

Pursuing Funding from Foundations and Private Sources

Presented by University Advancement

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The rising STAR of Texas

Today's Presenters

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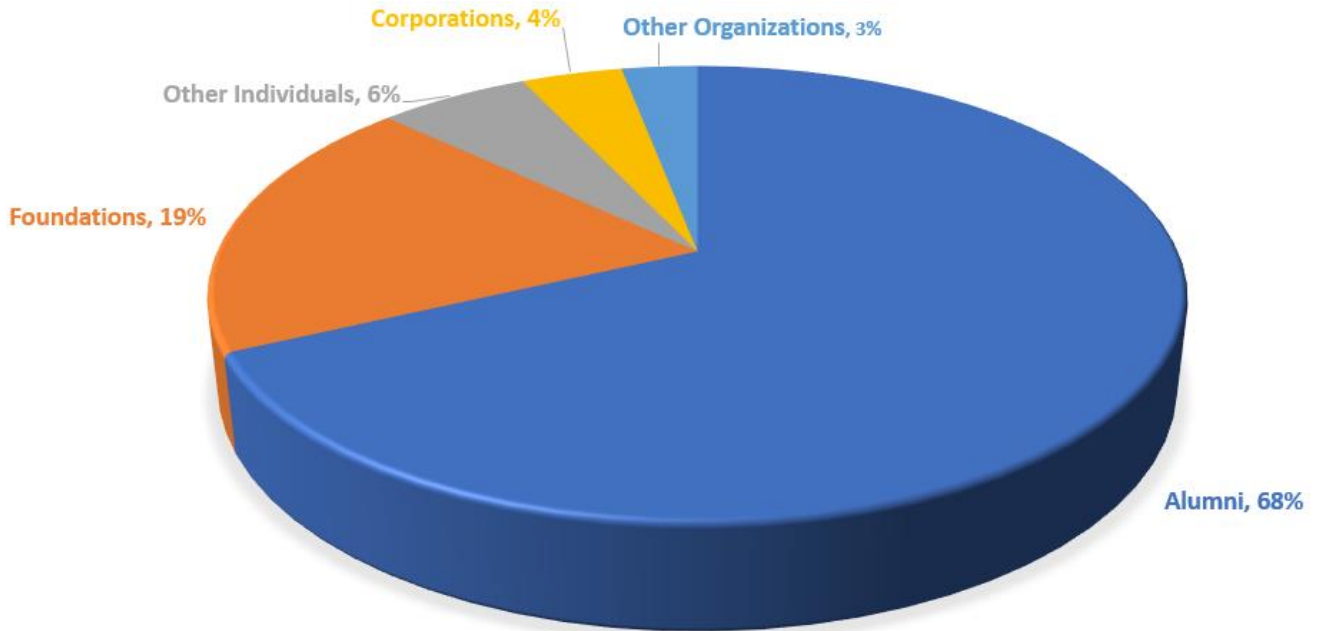
University Advancement Mission Statement

University Advancement will continue to develop connections with alumni, parents, friends, and organizations that further advance excellence in teaching, research and scholarship.

- Development
- Annual Giving
- Alumni Relations
- Communications
- Advancement Services
- Endowment Services
- Texas State University
Development Foundation



Annual Fundraising Sources Exceed \$25 Million



What Is a Foundation?

- IRS-designated 501(C)3 corporation
- Philanthropic by definition
- Volunteer Board of Directors
- No staff or paid staff
- By law, must give away 4.8% of the value of their assets each year
- Example: Alkek Foundation



