

A Guide to Corporate and Foundation Giving at Appalachian State University

Division of University Advancement

<http://www.give.appstate.edu/cfr/>
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INTRODUCTION

Appalachian State University's Corporate and Foundations Relations Office manages the University's relationships with businesses and charitable foundations, and serves as the primary point of contact with corporations and foundations for all the resources and opportunities the university has to offer.

We form strategic alliances that more fully engage regional and national organizations in the life of Appalachian, while raising funds to improve the academic and physical health of the University. Forming mutually beneficial long-term relationships with corporate and foundation leaders is the key to accomplishing the university's strategic goals.

The Director of Corporate and Foundation Relations (CFR), a member of the University Advancement Division at Appalachian State University, is focused on securing support from corporations and foundations to fund university priorities and provide leadership on university-wide partnerships. To accomplish this charge, the CFR Director works in conjunction with the faculty, university administrators and collegiate or unit-based development officers.

The purpose of this manual is to provide faculty and staff with general information about securing gifts and grants, as well as outline the services provided by the CFR Director.

MOTIVATIONS FOR GIVING

Corporations

- **Enlightened Self-Interest:** Corporate philanthropy is often related to company interests. It is for the recruitment of graduates or to acknowledge its role in helping ASU prepare employees or consumers.
- **Research:** Companies give to research areas that relate to company business.
- **Social and Community Concerns:** Corporate philanthropy is often based on social concerns derived from changes in the work force or competitive pressures.
- **Publicity:** Businesses often desire and deserve recognition as good corporate neighbors. By contributing to projects, companies make the community a better place for employees to live and work.
- **Recognition:** Companies honor key employees.

Foundations

- **The Business of Giving:** Foundations are established for the purpose of giving away money, primarily to not-for-profit organizations. The IRS requires that private foundations pay out five percent of their assets each year. Each foundation's giving is a matter of public record through its annual tax return (IRS Form 990-PF). Larger foundations have elected to

publicize their grant making through annual records, publications, press releases, and the Internet.

- **The Wishes of the Founder:** Private foundations are often established to continue the philanthropy of the founder (or the person memorialized) in perpetuity (within the context of current societal needs). Staff hold an advisory role, recommending grants and program directions to their boards of directors / trustees, who interpret the wishes of the founder and make the final funding decisions.
- **Making a Difference:** With limited funds available for grantmaking, foundations look for opportunities for their funds to "leverage" change. The more widespread impact a project can legitimately claim-- the more numbers served, the potential for replication by other organizations, the national publicity, the continuation funding from other sources, the multiplier effect of training professionals -- the more favorably foundation's response.
- **A Diverse Sector:** Often referred to as the "independent sector," the foundation sector giving is not driven by the demands of business and the marketplace, as is the corporate sector, nor is it driven by politics and the electorate, as is the government sector.
- **Networking and Affinity Groups:** Foundations continually seek to improve their philanthropy and often collaborate to increase the leverage of their individual grants with their peers, through regional associations of grantmakers, affinity groups (Grantmakers in Health), and national associations (the Council of Foundations).

Other Factors Affecting Giving Motivations

The budgets of many companies' corporate giving offices depend on the corporate bottom line. In lean years, with takeovers and mergers, priorities change affecting non-profit organizations. Similarly, foundation boards change membership, program officers exert pressures for change, and foundations alter their agendas.

UNIVERSITY ENTITIES INTERACTING WITH CORPORATIONS AND FOUNDATIONS

Several units within Appalachian State University interact with corporations and foundations, for multiple purposes and at varying degrees:

- University Advancement
- The Cratis Williams Graduate School
- Appalachian State University Foundation, Inc.
- Athletics Marketing
- Arts and Cultural Programs Marketing
- Purchasing
- Student Affairs
- Individual Faculty, Departments, and Programs.

