Developing Philanthropic Partnerships with Foundations and Corporations

A Guide

COLUMBIA | Alumni Relations and Development

Aim of the guide

The guide to *Developing Philanthropic Partnerships with Foundations and Corporations* was developed by the Office of University Corporate & Foundation Relations in the Office of Alumni & Development.

The Office of University Corporate & Foundation Relations partners with Columbia University faculty, foundations, and corporations to develop mutually beneficial collaborations that advance Columbia's research, scholarship and strategic initiatives, and support the University's core mission to serving its students, faculty, and the world.

Aimed at faculty, researchers and their teams, the guide aims to:

- Provide an overview of the foundation and corporate philanthropic landscape
- Offer advice on how to identify potential funding sources
- Outline some guidelines on developing a proposal and budget
- Describe the process for accepting a grant/gift, and
- Discuss ways of stewarding the relationship with a funder

The Foundations Landscape

Foundations play a huge role in the world of philanthropy. There are over a hundred thousand foundations in the US, giving an average of $82 billion per year to the charitable sector.

A foundation is defined as an entity that supports charitable activities by making grants to unrelated organizations or institutions or to individuals for scientific, educational, cultural, religious, or other charitable purposes. While foundations are often primarily engaged in grant making activities, some may engage in their own direct charitable activities or programs. Foundations can make direct grants or gifts to an organization or they can use a Donor Advised Fund (DAF), a Community Foundation, or a Public Charity to direct their grant making. Some Foundation types and giving vehicles are discussed below:

Community Foundation: Community foundations are composed primarily of permanent funds established by many separate donors for the long-term benefit of the residents of a defined geographic area. Typically, a community foundation serves an area no larger than a state. Community foundations also provide services to donors who wish to establish endowed funds (commonly called donor-advised funds) without incurring the administrative and legal costs of starting independent foundations. The New York Community Trust was the first such fund, started in 1931.

(Charitable) LLC: A charitable LLC does not have tax-exempt status and since it isn't legally charitable, there's no requirement to report its charitable activities to the IRS. Money can be withdrawn from the LLC at any time for any purpose with no tax consequences. There are no restrictions on donations, investments or income and much looser restrictions on political activities than those governing charities. The donor has near total flexibility to change the LLC's mission or projects at any time and has wide latitude to engage in self-dealing and make charitable use of the resources of any business s/he may own. The LLC's taxable status also means that its losses can be written off against the donor's other income. Examples of LLCs are the Chan Zuckerberg Initiative and Arnold Ventures.

Donor Advised Fund (DAF): A DAF is a giving account established at a public charity. It allows donors to make a charitable contribution, receive an immediate tax deduction and then recommend grants from the fund over time. Donors can contribute to the fund as frequently as they like, and then recommend grants to their favorite charitable organizations whenever it makes sense for them.

Family Foundation: A family foundation is a type of private foundation set up by a family, funded with the family's assets and often run by family members who can also participate in its charitable grant making. It can last as long as the family needs it to serve its philanthropic ambitions, and it can adapt as the family's composition and charitable focus change.

Private or Independent Foundation: To the IRS, “private” or “independent” are umbrella terms for tax-exempt grant-makers (usually with a single funding source, such as an individual or family) that are restricted by certain rules. A private foundation is required to give away five percent of the average market value of its total assets each year in grants and gifts. They are also required to file an IRS form 990 which is publicly accessible and lists their income and disbursements, including grants. Within the nonprofit community, the terms “private” or “independent” usually refer to an organization with a professional board of directors or trustees and a professional program staff. Independent foundations usually give within specific program guidelines that are aligned with a larger mission.

Public charity: A public charity is an organization that is tax-exempt under code section 501(c) and is classified by the IRS as a public charity and not a private foundation. Although some public charities engage in grant making activities, most conduct direct service or other tax-exempt activities. Some are also referred to as "public foundations" or "publicly supported organizations" and might use the term "foundation" in their names. The Pew Charitable Trusts and the Tides Foundation are examples of public charities.

The Corporate Philanthropy Landscape

Corporate Philanthropy refers to the investments and activities a company voluntarily undertakes to responsibly manage and account for its impact on society. According to the Council on Foundations, such actions include investments of money, donations of products, in-kind services and technical assistance, employee volunteerism, and other business transactions to advance a social cause, issue, or the work of a nonprofit organization. Corporate foundations and corporate giving programs traditionally play a major role in these areas.

