal hosts' financial reserves, enabling them to build and sustain working capital that covers ongoing operational needs. By strengthening reserves, fiscal hosts can improve their resilience to external funding shifts and better plan for growth and infrastructure needs.</li> </ul>