University Advancement

The Office of Development is the unit under the governance of the Vice Chancellor for University Advancement responsible for obtaining gifts (and grants) from individuals, corporations and foundations to support university programs. Emphasis is on establishing endowed funds for such permanent purposes as chairs, professorships, and scholarships. University Advancement solicits and receives monies for equipment, programs, research, conferences, visiting faculty, underwriting, and collections. The office handles gifts of appreciated securities and real estate, gifts-in-kind as well as estate commitments.

The University Advancement office is located in 134 Dougherty Administration Building, 828.262.2090. Additional information can be obtained by accessing University Advancement at <http://www.give.appstate.edu/advancement.html>.

Corporate and Foundation Relations

Corporate and Foundation Relations (CFR) is the specific area within University Advancement that provides services to faculty and administrators who, with the assistance of their collegiate development officers, seek monetary or in-kind gifts from corporations and foundations. Efforts are focused on gifts and grants of \$10,000 or more, with consultation provided on requests for smaller gifts and grants that are university priorities.

For additional information, contact the Director of Corporate and Foundation Relations, Perry Mixer at 828.262.6734. His office is located in Room 136 of the Dougherty Administration Building.

Appalachian State University Foundation

The Appalachian State University Foundation, the official repository for gifts to the University, exists for the benefit of Appalachian. To accomplish its mission, the Foundation provides those services normally associated with a university related foundation, including but not limited to the volunteer leadership, fund solicitation, gift acceptance and acknowledgment, and asset management services.

Accounts are established with the Foundation to allow for funds to be used. There are three basic criteria, which determine proper use of ASU Foundation funds.

1. ASU must benefit in an acceptable manner
2. The use must fall within the donor's intent for the gift.
3. The use must not jeopardize the Foundation's tax-exempt status.

For additional information, contact Laura Crandall, Chief Financial Officer of the ASU Foundation, located in the McKinney Alumni Center, 828.262.2341. Additional information can be obtained by accessing ASU Foundation at <http://www.give.appstate.edu/fnd/>.

FUNDING PRIORITIES

University Priorities

Within the university, the Chancellor, Provost, Vice Chancellors, Board of Trustees, deans, department heads, and center directors establish academic and non-academic priorities. None of the organizations associated with fundraising establish university priorities.

Donor Priorities

Donors often set funding priorities. Corporations and foundations have their own interests, which may or may not correspond to college or department priorities. About 95 percent of corporate and foundation gifts are restricted to specific areas of their interests. In addition, some projects are not fundable with private donations, as there may not be a sufficient number of donors.

CORPORATE AND FOUNDATION RELATIONS

Strategy

The CFR Director initiates and maintains contact with corporations and foundations to determine their interests in funding university projects. When a match of interests is discovered, the appropriate collegiate development officer is contacted and is involved in assisting with applications or negotiations.

Additionally, the CFR Director develops strategies with development officers who have corporate and foundation prospects for their colleges; accompanies development officers and university

leaders to corporate and foundation meetings; helps coordinate on-site visits; and briefs faculty members on appropriate ways to work with corporate contacts or foundation program officers.

Projects

For CFR to work on a project, it must meet the following criteria:

- Potential for funding from corporations or foundations;
- Approved by the appropriate dean/director or academic/university leader as a priority for funding within the academic unit.

Among these projects, preference is given to university priorities that are most likely to produce significant income. The CFR Director primarily focuses on requests that may yield gifts and grants above \$10,000. For projects of institutional priority, the Director may provide assistance to collegiate development officers and faculty for requests under \$10,000.

Service

CFR provides the following services for faculty, development officers, and administrators:

- Guidance in selecting and approaching corporations and foundation for funding;
- Assistance in developing proposals and related materials;
- Assistance with coordinating requests with others throughout the university;
- Assistance in stewarding gifts and grants as well as building on-going relationships.

Roles of Faculty and Collegiate Development Officers

The collegiate development officers can help evaluate projects for funding, initiate searches for prospective donors, and participate in drafting proposals, case statements, and related materials.

