



Debunking the Myths of Corporate and Foundation Funding



July 19, 2018

**Amy Nisenson, Executive Director, The Mary Morton Parsons
Foundation**

and

**Cynthia Balderson, Manager-Philanthropy & Community
Partnership**

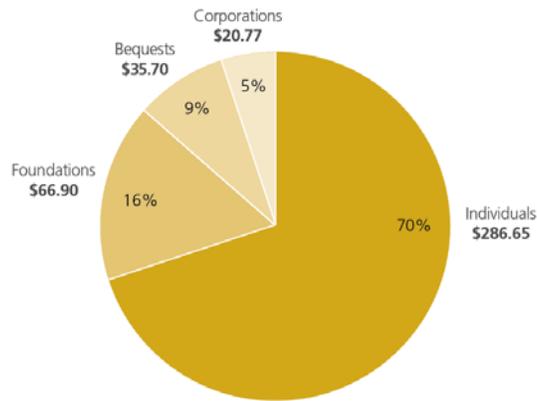
Dominion Energy & The Dominion Energy Charitable Foundation

Context of Today's Presentation

- ❖ Current trends in philanthropy
- ❖ Why and how corporations give
- ❖ Different types of corporate support
- ❖ How is foundation support different from corporate support
- ❖ What do both corporate and foundation funders look for when funding nonprofits

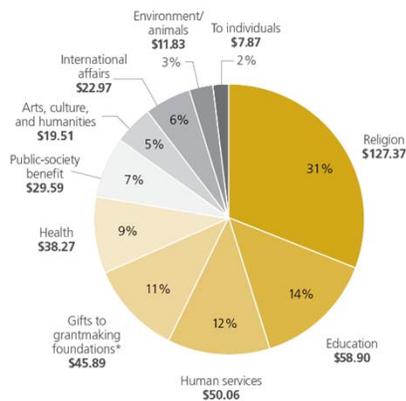
2017 contributions: \$410.02 billion by source
(in billions of dollars – all figures are rounded)

2



2017 contributions: \$410.02 billion by type of recipient organization
(in billions of dollars – all figures are rounded)

3



* Estimate developed jointly by the Foundation Center and Giving USA

Recent Changes Affecting Giving To Nonprofits

Economy has had a profound effect on philanthropy

- ❖ Donors want accountability and use of best practices
- ❖ Less dollars to give out-looking for less duplication and more collaboration
- ❖ IRS pushing on nonprofit sector to become more results driven and accountable (changes to 990)
- ❖ Donors (corporate) offering other resources besides cash-intellectual/technology

Recent Changes Affecting Giving To Nonprofits

- ❖ Donors are recent business owners and leaders
- ❖ Donors are younger than before when becoming philanthropists and are used to being involved in their communities
 - *Mark Zuckerberg*
 - *Donors are considering grants as “investments”*
 - *Donors expect that there be a Return on Investment (ROI)*
 - *Donors want to apply analytical thinking to gift giving –looking to “move the needle”*

WHY DO CORPORATIONS GIVE?

- ❖ Increase brand awareness/recognition
- ❖ Improve corporate image/reputation
- ❖ Increase customer loyalty, consumer purchasing and investment decisions
- ❖ Build recognition as good citizen
- ❖ Address key societal issues

WHY DO CORPORATIONS GIVE?

- ❖ Show goodwill and support
- ❖ Give corporation competitive advantage when recruiting and retaining employees
- ❖ Create a more productive and healthier workforce
- ❖ Improve inter-and intra-company collaborations, communication and sense of purpose
- ❖ Address key societal issues

How Do Corporations Give?

Direct Corporate Giving Programs:

- ❖ Grant making programs established within the company
- ❖ Expense is planned as part of the company's annual budget

How Do Corporations Give?

Corporate Foundations:

- ❖ Company-sponsored
- ❖ Private foundations that get its funds from the corporation
- ❖ Usually a separate, legal organization subject to same rules and regulations as other private foundations
- ❖ Endowed or pass-through

How Do Corporations Give?

