

Finding Values-Aligned Operational Homes in the *How* (Not the *What*) of Fiscal Sponsorship

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Abstract

As governments threaten to further squeeze the progressive nonprofit sector, more and more attention is being paid to how fiscal sponsorship might effectively shield leaders, movements, and specific projects from increased risk. This piece argues that such risk mitigation is possible, but it may not exist as innovation in programming, services, or technical infrastructure that hosts develop and provide. Instead, meaningful repression-proofing this work may lie in the intentional design and development of relationships, governance, and communication that support the organic discovery and nurturing of interdependence between projects and, crucially, between hosts. This piece draws from research commissioned by InterAlia in 2024 to argue for more attention to the iterative processes that make up impactful fiscal hosting relationships.¹

Introduction

This piece calls for attention to process. In it, I assume an important function for fiscal sponsorship in maintaining the health and sustainability of social justice movements. Multiple ongoing genocides, deepening austerity and surveillance, and legal developments affecting tax-exempt activity in the US and Europe are playing an important role in the felt contraction of a nonprofit sector that is oriented around justice, progress, human rights, and solidarity. In this sector and in this context, acknowledgement is widespread that more support is needed to support leaders and shield projects from premature shuttering and burnout. Many funders, philanthropic intermediaries, and fiscal sponsors are asking: How can we meaningfully ‘repression-proof’ our work? How can we shield, mitigate, or intervene to protect leaders and projects taking on significant risks? The tendency in many of these questions is to look for new structures, services, or offerings that fiscal sponsors may develop and provide. In this piece, I suggest that meaningful risk mitigation may lie in the intentional design and development of relationships, governance, and communication that support the organic discovery and nurturing of interdependence between projects, between projects and a host, and, crucially, between hosts. In other words, I call for attention to creativity, intention, and iteration around the design of inter-relational infrastructure and processes as opposed to the development of new services.

Research over six months with consultants, fiscal sponsors, and fiscally sponsored projects in 2024-2025 surfaced a range of political articulations about the impact of fiscal sponsorship on social justice movements. Some spoke of solidarity, others of care, mutual aid, resource distribution in a commons, collectives, cooperatives, and interdependence. Different strains of

feminism, anarchism, libertarianism, decentralization, and social ecology emerged that are not reducible to a single political vision. Indeed, a range of political perspectives and analyses can produce meaningful interdependence.

The inter-relational infrastructure and communication and governance processes at fiscal hosts are largely undervalued and unattended to. Yet, they are fertile spaces to distill the political visions of the care, mutuality, and interdependence that fiscal sponsorship might turn social justice movements into actions rather than declarations, into practices rather than values. How projects are represented in host governance, how projects are recruited, vetted, and onboarded, and the range of communicative outputs and structures that build alignment and transparency across a range of stakeholders at any given host (staff, board, projects, funders, communities) are fundamental pieces affecting the experience of fiscal sponsorship across affected parties.

The six models of fiscal sponsorship popularized by Greg Colvin and Stephanie Petit (*Fiscal Sponsorship: Six Ways to Do It Right*) have done much to categorize possible legal relationships that hosts and projects might pursue. Still, both the business models fiscal sponsors deploy and the range of governance and accountability structures – some strictly hierarchical, some intentionally horizontal – have been very little discussed and compared, even by potential projects and funders looking for aligned hosts. The lived experience for projects and workers at a fiscal sponsor might have functionally less to do with the model of fiscal sponsorship practiced and much more to do with the business model of the sponsor (how they augment fiscal sponsorship fees to cover operational expenses) together with the communication patterns and shape of governance into which projects are invited.

Many workers at fiscal sponsors deplore the reduction of the relationship between the host and the sponsored project to transactional service delivery. Reducing the project to a client and overdetermining the pace and tone of interaction as transactional betrays wide-spread articulated political values of what workers and leaders as fiscal hosts thought (or hoped) fiscal sponsorship could provide. Many of my interlocutors pointed to the interpersonal and organizational strain on the host that this transactional trap dictates.

However, workers also offered that fiscal sponsorship work could be *transformational* instead of transactional. By changing how relations were invited, conflict was mitigated, alignment was built, and decisions were made and communicated, workers offered that hosts could precipitate how relationships were made between projects and between projects and the host. Importantly, this kind of intentionality around *how* affords the space for important visioning work at the fiscal sponsor itself. It acknowledges that inter-relational infrastructure and processes are not neutral but political, in as much as they can also strive to be as invisible, unobtrusive, and frictionless as possible.

Creative iteration to develop clear and transparent communication, inclusive governance, and conflict resolution are foundational pieces for accountability, which is the groundwork for mutuality and interdependence. Both of these might be meaningful antidotes to preeminent forms of risk encountered by civil society. A committed approach to building and maintaining

accountability is a question of the design of a host's sociotechnical infrastructure and should be combined with the building and maintenance of state-of-the-art financial and operational systems.

The following three inter-relational structures and processes might be especially integral in such sociotechnical design work. I argue they should be approached as if they were *as* integral to impactful fiscal sponsorship for justice movements as sound operational and financial infrastructure. I do not offer prescriptions for how to approach these processes. They will necessarily differ according to the size, business model, and political alignment of the host. More attention to, creativity in, and support for intentional development of the following can help staff and leadership at a sponsor build alignment and mitigate burnout; can help hosts and funders identify alignment with each other beyond performative statements of abstract values; and can be core discussion points as potential projects search for aligned homes.

1. **Processes and structures through which projects communicate with each other.** This may be synchronous programming or asynchronous channels, and it may or may not take place with the host present. A key throughline here may be exploring what is cultivated by decentering the relationship of each project to the host and recentering project rapport with each other.
2. **Multi-directional processes and structures through which sponsors communicate with projects.** These may also be synchronous, asynchronous, or a combination of both. A key throughline here may be ensuring that those inviting and receiving information are empowered to react in response.
3. **Processes and structures for staff promotion, leadership development, and growth.** This may include meaningful, multi-phased onboarding, alignment around values and impact of the work, and interaction and cross-fertilization across all leadership levels.

All three of these include intentional design and documentation around processes through which decisions are made, where it is explicitly noted where projects have a say, where staff has a say, and the rapport of both to the sponsor's nonprofit board. A perhaps especially important situation where all three play structures identified here play integrally is in the processes through which projects are vetted, risk assessed, recruited, or accepted as sponsored projects.

Many workers at fiscal hosts recognize the advantages of intentional peer governance at fiscal sponsors. They invoke constituent leadership, resource sharing and redistribution, interdependence, and community-building influenced by ethos and values coming from trauma-informed conflict resolution, mutual aid, interdependence, solidarity, and other core tenets of movement work. However, most admit, despite their enthusiasm, that these ideas about peer resourcing are still aspirational and not fully fleshed-out governance structures. Reasons for this are generally attributed to lack of capacity but also little literacy and familiarity with organizational development, conflict resolution, and horizontal models for distributed decision making. Specific attention to support for these skill sets – including spaces to discuss experiments between hosts – may help workers at and leaders of fiscal sponsors transform transactional work (that betrays their hopes of what fiscal sponsorship may offer social justice

movements) to more transformational relationships able to mitigate risk in the face of oppression. This attention to how, not what, might push fiscal sponsors from articulations of values to shifts in practices that meaningfully redistribute power across the ecosystem.

¹ Forthcoming as Rayya El Zein, *A Delicate Dance: Exploring Feminist Fiscal Sponsorship*, <https://InterAlia.host> 2025.