Development officers also coordinate initiatives with the CFR Director. They can help faculty/staff members decide whether the project is appropriate for CFR assistance and will contact the CFR Director at an appropriate time. To assure adequate attention to projects, it is important to contact the development officer early in the search for private funding.

If you do not know how to contact your collegiate or unit-based development officer, contact your dean or director.

The roles assumed by faculty members and development officers vary with the project workloads and with related experience, but each must be prepared to commit substantial effort to the fundraising process. The division of tasks may be negotiated and may include:

- Clarifying funding needs and expected benefits;
- Planning the project;
- Writing a draft proposal and budget;
- Collecting relevant information;
- Identifying and sometimes contacting prospective funding sources;
- Obtaining letters of support for the project;
- Planning an appropriate strategy;
- Meeting agreed upon deadlines (e.g. for reviewing drafts, creating budgets).
- Providing follow-up reporting (stewardship)

Selecting and Approaching Corporations and Foundations

Understanding Donors' Interests

Most major corporations have pre-determined areas of interest and specific giving programs and/or corporate foundations. Attention must be given to these corporate interest areas when seeking funding.

Because most major foundations print and disseminate guidelines, it is important to obtain and carefully read these guidelines before approaching foundations for funding. In a recent interview by The Foundation Center, foundation representatives repeatedly cited "the project is outside our guidelines" as a frequent reason for turning down requests. Foundation staff is far more willing to cooperate when it is clear that applicants have thoroughly researched the foundation guidelines and show a willingness to follow standard procedures.

Sometimes faculty can redirect or broaden the scope of their projects to create a match of interests. This can be done by developing interdisciplinary projects or entering into consortium arrangements with other universities, social agencies or educational, non-profit organizations. However, altering a program to "fit" in order to qualify for funding may end up serving neither the university nor the foundation's objectives.

Multiple Interests

Some funders will consider only one proposal per institution each year and reject others automatically or recognize only officially established contacts at the University and reject requests from others. One of the services that the CFR Director provides is coordination of corporate and foundation requests to prevent numerous campus entities approaching the same funder.

Some larger requests require months of collaborative work from faculty members. If someone submits an unrelated small request to a prospect for whom a major request is being prepared, the prospect may fund the smaller request, simply because it came in first; thus, torpedoing extensive faculty and administrative efforts on the other request. With coordination, both requests could have the opportunity to be successful.

Many corporations and foundations have multiple areas of interest and a given faculty member or school's proposal may be considered simultaneously with other university proposals.

The size of requests plays a role in multiple request scenarios. For example, the CFR Director may negotiate a major endowment with corporate executives and, at the same time, a student organization may negotiate a one-time sponsorship with the corporate marketing department. The requests are separated by size and level, and may not conflict with one another.

When a particular prospect is identified, the CFR Director can help provide information about recent contacts with the prospect and their philanthropic priorities. The best information comes from volunteers, insiders and personal contacts in companies or foundations, which can advise on interpreting policies and policy changes. The CFR Director often can help with these contacts.

Proposal Development and Stewardship

Developing a Proposal with the CFR Director

The following describes the process of collaborating with the CFR Director in proposal development. The Director recognizes that situations may vary and require flexibility.

1. *Faculty or staff member contacts the dean/director of his/her school to determine if the project is a faculty/collegiate priority.* Receiving approval from the dean/director is necessary because Development is charged to work on university priority projects.
2. *Upon receiving the dean's approval, the faculty member contacts the collegiate development officer.* When faculty members are seeking external funding for a program or a research project, there are two options for assistance, depending on the nature of the request: to work through University Advancement or the Graduate School. In questionable circumstances, the faculty member is urged to contact his/her development officer to help determine which organization is most appropriate to provide assistance. The faculty

member should discuss the purpose of the project, budget amount, potential funding sources and strategies to help make this decision.

