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When Backbone Organizations Become the Funder: The Use of Fiscal Intermediaries in the Context of Collective Impact

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Introduction

There is a long history within philanthropy of engaging intermediary organizations to interface with grantees, including taking on the fiscal role of distributing, managing, and reporting on sub-grantees in addition to other support. Grantmakers do this for a variety of reasons, from practical issues around administrative costs to visionary plans for scaling social change. (See Figure 1.) This practice is increasingly being used in the context of collective impact and similar collaborative approaches that aim to solve significant societal problems.

At times it is the backbone organization – the group providing support to the collective effort – that takes on the role of fiscal intermediary. In such an arrangement, the backbone organization takes on a dual role with two distinct functions: coordinating the engagement of its collaborative partners to advance a shared agenda, and distributing funds while holding the partners who have received funding accountable. This combination creates a mix of benefits and challenges that may require developing a different approach to both roles.

This article explores the complexities of the dual relationship by using examples from the Social Innovation Fund (SIF), a White House initiative, and Got Your 6, a collective-impact campaign that seeks to bridge the civilian-military divide. The learning comes from:

Key Points

- Intermediary organizations are increasingly being engaged to work with grantees in the context of collective impact and similar collaborative approaches that aim to solve significant societal problems. At times the backbone organization – the group providing support to the collective effort – takes on the work of a fiscal intermediary. This dual role has two distinct functions: engagement of collaborative partners to advance a shared agenda, and distributing funds while holding those partners accountable.
- This article explores the complexities of the dual relationship by using examples from the Social Innovation Fund, a White House initiative, and Got Your 6, a collective-impact campaign that seeks to bridge the civilian-military divide. Given that the intersection of fiscal intermediaries and backbones is a relatively new phenomenon, there is a gap in the literature about the challenges organizations playing this dual role may face. But the benefits may outweigh the challenges if the dual role is deployed effectively; participants in the case studies offer insights into this.
- The foundation community would be well served to explore the alternative approaches to integrating funding with backbone roles as they work with their collective-impact partners. Collectively, a field of practice can be built if funders continue to experiment with how to better integrate the disparate roles and share the results of those experiments.

FIGURE 1 The ABCs of Fiscal Intermediaries

A. Fiscal intermediaries are...	Used to re-grant, monitor, and provide administrative support for funders' grant programs.
B. Fiscal intermediaries <u>may</u>...	Take on multiple roles, including capacity building, training, technical assistance, and convening the sub-grantees.
	Be nonprofits, academic institutions, foundations receiving grants from other funders, and sometimes for-profit organizations.
C. Fiscal intermediaries are often <u>used</u>...	To overcome administrative, political and bureaucratic challenges faced by funders.
	When the funder lacks sufficient capacity and/or skills.
	When the funder lacks sufficient context and content knowledge.
	When the intermediary is uniquely qualified to manage the grant strategy, perhaps because of their reputation, capacity, and/or reach in the field of interest.

(Bartczak, 2014; Abramson, Soskis, & Toepler, 2012; Fieldstone Alliance, 2008; Sera, 2007; Szanton, 2003)

- funders of the collective-impact initiatives, including foundations and government agencies;
- backbone organizations, which are both supporting the collective-impact initiative and serving as a fiscal intermediary, responsible for regranting funding to partners; and
- the initiatives' partners, which are engaged in implementing the shared agenda – some of whom are funded while others are not.

The article is focused on the experience of playing the dual role of fiscal intermediary and backbone, highlighting challenges and ideas for how to improve these processes. In all the cases explored here, the organizations involved have many notable successes on the social issues they are attempting to influence, whatever the structure of their backbone and fiscal intermediary roles. The article does not attempt to make a connection between the outcomes of the work and the influence of the dual role.

Background: The Collective-Impact Approach

Collective impact is an approach to solving problems in which funders and implementers collectively engage in understanding a problem, seeking solutions (often bringing together many different solutions), working toward a shared agenda set by all the partners, and achieving change not through new programs and services, but through alignment of existing resources, policies, programs, etc. Collective impact explicitly aims to scale social change to a level no one sector or organization could reach alone and, ideally, it engages the private and government sectors along with nonprofits, foundations, and academia. (Hanley-brown, Kania, & Kramer, 2012).¹

¹ For the purposes of this article, collaboratives that function like collective-impact strategies, attempting to advance a similar set of conditions to achieve a similar scale of social change, are treated as collective impact even if they do not use the term themselves.

