

Sobrato Family Foundation GOS Program Assessment

GOS Grantee Webinar

June 7, 2018





Reflecting on 15 years of General Operating Support Grantmaking

A new report released by the Sobrato Family Foundation examines the impact and implications of \$55 million in general operating support (GOS) grants that the Foundation has awarded over ten years to 187 organizations across the region.



616 grants



187 organizations



\$55 million

Funders and nonprofits have acknowledged the importance of GOS for decades, yet GOS grants consistently account for a relatively small proportion of overall giving. Considered a leader in GOS by both funders and grantees, the Sobrato Family Foundation was early to adopt general operating support as a core component of the Foundation's philanthropic strategy and is now in the relatively unique position of having a robust test period over which to evaluate the impact and potential of general operating support on the recipient organizations and on the region's nonprofit community as a whole.

While the Foundation's approach to grantmaking has evolved over the years in response to local needs, its GOS grantmaking has stayed consistent. Sobrato's desire to support nonprofits that serve the most marginalized and underserved populations led to its identification of flexible funding as a key need of these organizations. The Foundation's GOS grantmaking strategy focuses on safety net services for low-income communities.

This report reinforces the notion that GOS grants help fund critical internal organizational needs, while also introducing the idea that providing unrestricted funding promotes candid conversations between nonprofits and funders about the real cost of managing projects and providing services. The report has many broad implications for the nonprofit sector as a whole, and demonstrates that through multi-year GOS grants, funders can effectively foster the well-being and growth of the nonprofit sector as a whole.

Click here to [download the full report](#).



SUMMARY



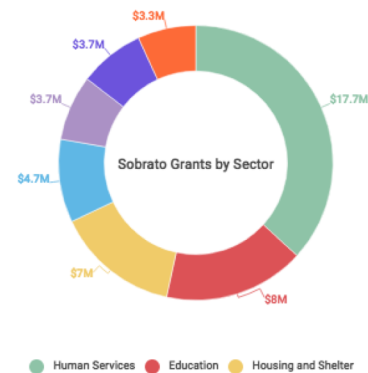
IMPACT



HISTORY



RESOURCES



Report URL: <https://bit.ly/2r9UY7K>

Agenda

- Program scope & history
- Assessment findings
- Q & A



Program Scope & History



- **2004 – today**
- **Longest standing SFF program**
- **Strong commitment from SFF Board to purpose of the program**

Program Scope & History

- **\$5.5M annual budget**
- **40% of SFF cash grantmaking**
- **80+ current grantees**



GOS Assessment Methodology



Literature scan. Synthesized current ideas and practices related to the local context, general operating support; and approaches to building nonprofit capacity.



Grant data. Conducted a broad inventory of internal grant data and documents, and analyzed over ten years of grant and organizational data.



Interviews. Spoke with 40 individuals representing 17 GOS grantee organizations, nine peer funders and local stakeholders, and eight place-based funders from across the nation.

GOS Assessment Guiding Questions



Who is the Foundation reaching through its GOS grantmaking?



What has the Sobrato Family Foundation achieved through its GOS grantmaking?



What are the implications for the Foundation's grantmaking and field leadership?

GOS Assessment Data Set



600+ grants
187
organizations



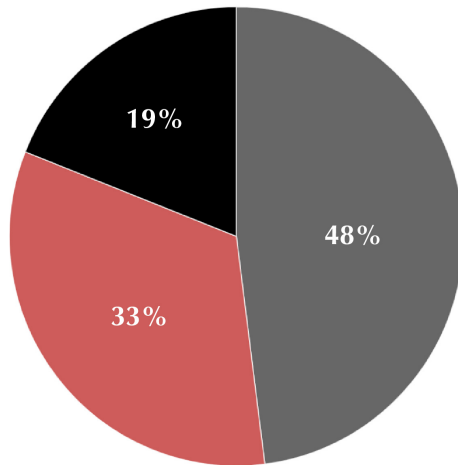
More than
6 million
beneficiaries



\$55
million
dollars

GOS Grantee Characteristics

GOS GRANTEE ORGANIZATION CHARACTERISTICS (ANNUAL REVENUE, 2004-2016)



