

How to Get More General Operating Support

Foundations have a tendency to view general operating support as equivalent to writing a blank check, but often nonprofit organizations struggle to cover basic day-to-day costs of having a space to work, paying employees a livable wage, maintaining computer systems and keeping the lights on.

This tension was the topic of discussion during a recent session of the National Council of Nonprofit Associations' Nonprofit Congress. The session, "Fighting for More General Operating Support: Reframing the Ask," was led by Aaron Dorfman, executive director of the National Committee for Responsive Philanthropy.

"This lack of funding continues to hamper and cripple nonprofits and diminish their effectiveness," Dorfman said. "It's going to take a serious, long-term campaign if we want to move the needle on this issue."

The average size of a general operating support grant in 2006 was \$105,162, whereas the average size of a program grant was 64 percent larger, according to the Foundation Center. Furthermore, the percentage of grants designated for general operating support in 2006 was down nine-tenths of a percentage point from 2005.

Last spring, NCRP released "A Call to Action: Organizing to Increase the Effectiveness and Impact of Foundation Grantmaking." These were among the report's findings:

- Foundations do not understand what core operating support means.
- Foundations do not provide adequate overhead in program grants.
- Nonprofit organizations lack organization "slack" or a cushion of resources that would allow them time for strategic planning.
- Funders assume nonprofit organizations have access to other resources for operating support.
- Foundations do not understand the actual cost of running an organization.
- Lack of sufficient core support forces nonprofit organizations to "back into" operating support and to sometimes be borderline dishonest.

Dorfman offered a few ways for organizations to respond to resistance to a request for general operating support.

"We are adequately supporting nonprofit infrastructure through the overhead associated with our project grants."

Counter with: "The rates are too low."

"Supporting projects ensures a better fit with our mission."

Counter with: "There doesn't need to be a total alignment between the mission of the funder and the mission of nonprofit for general operating support to make sense. There are core, overlapping elements."

"General operating support grants are not as accountable as restricted project grants."

Counter with: "You can set accountability goals and measure whether it's general operating support or whether it's a program grant."

"Our donors want the foundation to support specific programs."

Counter with: "I think what your donors really want to know is that their dollars are making a difference. How can we work with you to make your donors know that we are having a result?"

If your organization is looking for more ammunition, try these approaches that were suggested by attendees and moderators:

- Keep in mind that foundations also are nonprofits, said Melissa Johnson, NCRP field director. Ask the foundation's program officer what the foundation's budget looks like and what its overhead costs are, Johnson suggested.
- Ask for operations funding as part of program funding, and explain that the program cannot be funded without overhead.
- Have board members from your organization go to the funder's board members. People prefer to give to people, not organizations.
- Explain to the foundation that you do two jobs, but only one of them is funded, Dorfman said. That sets the stage to ask if the foundation will consider providing general operating support.
- To a funder that has provided program support in the past, express your appreciation and say, "I know you cannot do this indefinitely, but..." Johnson said. 🏠