FIGURE 2 The Five Conditions of Collective Impact



(Turner, Merchant, Kania, and Martin, 2012)

One of the five conditions critical for collective-impact efforts to succeed is adequate levels of backbone support – that is, when one or more organizations assist with setting “vision and strategy; supporting aligned activities; establishing shared measurement practices; building public will, advancing policy; and mobilizing funding” (Turner, Merchant, Kania, & Martin, 2012). (See Figure 2.) The structure of a backbone organization or organizations can take many forms, from an independent nonprofit to a government entity to a funder itself, depending on the context of the project and its infrastructure needs (Albright, 2011).

Grantmakers have increasingly embraced the potential of collective-impact initiatives and see themselves as partners in these efforts. Because of their position and role, they are often better able to take a “big picture” view of a community

and have the ability to connect partners; however, tensions may arise from the power dynamics between grantor and grantee (Bartczak, 2014). Although funders bring important insights, there is the potential that their involvement will silence input from nonprofit or community members, pushing collaboratives into work that does not meet the needs of the community or is unsustainable (Easterling, 2013). Similarly, funders often face administrative, human resource, or organizational barriers and limitations, and lack skills such as technical or communications expertise, which can restrict their ability to effectively support grantees (National Network of Public Health Institutes [NNPHI], 2009; Association of State and Territorial Health Officials [ASTHO], 2009).

Intermediaries are often used when foundations do not have sufficient capacity, reach, or expertise. Using an intermediary can create greater capacity

There is noticeable overlap in the roles intermediaries and backbones play, but in one way they are distinct – in the oversight of the funding that partners receive. Given the tensions that may exist in a typical funder-grantee relationship, however, it may make sense for backbone organizations to step into the role of intermediaries.

for collaboratives and community initiatives to address complex issues that require representation from an array of fields and disciplines. They serve a number of roles, from capacity building to regranteeing to evaluation (Szanton, 2003). Often, intermediaries are considered “neutral organizations,” making it less challenging to bring together varied sectors, such as government, academia, community organizations, and businesses, to collectively address multifaceted issues (ASTHO, 2009). Intermediaries may also provide supports such as policy analysis, research, and formulation; funder staff support (ASTHO, 2009); training and development to assist staff in providing better technical assistance to grantees (Fieldstone Alliance, 2008); and capacity-building and technical assistance directly to grantees (Corporation for National and Community Service, 2014a).

There is noticeable overlap in the roles intermediaries and backbones play, but in one way they are distinct – in the oversight of the funding that partners receive. Given the tensions that may exist in a typical funder-grantee relationship, however, it may make sense for backbone organizations to step into the role of intermediaries. Highly ef-

fective intermediary organizations can be seen as natural fits in this area, since many in their normal operations have capacity in the backbone function. Despite the benefits of the dual role of fiscal intermediary and backbone, tensions may arise that require thoughtful consideration upfront. Given that the intersection of fiscal intermediaries and backbones is a relatively new phenomenon, there is a gap in the literature about the challenges organizations playing this dual role may face and how to manage those tensions to successfully play both parts in a collective-impact initiative.

Examples: Two Strategies for Social Change

The intersection of backbone and fiscal intermediary roles can look quite different depending on the context of the overall collective-impact initiative. We will use two examples of collective-impact implementers to explore the challenges and opportunities of these dual roles. (See Figure 3.)

The Social Innovation Fund

The SIF is a program of the Corporation for National and Community Service and a White House initiative. Its core goal is to find solutions to community problems and scale them to make a difference for more people. The SIF approach is to create public-private partnerships by awarding funding to existing grantmaking organizations in local communities. These intermediaries match the SIF awards and fund community-based nonprofits to deploy evidence-based interventions focused on youth development, economic opportunity, and healthy futures.

Since its inception, the SIF has been committed to using an intermediary model to distribute its funding. The rationale behind this was explained, compellingly, by President Obama in 2009: “Solutions to America's challenges are being developed every day at the grass roots – and government shouldn't be supplanting those efforts, it should be supporting those efforts” (White House Office of the Press Secretary, 2009).

The SIF thus developed a model where grantmakers with a track record of seeking, selecting, and supporting evidence-based innovative nonprofits

FIGURE 3 Summary of Challenges in the Dual Role

Challenges of the Dual Role	Description
Building Competency as an Intermediary or Backbone Organization	Quickly learning new competencies as an organization takes on either the expected responsibilities of a backbone organization or that of an intermediary funder.
Shift in Neutral Convener Role	Balancing the two roles of backbone and intermediary funder effectively and preserving partiality towards all members of the collective.
Aligning Planning with Funding	Effectively facilitating and maintaining strategic planning on the part of the collective impact and integrating emergent funding opportunities which may not perfectly align with these plans.
Common Agenda and Funding Decisions	Managing the disconnect between a common agenda agreed upon by the collective with funder priorities or timelines.
Perceptions of Inequities in the Distribution of Resources	Maintaining a backbone organization's commitment to equal support of members while adhering to an intermediary need to distribute funding according to funder expectations or priorities.
Mixing Support and Accountability	Balancing the role of support and technical assistance provider with the role of accountability and compliance cop.

receive a mix of private and federal funding and are asked to run a competitive grant process. These intermediary grantmakers are then held accountable for overseeing their portfolio of subgrantees and ensuring they receive the technical assistance they need to be successful, and that programmatic elements required by the SIF, like rigorous program evaluation, are completed.

