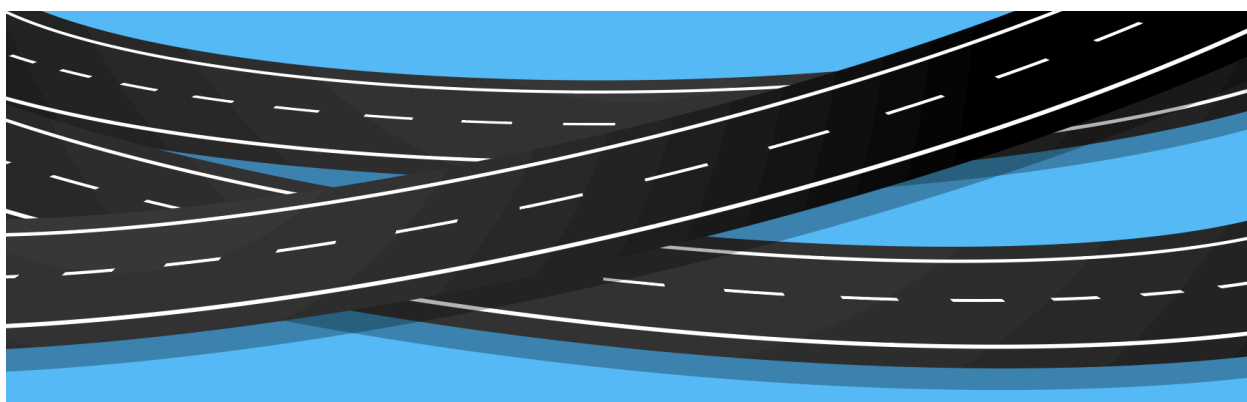


CHOOSING A STRUCTURE FOR IMPACT



It's important to think about how you will structure your coalition. Will it be an ad-hoc coalition with limited business functions needed, a fiscal sponsorship attached to another organization, or a 501(c)(3) / (c)(4) with both tax benefits and responsibilities? Again, this is up to you and what fits your community's vision.

Take a look below for a quick overview of each option.

- **An *ad-hoc coalition*** is a temporary alliance of autonomous groups formed around a single, specific issue — typically for the duration of a legislative or regulatory fight. These coalitions are loosely structured, with minimal formalization and no direct membership system. While some may last longer, they remain networks of independent organizations. They often have informal leadership, regular meetings, coordinated actions (like joint letters or press events), and may adopt a coalition name, letterhead, or secretariat. Ad-hoc coalitions typically include diverse groups representing different interests.
- **Fiscal sponsorship** is an arrangement where a nonprofit organization (the “fiscal sponsor”) provides administrative support and legal oversight for a project or group whose work aligns with the sponsor’s mission. This includes sharing the sponsor’s tax-exempt status, meaning the sponsored group must follow the same compliance rules and use the sponsor’s tax ID for funding purposes. The arrangement typically involves a mutual agreement on goals and deliverables to support fundraising efforts. To get started, look for well-established nonprofits with aligned missions and sufficient budgets. [Learn more about fiscal sponsorship.](#)
- **501(c)(3) or 501(c)(4):** Unlike the other options outlined above, forming a 501(c)(3) or 501(c)(4) involves establishing a fully independent nonprofit organization. This requires completing legal filings, including applying for federal tax-exempt status with the IRS (which is what the letters and numbers reference), and complying with ongoing reporting and governance requirements. While more complex to set up, these structures offer greater control and flexibility in advancing your mission. A 501(c)(3) allows for tax-deductible donations but limits political activity, while a 501(c)(4) permits more advocacy and lobbying but does not offer tax-deductible contributions. Creating a campaign under one of these designations can help formalize and sustain your efforts.

See the chart below for a quick comparison of the two options.