- Annual revenues between \$1 million and \$5 million
- Annual revenues of \$5 million or more
- Annual revenues of less than \$1 million

GOS GRANTS BY SECTOR, 2004-2016

| SECTOR | SELECTED SERVICES | TOTAL DOLLARS |
|---|-------------------------------|---------------|
|  | Human Services | \$17.7M |
|  | Education | \$8M |
|  | Housing & Shelter | \$7M |
|  | Youth Development | \$4.7M |
|  | Health Care | \$3.7M |
|  | Food, Agriculture & Nutrition | \$3.7M |
|  | Employment | \$3.3M |

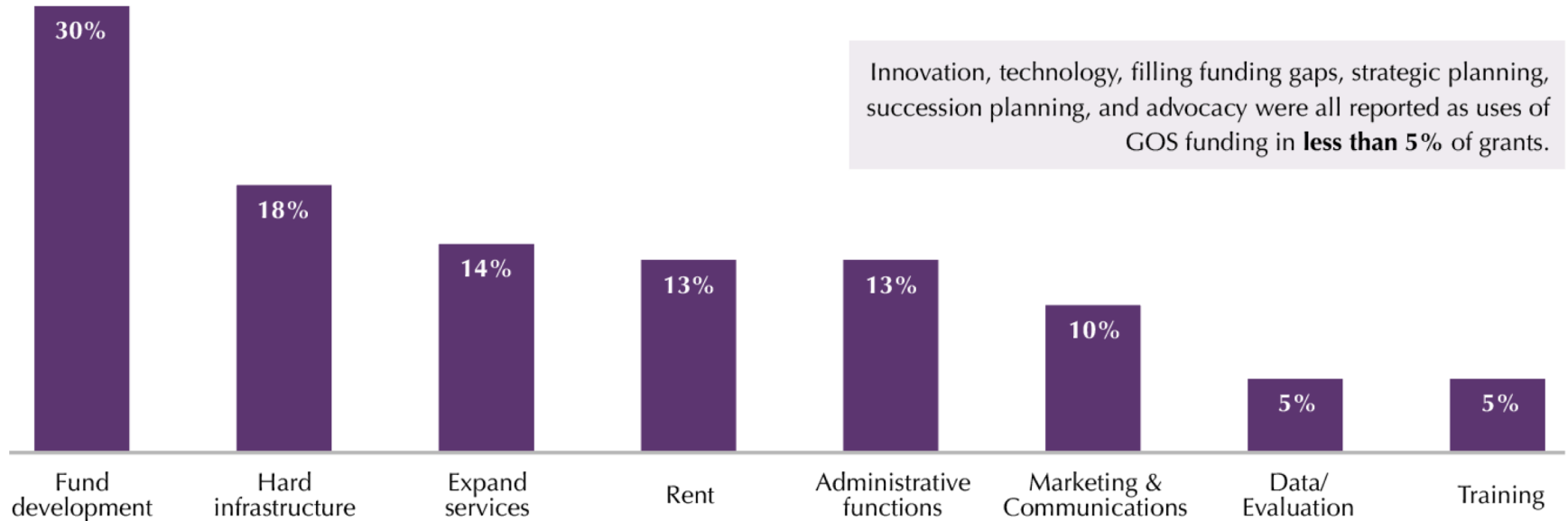
GOS Grant Uses

Grantees use GOS funds to cover a variety of organizational and programmatic expenses. Out of 175 GOS grants from 2008 to 2014:

- ➔ **76 percent** supported salaries, as opposed to non-personnel expenses such as rent, equipment, or supplies
- ➔ **46 percent** went to programmatic expenses (e.g., direct service staff, program managers, participant stipends)
- ➔ **44 percent** went to non-programmatic expenses (e.g., Executive Directors, development, administrative staff)
- ➔ **11 percent** addressed a mix of programmatic and non-programmatic expenses

GOS Grant Uses

Most Commonly Reported Uses of GOS Funding (n=175)



Qualitative Findings

“It’s always so nice to meet a funder who understands the need for GOS; there aren’t enough of them.