Corporate Foundations are private foundations that derive their assets from a for-profit company. They are separate entities from their parent company and subject to the same regulations as other private foundations. Corporate foundations tend to make grants in fields related to their corporate activities or in communities where the corporation operates, or where their employees reside.

Corporate Giving Programs are administered within the parent company and their assets depend directly on that corporation's bottom line. Unlike foundations, corporate giving programs are not required to make their grant making activities public. Types of corporate giving programs include:

- **Matching Gifts:** Companies financially match donations that their employees make to nonprofit organizations.
- **Volunteer Grants:** Companies provide monetary grants to organizations where employees regularly volunteer.
- **Employee & Board Grant Stipends:** Corporations award grants to employees and/or public boards to donate to the nonprofit of their choice.
- **Community Grants:** Company programs award nonprofit organizations that apply for grants based on defined criteria.
- **Volunteer Support Initiatives:** Companies partner their employees with nonprofits to provide specialized support.
- **Corporate Sponsorships:** Companies provide financial support to a nonprofit that in return acknowledges that the business has supported their activities, programs or events.
- **Corporate Scholarships:** Corporations provide scholarship dollars to universities on behalf of students seeking support to continue their studies, encouraging college education and workforce development.

Identifying Potential Funders

Online Funding Opportunities Databases
There are a number of online databases that can be searched for potential funders for an identified project/program/ initiative/ Center/ Institute. Some are listed below:

- **Foundation Directory Online (FDO):** This is a database of both foundation and corporate grant makers in the United States, searchable by various categories and offering information from IRS 990 forms to boards of directors, full listings of projects and locations the grant maker funds. Foundation Directory profiles are available in PDF and can be saved and printed. FDO can be accessed through the Columbia libraries' database collection.

- **GrantForward:** GrantForward uses specialized data-crawling technology to constantly update an extensive database of sponsors and funding opportunities, allowing thousands of grant opportunities to be gathered from over 30,000 Sponsors. GrantForward is available to all Columbia University faculty, students and administrators. Sign up for an account using your Columbia University email address.

- **Inside Philanthropy Grant finder:** Inside Philanthropy's Grant Finder is a search tool of thousands of profiles of institutional and individual funders

Other Strategies

- **Searching individual foundations' and corporations' websites and newsletters:** Once you have identified relevant funders, get on their mailing lists to receive RFPs and news. Research the funder's grants database to get an idea of which organizations they have funded in the past, average amounts and topics.

- **Researching for programs engaged in similar activities**, and then identifying and researching their funders. Organization websites and annual reports will often publicly acknowledge their donors.

Approaching a Funder

The steps to approaching a funder can vary according to the funder's grant making practices. Some guidelines are below:

Funder Grant making Practice	Steps
• The funder has an open application process, where any organization can submit either a Letter of Inquiry or a Full Proposal via an online portal, at any time or at by specific dates each year	• Review the funder's funding interests and priorities to establish whether your project is a good fit • Review previous grants made under the specific prior/program for the same reason • Establish the due dates for submission (if any) • If you have more questions, try contacting the Program Director/Officer to discuss your project • If you decide to submit, see next section on the Application Process
• The funder accepts proposal submissions after they issue Requests for Proposals (RFPs)	• Review the RFP carefully to establish whether your project is a good fit • Review previous grants made under the specific RFP (if issued annually) for the same reason • If you have more questions, try contacting the Program Director/Officer to discuss your project • If you decide to submit, see next section on the Application Process
• The funder has a limited submission process whereby they only accept a certain number of proposals from a given institution	• The Limited Submission process at Columbia is managed by the Office of Research Initiatives and Development in collaboration with our office for certain funders • The Office of Research Initiatives and Development issues an internal proposal solicitation call • Proposals are reviewed by an internal committee who makes recommendations on which one to select • Selected proposals are developed for submission • The Office of University Corporate and Foundation Relations works with the

	Principal Investigators on strategy and proposal development
• The funder does not accept unsolicited proposals	• Review the funder's funding interests and priorities to establish whether your project is a good fit • Also review previous grants made by the funder for the same reason • If any grants have been made to Columbia colleagues or others in your network, connect with them to find out how the grant came about and whether they can make an introduction • Try to connect with the Program Director/ Officer to discuss your project. • Invite the Program Director/ Officer to any events you organize that may be of interest • Connect with them or follow them on Social Media and try to engage them this way • Promote your work through Social Media

Partnering with the Office of Corporate and Foundation Relations

- We can give you details on Columbia's relationship with a given foundation or corporation, including prior grants, open proposals, and recent contacts/conversations.

