

XYZ Foundation

*Opportunity Fund for
Quick Response*

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
- Typically 1-15% of annual grant-making

Common Opportunity Fund Attributes

- 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:

- **Surge funding:** Supplements resources to existing program strategies to enhance likelihood of success by responding to emergent threats or opportunities
- **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
- **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 grantms management system
- Opportunity Fund grants reported to the Program Committee in November with brief rationale as to how they met criteria