# TOOL: Open Collective Foundation

Open Collective Foundation (OCF) is creating a legal, financial, and technical commons for the solidarity economy

*OCF has a unique role to play as steward of a legal, financial, and technical commons—a piece of shared infrastructure—that is resonating deeply with the solidarity economy movement. We can build bridges between 501(c)(3) fiscal sponsorship, the open source community (where we have deep roots), mutual aid groups (100+ are hosted by OCF today), and the movement at large. A new clarity has emerged for Open Collective Foundation: <u>**Solidarity will be our guiding principle**</u>.*

HOW IT WORKS

[Open Collective Foundation](#) allows **initiatives to raise and spend money** under the umbrella of our 501(c)(3) nonprofit, using a powerful open-source tech platform with financial and community engagement tools.
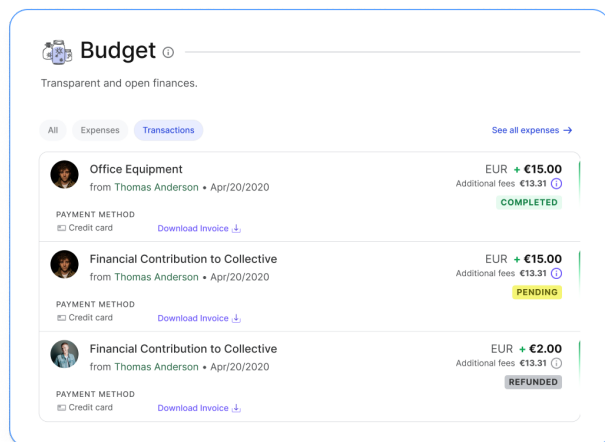
We are radical administrators for a decentralized future. As a fiscal sponsor, OCF handles the compliance side of raising and spending money (like dealing with the IRS and banks), so that groups can focus on their work. We build trust by sharing OCF's budget with full transparency, and enable our hosted initiatives to do the same.

We are only **one node in the interconnected Open Collective network**, a decentralized platform of fiscal hosts offering their legal status and bank accounts to

Collectives around the world, who are working to share power, knowledge, and wealth. Financial power and community power go hand in hand.

If your group wants to:

- apply for a grant
- offer tax write-offs for donations
- create mini-grants
- reimburse volunteers

Open Collective can cover you.

Open Collective Foundation exists to **spread wealth and power and root it in the community** (the solidarity economy) by unlocking access to funding.
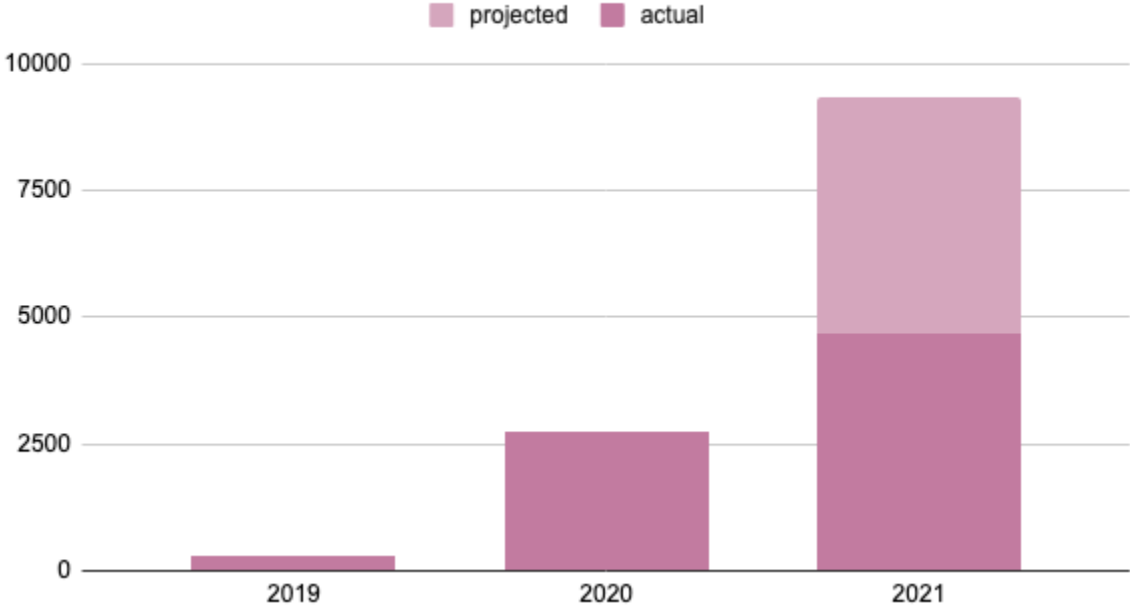