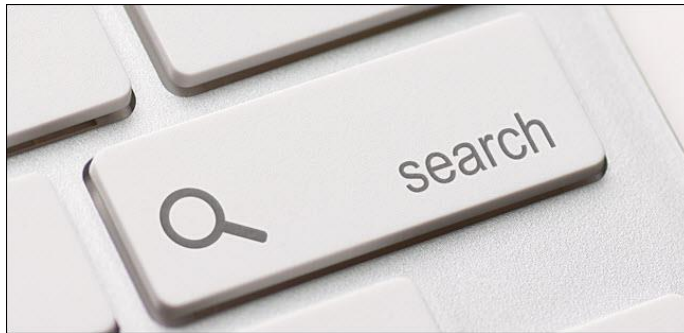
Corporate Foundations

- Harder to evaluate
- May give only where company operations are located
- Typically “cause-related marketing”
- Employee volunteerism may be pre-requisite to their donating gifts
- Fewer rules, more discretion, faster acting, operating on a “handshake”



**Wells Fargo
Foundation**

Researching Foundations



- Your discipline's press, newsletters, journals, fellow faculty
- Alkek Library's portal to Foundation Directory Online Professional to look up past IRS 990 returns to find who received past grants
- Kuali Research: search on all proposals issued to a sponsoring foundation
- Bookmark foundations' websites and check back often; some let you sign up for emails.

Determining 'Fit'



From most optimal to least:

- Foundation tells you what to submit
- Review list of institutions already receiving gifts (IRS-990 or foundation's website)
- Priority areas as described by foundation's website or literature
- Priority areas as shown in a third-party database

Look for Signs You Shouldn't Apply

- They are currently giving to Texas State
- Another PI or VPUA has already applied within a 12-month period, and they don't allow multiple submissions
- They do not accept 'unsolicited requests' or 'by invitation only'
- They give only to a certain geography (Houston) or set of donees (only K-12)
- Their once-a-year deadline just passed
- Directors' alma maters already receive all their higher education giving



Avoid issuing these 5 proposals:

“Like docking a supertanker at a local marina”

- Requests for deficit funding: few relish rushing in and saving the day
- Submitting incomplete or superfluous applications: others answered questions, complied with guidelines.
- Proposals sent randomly without cultivation: partnerships are rarely forged on a whim
- Asking for support that's not a match: should dovetail with donor's philanthropic DNA, gifting levels
- Requests sent in an untimely manner: be cognizant of donor's timetable / cycle



“No Unsolicited Requests” “By Invitation Only”



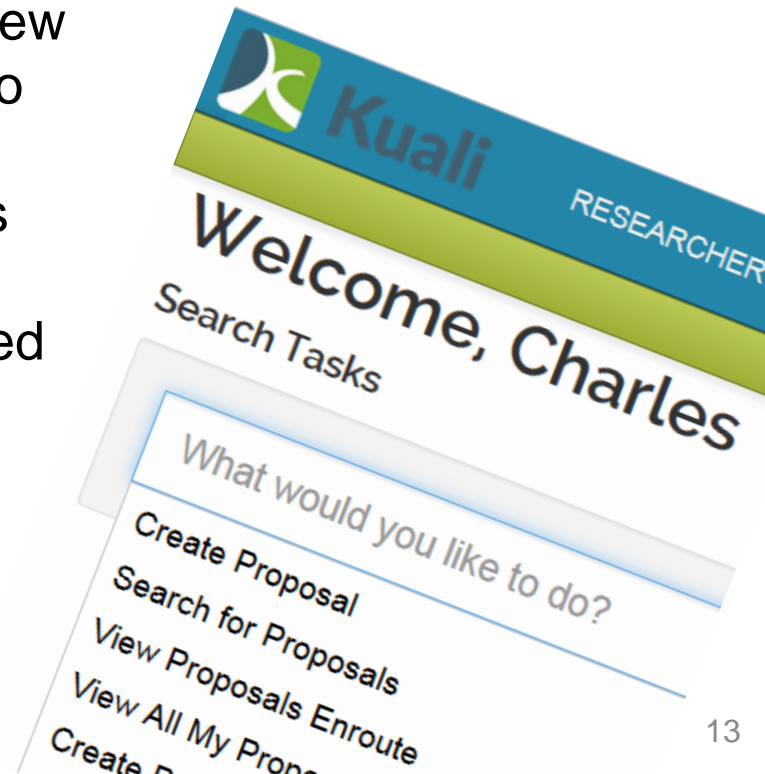
- Some foundations give only to pre-determined list of grantees (same donees on every year's IRS-990)
- Larger foundations may direct their program officers to proactively identify donees to submit
- You may need to leverage an existing relationship to establish personal contact (board member or influencer)
- Sometimes you can vet an idea with a foundation program officer; larger ones may have staff to answer your questions
- Before contacting a foundation, check in first with Charles Vestal in University Advancement: cvestal@txstate.edu
- A Gift Officer may facilitate an introduction to improve your chances of success
- If you call, be very specific, focused, and pose relevant questions