I really appreciate the way they partner with our leadership team by trusting us to use the funds in the best way to support our mission.”

GOS Grantee

The “Sobrato Match”

100%

secured the required
amount of funding

25%

secured 150% or more
of the required amount

70%

secured funding beyond
the required amount

*Everybody knows the
Sobrato Family...
Every time we get one
of those grants, we
blast it.*

- GOS Grantee

Constructive Feedback

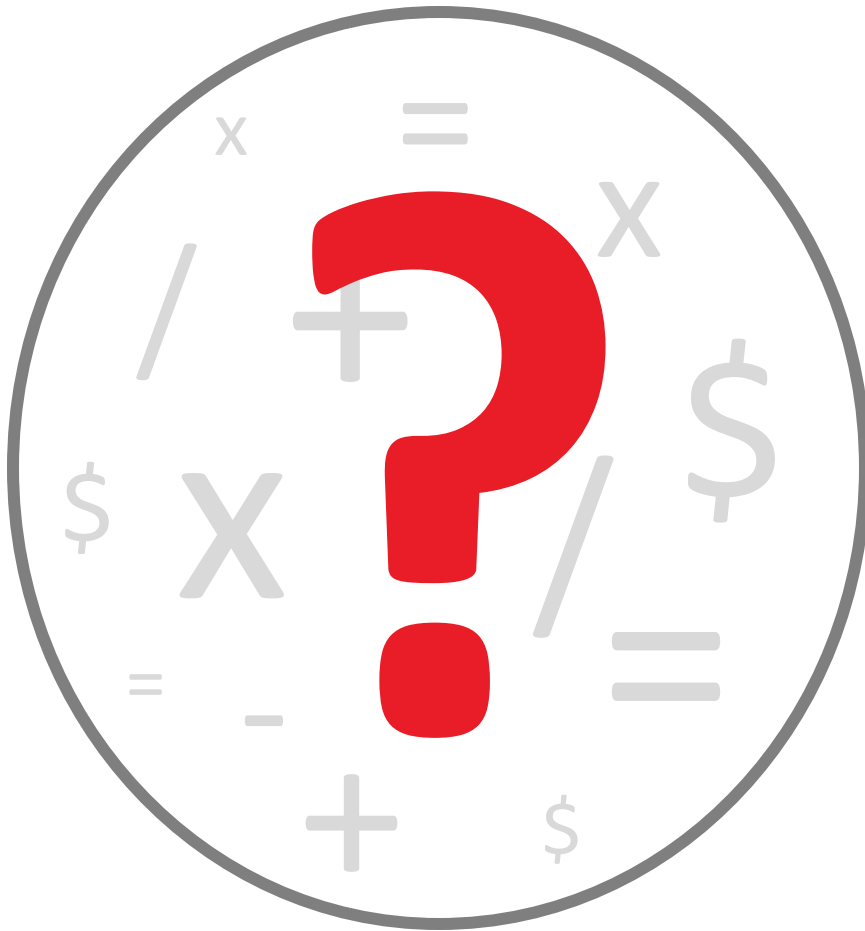
GRANT SIZE

“If we're going to be a [multi-] million dollar agency, [the SFF grant] doesn't quite scale for the general operating needs that we have.”

– Grantee



Constructive Feedback



FUNDING FORMULA

“I'm still not quite clear, after all these years of funding, on the algorithms that they use in their GOS calculation to determine how much money an agency will receive.”