As a rule, the SIF is committed to investing, via its intermediaries, in programs that have an evidence base, focusing on their capacity, and supporting rigorous evaluation that will build on existing knowledge about if they work, how they work, if they outperform other existing solutions, and why. The SIF also focuses on innovation and aims to identify ideas that have the potential to create greater impact. The collective-impact approach is one that, as described in a White House Council for Community Solutions report, has shown to

be effective when well implemented – achieving greater than 10 percent improvement on identified community outcomes (Jolin, Schmitz, & Seldon, n.d.).

Since its inception in 2010, the SIF has awarded grants to several intermediaries that proposed to operate or support collaborative efforts. Some of these specifically identified themselves as collective-impact endeavors during the application process, while others adopted many, if not most, of the aspects of collective impact after they received funding. For the 2014 grant competition the SIF prioritized programs using a collective-impact approach, stating that the Corporation for National and Community Service (2014b) “is interested in learning whether this approach can demonstrate at least a moderate level of evidence in producing better outcomes than other, singular or additive, models” (p. 9).

There is need for clearly defined roles and expectations from the funder before the funding is deployed. Even in situations with clear roles, there can be a power struggle if the intermediary feels it has a unique ability to understand context and make better decisions regardless of the funder's point of view.

Through the competitive selection process, the SIF chose seven organizations, all of which responded to the collective-impact priority. True to the SIF model, grantees are serving as fiscal intermediaries and federal grants administrators. However, because the SIF adds an additional layer of federal grants compliance and monitoring onto an already complex process of collective impact, it should not be surprising to learn that the grantees are using a number of approaches in their role as fiscal intermediaries and backbone organizations: assuming all roles attributed to a backbone; contracting out parts of the backbone role while retaining a few; and hiring or spinning off an independent organization to be the backbone.

Got Your 6

Launched in 2012, Got Your 6 is a collective-impact campaign uniting nonprofit, entertainment, and government partners to bridge the civilian-military divide and change the national narrative on veterans in America. Through the entertainment industry, Got Your 6 works to normalize depictions of veterans on film and television, with the aim of dispelling common myths about this population. Through its nonprofit and govern-

ment partners, Got Your 6 focuses on six pillars of veteran reintegration into civilian life – jobs, education, health, housing, family, and leadership – and works to encourage public recognition of veterans' leadership skills and their value in strengthening communities.

In 2013 and 2014, Got Your 6 partnered with Macy's on a nationwide fundraising strategy that brought more than \$5 million of new funding to the organization. Got Your 6 retained 15 percent of the funding for operations and distributed 85 percent through grants to partners leading the six pillars. The commitments by partners to the six pillars were made before funding was discussed or secured. The lead partner for each pillar submitted a funding proposal that included metrics based on the overall goal and incremental benchmarks against which the partner reports each quarter. One organization, for example, initially committed to house 10,000 veterans. With the funding and successful initial housing efforts, the organization increased the pledge to 20,000 and eventually housed more than 31,000 once-homeless veterans. To promote collaboration, the lead partners are required to regrant a portion of the funding to other organizations working on their pillar.

Implications of Integrating Fiscal Intermediary and Backbone Roles

Many of the challenges experienced by funders using fiscal intermediaries in settings other than collective impact also occur in the collective-impact context. For example, there is need for clearly defined roles and expectations from the funder before the funding is deployed (Sera, 2007). Even in situations with clear roles, there can be a power struggle if the intermediary feels it has a unique ability to understand context and make better decisions regardless of the funder's point of view (Fieldstone Alliance, 2008). Also relevant in any fiscal intermediary situation is the need to select an intermediary with the appropriate skills and capacity to manage the funds (Sera, 2007), something that was a challenge for multiple backbones with both the SIF and Got Your 6. At the same time, there are a number of separate challenges and opportunities more specific to the dual role.