- We can give you an overview of a funder's philanthropic interests and priorities and how they have evolved over time.

- For funders who do not accept unsolicited proposals, we can look for connections, leverage existing connections, promote your work on your behalf, and amplify your Social Media posts.

- Some foundations prefer to interact with a limited number of contacts at the University**,** accept one application at a time from each institutions, expect funding discussions to center on institutional priorities and have explicitly asked that funding requests carry the endorsement of the president/provost/dean and be conveyed through OAD's Corporate and Foundation Relations. Others impose a waiting period wherein no new proposals will be accepted once a grant has been awarded. Columbia has carefully cultivated relationships with select foundations.

The Application Process

The key to developing a strong application is to thoroughly research and understand the funder's priorities and read their guidelines carefully. The application process varies from funder to funder. Some have a two-step application process: Letter of Inquiry/Interest (LOI) followed by an invited full proposal. Others have a one-step application process with a full proposal. The following is a set of general best practices.

Developing a Letter of Inquiry/Interest (LOI)
The LOI is a brief summary of the proposed project most often containing the below bullet points. LOIs are usually in the form of an online form.

- Statement of need and significance: why is the project needed and why is it important?
- Project's aims: what are the goals and objectives?
- Project's methodology of implementation: how will the aims be achieved?
- Project's outputs and outcomes: what will be the project's deliverables and how will it impact/benefit the field?
- Project team's qualifications: why is this the best team to undertake the project?
- Alignment with the funder's philanthropic interests and priorities: why should the Foundation or Corporation fund it?

Developing a Full Proposal
Funders have their own guidelines about what sections they want a proposal to have. Always follow these guidelines to the letter, including any formatting requirements they outline.

As a general rule, a proposal should:

- Put the project in context and show the need and significance. Discuss extant work and demonstrate the gap in knowledge to be filled or the problem to be solved.
- Emphasize what is unique, innovative or novel about the proposed approach, what makes it stand out and how it is different from similar work in the field.
- Demonstrate rigorous methodology and strategy of implementation.
- Demonstrate the strength of the project team and the breadth of resources available to the team to do the work.
- Discuss the project's expected outputs and outcomes and how project success will be measured/evaluated.
- Outline how project outputs will be disseminated and shared within academia and in the community.
- Show how the proposed project/program is aligned with both Columbia's mission and strategic goals and with the funder's mission, vision and strategic objectives and demonstrate the synergy and potential to fulfill mutual goals.
- Demonstrate Columbia's commitment to support the work and show how the project will achieve sustainability beyond the grant term.

- Demonstrate how the project can be scaled to maximize its impact and benefit the field.

Developing a Budget

- The proposal budget should clarify how the funds will be spent and show that you have carefully considered the types of costs that will be needed to effectively execute the proposed program in the proposed time period. Items may include personnel costs (principal investigators, co-investigators, research assistants, post doc fellows, etc.), fringe benefits, equipment, materials and supplies, travel and meeting costs, etc.
- Any project undertaken at Columbia incurs administrative or indirect costs. Sometimes referred to as overhead, these costs include infrastructure and administrative costs such as lab and office space, computers, phones, electricity, and administrative/clerical salaries (for staff whose work is not confined to the proposed project only).
- Some funders will not contribute to administrative or indirect costs. Others will only pay a specified indirect cost rate. Unless the funder has a published indirect cost policy, the University will negotiate the rate with the sponsor on a case by case basis.
- If an RFP has a specific budget cap, it is important to stay below or at the cap specified.
- Funders may sometimes look for cost-sharing, or financial support from the University. Before any cost sharing or institutional support is committed to, please obtain approval by your Department Chair or Dean.

Administrative Aspects of a Submission

Funders often require some or all of the below for a full proposal submission. Our office is available to help with gathering them:

- Institutional sign-off (funders may ask for Presidential sign off or Sponsored Projects Administration sign off)
- Institutional documents such as:
    - IRS letter confirming Columbia's non-profit status
    - Audited financial statements
- List of Trustees
- Organizational mission and fact sheet
- Institutional endorsement letters or letters of support

Working with Sponsored Projects Administration (SPA)

If the funds will be awarded as a sponsored project/grant, the proposal has to be reviewed and signed off by Columbia's Sponsored Projects Administration (SPA). Our office can help you navigate this space, connect you with the right SPA Project Officer and let you know what is required.