HISTORY

At the end of 2019, Open Collective Foundation was pretty small and not very well-known. Then, things started moving, quickly. **We grew 20x in 2020 alone, and are on track to double in size again this year.**

OCF total incoming funding
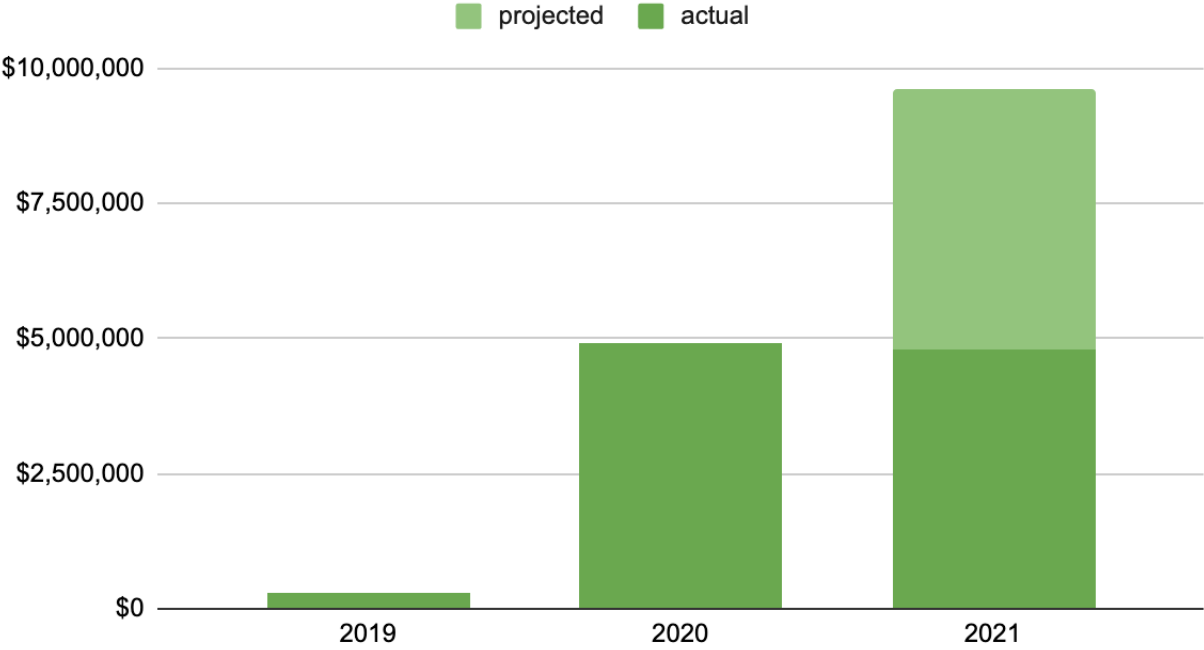
Number of expense payouts

What happened?

As COVID19 picked up speed, the mutual aid movement found us. Over 100 mutual aid groups across the US started using our fiscal sponsorship and crowdfunding service to provide critical assistance to their neighbors during the pandemic. OCF's increasing visibility helped other solidarity and social justice initiatives find us, too, like ParentPreneur Foundation, Juneteenth Conference, and WalkTheVote. Suddenly, we were running just trying to keep up with these incredible communities.

