Private Foundation Grantseeking
Presented by University Advancement

November 15, 2016
TExAS STATE UNIVERSITY
The rising STAR of Texas

Today's Presenters

Charles Vestal, M.B.A.
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- Vice President for University Advancement (VPUA)
- Executive Director, Texas State University Development Foundation
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.

FY2016 Fundraising Sources: $26,446,929

- Alumni, $13,290,450, 50%
- Corporation, $4,105,170, 16%
- Foundation, $3,524,348, 13%
- Other Individuals, $4,899,403, 19%
- Other Organizations, $627,838, 2%
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: Meadows Foundation
  [https://www.mfi.org/](https://www.mfi.org/)

![Alçur H. Meadows](image)

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"
- Example: AMD / Foundation
  Foundation Center's Summary
- Example: Wells Fargo Bank / Foundation
Researching Foundations

- Your discipline's press, newsletters, journals, fellow faculty
- Some foundations have websites
  http://www.cullenfdn.org/grant-guidelines.html
- Alkek Library’s portal to Foundation Directory Online
  Professional, a service of NYC’s Foundation Center
  http://catalog.library.texas.state.edu/search?Q=Alkek&scope=1&sortdropdown=1&sort=O&extended=0
  https://foundationcenter.org/search/searchmember_index
- Click on "Search Grantmakers"
- Look up past IRS 990 returns, which specify who received past grants
  http://www.irs.gov/ sortable by county and interest areas
- Our region’s Foundation Library: UT-Austin: Division of Diversity and Community Engagement’s Community Engagement Center: 1009 East 11th street, Austin

Determining ‘Fit’

In declining order:
- Foundation’s program officer 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

“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 OSP (Office of 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 PropStart requirement)
- Involve your college's Research Coordinator
- Register proposal notification in PropStart
- Office of Sponsored Projects (OSP) 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

<table>
<thead>
<tr>
<th>Proposal #</th>
<th>TBD</th>
<th>Status: TBD</th>
<th>Title</th>
<th>RP</th>
<th>Date</th>
</tr>
</thead>
</table>

Welcome to PROPSTART.

To begin your PROPSTART record, please use the navigation buttons on screen to move from one page to another.
Register Your Proposal in PropStart 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

Role of University Advancement (UA)

- Your PropStart registration sends an email to UA indicating you are seeking foundation funding:

  Attention Office of Sponsored Programs:
  Proposal # 1800000 is ready to be reviewed and claimed in PropStart.
  PI: Jane Doe
  Department: _______ Studies
  Sponsor: Joseph Q. and Jane D. Bloe Charitable Foundation
  Award Type: Grant
  Due Date: 01 Dec 2016
  Sincerely, Kuaii Coeus

- 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

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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:
  - Respond quickly to foundation requests
  - Schedule reporting and submit on time
  - Share significant changes to your project
  - If your budget changes by 10%, tell them
  - Be reliable, transparent, no surprises
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 Emerging Research Universities
- Leverages private gifts for enhancement of research productivity and faculty research activities
- PIs must name private foundation or corporation in PropStart 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, PI 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 as of 08/31/2016: $164,749,488

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
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
- Giving away money is not necessarily easy
- They don’t want to receive inappropriate proposals
- They don’t want to waste your time or theirs
- They don’t like surprises and require 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; a Texas State University MOU (memo of understanding) should also be created—see University Advancement
- If you receive a 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

Contact:

Charles Vestal
Associate Director of Foundations
cvestal@txstate.edu
(512) 245-2043

Dr. Barbara Breier
Vice President for University Advancement
breier@txstate.edu
(512) 245-3021
Texas Research Incentive Program

Making the Match

In 2009 the State of Texas created a significant opportunity to maximize research funding and promote increased research capacity at Emerging Research Universities. Texas State University is one of eight designated emerging research universities eligible for matching funds from the Texas Research Incentive Program (TRIP).

