Private Funding Opportunities for Research

Amy Lane, PhD
Assistant Director
Corporate & Foundation Relations
aglane@vcu.edu, 804-828-0236

http://www.advancement.vcu.edu/faculty/corporate/opportunities.html
Today’s Topics

- The external fundseeking process at VCU
- Foundation funding trends, types of foundations & the decision process
- Corporate funding trends (CSR) & the decision process
- Identifying and cultivating external funders
Role of the Central CFR office

- Prospect identification for university priorities
- Registration into central university database of prospects and donors
- Proposal editing and finalization for presidential level requests
- Statistics and boilerplate resources
- Presidential or VP cover letters
- Coordination of submissions and reports
- Coordination and dissemination of RFPs
- Report to BOV of outstanding and funded proposals
The Private Fundseeking Process

1) Identify and define critical aspects of the project and organize them on paper
   - [Link](http://www.advancement.vcu.edu/faculty/corporate/process.html)

2) Discuss project and potential sources of support with your dean, department chair, center director and unit development officer

3) Determine how VCU will process your funding request
   - Gift or grant
     - [Link](http://www.advancement.vcu.edu/faculty/corporate/giftorgrant.html)

4) Make the appropriate university contacts
   - [Sponsored Programs](http://www.advancement.vcu.edu/faculty/corporate/giftorgrant.html) and the [Office of Research](http://www.advancement.vcu.edu/faculty/corporate/giftorgrant.html)
   - [Advancement](http://www.advancement.vcu.edu/faculty/corporate/giftorgrant.html)- unit and central development officers
   - University foundations and their presidents
   - Fiscal Administrators
The Private Fundseeking Process (cont’d)

- 5) Identify and compile a list of potential funders
  - [http://www.advancement.vcu.edu/faculty/corporate/resources.html](http://www.advancement.vcu.edu/faculty/corporate/resources.html)

- 6) Contact and cultivate a funder
  - [http://www.advancement.vcu.edu/faculty/corporate/process.html#four](http://www.advancement.vcu.edu/faculty/corporate/process.html#four)

- 7) Prepare a letter of intent or proposal
  - [http://www.advancement.vcu.edu/faculty/corporate/process.html#five](http://www.advancement.vcu.edu/faculty/corporate/process.html#five)

- 8) Reporting and stewardship
  - [http://www.advancement.vcu.edu/faculty/corporate/process.html#seven](http://www.advancement.vcu.edu/faculty/corporate/process.html#seven)
University Policies

- Faculty do not have signatory authority for the institution.
- Faculty are required to inform development units and/or sponsored programs of external funding opportunities and submissions:
  - ULP process
- Gifts and pledges to the university are made through the 4 university foundations:
  - School of Business Foundation
  - School of Engineering Foundation
  - VCU Foundation (MPC)
  - MCV Foundation
Managing Risks

Gifts (Development officers/foundations):
- Proposal and reports often required
- Sometimes require matching fundraising
- Timeline and budget often required
- Less restrictive, but still may require IRB approval
- Irrevocable
- Include payments over time (pledges)
- Overhead expenses are direct expenses
Managing Risks

- Grants (Sponsored Programs/Grants & Contracts):
  - Proposal and reports always required
  - Timeline and budget always required
  - Sometimes require matching or in-kind funding
  - Deliverables expected, strict accountability
  - Often include legal agreements
  - Revocable
  - Overheads are standardized
Sponsored Programs or Advancement

DONOR

Government
- University Priority Direct Grant
  - Advancement
- University Priority Direct Grant
  - Sponsored Programs

Private
- Contract legally obligating the university
  - University must give money back with no opportunity to redirect
  - Donor receives direct monetary return due to grant
  - and/or
- Advancement
  - Sponsored Programs
VCU Private Funding Contacts

- MCV Foundation – Bill Kotti
- VCU Foundation – Tom Burke
- School of Business Foundation – Ken Blaisdell
- School of Engineering Foundation – Brian Thomas
- Central Advancement – Samantha Marrs
- Sponsored Programs – Sue Robb
Private Foundations

Facts and Trends
Foundation Facts

- 72,000 grant-making foundations gave away $42.9B in 2007

- Gifts from foundations increased 14.3% in 2005, 11.7% in 2006 and 10% in 2007

- Foundation philanthropy has doubled since 1989

- Despite economy, continued growth is forecasted due to intergenerational transfer or wealth
Types of Foundations

- Independent Foundations ~88%
  - Represent 72% of all foundation giving
  - Gave away $30.9B in 2007, up 13% from 2006
  - Family foundations are the majority (N=36,000)
  - Do not operate any programs

- Operating Foundations ~7%
  - Represent 8% of all foundation giving
  - Spend most of their income on research or programs
  - They operate programs, may make limited number of grants
  - Can be good sources of information
Types of Foundations

- Corporate Foundations ~4%
  - Represent 10% of all foundation giving
  - Gave away $4.4B in 2007, up 7% from 2006
  - Represent almost 30% of all corporate contributions
  - Separate entity from the corporation

- Community Foundations ~1% (N=800)
  - Represent 9% of all foundation giving
  - Gave away $4.1B in 2007, up 14% from 2006
  - “Mutual fund” model
  - Localized funding
  - More likely to give to human services, arts
Foundation profiles

- Independent: 88%
- Operating: 7%
- Community: 1%
- Corporate: 4%

Source: The Foundation Center, Foundation Yearbook 2007
Types of Grants

- Programmatic (50% of all grant $)
- Seed money
- Planning
- Operating budget (20% of all grant $)
- Special projects
- Research
- Endowments
What do they Fund?