Simultaneously, initiatives connected to our background in open source began to reach a whole new level of scale and impact. Partnerships with grantmaking foundations in this area, long in the making, started coming to fruition, with initiatives like the Digital Infrastructure Research Grants, Sustain, the Internet Freedom Fund, and OpenMined attracting funding in the millions.

This was all fantastic and amazing, but in all honesty, OCF grew so fast that it's taken us some time to get our feet under us and take space to look at the bigger picture. A couple months ago, the OCF team and board began a strategy-setting process, in search of more clarity and focus.

Where do we fit in?

We asked: What connects open source projects and mutual aid and community groups and foundation grantmakers—and why do all of them resonate with OCF? **We realized that our diverse initiatives, their funders, the Open Collective platform, and OCF itself, are all part of a bigger story.**

Open Collective Foundation is only one node of the international network of fiscal hosts using the Open Collective software platform to enable Collectives to operate through their legal status and bank accounts, transparently. The platform itself is completely open source, and Open Collective Inc, the company building the software, aspires to someday become a platform cooperative.

It's no accident that the same characteristics that attract mutual aid groups also attract open source projects and similar groups. They share a vision of community ownership and democratic governance for political, cultural, and economic power—known to many as the *solidarity economy*.

Want to learn more about the solidarity economy? Check out the New Economy Coalition, the U.S. Solidarity Economy Network, RIPESS, Art.coop, and U.N. Solidarity Economy research. Groups that value transparency often also value cooperation,

participatory democracy, intersectional equity, sustainability, and pluralism—the principles of the solidarity economy. OCF offers many of the technological, legal, and financial supports that solidarity economy groups are asking for. We believe that, instead of a world dominated by hierarchies with only a few at the top, a better society can be formed through solidarity among peers, scaling from groups of individuals right up to huge collectives of collectives.

Why is OCF a good fit for mutual aid groups? We can get them set up overnight, ready to receive and distribute money via thousands of transactions, without needing to incorporate or set up a bank account. As a 501(c)(3), we create a bridge between these unincorporated communities and donors/grants requiring a formal nonprofit.

These are the same reasons we're a good fit for the other kinds of initiatives under our umbrella, like social movements and open source projects. We're designed to serve highly collaborative communities that value transparency and seek to have a positive impact through the lens of solidarity, and we offer powerful tools for their collective agency.

Solidarity Economy = mutual aid + open source + collective power

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A strategy is a living thing

We have already begun putting our strategy into action (see some concrete examples below). Yet, we're very aware that creating a solidarity-centered strategy behind closed doors doesn't make much sense. When we started this process, we were frankly too stretched thin to invite our wider community into a properly held participatory process.

Now that we've had a chance to expand the team's overall capacity and get focused, we're in a much better place to be more open and participatory when it comes to strategy from here on out. Expect to hear from us about opportunities to give feedback and help steer OCF's direction. For now, we want to share what we're working on and invite you to join some conversations.

The Solidarity Strategy in Action

We support the solidarity economy movement with our cutting-edge tech platform, enabling decentralized, tech-enabled, nonprofit fiscal sponsorship for collective power.

As a nonprofit, all of OCF's revenue (transparent budget) is invested back into supporting our community of hosted initiatives (what fees go toward), in service of our larger mission, but that still leaves a lot of decisions to make about what to focus on specifically. Our strategy is now helping us prioritize our activities with more rigor and intention.

Hiring

We have hired three new people, bringing the total team up to eight, to better support the OCF's work in the solidarity economy.

- Mike Strode is a facilitator and organizer with the Kola Nut Collaborative (timebank) and serves on the Board of the US Solidarity Economy Network.
- Caroline Woolard brings over a decade of experience working on research, media, and cutting-edge technology for cooperative culture in New York.
- Ember Buck is a queer border activist with a passion for mutual aid, futurism and community capacity building.