Building Dual-Role Competencies: Fiscal Intermediaries

For the backbone without a history of grantmaking, like Got Your 6, integrating a funding role into its work necessitated the development of new grant-management processes and capacities. The organization created a relatively hands-off approach by designating a lead partner representing each pillar to request and accept funds that would then be regranted to other organizations working on elements of the pillar's public goal. (In two of the six pillars, there were two co-lead partners.) The reporting and engagements required by Got Your 6, including a semiannual report, participation in monthly campaign calls, and regular progress check-ins with the campaign leadership, were not seen by their partners as onerous. Got Your 6 grantees described an existing commitment to the work before funding arrived, and said it was an easy transition to become a recipient of funds. Said one Got Your 6 partner:

We were part of conversations with [Got Your 6] before any funding was imminent. I feel like we were aligned from the beginning, and the funding was great, a huge help to what we were doing. ... Everything continued on the same trajectory, in a positive way, just with more resources.

Some grantees reported a need to adapt to additional reporting requirements that expanded their current tracking efforts. However, this was not found to be difficult or unreasonable for the partners, in part because the organizations were required to track work that was core to their mission rather than developing new programs in addition to existing work. In other words, they were employing mutually reinforcing activities that built on what was already strong in their organization, but aligned it with the mission of the collective-impact initiative. "Our model is getting veterans back into service," said another Got Your 6 partner. "We just had to place a little more reporting rigor to capture and report on those hours and package those up, and report on the overall goals to Got Your 6."

In contrast, the SIFs backbone organizations were required by federal regulations to use an open

The Social Innovation Fund's backbone organizations were required by federal regulations to use an open grantmaking process, which has advantages and disadvantages: The process allows for the submission of only one application for dollars coming from multiple funding sources, but also increases the reporting requirements on the funding received. Because the foundations were seasoned grantmakers prior to becoming backbone organizations, they had the capacity to comply with the requirements.

grantmaking process, which has advantages and disadvantages: The process allows for the submission of only one application for dollars coming from multiple funding sources, but also increases the reporting requirements on the funding received. Because the foundations were seasoned grantmakers prior to becoming backbone organizations, they had the capacity to comply with the requirements. But the complexity of a public-private partnership combined with the backbone role meant that many of the SIF's backbones had to adjust their grantmaking processes substantially and create new systems for managing grants (Abramson, Soskis, & Toepler, 2012).

Building Dual-Role Competencies: Backbones

The SIF grantees have established track records as effective intermediaries and managers of grant-

The structure of the Social Innovation Fund programs – specifically, their competitive grantmaking process and necessarily heavy-handed role in capturing the reporting for federal funding – made the funding relationship the dominant relationship, reducing the ability to be seen as a neutral convener.

making processes. Very few, however, had served as backbone organizations, or had been doing so for only a short time. They reported four key adaptations:

- learning to engage in a new type of relationship that emphasized the collective over a more traditional funder-to-grantee hierarchy,
- managing effective communications,
- coordinating shared outcomes across a group of diverse organizations, and
- implementing adaptive leadership that was better positioned to address the unpredictable nature of collective work.

The shift in culture from a traditional hierarchical approach to a collective approach was somewhat of a challenge for the partnering organizations. As one SIF partner organization reported,

As nonprofits, we're used to getting direction from funders and then making it happen. At the first meeting we were all like, "Okay, funder, just tell us what you want to do and we'll do it." But that wasn't the case here.

Several SIF intermediaries mentioned varied and ongoing challenges with communications. As backbone organizations, they frequently found themselves in the middle of branding conversations, but lacked the leverage a typical funder has to enforce its own preference. There was also some translation work needed: Messaging the work of a collective-impact initiative to a community audience is very different than messaging that work to a funder or philanthropy audience. To do so effectively requires additional support from their communication teams.

The arduous task of identifying shared outcomes across collaborating organizations is integral to collective impact, but it is quite different from the top-down, funder-driven measurement and collection role these intermediaries typically play. Many SIF grantees, realizing this process called for a different set of capabilities and a more nuanced appreciation of program data, relied on an outside contractor to walk the collective group through the metrics they would use and then took over collection and reporting in their backbone role.

The SIF grantees acknowledge that adaptive leadership is important, but they are still learning how they should formalize this expectation within their organizations.

Shifts in the "Neutral Convener" Role

Both fiscal intermediaries and backbones can be described as neutral conveners who can help others to achieve better outcomes (Hanleybrown et al., 2012; NNPFI, 2009). This suggests that the dual role may in fact leverage benefits of each role separately. In practice, this benefit is quite dependent on context and can affect the ability of the organization to maintain its neutrality.

