

General Operating Support

Grantmaking to Support Mission

General operating support, or “gen op,” are grants made to support a nonprofit’s mission rather than specific projects or programs. This is also known as *unrestricted* or *core support*, because it allows the grantee to use the funds to strengthen the organization or further its charitable purpose as they see fit, whether for salaries and overhead, or to expand a program, invest in technology, or further fundraising efforts.

Philanthropists working with few or no staff are uniquely positioned to offer general operating support, as they are often very familiar with the communities in which they fund and the leaders of grantee organizations.

This resource, designed for grantmakers working with few or no staff, provides a quick overview of gen op, action items to get you started, and thoughts from Exponent Philanthropy members already using this grantmaking strategy.



Terms

- **General operating support**—Funding in support of a nonprofit organization’s mission rather than specific projects or programs; also known as unrestricted or core support.
- **Negotiated operating support**—Involves more pregrant negotiation with recipient as to desired outcomes and how progress will be assessed.

The Case for General Operating Support

General operating support is valuable for a number of reasons, including:

- Allowing grantee organizations to focus on fulfilling their missions and building infrastructure rather than on tackling peripheral projects and additional fundraising
- Serving as a vote of confidence for nonprofit leaders, helping to decrease burnout
- Lessening the inherent power imbalance between grantor and grantee and shifting the conversation toward the outcomes of the grant and overall impact of the organization

Note: Although it is both possible and practical to track progress with gen op grants, be mindful to not overburden your grantees. Be sure that your reporting requirements are proportionate to the grant’s size, and consider mid-grant conversations in lieu of written reports or let grantees know you’ll gladly accept a copy of a report prepared for another funder.

Negotiated Operating Support — A Flexible Alternative

Some philanthropists shy away from gen op support, concerned that they will be unable to see precisely how their grant is making a difference. However, there is an alternative. Through thoughtful dialogue, funders and grantees can work together to outline anticipated outcomes for the grant and the manner in which progress will be assessed, resulting in what some call a “negotiated operating support” grant.

These grants are a great way to express a high level of trust and offer grantee organizations flexibility in using funds wisely to achieve their goals.

Talk to Grantees

To have high impact in your grantmaking, take your relationships to the next level and ask current, past, and potential grantees to share their greatest needs—ask whether gen op support would help. Such a conversation indicates your openness to dialogue and willingness to be responsive, and your findings will surely improve your grantmaking moving forward.

The Bernardine Franciscan Sisters Foundation, an Exponent Philanthropy member, shares this feedback from one of its grantees about gen op grants: “Core operating support has allowed [The Boys and Girls Club] to avoid mission drift in seeking funding.” Similarly, another of its grantees, a shelter for abused children, writes, “This grant has been immensely helpful by assisting with our greatest of needs: fundamental operating expenses.”

Action Items

- Educate key stakeholders about gen op using this and other publications.
- Talk with grantees (see above).
- Talk with grantmakers who give gen op support.
- Consider allotting a portion of your grantmaking budget to gen op grants and determine your strategy and process for these grants.
- Identify prospective gen op grantees. Some factors to consider include:
 - Is the grantee’s mission well-aligned with that of the foundation?
 - Does the grantee have a track record of success, or is it a start-up that you’re keen to invest in?
 - Does the grantee have the leadership and systems in place to be successful at managing unrestricted funds? If not, can you help to build these areas?
 - Does your foundation already have a strong and trusting relationship with the grantee?

What Members Are Saying

“Through experience, I see how nonprofit agencies struggle with obtaining funds to support their operations. If agencies are addressing unmet needs, then why don’t foundations address the unmet needs of the agencies!”

—*Sister David Ann Niski, Bernardine Franciscan Sisters Foundation, Newport News, VA*

“General operating support permits nonprofits to grow, to attract and retain stellar talent, and to weather stormy economic times. Grantmakers hesitant about gen op support should consider allocating a portion of their giving to get their feet wet. I think they’ll find they can structure grant agreements that will provide their nonprofit partners with needed flexibility and their boards with necessary accountability.” —*Alex Carter, Chasdrew Fund, Bethesda, MD*

Resources

- **Grantmaking Tools & Resources** www.exponentphilanthropy.org
- **General Operating Support** Explore the value of general operating support and how to assess its effectiveness. www.geofunders.org
- **Core Support** A case for general operating support with examples from the field. www.fbheron.org

About Exponent Philanthropy

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