“Limited Submissions”

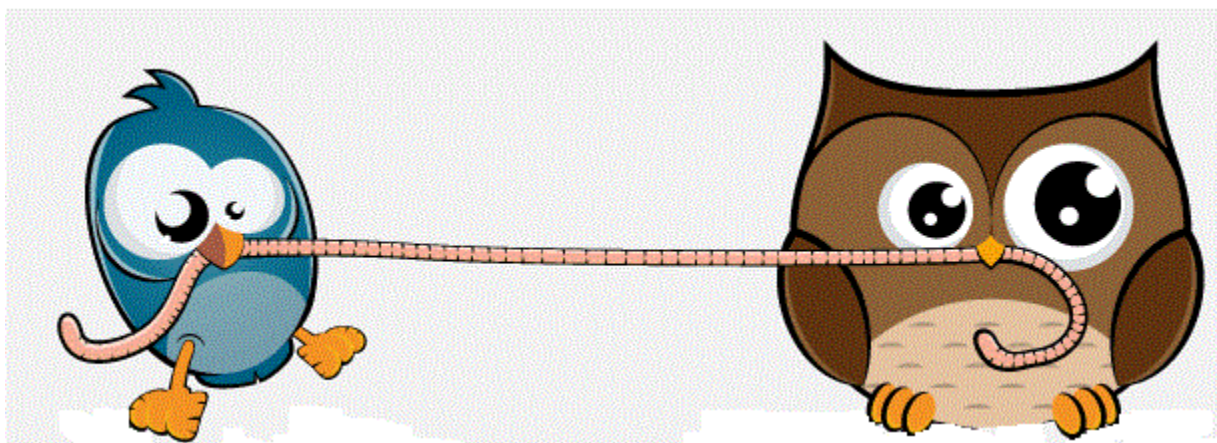
- *“A limitation placed by the funder on the number of proposals which can be submitted for consideration of funding under a specific sponsored program.”*
- Most traditionally offered limited submissions are publicized by Office of Research and Sponsored Programs.
- Who decides on the proposal to be submitted?
 - Within department: Chair decides
 - Within college: Dean decides
 - Between colleges: AVPR decides
 - If private sponsor, VPUA may choose to decide after consulting Deans, Provost, others
- Factors: \$ amount, alignment with foundation interests, university fundraising priorities listed in 2017-2023 University Plan.

Process for Faculty to Submit

- Obtain clear, written authorization from your Chair and Dean (a requirement), and complete the questionnaire
- Involve your College's Research Coordinator
- Register proposal notification in Kualu Research <http://www.txstate.edu/research/>
- Office of Research and Sponsored Programs will review your intent and may request to meet with you
- If the sponsor you identified is philanthropic, University Advancement may get involved to help you



Register Your Proposal in Kuali Research Earlier Rather than Later



- Especially if applying to a private foundation
- Waiting to register on purpose is risky; you may end up not getting permission to submit at the 11th hour
- Someone else may have already received permission to submit and have priority.

Role of University Advancement (UA)



- Your Quali Research registration sends an email to UA indicating you are seeking foundation funding:
 - Attention Office of Research and Sponsored Programs
 - Proposal No. 123 has been created in Quali Research.
 - Proposal Initiator: Jane Doe
 - Department: XYZ Studies
 - Sponsor: Joe Blow Charitable Foundation
 - Proposal Title: Researching Student Success Outcomes
 - Due Date: 05/30/2019
 - Principal Investigator: Maria Lopez
- If no conflicts with ongoing UA cultivation, and no “limited submission” policy from the foundation, UA will likely authorize that foundation to be applied to by you and other researchers

When Might UA Not Approve Your Foundation Request?