To qualify for TRIP matching, a gift must be made in a minimum payment of $100,000 and designated exclusively for research purposes. The match is provided in three gift ranges:

- **100%** Cash gifts of $2 million to $10 million
- **75%** Cash gifts of $1 million to $1,999,999
- **50%** Cash gifts of $100,000 to $999,999

How to Qualify

Qualifying gifts include current-use research gifts and endowed gifts for:

- Chairs
- Professorships
- Facilities
- Equipment
- Program costs
- Graduate stipends/Fellowships
- Undergraduate research

These funds are targeted for matching in order to enable Emerging Research Universities in Texas to achieve national prominence as major research universities.
The Process

Eligible cash gifts must be submitted to The Higher Education Coordinating Board (THECB) for approval within 30 calendar days from the date of deposit. Approved gifts will receive a TRIP match based on gift ranges and the availability of TRIP funds. When appropriated TRIP funds are exhausted, remaining eligible gifts will be queued in the order in which they were submitted to THECB to await future TRIP allocations.

Overview of TRIP Funds at Texas State

<table>
<thead>
<tr>
<th>Year</th>
<th>Funds (in thousands)</th>
</tr>
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<tbody>
<tr>
<td>FY2017</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>FY2016</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>FY2015</td>
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<tr>
<td>FY2014</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>FY2013</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

For more information on the impact of your donation, please contact the Texas State University Development Office at 512.245.4055 or visit our website, ua.txstate.edu.
FAQs for Faculty Researchers Seeking Private Foundation Funding
By University Advancement | November 15, 2016

Q: What is the best way to begin researching private foundations?
A: A great resource is to use the Alkek Library’s portal to Foundation Directory Online Professional:
http://catalog.library.txstate.edu/search/j?Databases+f&searchscope=1&sortdropdown=1&sort=D&extended=0
Here you can search by funding interests and regions, and view a summary of each foundation’s profile plus links to their websites and copies of every foundation’s recent IRS 990 forms (tax returns) that list past grant recipients and amounts. You can also use resources at our area’s Regional Foundation Library at UT-Austin, Division of Diversity and Community Engagement, Community Engagement Center: 1009 East 11th street, Austin, TX 78702
http://diversity.utexas.edu/foundationlibrary/

Q: How can I apply to a foundation requiring that applicants be a 501(c)3 organization?
A: In such cases, a request cannot be issued from Texas State University, which is a government entity. Instead, PIs may seek to issue an application from the Texas State University Research Foundation or the Texas State University Development Foundation. Consult your college’s Research Coordinator.

Q: How does a Principal Investigator (PI) obtain permission to apply for funding from a foundation?
A: (1) Obtain clear, written approval from both your Chair and your Dean. (2) Register your proposal in PropStart—the proposal notification system managed by the Office of Sponsored Projects (OSP). (3) University Advancement will review your request, considering the dollar amount, alignment with foundation interests, and university fundraising priorities. If there are no conflicts, your request may be authorized within 3 business days.

Q: How do I get help creating a budget?
A: Consult your college’s assigned Research Coordinator, who is skilled in budget creation including “pre-award” and “post-award” cost allocation procedures.

Q: Can I request to apply to, say, a dozen foundations at a time?
A: No. Faculty are advised to carefully consider the most appropriate funders for a project and request approval for a reasonable subset. University Advancement places a 3-month window on applications to keep opportunities open for other faculty members across the university to apply, so as a courtesy to them, please select your funding requests carefully.

Q: How do I determine how large a grant to request?
A: Review a foundation’s most recent giving history. If there is no past relationship with Texas State, your request should probably be at the median level or lower. Investigate what our peer universities have succeeded in receiving, and whether those relationships have been built up over time to their present level.

Q: What does it mean when a foundation stipulates “no unsolicited requests” or “by invitation only”?
A: In such cases, a PI cannot just send in a letter of intent or a proposal. These foundations may give only to preselected donees, or their program officers may be charged with identifying donees that align their giving interests. For such foundations, relationships are key; consult University Advancement as to the preferred route to establish the relationship.

Q: Can I call the foundation to ask questions?
A: It is preferable to check in first with University Advancement, whose major gift officers may already have a relationship with the foundation and can assist in making the most productive contact possible.

Q: I want to seek an endowed gift. What is the required minimum?
A: Undergraduate Scholarships: $25,000; Endowed Presidential Scholarships: $50,000; Graduate Fellowships: $100,000; Faculty Fellowships: $200,000; Professorships: $600,000; Chairs: $2,000,000.