– Grantee

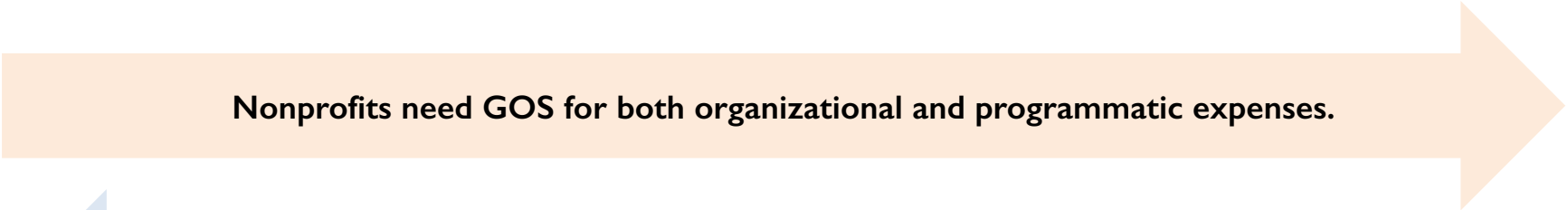
Constructive Feedback

THE MATCH

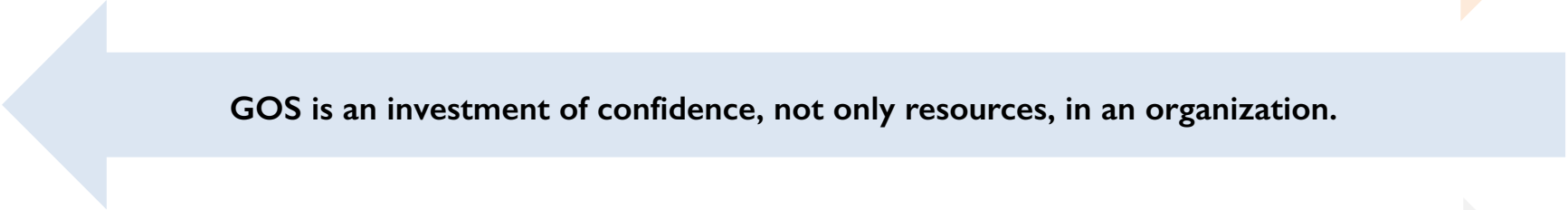
- Data tracking and quantifying the match's impact more closely
- Grantee challenges with match maximization



Takeaways



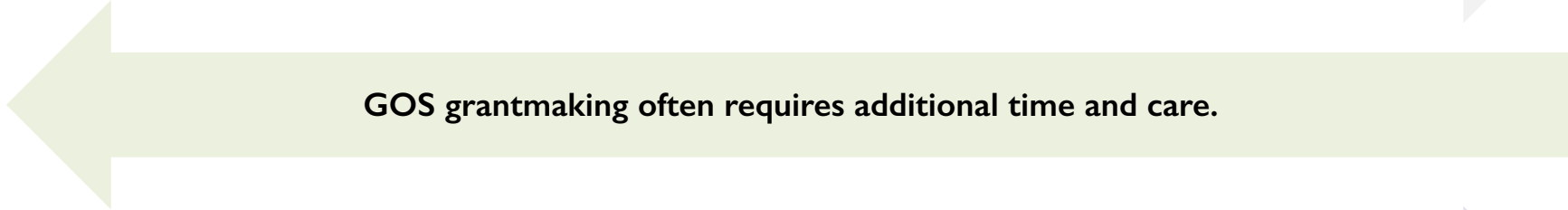
Nonprofits need GOS for both organizational and programmatic expenses.



GOS is an investment of confidence, not only resources, in an organization.



Funders' expectations for GOS vary, and they should be clearly defined and periodically reviewed.



GOS grantmaking often requires additional time and care.



GOS can help promote candid conversations between nonprofits and funders.

Next Steps

- **Ongoing conversations with our Board through the end of the year about how to maximize the benefits of the GOS program, while also addressing its challenges**
- **Continued engagement with the funder community about the report's findings and the value of GOS funding**

Thank You!



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