We now have capacity to offer more than just fiscal sponsorship services, to proactively develop services and support for and with our initiatives. With team members living around the world, someone is always rising to say hello to you!

Deeper relationships with hosted initiatives

We are refining our "onboarding" process so that Collectives have clearer channels for communication with us and each other. We are speaking to solidarity economy organizers, foundations, and collectives to understand how to best support their dreams. We will be hosting Community Forums on the first Friday of every month at 10am PST / 1pm EST / 7pm CEST so that you can meet our team, and each other, and share your questions and ideas. Sign up here!

Learning Programs

We know that transparent budgeting and collectively managing money brings with it questions about governance, power, and community practice. So we want to know: *What do you want to learn?* We are exploring partnerships and programs for Collectives to learn with and from one another, in order to study-into-action toward decentralized futures. The first series of public programs we will run is called Art.coop Study-into-Action and will launch this Autumn. RSVP here, and email caroline@opencollective.com if you would like to talk about this program. Keep an eye out on our blog/updates for more info about this to come!

Service development

We are developing new services in response to the desires of our initiatives as a bridge between solidarity-driven approaches and the requirements of the legal and financial systems we have to negotiate. One example is our new Cash Assistance Policy, enabling initiatives to directly support neighbors who are unbanked or lack internet access. Soon we will announce a way for hosted initiatives to become grantmakers in their communities (while OCF handles the associated IRS reporting requirements). We're also working on options for employment with benefits for initiative workers, and for access to liability insurance through OCF. If you have questions about these potential options, email contact@opencollective.foundation.

Tech platform development

OCF has a role to play connecting the voice of our initiatives to the development of the software platform we all use. Your feedback has led to new features like Virtual Cards, enabling you to spend Collective funds anywhere you'd use a debit or credit card online, and Projects, a useful way to separate out part of your budget. We will continue seeking your feedback to influence platform development, assist you to make the most of the software, and advocate for a solidarity-driven approach to technology.

Partnerships & collaborations

In the same way that we've supported building digital infrastructure, we are interested in co-creating infrastructure for the solidarity economy: Giving Circles, Coalitions, and Funder Collaboratives. We aim to shift the field toward practices of transparency by partnering with groups that want to pool money transparently, but currently have no way to do this without building custom software that they cannot afford to create or maintain. Aligned partnership opportunities for transparent pooling of funds include: giving circles, funder collaboratives, large foundations interested in participatory grantmaking, and coalitions in the solidarity economy. Email caroline@opencollective.com if you would like to talk about partnerships.

Storytelling and Communications

We have heard that it can be hard to understand what Open Collective Foundation is, how fiscal sponsorship and the Open Collective tech platform work together, and to find out what's going on across our ecosystem at large. We are working to create stories, presentations, and videos to raise awareness and tell stories about using technology and money for collective power, in addition to the detailed documentation and case studies we already have. Stay tuned for more!

Technology Owned by the People

Open Collective is part of a movement for start-ups and tech platforms become to become owned by their users and stakeholders, called "exit to community" or E2C. Learn more about this community interested in community control and governance here. We don't know exactly what the future holds, but OCF, grounded in perspectives of solidarity, will be a key influence on the future of the Open Collective platform as a commons. NOTE: This is possible because the investors who gave capital to launch Open Collective agreed to term sheets that do not give them Board seats or majority ownership.

Our invitations to you

- Sign up for our monthly Community Forum—the next one is coming up August 6—to connect with the OCF team and other hosted initiatives.
- If you're up for sharing your thoughts about improving our onboarding process, please email mike@opencollective.com.
- If you'd like to learn more about Study-into-Action, a new series of public peer-learning programs, or talk about a partnership with OCF, reach out to caroline@opencollective.com.
- Join the Open Collective Slack and find us, and each other, in the #OCF channel.

The Open Collective Foundation team:

Pia, Alanna, Kayla, Alina, Nathan, Mike, Ember, & Caroline

Jul 21, 2021