

# Growing Change

How New Venture Fund  
Incubates Nonprofits  
to Make Lasting Impact

## BY THE NUMBERS

OVER  
**260**  
PROJECTS

Since its inception, more than 260 projects that started at NVF have either left to become new entities or sunset in some other capacity.

### **Letter from the President**

How does an idea to improve the world become operationalized and deliver on its promise? Too often the answer is slowly. Or in some cases, it simply doesn't.

That's a primary challenge we seek to overcome at New Venture Fund, one of the world's leading fiscal sponsors. One way we do this is through incubation. This report seeks to illuminate the work NVF does to incubate charitable projects to have greater impact through a fiscal sponsorship model.

Fiscal sponsorship provides a host of benefits to individual projects, charitable supporters, and the broader philanthropic sector. Fundamentally, it serves to increase the amount of good created in the world by helping put in place the operational building blocks of a nonprofit.

This system works to the benefit of established philanthropic efforts by providing administrative and operational support to projects. The model also provides particular value for newer initiatives and innovative ideas for change. This incubation role is an important function of New Venture Fund. NVF's impact is in part enabled by our long-standing relationship with Arabella Advisors, a professional services firm that supports the philanthropic sector. Since our inception, Arabella has been a vital partner in providing back-office services to projects hosted at NVF, such as financial management, human resources, and compliance.

Each year, numerous projects of New Venture Fund spin off from the organization, often to become their own new legal entity. Just as we celebrate the work of long-time NVF projects, we are equally proud of those that leave NVF able to stand on their own.

Some projects leaving NVF come in knowing they plan to spin off at a time in the future. Others simply grow to a point where it makes sense to transition into a new entity. Still others plan to leave but find that NVF meets their needs and want to stay.

Incubation can take many forms. It may mean bringing together an idea and committed funders and allowing them to quickly begin activity. Starting a nonprofit from zero can be a daunting task, discouraging entry into the space or simply taking significant time to operationalize. In a world with many urgent needs, incubation can enable and significantly accelerate impact.

Another type of incubation is welcoming a project from a smaller fiscal sponsor that is looking for opportunities to grow. With NVF's scale, operational expertise, and established relationships with funders, we can help projects grow into their potential.

During periods of incubation, projects can take the time to build internal capacity, establish sound governance structures, or simply prove the theory of its case and attract more philanthropic capital. All the while, they operate as projects of New Venture Fund.

That is, until they are ready to stand alone. In this report you'll find examples of numerous projects that called NVF home and went on to become their own nonprofit. Each one is a success story of our organization and of fiscal sponsorship. I'm excited to feature several examples of projects that started at NVF but have achieved tremendous impact as independent nonprofits, including the Malala Fund, Dylan's Wings of Change, and Co-Impact. I invite you to read on for more information about these amazing organizations.

In a world of immense need, we shouldn't accept anything less than maximizing impact. That's why we exist: to open the door to greater good through fiscal sponsorship.



Lee Bodner  
President



**Just as we celebrate the work of long-time NVF projects, we are equally proud of those that leave NVF able to stand on their own.**

## Why Fiscal Sponsorship Works for Philanthropists

Since its inception, New Venture Fund has been fortunate to work with a community of supporters who seek to use their philanthropic resources to maximize good.

One of the things that fiscal sponsorship can do so well is helping take an idea and quickly operationalizing it. When an individual, family, or foundation has the resources to devote to a philanthropic cause, there is often an urgent need or pressing challenge they're seeking to address: a pandemic that is spreading, an inequality that is hardening, or a disaster that has destroyed communities.

An idea and committed funders are important ingredients for success, but not sufficient on their own. There must be a system to bring it to life. New Venture Fund has built productive relationships with philanthropists because of its expertise in efficiently and effectively deploying capital.

According to the Internal Revenue Service, it can take between three months to a year for a new nonprofit initiative to receive approval of its charitable status. That says nothing of the time and effort involved in hiring staff, establishing policies and procedures for governance, opening financial systems, and the many other administrative tasks involved in getting a nonprofit effort started.

These barriers are vastly reduced for fiscally-sponsored projects, where they can benefit from the established processes and procedures, and use their sponsor's charitable designation to immediately accept funds while they await their own nonprofit status. NVF brings to life a project that would otherwise struggle to get off the ground or be slowed by the process.