Accepting and Receiving an Award

If your proposal is successful, you will receive a Notice of Award (or NOA). This will be in either a letter form (award letter) or in a grant or gift agreement. Depending on whether funding is awarded as a sponsored project or a gift, it will be processed by either SPA (sponsored project) or OAD (gift).

Sponsored Projects vs. Grants
Institutional support from foundations can come as either a gift or a sponsored project. This defines which Columbia University office will process the funds. Columbia University has a policy on distinguishing sponsored project from gifts.

Gifts are voluntary, irrevocable, gratuitous transfers of money or other property to support Columbia programs or activities.

- Gifts can be restricted to a particular purpose or unrestricted.
- Generally, funds from private, nongovernmental sources are to be administered as gifts when the funding source neither expects nor requires consideration in return for the transfer of funds to Columbia.

Gifts are processed by OAD, who will review, negotiate and execute a Gift Agreement, and create an allocation/gift account for the gift.

Sponsored projects, alternatively, involve conditions that the funding recipient agrees to uphold in exchange for support. Sponsored projects are defined by one or more of the following characteristics:

- They may commit the recipient to a specific line of scholarly or scientific inquiry.
- They may require the submission and approval of a budget.
- They may be intended to accomplish specific goals (as opposed to general support) within a certain period of time.
- They may require deliverables such as detailed technical or financial reports or some other product.
- They may include stipulations regarding tangible or intellectual property rights, including data, copyrights, or inventions developed in the course of the activity.
- They may require the return of unexpended funds at the end of the activity.

Sponsored projects are processed by Sponsored Projects Administration who will review, negotiate and execute a Research Grant Agreement. SPA will create an account for the sponsored project.

Reporting and Stewardship

Stewarding a funder is a process by which the organization develops an ever-stronger relationship with a funder, and involves constant communication to deepen the relationship. In the case of foundations and corporations, the real way to steward the relationship is to develop deeper connections with Foundation Program Directors/Officers or Company Executives who serve as your primary contacts and advocates at those organizations.

Stewardship can take the below forms:

Grant Acknowledgments

- Sending a thank you note or letter signed by the School Dean is always a good idea as it demonstrates that Columbia appreciates the funder's support for the work. The Office of Alumni and Development handles Dean acknowledgment letters for grants in the Arts & Sciences departments. Other Schools and departments have in-house stewardship teams to work on such letters.

- Beyond these letters, grants can be acknowledged through Social Media posts and news stories on the Columbia website. Our office is available to advice and help.

Annual and Final Progress and Expenditure/Financial Reports

- The majority of foundations and corporations require annual narrative and financial reports in order to monitor progress of a project or program against stated goals and spending of awarded funds according to submitted budget. Timely submission of quality and accurate reports is key to good stewardship of a foundation or corporate donor. In addition, some funders will not issue subsequent or final payments if the report is late.

- The due dates, format and submission method will be specified in the NOA.

- The Office of Corporate and Foundation Relations tracks report due dates for awards from certain Foundations in Arts & Sciences departments and will work with PIs and their teams on their timely submission. Other Schools and departments may have their own tracking systems or this may be handled solely by the PI. If you require assistance and support with annual reporting, we will be happy to help you.

- Annual and final financial accounting reports for grants are produced in coordination with Sponsored Projects Finance (SPF) after validation of project expenses by the PI.

- Expenditure/financial reports should never be submitted without SPF review and sign off as accurate financial reporting is key to continuing relationships with foundations. This is especially important if you have unused balance and you need to ask for carryover of balance into the next year, or an extension of the end date of your award at no additional cost.

- Please note that SPF does not handle financial reporting for gifts. If this is required, it is handled by the department which owns the gift.

Site Visits

- A site visit provides an opportunity for a funder to experience firsthand some of the results of a grant and meet faculty and students who are funded by the grant. If a foundation or corporate donor is invited to a visit to campus, we can assist with preparation of briefing materials for all involved.

Event Invitations

- If a grant involves the development of workshops, events and conferences, make sure your Foundation or Corporate contact (s) are invited to the events.

Periodic Updates

- It is always a good idea to send your Foundation or Corporate contact (s) periodic updates on project outputs, paper publications, conference presentations, or media mentions.

For any questions and for further guidance please contact:

Dimitra Koutsantoni, PhD
Executive Director, University Corporate and Foundation Relations
Office of Alumni and Development
Columbia University
dk2617@columbia.edu

Updated July 2026