

Pursuing Funding from
Foundations and Private Sources

Presented by University Advancement

October 23, 2019

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MEMBER THE TEXAS STATE UNIVERSITY SYSTEM

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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

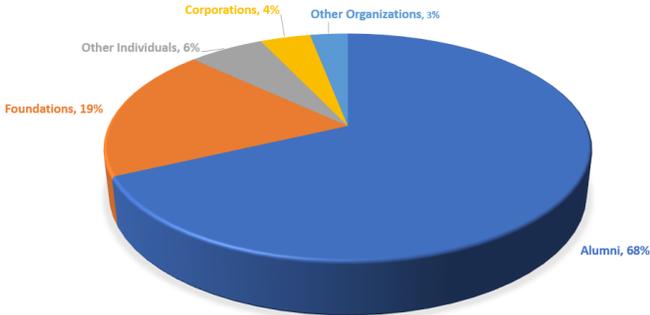


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**FY2019 Fundraising Sources:
\$24.7 Million**



Source	Percentage
Alumni	68%
Foundations	19%
Other Individuals	6%
Corporations	4%
Other Organizations	3%

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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



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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**

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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.



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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



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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



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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



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“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

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“Limited Submissions”

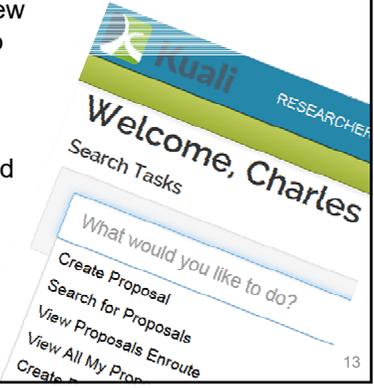
- *“A limitation placed by the funder on the number of proposals which can be submitted for consideration of funding under a specific sponsored program.”*
- Most traditionally offered limited submissions are publicized by Office of Research and Sponsored Programs.
- Who decides on the proposal to be 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.

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Process for Faculty to Submit

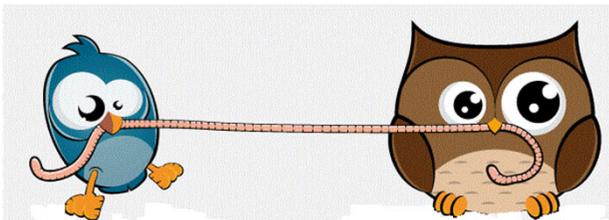
- Obtain clear, written authorization from your Chair and Dean (a requirement), and complete the questionnaire
- Involve your College's Research Coordinator
- Register proposal notification in Kualu Research <http://www.txstate.edu/research/>
- Office of Research and Sponsored Programs will review your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



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Register Your Proposal in Kualu 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.

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Role of University Advancement (UA)



- Your Kualu 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 Kualu 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



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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



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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



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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?



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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.



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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 Kuali 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



Texas Higher Education
Coordinating Board

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Seeking Endowed Gifts

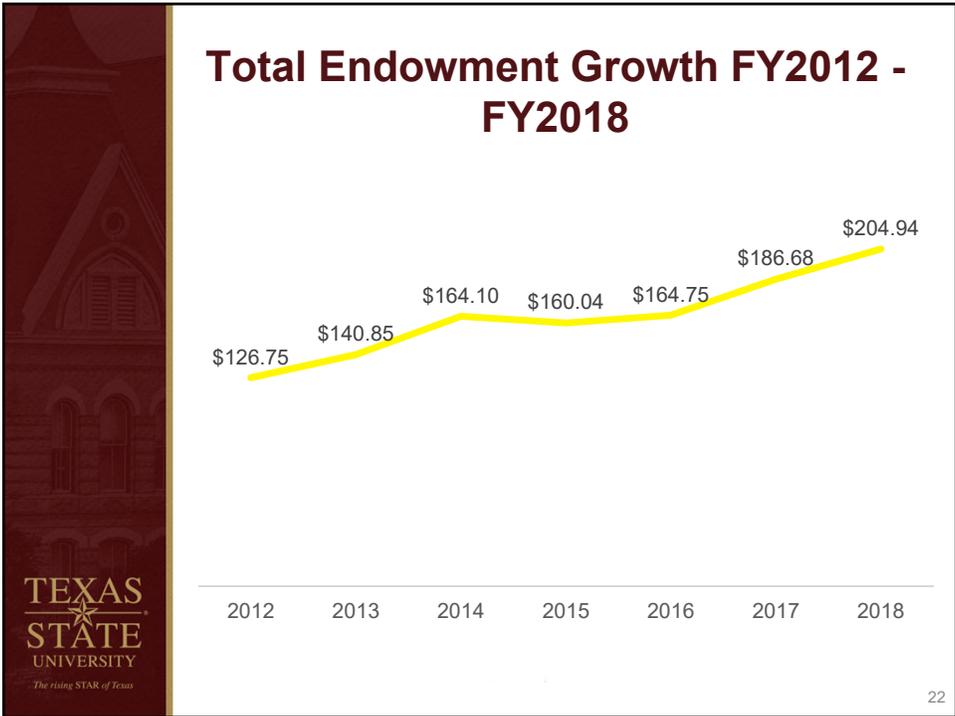
Endowment gifts are critical to achieving National Research University Fund status.
Minimum levels required to establish...

- 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



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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



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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



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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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