## BY THE NUMBERS

# 5

YEARS

Projects that become independent entities spend an average of 5 years at NVF.

## Project Illustrations

Examples of our work best bring to life the way incubation at NVF is making the world a better place. There are many examples across NVF's history, demonstrating the real and lasting value of incubation. Here are a few, whose work spans the gamut of philanthropy today, but whose trajectory was greatly accelerated by the model of fiscal sponsorship. (Other examples are shown throughout the report.)

### #1 Project Illustration:

#### Eastern Congo Initiative: Empowering Local Communities to Drive Their Own Solutions

Founded nearly 15 years ago, the Eastern Congo Initiative (ECI) set out to create meaningful change in the region by empowering local communities to drive their own solutions instead of the revolving door of outside aid. Led by actor Ben Affleck and his advisory team, ECI needed a strong foundation to bring their vision to life. They found it in New Venture Fund's fiscal sponsorship services. NVF helped install the infrastructure of the organization, allowing ECI to focus on developing impactful programs. They built partnerships with companies like Theo Chocolate to support local farmers, and they raised awareness of the challenges and opportunities in the region. With NVF's support, ECI established itself, and today it continues to drive impact as an independent entity.



EASTERN  
CONGO  
INITIATIVE



## #2 Project Illustration:

### Center for Disaster Philanthropy: Building a Better Response to Disasters

Seeking a new paradigm for disaster relief, a group of nonprofit leaders launched the Center for Disaster Philanthropy (CDP) in 2010. The leaders wanted to help philanthropists make smarter, more impactful decisions after a natural disaster or crisis. To bring it to life, CDP turned to New Venture Fund's fiscal sponsorship services. NVF helped put in place the basic infrastructure of a charity, as CDP assembled a board of directors, hired key staff, and built the systems necessary to operate efficiently. Now, CDP is thriving as an independent organization, making a lasting impact on disaster recovery worldwide.



### Lifecycle of Incubation

Projects come to New Venture Fund seeking fiscal sponsorship. Sometimes, these projects know from the beginning that they will spin into their own independent nonprofit but need a way to get off the ground quickly while they await their tax-exempt status from the IRS. Other times, projects use the fiscal sponsorship model to test their theory of change and are able to spin after finding programmatic and fundraising success. Either way, NVF projects that eventually become their own entities generally progress along the following lifecycle:

#### Lifecycle stages





## **What Makes a Good Candidate for Fiscal Sponsorship Incubation at New Venture Fund**

With years of experience, we have learned what it takes for fiscal sponsorship to drive the greatest impact and what attributes of a charitable effort make it a good fit for fiscal sponsorship at NVF. Here are six characteristics of new or newer projects that can derive maximum benefit from NVF's model.

### **A well-resourced idea**

A big idea and significant resources behind it are ingredients for real change. But they are not sufficient on their own; they need infrastructure to get to work. New Venture Fund exists so that big ideas don't get drowned in bureaucracy. When an idea for change has attracted committed supporters to fund it, NVF enables these changemakers to act quickly.

### **Wants to move quickly**

More than ever, philanthropic needs are urgent. Fiscal sponsorship allows new projects to break free from the historically slow pace of charity and begin making an impact in days, not months or years. New Venture Fund allows a project to jump into action by leaning on our infrastructure and expertise.

### **Consistent with NVF values**

Each New Venture Fund project operates with autonomy, but NVF holds core values that are common across them. To become a project at New Venture Fund, an idea must be consistent with our goals of making the world a better place.

### **Leaders new to running large organizations**

Philanthropy is home to many brilliant and dedicated leaders. When one has an opportunity to lead a large organization, New Venture Fund can be a valued partner. These people can devote their time and expertise toward the philanthropic mission, while NVF helps put in place sound governance and structures.

### **Outgrowing other service**

Often, projects come from smaller fiscal sponsors. When an effort has begun to mature, it often needs more sophisticated services and greater capacity. NVF has helped many projects on the path from smaller fiscal sponsor to independent nonprofit.

## **BY THE NUMBERS**

**\$30**  
MILLION

During their time at NVF, projects that eventually become independent nonprofits raise over \$30 million on average.