In these examples, a major function of the backbone is distributing and managing funding. In addition to fulfilling this function, Got Your 6 was successful in defining important nonfunding roles that benefit all partners: public engagement, convening of public- and private-sector stakeholders, publicity and thought leadership, and influence with other funders in the space. These additional functions – and its visibility – better enabled Got

Your 6 to maintain its role as a neutral convener, as did engaging the leads of the six pillars in monthly check-in calls with one another and creating an environment of shared accountability, rather than accountability to the “funder.”

In contrast, the structure of the SIF programs – specifically, their competitive grantmaking process and necessarily heavy-handed role in capturing the reporting for federal funding – made the funding relationship the dominant relationship, reducing the ability to be seen as a neutral convener.

To respond to this challenge, the SIF programs have taken a few approaches to maintaining neutrality. One SIF-funded program indicated that, as the backbone organization from the beginning, it contracted with consultants to play the role of convener and facilitator. This separation of labor has preserved some neutrality, allowing the organization to effectively allocate staff time and resources to the decidedly nonneutral role of implementing the SIF competitive grant-selection process while developing effective accountability and monitoring procedures. Another SIF-funded intermediary, who was initially “hosting” the collective-impact project and continues to provide logistical support and resources, explained that a separate organization was created to be the official backbone so many important responsibilities, including neutrality, could be achieved. Both programs indicated that these approaches were serving them well but that communicating the complex structures effectively was a challenge.

Aligning Planning with Funding

Complex work is inherently nonlinear and it is not surprising to see that collective-impact efforts roll out in very different ways across different contexts. Those include variability in when and how funding is introduced into a collective-planning process. For example, Got Your 6 created its shared plans well before anyone expected funding to be attached to the established goals. Some of their partners reported that the planning process was overly focused on helping everyone see themselves in the work rather than being strategically focused on the most important work, something

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that may not have been true if dollars had been on the table from the beginning. “Those pillars were developed before funding was at the table, when the stakes weren’t as high,” said a Got Your 6 partner. “I would describe the process as ‘a stink bomb of love’ rather than a critical assessment of what is most needed.”

Specifically, one of the six pillars was seen by some partners as less relevant than the others to the overall achievement of the shared agenda. Yet once funding came in, each pillar received equal funding, an issue that caused some tension among the partners.

Several SIF organizations received funding while their collective-impact initiatives were still in their infancy. As such, the overall approach and chief outcomes were determined but a detailed plan for getting to the desired outcome(s) was not yet in place. This meant the collective members had to prioritize and detail a sizeable portion of work to meet the expectations of the SIF grant.

One organization described the SIF funding as a sort of stake in the ground around which the rest of the shared strategy and agenda could be developed. Another SIF organization acknowledged that since it was still in the early stages of implementing the collective-impact strategy, its focus was on the SIF-funded piece; developing and

Is it the backbone's job to ensure the funded partners stay on agenda? Or is it the collective's job to assess how funding is being deployed across all organizations and to have some form of collective accountability? Across examples explored here, there were no solutions to this issue, only a variety of strategies – each of which introduced tension in one way or another.

integrating other pieces of the shared agenda was a future goal, ideally supported by new, non-SIF dollars.

An issue with both approaches is the concern about staying true to the collective agenda and preventing the external funding from splintering the programmatic work. In both cases, the SIF organizations benefited from having staff who had been a part of the collective-impact conversations from the beginning and were seen as valued members of the collective. This eased concerns that the SIF-funded work would become fragmented from the identified larger goals.

The Common Agenda and Funding Decisions

Collective-impact strategies are designed around the idea of a common agenda – a meaningful and systemic change supported by all partners. It also assumes each partner can contribute by aligning its existing work with the shared agenda, adding additional work as needed. When funding is introduced, a new power dynamic emerges around the

collective-impact initiative's ability to decide how dollars are used to meet the common agenda.

Got Your 6 has allowed the lead partners in each pillar to identify the activities they see as aligned with the shared agenda for that pillar, resulting in varied levels of alignment across the pillars. Funding in some pillars is more focused on activities highlighted in the original plan; other dollars support programming core to the funded partner but not core to the work of Got Your 6. This creates tension and has at times strained relationships with Got Your 6, but Got Your 6 has not withdrawn any funding.