3. *The development officer contacts the Corporate and Foundation Relations Director for consultation and assistance.* If the project meets the following criteria, it is appropriate for the development officer to contact the CFR Director for assistance:
 - a. fundraising strategies include corporate and foundation funding;
 - b. approval by the dean/director; and the dollar amount of \$10,000 or more.

Together, the development officer and the CFR Director will provide assistance to the faculty/staff member.

4. *The CFR Director will work with faculty/staff members to determine the level of assistance that is required on the project.* There are a variety of services Development can offer faculty and staff members. The CFR Director services include editing existing proposal drafts, meeting with corporate and foundation officers, accompanying faculty members on visits, assisting with acknowledging and publicizing gifts. The CFR Director can make presentations to prospective corporate and foundation donors on behalf of faculty, and/or introduce faculty to prospective funders. The CFR Director often discovers funding opportunities then advise faculty and staff members as to how they might structure requests to increase their appeal.

The collegiate development officer, the CFR Director and the faculty member will discuss and agree upon an appropriate division of responsibilities and a timeline for activities sufficient to meet deadlines.

5. *The CFR Director will work with the collegiate development officer and the faculty member to submit an appropriate application to the corporation or foundation.* The CFR Director's preferred mode of preparing a proposal is to edit and refine an existing draft or detailed outline from a faculty member to meet the specific requirements and interests of a particular funding source. The CFR Director expects the program has already been well conceived – complete with an evaluative component and budget.

It is often helpful for the faculty member to write a case statement to help articulate these components. A case statement outlines the best arguments in favor of a project. The case statement can be useful to assist in preparing a request to a funder. It has three parts: needs, justification, and benefits (not necessarily in that order). If it is easier to use a question and answer format to think through this process, a questionnaire is provided at the end of this manual.

The CFR Director usually provides writing services to tailor existing drafts and edit faculty prepared materials to align with specific guidelines and appeal to specific interests and goals. Frequently, proposals go through a negotiation or refinement process, with corporate contacts or foundation program officers reviewing drafts and offering rewrite suggestions.

6. *The development officer or faculty/staff member will work to secure necessary approvals before sending a proposal.* The proposal will need the dean's/director's approval. Approval by the Provost is needed if a new academic program or center is proposed, or if a cover letter from the Chancellor is required by the funding source.
7. *Once the proposal is submitted, copies will be distributed to the University Advancement Office, Prospect Research for the central files, and to the appropriate deans and administrators.* To ensure communication and coordinated efforts, copies of the approved

proposal must be made for central files and all pertinent faculty and administrators.

8. *If a gift or grant is made, the CFR Director will coordinate stewardship and publicity activities.* Upon receiving notification of an award, the CFR Director will help to steward the gift responsibly: ensuring proper acknowledgement and thank-you letters are sent by the appropriate parties; responding to the funding source's requirements for publicity, coordinating news releases; ensuring that necessary reports are submitted to the funding entity according to guidelines.

Stewardship can also take the form of special events, plaques in public places, notes expressing appreciation, and other efforts. With corporate and foundation donors, it is often effective to ask them what recognition they prefer. Collegiate development officers have a major responsibility for stewardship contact with donors. The CFR Director will coordinate official acknowledgment letters to corporations and foundations. For stewardship purposes, it is helpful for faculty to keep this office informed of their contacts in corporations or foundations to which letters and additional stewardship items should be sent.

Development officers can help faculty members who receive funding gain visibility in official university communications, which are forwarded to corporate executive officers. They will coordinate news releases and other publicity. Care must be taken to follow donor guidelines and preferences for publicity.

9. *If a proposal is denied, the CFR Director will contact the organization for follow-up.* One of the most effective methods of gathering critical information about funding criteria and decisions is to contact the source after a denial. Most organizations entertain inquiries about negative responses and will share information about re-submittal policies and in general terms, may also share what they were looking for in applications and what may strengthen future submissions. The CFR Director can make such communication and share the information with faculty members and development officers.

