

NCCIC Is a Service of the Child Care Bureau

10530 Rosehaven Street, Suite 400 • Fairfax, VA 22030 • Phone: 800-616-2242
Fax: 800-716-2242 • Email: info@nccic.org • Web: <http://nccic.acf.hhs.gov>

BLENDED AND BRAIDED FUNDING

Blended Funds—sometimes called **pooled funds**: Blending Funds is a finance strategy that pools funds from multiple sources and makes the funding stream more indistinguishable. This strategy allows for flexibility in use of the funds. Activities that are not reimbursable under certain specific categorical funds may be funded under this type of strategy. In this strategy, partners will forfeit control of their funds and their ability to track funds to a single point.

Braided Funding: The funding sources remain visible while they are used in common to produce greater strength, efficiency, and/or effectiveness. The key difference between blended funds and braiding funding is that the funds are tracked both collectively and individually. Accountability for each stream of money is maintained by both the funding source and the agency charged with administering the funds. These coordinated funds are joined into a comprehensive service package. This is often favored by partners because the funds are categorical and the agencies can maintain control. This strategy can be difficult and challenging with varying reporting requirements.

Funding Strategies

Blended Funding	Braided Funding
<ul style="list-style-type: none"> ✓ Offers significant flexibility to the agency ✓ Reduces work required for reporting and accountability ✓ Allows funding of activities not reimbursable through categorical sources. ✓ Provides gap funding ✓ Can be politically difficult to obtain ✓ Increases resources but are generally smaller amounts of money 	<ul style="list-style-type: none"> ✓ Allows resources to be tracked ✓ Allows agencies to maintain control ✓ Recognizes the categorical nature of funding ✓ Avoids some of the conflicts that can arise with blending ✓ Increases opportunities to obtain larger amounts of funds ✓ Allows for both accountability and flexibility

Resources:

Friends National Resource Center for Community-Based Child Abuse Prevention. (2006). *Workshop materials: Maximizing resources for CBCAP State lead agencies: Teleconference training*. Retrieved February 3, 2008, from www.friendsnrc.org/download/maxresourceshandout.pdf

Flynn, M., and Hayes, C.D. (2003). *Blending and braiding funds to support early childhood initiatives*. Retrieved February 5, 2008, from www.financeproject.org/Publications/FP%20Blending%20Funds%201_24.pdf

Judge David L. Bazelon Center for Mental Health Law. (n.d). *Blending or braiding Federal funds*. Retrieved February 7, 2008, from www.bazelon.org/issues/children/publications/mixmatch/blenbraid.htm