

Enhancing Your Funding Strategy: The Case for General Support of Agency Operations

Philanthropy is about using funds to change the world. Not too long ago, donors were happy to give funds to agencies without requiring an accounting for every program penny. Unfortunately, recent scandals in the non-profit world uncovered situations where funds were grossly misused or directed to purposes other than advertised. The result of such scandals was a 'more control is better' philosophy and a tendency toward highly-controlled and targeted giving.

But, highly-controlled and targeted giving emphasizes programs over operations and seriously impacts the ability of the agency to have the desired impact the donor expects. Shifting the dollars away from operations has caused serious and unexpected consequences.

Think of it this way: you pay your mortgage and you pay your operating expenses to keep your house in good working order. If you pay your mortgage and ignore your operating expenses, you're going to have serious problems. Eventually the house collapses around you. That is what is happening with our agencies.

What we need now is to swing the pendulum into a middle ground between programs and operations. We need to pay the mortgage and take care of operating expenses *while carefully monitoring and choosing among those expenses*.

Choosing an Agency to fund:

When deciding to fund operating expenses, be sure to choose an agency with an excellent reputation of demonstrated effectiveness, measurable outcomes and impact in the community. A grant-worthy agency will have some means in place for capturing program delivery and impact. Once the agency is in focus, then consider these five areas for funding general operations:

Choosing what Overhead expenses to fund:

- **Operating Systems**--fund technology to improve agency efficiency and effectiveness
- **Building Maintenance**--if the physical plant is run-down, target a building maintenance fund to upgrade the working environment. It will help employees feel good about their workplace and better focus on what's really important--changing the community
- **Capacity Building**--fund the design and/or enhancement of reporting systems to help the agency assess and evaluate the impact of their programs
- **Staff Training**--fund programs to help retain valuable employees and improve their ability to carry out the mission of the agency

- **New Staff Positions**—Provide support for a full-time fund developer or a much-needed administrative support person to allow the Executive Director to focus on program delivery and impact in the community.

There is something short of ‘more control is better’ that will enhance the impact of a donation while keeping the agency stable.

For help finding the right agency and the right operating expenses to ensure that your investment has the greatest impact possible, please contact Susan by e-mail at susan@susangrinel.com or Phone: 310-838-5131. Susan is dedicated to helping her clients meet their philanthropic goals.