

# NEF OVERVIEW – FISCAL SPONSORSHIP & DUE DILIGENCE

## Background

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### What is NEF?

NEF is an association (AISBL, Belgian registered) that enables European foundations to work better and more strategically on collaborative projects.

It supports projects in several fields, including social inclusion, democracy and international development, in Europe and in the rest of the world. It aims at strengthening the cooperation among foundations and acts as a platform for mobilising further partners.

NEF is deeply experienced in the development of operational partnerships at the European level and in the rest of the world. It is the only vehicle in Europe dedicated to the fostering of operational partnerships among foundations and other philanthropic actors.

NEF's role is complementary to that of the European Foundation Centre, which operates as the foundations' philanthropic hub and seeks to enhance their working environment.

NEF has run projects for 40 years, first as the Fund for European Collaboration, then as AICE (Association for Collaboration), until the association was given its current name 10 years ago.

### NEF strengths

- NEF has extensive experience in managing collaborative initiatives between foundations.
- NEF offers a set of processes and tools that are tailor-made to each funds' characteristics and is an expert in:
  - Coordinating and implementing Call for Proposals (CFP).
  - Coordinating advisory committees to review applications and recommend proposals.
  - Coordinating decision-making processes to approve grants.
  - The due diligence of organisations selected to receive funding.
  - The administration of grants, including award letters, reports, etc.
- NEF mobilises the expertise required by the initiative either through the knowledge and talent brought by the partners' foundations to the initiative or by supporting the selection of skilled expert consultants.
- NEF is a non-partisan organisation and is not affiliated to any political party or organisation.
- NEF is agile and flexible. NEF is a lean organisation with a small, core team. This enables it to respond quickly to rapid changes in the landscape.
- NEF is cost efficient with reasonable administrative costs.
- NEF is reliable and dedicated. NEF ensures that the credit of the work is given to the collaborative initiative. The Secretariat team is trained in facilitation techniques for consensus building.

## Services

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When NEF accepts a project in its portfolio, NEF is legally and financially responsible for every project it sponsors. Projects are not separate entities or affiliated organisations — projects are NEF. Being part of NEF brings to each project the credibility and accountability that the association has gained over around 40 years of existence.

Fiscal sponsorship and due diligence at NEF consists of a menu of services that can be tailor made to each project. Overall NEF provides a legal framework to its hosted projects consisting of:

- Inclusion in the corporate, legal structure of NEF
- State tax exemption for income and grant purposes
- State registration for fundraising

NEF's Comprehensive Fiscal Sponsorship & Due Diligence services also include:

- ✓ Financial Management. This means meticulous oversight of all revenues and expenditures, monthly financial reports and annual auditing.
- ✓ Grants Management. We administer all grant agreements and reporting.
- ✓ HR Management. This enables projects to hire and retain committed and high-quality staff, which is recognized as a key success factor for all projects (in Belgium this includes Payroll Management via the Secretariat Social).
- ✓ Project Relations. This ensures proactive communications with the different stakeholders involved in the project and integrated capacity development support from the programme staff working on the different projects.
- ✓ Service Partnerships. They facilitate the mobilisation of expertise from external sources (eg: jury, advisory board...).
- ✓ Steering Committee set up. This builds an effective governance structure to steer the project.

## NEF granting

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In 2013, NEF operated 4 pooled funds. This had increased in 2017, to 8 pooled funds.

In 2017 the pooled funds are:

- ✓ **EPIM** – European Programme for Integration and Migration- initiated by NEF in 2005
- ✓ **EFB** – European Fund for the Balkans – initiated in 2007
- ✓ **EFID** – European Foundations Initiative on Dementia- initiated by NEF in 2011
- ✓ **CVECF** – Children and Violence Evaluation Challenge Fund – initiated in 2011
- ✓ **Fikra** – Tunisia Joint Fund – initiated by NEF in 2012
- ✓ **FutureLab** – hosted since 2012 by NEF
- ✓ **TRANSFORM** – Transnational Forum on Integrated Community Care – initiated in 2017
- ✓ **JAFOWA** – Joint Action for Farmers Organisations in West Africa – initiated in 2015

## NEF architecture

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### Team

- 2 permanent staff members: NEF Executive Director and NEF Management Assistant. 1 NEF trainee.
- 7 programme staff embedded in the Secretariat:
  - **EPIM**: 1 Senior Programme Manager, 1 Programme manager and 2 Programme Officers
  - **EFID**: Programme Manager
  - **CVECF**: Programme Manager

### Oversight

- NEF Board (meeting twice a year);
- NEF General Assembly (meeting once a year): 11 Foundations members and EFC as an observer;
- Steering Committee for each initiative (ad hoc meetings).

### Offices

- NEF is registered in Belgrade with an office in Belgrade (with a team of five staff members for the European Fund for the Balkans).

### Example:

The EPIM model, as a consortium of 30 foundations, was initiated by NEF in 2005 and has progressively gained recognition in the philanthropic field. It is now the oldest operational programme run by the NEF Secretariat with a dedicated team of five staff and an annual budget of around four million euros. It has grown steadily and enhanced its programming through strategic learning that has been embedded within the programme since 2007.

### **NEF Revenue Model**

NEF's open-architecture system offers donors a custom-built platform with support and low administrative costs. NEF's organisational budget is around 270,000 euros/year. This includes the permanent staff costs of the Secretariat and the core costs of the platform (accounting/auditing services, IT infrastructure, etc.).

This organisational budget is mainly covered by the membership fees of the 10 member foundations that support the organisation and make up its General Assembly.

The total spending for all the projects hosted by NEF varies between 6 and 7 million euros per year and has remained relatively stable over the years.

The funding of the different NEF initiatives and projects comes directly from the involved partner foundations, which contributing different amounts to the pooled funds. Not only NEF members can fund a project, the structure is open to all foundations interested in joint ventures.