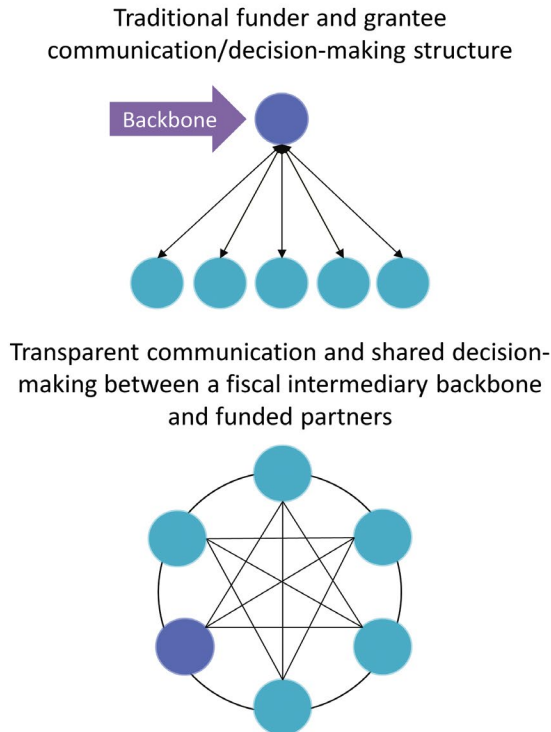
One SIF intermediary reported struggling as it tried to keep the collective engaged in a funding-decision process that, ultimately, would exclude some members of the collective-impact initiative. Because SIF funding had to be competitively distributed, it sought to build consensus and buy-in on these decisions by making the selection process transparent and inclusive. However, this risked putting it at odds with the expectations set by the government in terms of timelines and deliverables. Said one partner, "We may be behind from the SIF's perspective, but that's because we are trying to stay true to the collective impact and shared decision-making just takes time."

These dynamics point to the complex issue of who enforces the shared agenda once funding is part of the equation. Is it the backbone's job to ensure the funded partners stay on agenda? Or is it the collective's job to assess how funding is being deployed across all organizations and to have some form of collective accountability? Across examples explored here, there were no solutions to this issue, only a variety of strategies – each of which introduced tension in one way or another.

Perceptions of Inequities in the Distribution of Resources

Decisions about how to distribute funds can also lead to a sense of inequitable resource distribution. For example, Got Your 6's equal distribution of resources across the six pillars is seen as imbalanced and, consequently, inequitable by partners in pillars with many active subgrantees, especially

FIGURE 4 Changing the Model for Communication and Decision-Making



compared to pillars in which one organization has the majority of the work and funding. Some non-profits receiving funding directly from Got Your 6 are acutely aware of their own sense of the inequity and have responded by taking extra care with how they manage their regranting. These partners set up high levels of transparency around regranting decisions, detailed reporting between partners, and open conversations about equity.

The SIF intermediaries interviewed were particularly challenged by this, as the program requires a competitive and open subgrant process. This means that funding could be distributed to only a few organizations or even programs outside the established collective-impact partnership. As one SIF intermediary stated, “the importance of transparency and effective communication has been key to easing tensions caused by funding decisions.” Because capacity to manage federal funds and compliance expectations was a large factor

in the ultimate funding decision, the organization is considering how it can direct other non-SIF resources and technical-assistance support to the nonfunded members as part of its backbone role.

Mixing of Support and Accountability

One of the challenges facing backbones that take on the fiscal intermediary role is ensuring partners do not perceive actions intended to support collaboration as mechanisms for accountability.

Got Your 6 holds regular calls with all partners, and the calls are explicitly not intended for accountability. Partners described them as a check-in among funded partners, but did not describe any focus on reporting or accountability. The partners appreciated the shared nature of the dialogue, with all funded partners talking to one another rather than just to Got Your 6. During the calls they discuss their reported metrics, which are shared publicly as evidence of successful collective

