

# Braiding and Blending Funding

## Background

This resource explores the concepts of braiding and blending funding and describes how you might incorporate these methods into your coalition's funding strategy.



## Why would an organization want to braid or blend funding?

Braiding and blending are important strategies an organization can use to combine funds and support more initiatives than a single funding source could do alone. Braiding and blending can help an organization work across programs, combining each program's resources in the most efficient way to reach shared goals.



**Braiding** means combining funds while keeping each funding source and its activities separate. For example, a local health department is funded by many grants with distinct reporting rules. Even if the work is coordinated, the activities supported by each grant must be tracked separately.

**Example of braiding funds.** To help address the learning gap caused by the COVID-19 pandemic, [Danville School District 118](#) braided funds from multiple sources to start an after-school and extended-year program. The district mapped expenses to the most appropriate funding source. For example, one funding source supported stipends and benefits for tutors at specific schools, and another supported social and emotional opportunities for students at a local shelter. The district set an overarching goal of improving academic achievement by 10 percent.



**Blending** means combining funds and treating them as one pool. A community health organization might blend unrestricted private grants with charitable donations to deliver services, without allocating costs to individual contributors. When funds are blended, an organization cannot link activities to a specific funding source. Program results are similarly measured overall and not by funding source.

**Example of blending funds.** The [Western Idaho Community Health Collaborative](#) (WICHC) blended funds from several partners to support initiatives that would typically be hard to fund. WICHC is a partnership that includes two health districts and several private partners. The collaborative builds consensus among local leaders to improve health outcomes and reduce healthcare costs. WICHC partners fund the collaborative's work directly. Each partner contributes to a common pot, with no restrictions on how funds can be used. The collaborative works with the community to determine funding priorities, which are documented in a regional plan that identifies community health needs and goals.



## How might braiding and blending apply to coalitions?

As coalitions diversify funding sources, braiding and blending will likely become more common. However, activities that support braiding and blending, such as the ones listed below, can help coalitions make the most efficient use of funding even if member organizations receive and administer funds separately. The activities do not need to be completed in the order in which they appear. For example, your coalition may want to inventory its resources before revisiting goals. You may also choose to revisit goals periodically as the funding environment changes.

- **Goal-setting.** Revisit the goals your coalition must achieve, and consider the most important activities that will help you reach those goals. This will help your coalition prioritize resources. Make sure your goals reflect community needs, and avoid changing goals just to match available funding.
- **Identifying funding sources and gaps.** Review and document which funding sources you can already access through members to support coalition activities. This process is called fiscal mapping. Keep track of restrictions and requirements for each source—this can help you determine the best ways to use it. Some grants cannot be combined because of reporting rules or legal requirements. For each funding source, determine whether you have the authority to blend funds, either granted by the funder or by statute. Include any in-kind contributions coalition members or other partners have committed. This will help your coalition more accurately identify gaps that you will need to pursue additional funding for. It will also help you prepare for discussions with prospective funders, who frequently ask about financial and in-kind contributions that potential grantees have already secured.
- **Develop a coordinated funding plan.** Develop a detailed budget for coalition activities. Once complete, allocate funding to budgeted expenses, starting with the most restrictive funding sources. Include in-kind contributions in this allocation process. Review each funding source for limits such as caps on administrative costs. Consider which funding sources must be spent down first, and which have the possibility for extension. When completing this plan, include finance representatives to verify funds are being allocated appropriately and according to the requirements of each funder. Coalition members should check with funders during planning to make sure they agree with the plan for using the funds.



### Key resource: fiscal mapping tools

To help your coalition document existing funding sources and plan the best way to allocate them, consider using templates developed by the Spark Policy Institute in this [guide](#) from New York State, or this [how-to guide and data collection tool](#) developed by the Center for Health Care Strategies.



## Practical considerations for braiding and blending funding

Braiding and blending typically take place within a single organization rather than across organizations. However, there may be situations in which combining funds from across organizations makes sense, such as in the WICHC example above. In deciding on the best approach for your coalition, consider the following:

- **Coalition governance.** Consider whether a single member organization should be responsible for managing funds. Many coalitions are headed by a lead organization (sometimes referred to as a backbone organization) such as a local health department or nonprofit that coordinates and funds coalition activities. These organizations often have the systems needed to manage braided or blended funds, and centralizing funds may reduce administrative work for others. However, this practice can also concentrate control and risk. If your coalition does not have a backbone organization but still wants to braid or blend funding, it should choose the member organization that is best positioned to administer pooled resources according to your coalition’s needs and the requirements of your coalition’s funders. If none of your coalition’s members can do this, they can still coordinate with one another to fund activities without pooling funds in a single account.
- **Operational complexity.** Coordinating funding across organizations becomes more complex with more funding sources, shared expenses, and increasingly coordinated activities. As your coalition diversifies its funding sources, you may need to set up clear financial systems, agreements, and processes. This will help your coalition use funds effectively and ensure each member follows funding rules.
- **Startup costs.** Braiding funding requires significant investment for any organization new to the process. This may include new systems, staff time, and decision-making structures. Funders may be resistant to braiding and blending funds due to concerns about oversight and accountability, so gaining approval may take time and coordination.

## Sources

The content in this document was informed by the following resources:

- The Trust for America’s Health. [“Braiding and Blending Funds to Support Community Health Improvement: A Compendium of Resources and Examples.”](#) 2018.
- Mathematica. [“Braiding Federal Funding to Expand Access to Quality Early Care and Education and Early Childhood Supports and Services: A Tool for States and Local Communities.”](#) 2021.
- Maternal, Infant, & Early Childhood Home Visiting Technical Assistance Resource Center. [“Managing Multiple Funding Sources to Support Home Visiting Programs.”](#) n.d.