- When VPUA staff are actively cultivating this foundation for a crucial university need
- When the foundation is already in a cycle of giving to the university
- When the foundation requires “limited submission”--only 1 request per institution
- When there is clearly no fit, making the request ill-advised

Determining Dollar Request

- If no giving history, request median or less
- See what similar universities have obtained (review foundation's latest IRS return)
- Carefully review allowable budget items—and visit with your Research Coordinator
- Effective stewardship of current donation can lead to larger requests down the road



Leveraging Personal Relationships

Foundations may be influenced by:

- Their board members
- Program officers or other staff
- Organizations they give to
- Institutions they partner with
- Other foundations providing referrals

Influencers you may already know:

- Alumni with connections
- Researchers who procured past grants
- Others?



Gifts vs. Grants?

- Many private foundations don't distinguish between the terms and may use them interchangeably.
- The distinction is more important internally at Texas State.
- A gift is a donation with the expectation of nothing significant of value in return. Unrestricted gifts may be spent at our discretion; restricted gifts are designated for a specific purpose (e.g., endowment, program expense, or research).
- Grants require specific budgets, and outputs may be reviewed by the sponsor who may retain proprietary rights; unexpended funds may be returnable, and specific deliverables are required.
- As a public institution, Texas State is especially concerned with appropriately classifying our funding.



Requesting TRIP Matching (Texas Research Incentive Pgm.)

- For Texas' Emerging Research Universities
- Leverages private gifts for enhancement of research productivity and faculty research activities
- P.I.'s must name private foundation or corporation in Quali Research registration routed to Univ. Advancement
- Must be for **research**, including: endowed chairs & professorships; facilities, equipment, programs; graduate research stipends / fellowships; and undergraduate research support
- \$100K-\$999,999 @ 50%; \$1M-\$1,999,999 @ 75%; \$2M-\$10M @ 100%
- If approved by VPUA, P.I. writes, submits proposal & budget
- If a gift is made, University Advancement submits TRIP match request; ~2-year turnaround on decision
- If matched, 90% to dept., 10% to univ. research fund