[Continued Next Page]
Q: What if I discover that the foundation I want to apply to has a policy of “limited submission”?
A: If a PI discovers that the foundation limits the number of proposals that a single institution can submit, s/he must inform the Office of Research and Development (ORD), which may then disseminate a call for notices of intent to the university community, optimally 12 weeks or more before the sponsor’s deadline. In instances where the solicitation is less than 6 weeks prior to sponsor deadline, ORD may conduct an expedited internal competition. In either case, the interested PI must send a notice of intent to apply. Whichever PI is ultimately authorized to apply will be determined by the appropriate unit authority (Dean, Chair, Associate Vice President for Research, Vice President University Advancement, etc.), and all applicants will be notified about the decision.

Q: What is the difference between a gift and a grant?
A: Many private foundations don’t distinguish between these terms and may use them interchangeably. The distinction is more important internally at Texas State. Generally, a gift may be a donation with the expectation of nothing significant of value in return; unrestricted gifts may be spent at our discretion, while restricted gifts are designated for a specific purpose (e.g., endowment, program expense, or research). By contrast, grants may 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.

Q: My project was funded, but now my budget has changed more than 10%. What should I do?
A: The foundation should be contacted to communicate your budget variances; have the revised budget ready to share with them, and a concise narrative explaining the changes. Demonstrating transparency with foundations can engender goodwill and trust.

Q: I received a foundation grant. Who is responsible for issuing followup reporting?
A: The PI is responsible. Be sure to check with the foundation on their required format, and involve your college’s Research Coordinator.

Q: How do I apply for TRIP matching funds?
A: University Advancement must pre-approve all TRIP-eligible proposals before researchers issue them to private funders. To be eligible, your proposal must have been funded by a private donor via a single check of between $100,000 and $10,000,000, and to have clearly been designated for research, including for endowed chairs and professorships, facilities, equipment, programs, graduate research stipends, or fellowships. University Advancement is the sole submitter of all of Texas State University’s requests to the Texas Higher Education Coordinating Board in a process which takes up to 2 years. Gifts of between $100,000-$999,999 may be eligible for 50% match; gifts of $1,000,000-$1,999,999 may be matched at 75%; and gifts of $2,000,000-$10,000,000 may be matched at 100%. When a match is successful, 90% goes to the originating department and 10% to the general University Research Fund.

Q: After I submit a proposal, what happens next?
A: You may or may not be notified of a rejection. If your proposal is accepted, they may issue a check, or the donor may first mail you a grant agreement to be signed (in either case, take it to your Research Coordinator). Or you may need to develop a Texas State University MOU (memo of understanding) clearly defining roles and responsibilities; consult University Advancement or your college’s Research Coordinator.

Q: Whom can I contact with other questions about fund-seeking from private sources?
A: University Advancement staff:
Charles Vestal, Associate Director of Foundations, cvestal@txstate.edu
(512) 245-2043

Dr. Barbara Breier, Vice President for University Advancement, bbreier@txstate.edu
(512) 245-3021
APPROVED LANGUAGE FOR DESCRIBING TRIP MATCH ELIGIBILITY TO POTENTIAL FUNDERS

Prepared by University Advancement

Wherever possible, use language referencing research and enhanced research, including in your project’s very title:

"...your generous gift to create this endowed Chair will enhance research activities..."

The State does not automatically match all requests, so in your proposal, don’t over-promise. Instead, talk about ‘eligibility for’ and ‘applying to’:

As an emerging research institution, Texas State University is eligible to apply for matching funds from the State of Texas for research grants at $100,000 and above, matched on a sliding scale ranging from 50% to 100% up to $10 million.

Being specific on a dollar match request amount:

Please note that support in the amount of $XXX,000 for this research project creates eligibility to apply for matching funding of an additional $YY,000 from the state’s Texas Research Incentive Program.

If you want to specify all 3 match percentages:

- Research gifts of between $100,000 to $999,999 are eligible for matching at 50%.
- Research gifts of $1 million to $1,999,999 are eligible for matching at 75%.
- Research gifts of between $2 million - $10 million are eligible for matching at 100%.

Describing the 90% / 10% split on match requests that are approved:

...90% of the matching grant, or $XX,000, would be awarded to Department of ____, while 10% ($Y,000) would be applied to the University general research fund.