Corporate sponsorships

- ❖ An arrangement between a company and a not-for-profit organization, whereby the company provides funds, goods or services, in exchange for greater exposure
- ❖ Financial support of a project or property by a corporation in exchange for publicity and other benefits associated with the property

Types Of Corporate Support

Grants

- ❖ Programmatic
- ❖ Capacity-Building (improve organization's systems and operations which strengthen ability to serve clients)
- ❖ Awards
- ❖ Capital
- ❖ Challenge and matching grants

Types Of Corporate Support

In-kind contributions—(not cash)

- ❖ Product or service donations
- ❖ Loaned equipment and facilities

Types Of Corporate Support

Pro Bono

- ❖ Professional services undertaken voluntarily
- ❖ No payment exchanged
- ❖ Uses specific skills of the professional(s)

Specific examples

- ❖ PR firm donates time and expertise
- ❖ Website design

Types Of Corporate Support

Employee involvement

- ❖ Encourage employees to volunteer in their community
- ❖ Paid release time for employees to volunteer
- ❖ Corporate executives serving on nonprofit boards
- ❖ Matching gifts (company match of employee's gift to nonprofit)
- ❖ Volunteer grants

Corporate Support-Sponsorship Dollars

- ❖ Dollars available from different lines of business
(ie. --marketing) to support events such as dinners and other fundraising types of events
- ❖ Usually requires a letter or formal application
(each corporation may have different requirements)
- ❖ Requests should be received at least 45-60 days prior to the event

Corporate Support-Sponsorship Dollars

- ❖ When submitting requests, be clear about benefits and deadlines
- ❖ Pay close attention to who else you are soliciting-many corporations won't "appear" together (*i.e. -especially financial institutions*)
- ❖ Consider if there is a match between likely attendees and the corporation's target audience
- ❖ Pay attention to who else from your organization may be asking the same donors

What Do Corporations Consider When Looking At Sponsorship

- ❖ Brand recognition
- ❖ Drive revenue
- ❖ Customer/Client entertainment
- ❖ Employee involvement
- ❖ Stakeholder engagement
- ❖ Good citizen

Private Foundations

What is a Private Foundation?

- ❖ **A nongovernment, nonprofit organization with funds** *(usually from a single source such as an individual, family or corporation)* and program managed by its own trustees or directors, established to maintain or aid social, educational, religious, or other charitable activities serving the common welfare, primarily through grantmaking.
- ❖ **Private foundation** also means an organization that is tax exempt under Section 501 (c) (3) of the tax code and is classified by the IRS as a private foundation as defined in the code.

Private Foundations

What is a Private Foundation?

- ❖ Often referred to as a **Private Family Foundation—tax exempt entity created by an individual or a family**
- ❖ Primary activity of most is to make grants to other qualified charitable organizations in order to carry out the exempt purpose of the private foundation

Private Foundations

What is a Private Foundation?

- ❖ Required to **distribute a minimum of 5% of its assets annually** (*note-can take off administrative costs and can rollover year before-so don't need to necessarily have to give 5% each year*)
- ❖ Files annual **990 PF** with IRS that lists all administration expenses and grants that net to required minimum distribution
- ❖ Tax returns and grant making files are considered public records and must be made available if requested

Private Foundations

Stats on Virginia's Private Foundations:

- ❖ More than 1600 private foundations in Virginia
- ❖ \$6.1 Billion in assets
- ❖ 47 have more than \$25 million in assets
- ❖ 55 have more than 10-\$25 million in assets
- ❖ 1089 have under \$1 million in assets

How Will The Funder Evaluate Your Grant Proposal?

❖ Does the proposal/request match interests, priorities, guidelines and agenda?

- Areas of interest
- Geographic focus
- Level of entrepreneurialism
- Type of funding being sought (program, capital, seed, endowment)
- Specific goals & objectives

❖ Does the proposal offer appropriate recognition to the foundation or corporation?

HOW WILL THE FUNDER EVALUATE YOUR GRANT PROPOSAL?

What does the organization want to accomplish?

- ❖ Mission driven
- ❖ Clarity of vision and purpose
- ❖ Specific and realistic plan
- ❖ Measurable milestones & results
- ❖ Is the program sustainable?

HOW WILL THE FUNDER EVALUATE YOUR GRANT PROPOSAL?

Will the program, service, project, or initiative have genuine impact/make a real difference?

- ❖ Will it benefit a significant number of people?
- ❖ Can it make a “critical” difference for a certain group of people?
- ❖ Does it address issues that are symptoms or a systemic “root cause?”
- ❖ Will it help build human or social capital, or community capacity?
- ❖ Can it help improve quality of life?
- ❖ Is there any other organization providing this service in the community? If so, are each addressing a niche or should you be collaborating or merging?