FIGURE 5 Summary of Key Challenges Experienced by Got Your 6 and SIF Grantees

Challenges of the Dual Role		Got Your 6 (GY6)	Social Innovation Fund (SIF) Grantees
Building Competency as an Intermediary or Backbone Organization	Quickly learning new competencies as an organization takes on new responsibilities as a backbone organization or an intermediary funder.	As the role of intermediary was new to GY6, the organization had to quickly develop grantmaking capacity and processes, including reporting requirements and check-ins.	SIF grantees were new to the backbone role and, in some cases, competitive grantmaking. Both situations required learning new skills and approaches such as shifting from a traditional, hierarchical approach to a more collective one.
Shift in Neutral Convener Role	Effectively balancing the dual roles of backbone and intermediary funder while preserving impartiality towards all members of the collective.	Got Your 6 sought to preserve neutrality and developed an approach that allowed them to do so, taking on additional, high visibility functions and regularly engaging leads through check in calls to create shared accountability.	SIF grantees struggled with this challenge: it was difficult to maintain neutrality while also ensuring and enforcing compliance with regulations. Separating some functions and contracting with consultants helped preserve some neutrality.
Aligning Planning with Funding	Effectively facilitating and maintaining strategic planning on the part of the collective impact and integrating emergent funding opportunities which may not perfectly align with these plans.	GY6 started with a strategic plan in place and funded accordingly. Some tensions emerged as the strategic plan priorities evolved but funding allocations remained static.	SIF grantees were challenged by receiving funding before strategies were fully developed and thus had to operate more opportunistically. Having staff familiar with CI goals helped ease concerns about fragmentation.
Common Agenda and Funding Decisions	Managing the disconnect between a common agenda agreed upon by the collective with funder priorities or timelines.	GY6 mitigated this challenge by using a decentralized approach to funding decisions; however, this has strained some relationships when partners engaging in work not core to that of GY6.	SIF grantees had to address the challenge of balancing two different agendas and timelines – that of the SIF (and their funding partners) and that of the CI initiative.
Perceptions of Inequities in the Distribution of Resources	Maintaining a backbone organization’s commitment to equal support of members while adhering to an intermediary need to distribute funding according to funder expectations or priorities.	GY6’s approach of equitable funding distribution to each pillar or focus areas sought to address this challenge. Grantees have responded by being careful about managing their re-granting processes.	SIF funding must be distributed competitively by mandate so equal financial support of all members was not feasible – a challenge SIF grantees had to overcome. Effective communication and transparency were key to managing this tension.
Mixing Support and Accountability	Balancing the role of support and technical assistance provider with the role of accountability and compliance cop.	GY6 was very intentional in their transparent approach to convening and grantee interactions as a means of addressing this challenge.	SIF grantees deployed a number of tactics to ensure they struck balance between technical assistance and compliance.

impact. This transparent method of communicating progress highlights the value of regular reporting and general information sharing that is multidirectional in nature. (See Figure 4.)

As mentioned earlier, the substantial and complex federal reporting requirements of SIF funding have required the intermediaries to carefully balance support for their subgrantees with monitoring them for compliance. In fact, the reporting was so challenging that some of the foundations serving as backbones reported that nonprofit subgrantees declined continued funding because they felt they could not meet the requirements. To manage this dynamic, one foundation moved the backbone role out of its organization and into a nonprofit to ensure the accountability role did not impede the work of the collective.

Other SIF intermediaries diffused this tension by assigning one staff member to serve as the program lead and another to the explicit role of compliance and accountability manager. One intermediary emphasized that it was deliberate in its hiring process to select an individual who would take a strength-building, as opposed to punitive, approach to monitoring and compliance. This serves to build the capacity of the granted organizations to be compliant, but also maintains goodwill between the groups and the backbone organization.

Recommendations on the Integration of Intermediaries and Backbones

As can be seen with both case studies, the overall challenges faced by organizations integrating the intermediary and backbone roles are significant. (See Figure 5.) These challenges do not necessarily suggest that the roles of fiscal intermediary and backbone should not be combined. They do, however, highlight the importance of being thoughtful early in the process about how these roles are brought together. There is a significant level of complexity introduced into a funding strategy when backbones become intermediaries or funders become backbones. Yet the benefits may outweigh the challenges if the dual role is deployed effectively. To this end, the participants

There is a significant level of complexity introduced into a funding strategy when backbones become intermediaries or funders become backbones. Yet the benefits may outweigh the challenges if the dual role is deployed effectively. To this end, the participants in the case studies offered insights on how to most effectively manage the dual role.

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Advice to Funders

For funders who decide to invest their dollars in a backbone for the purposes of regranting, much of the advice is about making good choices up front and then letting go:

- Avoid trying to create a movement for change by funding partners to come together. Instead, find an emergent or mature movement and work with the key leaders to plan the funding strategy.
- Choose a backbone you know and trust, preferably one you have worked with before.
- Take time to learn from and with the backbone before distributing the funds. Allow it to educate you about the needs of the collective-impact work and design the funding strategy in partnership. Appreciate the fact that collective-

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impact work is complex and likely won't lend itself well to rigid expectations for timelines, fiscal-year accomplishments, and the like.

- Identify up front who has authority for which decisions, and stick with it. Try to limit the areas where you want to continue to be a decision-maker, or you risk trumping decisions happening within the collective effort and leaving the backbone with two bosses – its funder and its collaborative partners.
- Do not attempt to pick the funded partners unilaterally or overly influence that process. Trust the backbone to have a reasonable strategy for selecting subgrantees.
- Be thoughtful about when and how you fund collective-impact partners outside of the dollars granted through the backbone. Creating direct and indirect mechanisms for funding the partners complicates the relationships and can hinder alignment among partners, by making them compete for your funding in two ways.
- Take the time to listen to your backbone along the way. Recognize that some things won't go smoothly, but that doesn't mean the backbone can't solve problems.
- Simplify your reporting, if possible. The reporting requirements you place on the backbone are carried down to all its funded partners, which may create burdens on both the subgrantees and the backbone. More importantly, they may create tension between the subgrantees and the backbone if the reporting is particularly burdensome.