- **Arts and Culture**: 14%
- **Education**: 26%
- **Health**: 22%
- **Environment**: 6%
- **Human Services**: 16%
- **Public/social**: 2%
- **Science and Technology**: 3%
- **Social Science**: 1%
How do they Fund?

Percent of Grant Dollars

- Education: 22%
- Environment: 6%
- Health: 14%
- Human Services: 28%
- Public/social: 2%
- Science and Technology: 2%
- Social Science: 1%
- Arts and Culture: 14%
Foundation Decision Makers

BOARD OF TRUSTEES

Family members
Primary donors
Financial Managers

Program Staff

Administrative

Consultants and Reviewers

Research & Support staff
Corporate Funding

Facts and Trends
What We Know

- Corporate philanthropy continues to rise, from $10.7B to $13.8B in 5 years
- 2,600 registered corporate foundations
- Pharmaceuticals are most generous
- Other players: computers, telecommunications, food, tobacco, banks, transportation
- Health and human services got 41%
- Giving follows profits, slight declines expected
- Consumers increasingly expect good corporate citizens
Corporate Funding Mechanisms

- Corporate foundations
- Community engagement offices
- Marketing & sponsorships
- R&D
- Human Resources
- Sales/Procurement
- Board allocations
- Matching gifts
- Employee foundations and fundraisers
Definitions

- **Strategic Philanthropy**: creates social and brand value (win-win)

- **Corporate Foundation**: primary purpose is to fund initiatives through grantmaking

- **Sponsorship**: fees paid to a property in return for exploitable access (a contract)

- **Cause Marketing**: sales-driven strategy that ties customer purchases to donations
Strategic Philanthropy

“Leveraging the power of a company’s brand, as well as its philanthropic and marketing budgets, distribution channels, staff and customers to achieve both business and social benefits that are far greater than the sum of their parts.” 2008 IEG Definition
Source: Michael Porter, Harvard Business Review
Corporate Social Responsibility

- “Doing Well by Doing Good”
- Tied to corporate mission
- Integrates business objectives across functional areas
- Executives appointed to lead CSR
- Apply business principles to nonprofit effectiveness
- Shareholder & stakeholder endorsement
- Marketing budgets tapped
- Volunteerism & employee participation
- Customer participation

Source: Center for Corporate Citizenship at Boston College
Corporate Motives

- Enhance company image/positive PR
- Establish credibility in community
- Develop community allies and strengthen/stabilize community
- Improve employee recruitment/retention
- Increase effectiveness & impact of their investment
Reputation Management
Community Relations

Medtronic in the Community

Medtronic is passionate about improving the health of people and communities throughout the world, and our philanthropy reflects that passion. We focus our giving in areas where we can make unique and positive contributions: health, education and community.

GRANT PROGRAMS

Health
We improve the health of people with chronic disease

- Patient Link
- HeartRescue
- Health in the Community

Education
We ignite students' natural curiosity, particularly in science

- STAR
- Medtronic Scholars
- Education in the Community

Community
We enhance the vitality of the communities where we live and work

- Arts/Civic/Culture
- Human Services

THE LATEST

Medtronic Foundation Recognized for Outstanding Communications - 30 605
Competitive Marketplace

**PRINCIPLES OF CITIZENSHIP**

Our reputation is built on trust. Through good citizenship we will nurture our relationships and continue to build that trust. That is the essence of our promise - The Coca-Cola Company exists to benefit and refresh everyone it touches.

Wherever Coca-Cola does business, we strive to be trusted partners and good citizens. We are committed to managing our business around the world with a consistent set of values that represent the highest standards of integrity and excellence. We share these values with our bottlers, making our system stronger.

These core values are essential to our long-term business success and will be reflected in all of our relationships and actions - in the marketplace, the workplace, the environment and the community.

**MARKETPLACE**

We will adhere to the highest ethical standards, knowing that the quality of our products, the integrity of our brands and the dedication of our people build trust and strengthen relationships. We will serve the people who enjoy our brands through innovation, superb customer service, and respect for the unique customs and cultures in the communities where we do business.
Cause Marketing

WHEN WAS THE LAST TIME YOU HAD A REALLY GREAT WEEKEND?

CLICK HERE TO REGISTER TODAY FOR 2005

CHARLOTTE
APRIL 16-17, 2005

WASHINGTON, DC
APRIL 30-MAY 1, 2005

BOSTON
MAY 14-15, 2005

DENVER
JUNE 25-26, 2005

SAN FRANCISCO
JULY 9-10, 2005

LA BEACHES
SEPT 17-18, 2005
Consider…

- Previous giving
- Internal advocates
- Business interests
- Philanthropy motives (stated & unstated)
- Board & corporate leadership (current & future)
- Corporate health
- Company’s market
- Industry health
- Lobbying priorities