### **#3 Project Illustration:**

#### **Dylan's Wings of Change: Turning Tragedy into Transformation**

Dylan's Wings of Change was founded in 2013 to honor the memory of Dylan Hockley, a 1st grader and autistic child killed in the Sandy Hook school shooting. In the aftermath of the shooting, Dylan's family sought a way to honor his memory and were inspired to create a program that would foster supportive environments for autistic children in schools. To do so, Dylan's family partnered with New Venture Fund's fiscal sponsorship services. With NVF's guidance, the organization developed its first programs and began grantmaking to local organizations. Dylan's Wings of Change now operates as a standalone charity, making a meaningful impact and helping schools support every child's unique needs.

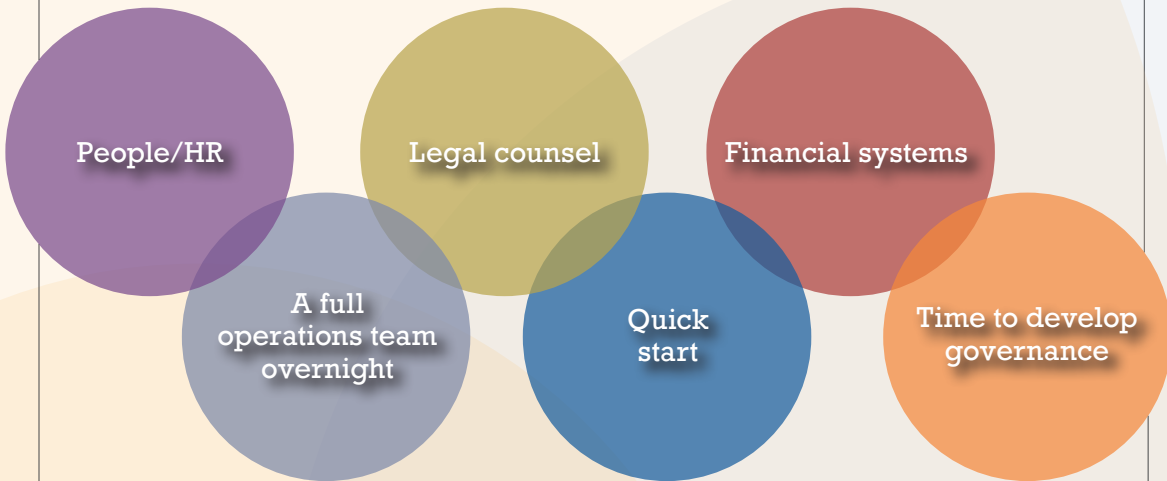


#### #4 Project Illustration: Malala Fund: Empowering Girls Through Education

After Malala Yousafzai won the Nobel Peace Prize, she was determined to use her platform to champion education for girls worldwide. With funding from the Nobel Foundation and a growing number of supporters, the Malala Fund needed a U.S.-based charity to manage its operations. The need was sudden and immense. New Venture Fund stepped in as a fiscal sponsor, providing the structure and support to get started. From securing donations large and small—including coins from second-grade classrooms—NVF helped the Malala Fund raise vital resources and grow its impact. Now as an independent organization, the Malala Fund continues its mission to ensure every girl has access to education.



#### *How New Venture Fund Supports Impactful Change*



### #5 Project Illustration:

#### We Mean Business: Driving Corporate Climate Action

We Mean Business was created to unite corporate leaders in support of international climate action. To ensure the coalition could operate autonomously and craft its own policy framework, the organizers turned to New Venture Fund's fiscal sponsorship services. NVF provided the support needed to help the coalition grow rapidly, build a global team, and develop a strong foundation. As the organization expanded its reach and influence, it became well-positioned to operate independently. Today, We Mean Business continues to drive ambitious corporate commitments and global climate solutions, making a lasting impact in the fight against climate change.



### #6 Project Illustration:

#### Co-Impact: Transforming Global Philanthropy

Co-Impact was created to drive large-scale, collaborative solutions to global challenges. With substantial financial backing from the start, the team needed a way to responsibly deploy funds while building a thoughtful programmatic and governance structure for long-term success. New Venture Fund provided the solution, offering fiscal sponsorship to manage complex contributions and grantmaking. In addition, NVF supported the team in designing a governance framework to ensure long-term sustainable impact. Thanks to this partnership, donors saw the project's effectiveness and increased their support over time - in its first five years, mobilizing \$685 million to reach more than 600 million individuals. Co-Impact launched effectively and is now an independent organization delivering transformative change around the world.

