

Pursuing Funding from Foundations and Private Sources

Presented by University Advancement

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MEMBER THE TEXAS STATE UNIVERSITY SYSTEM

1

Today's Presenters

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2

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.

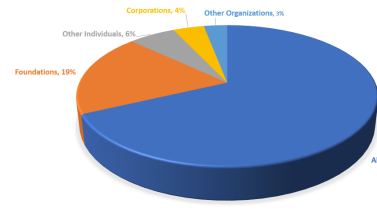
- Development
- Annual Giving
- Alumni Relations
- Communications
- Advancement Services
- Endowment Services
- Texas State University Development Foundation



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3

Annual Fundraising Sources Exceed \$25 Million



Source	Percentage
Alumni	60%
Foundations	19%
Other Individuals	6%
Corporations	4%
Other Organizations	1%


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4

What Is a Foundation?

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

"You can't wear but one suit, and you can't eat but three meals a day. What are you going to do with your money except help others?"
- Albert B. Alkek



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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"

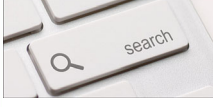


Wells Fargo Foundation

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6

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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7

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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8

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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9

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 fit: 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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10

"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@tstate.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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11

"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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12

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 Kual 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



13

Register Your Proposal in Kual 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.

14


Role of University Advancement (UA)



- Your Kual 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 Kual Research.
 - Proposal Initiator: Maria Lopez
 - Department: XYZ Studies
 - Sponsor: Joe Blow Charitable Foundation
 - Proposal Title: Researching Student Success Outcomes
 - Due Date: 10/31/2021
 - 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

15


When Might UA Not Approve Your Foundation Request?



- When VPIA 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

16

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

17


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?



18

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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19

19

Requesting TRIP Matching (Texas Research Incentive Pgm.)

- For Texas' Emerging Research Universities
- Leverages private gifts for enhancement of research productivity and faculty research activities
- Must be for **research**, including: endowed chairs & professorships, facilities, equipment, programs, graduate research stipends / fellowships, and undergraduate research support
 - ✓ \$100,000 - \$999,999 @ 50%;
 - ✓ \$1,000,000 - \$1,999,999 @ 75%;
 - ✓ \$2,000,000 - \$10,000,000 @ 100%
- If a gift is made, University Advancement submits TRIP match request
- If matched, 90% to department, 10% to university research fund




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20

20

TRIP Match Process



- Principal Investigator (P.I.) completes Kuali Research registration, which is then routed to University Advancement
- VPUA reviews, suggesting any narrative enhancement
- If proposal is approved by VPUA, P.I. writes, submits proposal and budget to potential funder
- If funder makes gift, University Advancement writes up submission form; private donor signs and returns
- VPUA submits TRIP match request to THECB within 30 days of deposit
- THECB routes submitted requests to peer-review by Texas Emerging Research Universities (ERUs)
- If proposal passes peer review, THECB sends match request to Texas Legislature for future funding consideration
- Next biennial Legislature considers oldest match requests in queue and makes some appropriations
- When match is received, 90% goes to department, 10% to university research fund

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21

21

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

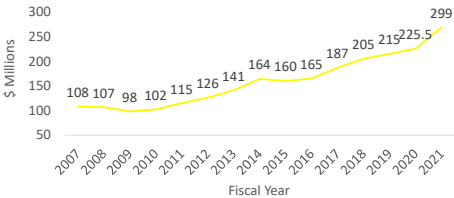
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22

22

Endowment is \$299 Million NRUF Goal: \$400 Million

In fiscal year 2021, 28 new endowments and \$2,744,686 in new cash were added. In addition, 106 proposals were submitted for \$23.5 million in endowed gifts.



Fiscal Year	Endowment (\$ Millions)
2007	108
2008	107
2009	98
2010	102
2011	115
2012	126
2013	141
2014	164
2015	160
2016	165
2017	187
2018	205
2019	215
2020	225.5
2021	299


NOTE: "Endowment" is the total holdings of three entities: the Development Foundation endowments, the McCoy College of Business Foundation endowments, and the University endowment.

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23

23

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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24

24

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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25

25

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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26

26

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27

27