

## Section 3.2.1: Foundation Funding

### PURPOSE AND POLICY

A foundation will offer funding opportunities to support the organization's charitable pursuits. Funding priorities are determined by the governing board, as well as the eligibility requirements for applicants. These types of foundations frequently give preference to a geographic area based upon the foundation's ties to the community (common with corporate giving programs and family foundations). The State of Arizona, when receiving awards from foundations, will be required to comply with the foundation's objectives. As such, the state agency grant program manager must evaluate and consider the foundation's expressed and implied objectives in comparison with the state's objectives to ensure compatibility. Creating such a public-private partnership may allow the state to leverage foundation funds to gain access to other federal, state, and/or nonprofit funding opportunities with similar objectives. The State of Arizona agency receiving a foundation grant must establish the awarding foundation as grantor in all internal records, including eCivis.

#### **Corporate Foundations**

Corporate foundations are nonprofit organizations that will generally establish its objectives based on the charitable interests of the corporate sponsor of the foundation. Therefore, most of its funding opportunities will be directed towards achieving objectives directly or indirectly related to the corporate sponsor's business, customers, location, stakeholders, community of interest, or other charitable objectives. State agencies receiving awards from corporate foundations may be indirectly associated to the corporate sponsor. As such, the state agency grant program manager must avoid creating a relationship that may be a real or perceived conflict of interest for the state. Once the grant program manager has vetted the funding opportunity and determined that there is no conflict of interest and the funding opportunity is compatible with the state agency's objectives, the state agency may seek the funding opportunity. These types of funding opportunities provide a chance for state agencies to perform compatible projects or programs or to leverage resources that otherwise may not be available to the state.

#### **Nonprofit and Family Foundations**

Nonprofit foundations are organizations authorized by federal law as not-for-profit entities that establish their charitable objectives based on the interests and objectives of the organization's founding documents, board, and donors. Although most nonprofit foundations have specific objectives and develop funding opportunities to specifically achieve those objectives, they may provide flexibility for the state regarding which compatible programs, projects, goods or services are funded.

Family foundations are nonprofit organizations that will generally establish its objectives based on the charitable interests and objectives of the organization's founding individual or family. Although most family foundations have specific objectives and develop funding opportunities to specifically achieve those objectives, they may provide flexibility for the state regarding which compatible programs, projects, goods or services are funded.