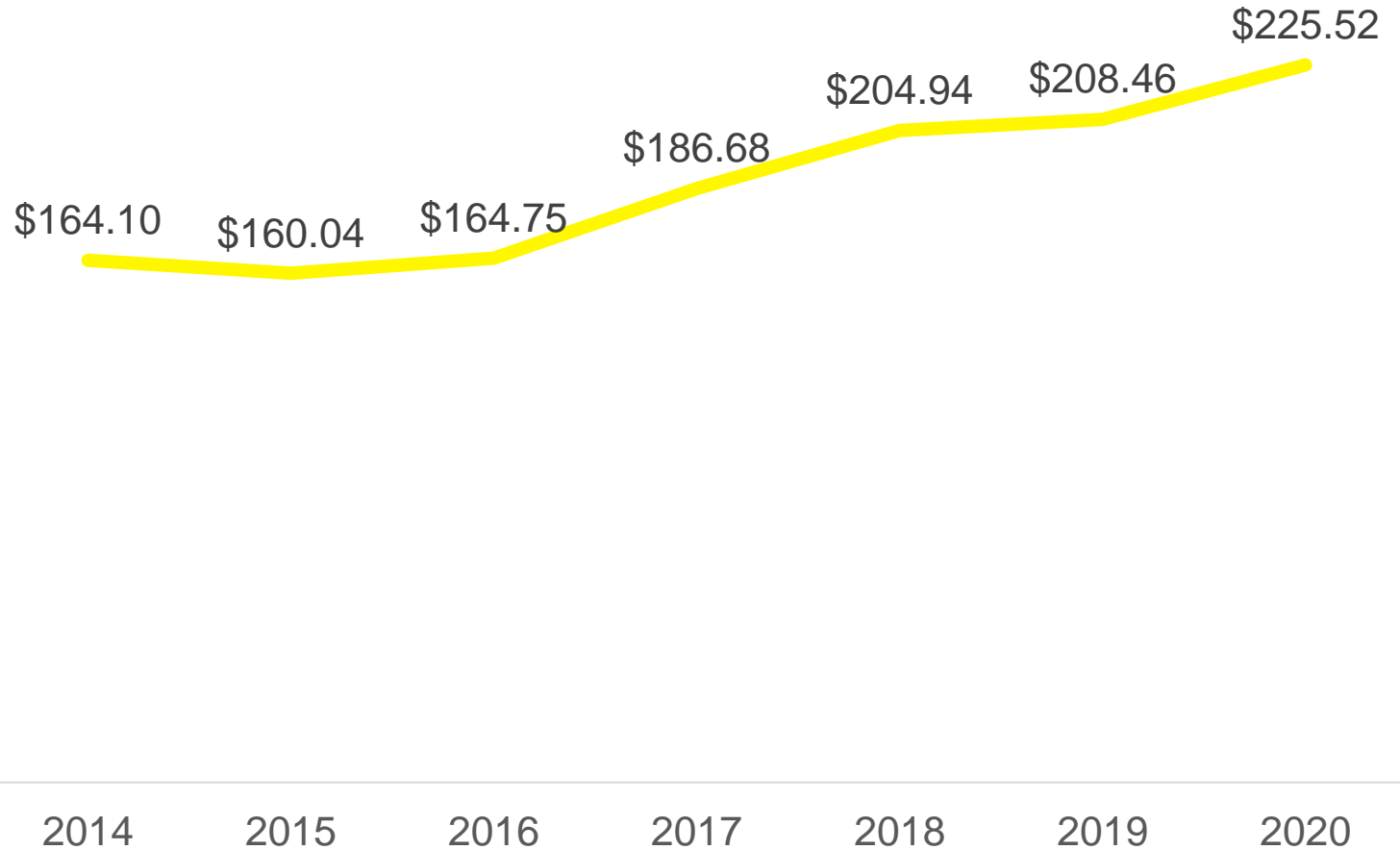
Seeking Endowed Gifts

Endowment gifts are critical to achieving National Research University Fund status.

Minimum levels required to establish...

- Undergraduate Scholarships: \$25,000
- Endowed Research Programs: \$25,000
- Endowed Presidential Scholarships: \$50,000
- Graduate Fellowships: \$100,000
- Professorships: \$600,000
- Chairs: \$2,000,000

Total Endowment Growth FY2014 - FY2020



Writing for a Foundation Audience



- Follow their directions exactly
- Just answer their questions—less is more
- Larger foundations may offer online submission websites with text boxes, word counts
- If no format, submit a generic “[common application](#)”
- Foundations expect a different writing style than academic papers
- You are your project’s “champion”
- No citations / footnotes
- Avoid acronyms, jargon, terms of art
- Lay reviewers are not conversant in your field
- Avoid attachments, brochures, videos unless requested

Understanding Funders' Point-of-View

- They see themselves “moving the needle” on social change / solving problems
- Their job is to give money away; your proposal can help them if it is aligned with foundation purpose
- The program officer wants to “champion” your proposal as an asset to their portfolio
- They don’t want to receive inappropriate proposals
- They don’t want to waste your time or theirs
- They don’t like surprises and expect honesty
- If you receive a gift and do everything right (reporting etc.), your reliability opens door to future gifts



What Happens After Submission?



- If rejected, you may get no response, an email, or letter
- If accepted, you may receive a donor agreement to sign and send back; sometimes a Texas State University MOU (memo of understanding) must be created— see University Advancement
- If you receive gift, don't forget to schedule your required reporting— you are responsible for it
- If your project experiences significant changes (e.g., 10%-plus budget increase), communicate that to the foundation; they appreciate proactive honesty
- Even if a foundation doesn't require a post-report, our university still requires it. University Advancement is happy to assist you with report creation and submission

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