

## General Information about Foundations

All foundations are different; no one foundation is the same. Each has unique identified stipulations, guidelines and other indicators such as: geographic focus; types of support; areas of interest; specific programs; communication process; open or closed to letters of intent or other communication; previous giving via financial records; total assets vs. total giving trends; gift amount ranges; complexity of proposal process; process timelines; etc. In that consideration, please note that this information will be provided from a general standpoint.

### **RELATIONSHIPS:**

Foundations receive many applications every year, depending on the type and size of the foundation they can receive anywhere from ten to tens-of-thousands of proposals per cycle. In the majority of cases, unless the relationship has already been established, foundations may have no personal affinity to UD. Many variables align for proposal success including a match with the request and their priorities, alignment of interests and future direction, request amount in line with the funds available, timing, program or project distinctiveness, University reputation, strong letter of outreach/proposal, and so on. Foundation opportunities, much like other funders, benefit from building a relationship; however, with stipulations and barriers to certain types of communication and lack of affinity, this can often be a very long-term and strategic process. The first step is to research any potential connections the University may have with the foundation or friends of the foundation. If a relationship connection is found, the best case scenario would be for the connection to help confirm a fit, and facilitate an introduction to the appropriate foundation staff. Once a conversation is possible, all other necessary pieces must be in order to be considered as a strong potential partner for support.

### **REPUTATION:**

Foundations are aware of the major players in areas of interest to them, they are also aware of the up-and-comers. Program officers of foundations often fly under the radar as much as possible in order to gain authentic information and stay informed. They may closely follow publications, and attend conferences, workshops and events pertaining to their areas of interest. Foundations tend to follow their peers funding priorities and actions, and often communicate with one another. You will notice that major players in the foundation world are often funding the major players in University world, as well.

### **PROCESS:**

Foundations typically have an identified communication process. Many specify the way they would like to be communicated with and how (example: letter of intent, e-mail, no contact, etc). Some foundations do not accept unsolicited communications or proposals. If a foundation does not accept unsolicited *proposals*, this does not necessarily indicate that they are not open to contact from potential grantees. In most cases, there are indicators online that will help give clues to their openness to communication. It is in the best interest of a potential relationship and the reputation of your institution to head their requests. If at all possible, it is important to communicate with a foundation prior to submitting a proposal or letter of intent to gauge interest and attempt to gain key information to facilitate success. Oftentimes, questions regarding their interests and the process lend the perfect opportunity for outreach.

## **Areas of Interest**

Foundations, with the exception of some small family foundations and charitable trusts, identify areas of interest or priorities. Another good indicator of interest, if the foundation does not stipulate them, is a foundations' past giving which are public record in an organization's IRS 990 forms. Past giving can show trends and interest areas; however, the information is often minimal including organization and amount with no other detail.

- *Example: A foundation indicates they are interested in "Catholic organizations" and that they are also interested in "higher education", this could mean a variety of potential matches at the University of Dayton. However, without the opportunity to have a conversation with the foundation, it is difficult to identify what program would be the best fit for them within the "Catholic" and "education" arena, as well as their affinity and interest in UD.*

Large foundations often operate programs; these are specific areas of interest with distinct specifications that identify their strategies for support. Outreach to a large national foundation should have a national level of distinction. In some cases a foundations' programs can have different stipulations within individual program concentrations such as geographic focus, type of support, method of contact, timeline, etc.

- *Example: The Ford Foundation operated 8 funding programs in 2013. Within their Human Rights program, they focused on 7 sub-areas: Advancing LGBT Rights, Advancing Racial Justice and Minority Rights, Protecting Immigrant and Migrant Rights, Protecting Women's Rights, Reducing HIV/AIDS Discrimination and Exclusion, Reforming Civil and Criminal Justice Systems, and Strengthening Human Rights Worldwide. Each of these areas had specific areas of concentration, geographies of interest and criteria.*

## **Assets**

There are various sizes of foundations, from several thousand dollars in assets, to several billion dollars. Likewise, there are various sizes of annual distributions per foundation. Per IRS rules, a charitable foundation must payout at least 5% of their corpus annually in order to maintain their status. The size of the foundation does not always indicate a less intensive proposal process.

Sometimes a foundation will have a very intensive and lengthy proposal process for a small gift opportunity. As a general rule of thumb, foundations with a total annual giving of \$500,000 and above can be viable prospects for the University of Dayton's programs. In some cases, it is important to weigh the ROI of an intensive proposal process, probability of success, time available, in order to make a decision in consideration of all factors.

## **Types of Support**

Foundations identify specific types of support they are interested in. Types of support that may be listed include: program development support, scholarships, conference increasingly uncommon for foundations to provide general operating or endowment support. Also, foundations may indicate whether they offer one-time or multi-year funding, or if they will support an organization or project for a definitive timeframe.

## **Flexibility**

Most foundations are firm within the guidelines they identify. You can sometimes identify a level of flexibility through past giving, guidelines and conversations in comparison with published information. Previous funding relationships often lend to some flexibility and increased transparency of process and opportunity.

## FOUNDATION DESCRIPTIONS:

- *Independent foundation* is a broad term for an established foundation whose primary duty is to give philanthropic gifts by criteria and stipulations that they have identified.
- *Family foundations* can vary in type. Some family foundations are similar to major donors giving from a process standpoint; they can be a check writing avenue for philanthropic gifts from an individual or family. They typically designate areas of interest but some may still have the flexibility to go outside these areas if they choose to do so. Family foundations with no staff or administrative support are often difficult to connect with prior to formal submission. The Board is often comprised of direct family members. If Board members are comprised of others outside of the family or of various family members, the foundation is categorized as an independent foundation (e.i.: The Mathile Family Foundation, Kettering Family Philanthropies, The Bill and Melinda Gates Foundation, etc).
- *Company-sponsored foundations* are foundations that are tied to a company. Their giving priorities typically align with the company's goals and constituencies. Their corpuses grow as the company grows. The CareSource Foundation is an example of giving priorities in alignment with a company. They support initiatives that impact the health and wellness of the under-served community in areas of company operations. This constituency parallels their client base.
- *Community foundations* are organizations that provide an avenue for individuals and groups to create philanthropic giving accounts under a non-profit umbrella. They provide oversight and administration of the foundations, funds and trusts they manage. They also provide a level of privacy and discretion for their donors. Community Foundations often have minimal discretionary dollars which are reserved for their community. Information is provided on their websites.