501(c)(3)s	501(c)(4)s	501(c)(5) &(6)s
501(c)(3) organizations are commonly referred to as charitable organizations . Public charities, the most common type of 501(c)(3)s, are required to devote their resources to educational, religious, scientific, or other charitable purposes. 501(c)(3)s are permitted to engage in only limited lobbying activities and are prohibited from engaging in any political activity in support of or in opposition to a political candidate or party. A 501(c)(3) organization may engage in some lobbying , but too much lobbying activity risks loss of tax-exempt status .	501(c)(4)s are organizations that are not-for-profit and must be operated exclusively to promote social welfare. 501(c)(4)s can engage in unlimited lobbying activities and some limited political activities. Contributions to 501(c)(4)s are not tax deductible. 501(c)(4)s can be formed and dissolved quickly, so they may be an option for short-term goals.	501(c)(5)s organizations typically cover labor (unions), agricultural, or horticultural entities. The rules that apply to 501(c)(3) organizations when working with 501(c)(4)s are the same as when they work with 501(c)(5)s and 501(c)(6)s, so any references to coalition activities with 501(c)(4)s would also apply to work with 501(c)(5) and 501(c)(6) organizations.

Create Infrastructure

Responsibilities Within Coalition

Once you've decided on the overall structure, internally how will your coalition make decisions?

- Steering Committee:** A smaller group of consistently invested stakeholders making decisions in the best interest of the campaign. This committee usually meets more frequently than the broader coalition to strategize, ensure deliverables are moving, and make high-level decisions for the coalition.
- Working Groups:** These are groups created within a coalition based on areas of need. A committed member of your coalition (someone who shows up to meetings, participates, etc.) should chair the working group. Coalitions usually divide working groups in primarily two ways: 1) based on different segments or elements of an issue, such as Public Health or communications with the Department of Corrections, usually focused on developing talking points or policy recommendations; and 2) based on categories of needed infrastructure, such as communications, legislative strategy, fundraising, rapid response, etc.



- *Decision-Making Process:* Determine from the outset how the coalition will operate when making decisions — by consensus-building or by majority vote. Consensus decision-making allows for everyone to have a vote, ensures buy-in from coalition members, and allows all stakeholders the ability to voice concerns. Building consensus also takes more time, especially in a particularly diverse coalition. On the other hand, majority voting is a fast way to reach an agreement within the group, but may leave some coalition members feeling dissatisfied if their perspectives are not equally heard or valued. For more info on the differences between the two, [check out these resources](#).
- *Plan for 11th-hour negotiations:* Early in the coalition process, spend time discussing the following questions about negotiation and priorities. Determining the following questions at the outset of your coalition will help if/when you need to make difficult decisions concerning your campaign. Additionally, having the answers to the following questions will help if/when conflict arises within the coalition.
 - What are you willing to give away?
 - What are your non-negotiables?
 - How can governance structure help define the process for deciding what trade-offs or sacrifices we can make to move the legislation forward?
- *Funding:* Where will your coalition get funding from? If you developed a coalition modeled on fiscal sponsorship or 501(c) status, you may be getting funding from other organizations, grants, or donations. However, those funds may not cover all of your costs — so you may need to be creative in finding and determining your funding streams. A few funding options might include the following:
 - **Fees or dues:** Each member organization must pledge a certain dollar amount to stay involved in the coalition (often based on the size or budget of the organization). This should be determined at the outset of an organization joining your coalition.
 - **Fundraising/Donations:** Asking individuals, businesses, and other organizations to help support your cause. Each state has its own requirements regarding charitable fundraising, which should be considered when going this route.
 - **Alternatives to Money:** Are there member organizations who have office supplies, digital platforms, or volunteers who can help with your campaign? Are organizations willing to “donate” one of their staff to help with your campaign? This is a way to offset costs and keep people involved without a monetary lift.
- *Communication within the Coalition:*
 - ListServes — Google Group, Mailchimp, etc. (allow people to opt-in)
 - Slack
 - Calls/text messaging
 - Meetings — how often? Is there a standing meeting?
 - Social Media (e.g., Facebook, Instagram, Twitter, LinkedIn, TikTok, BlueSky)
 - [Sample sign-up sheet](#)