What is an Opportunity Fund?

• Increasingly used by funders to quickly respond to emergent opportunities that complement mission and strategies but that were not fully anticipated in annual program planning

• Multiple names: opportunity fund, swing fund, hold-back resources

• Used by Hewlett, McKnight, ClimateWorks, among others

• Typically 1-15% of annual grant-making
• Fund allocation decisions often made after program allocation decisions have been made (later in the year)

• Staff-directed fund, following Program Committee-approved criteria

• Nimble - funds able to be rapidly deployed

• Flexible - shore up existing strategies or address cross-cutting opportunities

• Spread broad vs. focused - ability to focus on single opportunity or spread among many
Decide: Criteria to Guide Fund Investments

• Must support mission and broad program goals in at least one of the following ways:

  1. **Surge funding**: Supplements resources to existing program strategies to enhance likelihood of success by responding to emergent threats or opportunities

  2. **Mission-complementing investment**: Addresses an emergent need or opportunity that does not fit clearly in a program strategy but that complements the mission or program goals

  3. **Partnerships and strategic positioning**: Responding to events or opportunities that strengthen the foundation’s ability to be effective by building partnerships or enhancing credibility and reputation with key partners or constituencies
Proposed Process

- Staff propose uses of opportunity fund throughout the year; brief (1-page) proposal
- VP of Programs reviews and approves/rejects proposals
- Rationale for approved/rejected proposals logged in Fluxx
- Opportunity Fund grants reported to the Program Committee in November with brief rationale as to how they met criteria
Questions?
Decide: Criteria