How Will The Funder Evaluate Your Grant Proposal?

Does the organization have the capacity to accomplish what it wants to do?

- ❖ Leadership
- ❖ Staff
- ❖ Track record for results
- ❖ Financial Health

Tips when soliciting corporations and foundations...

Do Your research! 990's are a great source of information!

- ❖ Check out guidelines/deadlines if on-line
- ❖ Make personal contact with funder
- ❖ Know when the “black-out” time frame is or if one exists
- ❖ Learn if your project fits within the donor intent of the fund
- ❖ Do a final report-donors want to know how their gift has made a difference; will change lives or address an issue

Dominion Energy and Dominion Energy Charitable Foundation



Dominion Energy and Dominion Energy Charitable Foundation

Financial Contributions

Dominion Energy Charitable Foundation

- Separate legal entity
501(c)(3) charity
- Funded from corporate profits
as deemed appropriate by
Dominion Energy management
- Supports charitable
contributions and matching gifts

Direct Giving

- Throughout Dominion Energy
- EnergyShare
- Special event sponsorships
- Scholarships

Resource Contribution

Community Outreach & Signature Programs

- Volunteer program
- Project Plant It!
- Strong Men & Women



2017 Foundation Contributions

Foundation covers Matching Gifts program and charitable donations:

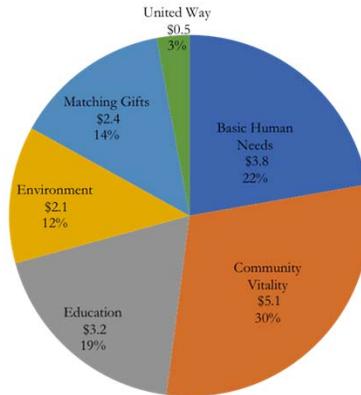
2017	# Requests	Amount Requested	# States	# Grants	Amount Granted
Grants	2,177	\$37.6 M	16	1,245	\$14.7 M
Matching Gifts			45	4,940	\$ 2.4 M
Total				6,185	\$17.1 M

Foundation Grants by Amount

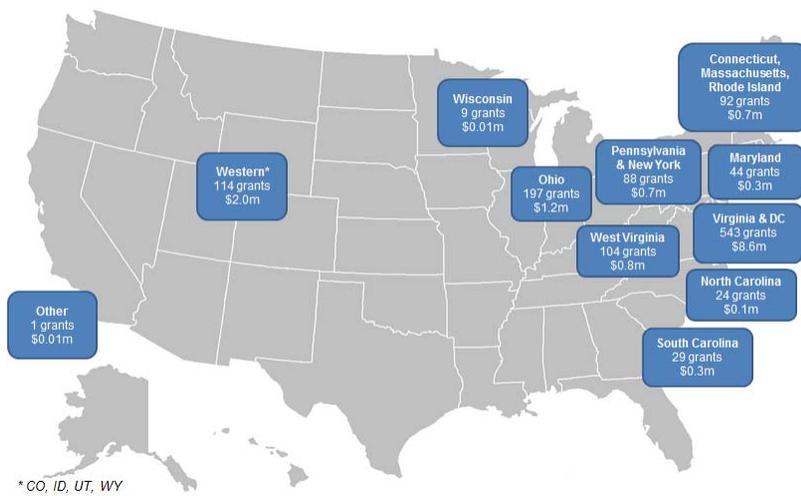
Amount	# Grants	%	Total
Up to \$5,000	788	63%	\$2.4M
\$5,001 - \$25,000	384	31%	\$5.2M
>\$25,000	73	6%	\$7.1M

2017 Foundation Contributions

Category	(\$ million)
Education	\$ 3.2
Basic Human Needs	\$ 3.8
Community Vitality	\$ 5.1
Environment	\$ 2.1
Matching Gifts	\$ 2.4
United Way	\$ 0.5
Total	\$17.1



2017 Foundation Contributions



Dominion Energy Charitable Foundation Priorities and Application Process

Focus Areas

- **Human needs** grants that support increased food security, housing and shelter, and access to basic medical and health care.
- **Environmental stewardship** grants to protect natural resources and help non-profit organizations make efficient use of energy.
- **Education** grants to develop the capacity of the future workforce, especially in STEM and energy fields.
- **Community vitality** to foster an appreciation of diversity; ensure a vibrant community life through support of cultural endeavors.