EFFECTIVE PROPOSALS

With the rare exception, most corporations and foundations do not need lengthy technical proposals when they are considering private gifts to universities. Corporate and foundation giving officers receive hundreds of proposals, so the longer the proposal, the more likely it will be put at the bottom of the pile for "later." Proposals are typically five to ten pages long (double-spaced), not including attachments, and include an executive summary to facilitate review and processing.

Proposals should have a clear emphasis on the specific request, why it is needed, and the benefits to both the funding source and the university and/or community at large. Clear, concise language is preferred over technical jargon, as program officers are not specialists. However, since funders review many proposals, they may know what the competition is doing. It is important to make the case for supporting a particular program at ASU, with claims of uniqueness substantiated where appropriate. Attachments should be minimized. Extensive resumes or curriculum vitae usually are not necessary (unless specifically requested), though occasionally short biographical summaries are appropriate.

The items to be covered in a proposal are often stated in corporation or foundation guidelines, and usually include the following:

- Cover sheet naming contact person at ASU with address/telephone;
- Summary, including amount of request;
- Description of organization (ASU and school or area);
- Statement of need (society's need, NOT just the university's need);

- Objectives;
- Methods (activities to be performed with funds);
- Evaluation;
- Identification and solicitation of other public and private funding sources;
- Benefits;
- Future funding plans;
- Budget and budget narrative;
- Institutional contributions;
- Matching requirements (if applicable).

In addition, foundations often require information on ASU's tax exempt status, the university's financial statement, a presidential cover letter, a list of trustees, and additional supporting data. CFR can provide and assist with securing this information. Above all, proposals must meet the prospect's deadline. Review time must be considered into the preparation schedule.

CONCLUSION

Cooperation among all entities involved in raising funds from corporations and foundations is key to successful partnerships. The staff welcomes the opportunity to work with faculty, deans, administrators and staff members to secure mutually beneficial partnerships with corporate and foundation funders.

PROPOSAL WORKSHEET

Please complete and return to Perry Mixter, Director of Corporate and Foundation Relations in University Advancement.

The Challenge – Briefly describe the challenge you are facing.

What need or problem are you trying to address? How do we know that this is a valid problem? What have others done in the past to address this challenge? Why is this challenge important?

The Project – Describe your project in detail.

What do you intend to do to address the challenge you described above? What resources (i.e. people, equipment, materials, facilities) will be needed for your project? What resources will we provide and what resources are we asking our funders to provide? What is the timeline for completion of the project?

The Benefits – Describe the benefits of your project.

What are the benefits to the corporations or foundations that you are considering approaching? What are the benefits to ASU? To our community? To our society?

Project Leader(s) – List those who will be responsible for the project.

	Name	Title	Role	Phone	email
1.	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____
4.	_____	_____	_____	_____	_____

Why are these individuals qualified to address this problem? What other experience have they had in related areas? What specific responsibilities will each of them have? If we have not yet identified all primary project personnel, describe the type of individuals we will utilize.

PROPOSAL WORKSHEET, continued

Potential Funders – List any prospective funders you would like us to pursue.

Note specific foundations, corporations, and/or individuals. Why are these prospects likely to seriously consider a request for support? Do you have any personal contacts with any of these potential funders? Have you received previous support?

	Organization	Contact	Title	Phone	email
1.	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____
4.	_____	_____	_____	_____	_____
5.	_____	_____	_____	_____	_____
6.	_____	_____	_____	_____	_____

Funding Alternatives – Describe what you will do if your project is not fully funded.

Are there elements of the project that can be eliminated or reduced in scope? Are there alternative funding sources? At what point would you decide not to pursue (i.e. what is the minimal funding level)?

On Completion – Describe the process you will use to evaluate your success and, if appropriate, describe any follow-up activities.

How will you know if you have met the objectives you described above? Will you publish or otherwise disseminate the results of your work? What subsequent issues might need to be addressed as a result of your work?