

Following our post explaining the concepts of [Captive and Non-captive Vehicles](#), this post highlights the Fund-in-a-Box (FiB) model, a key tool for simplifying investment administration. For DAOs and small-scale funds, managing legal, compliance, and operational requirements can often be prohibitively expensive, limiting innovation and scalability. FiB addresses these challenges by consolidating these tasks into an affordable, streamlined framework, enabling DAOs to focus on driving multidimensional impact instead of being burdened by administrative overhead.

Why the FiB Model Matters

For many funds, the cost of compliance, legal, and administration can exceed \$500,000 annually, making them unviable. This is particularly true for DAOs that prioritize decentralized decision-making and multidimensional goals beyond financial ROI. FiB provides an alternative, offering a scalable structure that simplifies fund administration and empowers novel, impact-driven initiatives.

Core Benefits of FiB

1. Simplified Setup:

FiB pre-handles KYC, due diligence, and compliance, reducing paperwork for LPs and fund managers alike.

1. Cost Efficiency:

By consolidating operational tasks, FiB lowers costs, enabling smaller funds to operate without requiring massive resources.

1. Time to Investment Readiness:

When starting a new fund the initial setup can take many months. With a FiB setup we can spin up and discontinue new investment programs and experiments rapidly, while maintaining a clear counterparty for other stakeholders.

1. Operational Support:

Legal, compliance, and tax management are supported by the FiB provider, freeing fund managers to focus on investment strategy, execution and in some cases fundraising.

1. Investor Appeal:

A streamlined, professional framework makes the funds being set up more attractive to LPs, increasing participation from external investors.

How It Works

The FiB framework simplifies fund management by offering:

- Regulated and Licensed Sandbox:

Full compliance with legal standards and predefined reporting frameworks.

- Strategic Tools:

Implementation of planning and reporting tools like Theory of Change, Logic Models and Impact Measurement Frameworks to align activities with goals and standardize processes across the portfolio of investment funds and programs.

- Scalable Deployment:

Programs can quickly scale, pivot or discontinue based on performance and needs.

Example of the Model

To illustrate how this design works, consider a DAO exploring Decentralized Science (DeSci) applications, such as clinical research based on healthcare data on-chain. Early-stage opportunities are often high-risk and away from market readiness, but can sometimes be tackled with small scale early investments. In that context setting up a dedicated investment structure is impractical. Using the FiB model:

1. The DAO launches a Scouts Program, empowering a domain expert to deploy a number of small investment tickets (\$10k–\$30k) across early stage rounds.
2. If the pipeline shows promise, it can be scaled by creating a small fund around the scout, allocating \$2–\$3M and attracting co-investment from LPs before allocating more capital.
3. If a scout-led fund proves unsuccessful, it is discontinued with the remaining investments managed professionally

through the FiB framework.

4. All this can be communicated as a standalone fund for DeSci with its dedicated leadership, integrated with other relevant initiatives of the DAO.

This flexible approach ensures DAOs can experiment with innovative verticals while mitigating risk (including brand and reputational) and administrative costs.

Why FiB Aligns with DAO Priorities

Unlike models that are more narrowly focused, the FiB-enabled approach is well suited for DAOs prioritizing flexibility, accommodation of diverse contributors, and multidimensional impact. Its modular structure allows DAOs to experiment with novel investment strategies, enabling tailored approaches to ecosystem growth, while managing potential downsides. By consolidating administration and lifecycle management in a centralized, compliant framework, FiB ensures affordability and effectiveness across different phases of growth.

For DAOs aiming to achieve ambitious goals with limited resources carefully staged over time, FiB provides a pathway to scale innovation, drive impact, and optimize for market position—all without sacrificing decentralization or flexibility. This makes it an indispensable tool for creating sustainable investment programs.

Stay tuned for the next post in this series as we continue to unpack key elements of the proposed approach for AVI!