Geographic Eligibility – Dominion Energy “footprint”

Grants Cycle

- On-line applications available year-round
- Reviewed by local CIB (Community Investment Board)
- Review and approval process takes about six weeks
- Requests greater than \$25K require Board approval

Environmental Education and Stewardship Grants

Annual program, \$1 million budget
Grants up to \$25K
Environmental education; making nature accessible; preserving nature

Grants Cycle

- Applications open in January
- Due in March
- Awarded near Earth Day

2018 recipients include:

- Blue Sky Fund, Richmond
- Therapeutic Adventures, Charlottesville
- Virginia Aquarium, Virginia Beach

Critical Community Needs Grants

\$1 million budget

Grants up to \$25,000 that support:

- Housing and shelter
- Access to medicine and medical service
- Increased food security

Application Cycle

- **Late August:** Application period opens
- **Late November:** Notification to all applicants
- **December:** Public announcements and check presentations

What Makes A Successful Proposal

Before applying:

- Ensure priorities match funding organization
- Follow the instructions
- Beat – not meet – the deadline

After you receive funding:

- Memorable acknowledgement letters
- Public acknowledgement of gift
- Share your story (“results”)

Top reasons for declining request:

- Requests exceed budget
- Sustainability
- Limited audience/# of recipients



The Mary Morton Parsons Foundation Background

- ❖ The Mary Morton Parsons Foundation was founded in 1988 by Mrs. Mary Morton Parsons as a private, non-operating foundation to support the capital needs of charitable organizations.
- ❖ To date, the Foundation has awarded approximately \$106.7 million to qualified grantees.
- ❖ Mission---we all work together as a community to make the greater Richmond area a better place to live and work and that we preserve the related traditions and history of our Commonwealth.

Who was Mrs. Parsons?

- ❖ Mary Morton Parsons (1903-1990) was the only child of William Smith Morton, a founder of the Home Beneficial Life Insurance Company (American General Life and Accident Company in 1997)
- ❖ The Foundation was established in 1988 by Mrs. Parsons with the assistance of her long-time friend Clinton Webb to support a variety of philanthropic purposes, from the arts to historic preservation to fundamental community needs.
- ❖ Mrs. Parsons honored their friendship by engaging Mr. Webb as the Foundation's first president, a position he held until his death in 2000.

What does the Foundation fund and how often?

- ❖ The Foundation typically issues between \$6-7 million annually in grants to support capital projects, mostly on a challenge or matching basis.
- ❖ The Foundation has found that matching grants help organizations raise additional gifts they may not have otherwise received, thus leveraging the impact of the grant to benefit worthy causes.

Grant Submission Deadlines--

- **Spring cycle: March 15 (May Board meeting)**
- **Fall Cycle: September 15 (November Board meeting)**

What has MMP Funded in the last few years...

***Note-this is just a high level summary

- | | |
|-------------------------------------|---------------------------------------|
| • Richmond Symphony | Travelling tent |
| • SPARC | Capital improvements-current building |
| • Valentine History Center | Capital improvements |
| • Goochland Free Clinic | New site |
| • VMFA | Audio enhancements |
| • ICA at VCU | New site |
| • Boy Scouts | New site |
| • Community Idea Station | New towers |
| • Richmond SPCA | Veterinary clinic |
| • Virginia Capital Trail Foundation | Signage |
| • Colleges/Universities | |
| • Caritas | Women's Healing Place |
| • J Sargeant Reynolds | Culinary School-East End |

What do I do as the Executive Director?

- Responsible for day to day operations of Foundation (\$115-120 million in assets under management)
 - Managed by Davenport and Company
- Complete all of the due diligence on the potential grantees
 - Pre-grant meeting either via phone or in-person
 - Review of materials
 - Prepare final grant information for Board member review
- Prepare for two Board meetings per year
- Work closely with MMP Board members
- Manage grantee relationships post grant award letter
- Manage annual budget of Foundation
- Work in community and represent Foundation

Wrap Up!



Questions and Answers



APN Consulting

42

Thanks for attending...

Amy's contact info...

Email

Mmparsons.foundation@gmail.com

Website

<http://www.mmparsonsfoundation.org/>

Phone

(804) 780-2183

apnconsulting2018

43

Thanks for attending...

Cindy's contact info...

Email

Cindy.balderson@dominionenergy.com

Website

<https://www.dominionenergy.com/community>

Phone

(804) 771-3723