Advice to Backbone Organizations

The advice to backbone organizations is not as focused on upfront decisions as the advice to funders, but rather the many decisions and interactions that happen along the way:

- Share the decision-making. Even though you have the purse strings, make sure you continue to think of yourself as just one voice at the table. If the rest of the partners decide to go in a direction that is not where you want to go, resist the urge to trump them.
- Managing funding can make it difficult to give up control, particularly when you are responsible for reporting back to the original funder(s). However, a higher level of control may not benefit the overall process and can hinder engagement with your partners. Monitor yourself consistently to make sure you don't slip into the more traditional funder role.
- Be as transparent as possible about decision-making; who was involved, the options considered, and why you made the final decision, including sharing information beyond those most directly involved. This is of key importance in any collaborative setting, but becomes much more critical when funding is involved.
- Do your due diligence on your partners before distributing funding. As a funder, you have the responsibility to ensure the partners you fund have the capacity and commitment to use the funding in alignment with the shared agenda. Thoughtful investigation of these issues up front can decrease accountability dynamics down the road.
- Never be the sole decision-maker on fund allocation; try making final decisions through a collaborative committee. You may need to hold onto the oversight, distribution, and admin-

istration of funds, but you can still share the decision-making.

- Shift the traditional grantmaking model from your partners reporting to you, as their funder, to your partners reporting to the entire collaborative as members of a collective-impact strategy. (See Figure 4.) This transparency will help alleviate the sense of inequitable power dynamics and may help partners better understand why some organizations received more funding than others.
- Trust your partners. Just as the funder needs to trust the backbone organization, backbone organizations need to trust their partners and give them room to use the funding in the ways they need to in order to advance the shared agenda.

Advice for Funders Who Take on the Backbone Role

Advice for funders who decide to take on the backbone role is quite different than that for backbones taking on the funder role. The advice has more to do with understanding and fully embracing being a backbone, and assumes that the funding skills are already in place:

- Be more active in the initiative than you have ever been in the past. Figure out the new and expanded role with your partners, finding out what supports they need from their backbone and deploying them as fully as possible.
- Take the time to get up to speed on the work of the initiative to a degree you would not in a typical funding strategy. Learn about the partners, the details of how they are working together – even the content and process of working groups. Get into the weeds and actively participate in the day-to-day strategies, so you can get away from being the funder and become the partner.
- Reach out to other funders for support. As a backbone, one role you can take on is collaborative fundraising and as a funder, you are uniquely qualified to lead this.

- Keep your partners involved in as many decisions as you can. As a funder, your existing processes may limit where you can engage partners, but push the boundaries wherever possible to create a collaborative funding strategy rather than maintaining competitive or directed grantmaking strategies.

Conclusion

Ultimately, many of the participants in the examples discussed in this article had a final, overarching recommendation: We need significantly different ways to handle the complexity of the dual role. Their advice highlights many of the upfront and ongoing steps that can make the role work more smoothly. Both of the case studies are learning and adapting, continuing to refine their models for doing this work.

The SIF did not prioritize collective-impact strategies for its 2015 grant cycle. After a concerted effort to support collective-impact work in 2014, it is now in a listen-and-learn phase about how federal funds can best support this type of work, offering space and time to figure out what could look different in the future.

Got Your 6 is adapting its model as well. It achieved each of the six goals in its pillars by the original deadline of December 2014. Future grants will follow a more traditional proposal-and-award process. Grants will be distributed in smaller amounts, open to all partners, and awarded based on the merit of proposals for collaborative projects. As an operating nonprofit, Got Your 6 does uniquely understand the value of providing limited restrictions on funding, especially on overhead and administrative costs, and will continue to be flexible in its model. It is also listening to its partners and making attempts to provide significant benefits beyond funding, such as collaborative convenings and group ideation opportunities that will advance the collective work of the campaign and its partners.

The foundation community would be well served to take a similar next step, by exploring the alternative approaches to integrating funding with

backbone roles as they work with their collective-impact partners. Collectively, a field of practice in merging the roles can be built if funders continue to experiment with how to better integrate such disparate roles in order to achieve outcomes that may not be possible otherwise, and share the results of those experiments.

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