

# IEEE Foundation Primer

**Legal:** The IEEE Foundation is a not-for-profit 501(c)3 public charity, incorporated in New York state in 1973. It is independent of the IEEE, which is also a 501(c)3.

## The once and future Foundation

**Past:** The IEEE Foundation was established as a tax-exempt entity to hold and manage money donated by IEEE ‘organizational units’ and outsiders for various purposes, such as IEEE awards, preservation of history of tech, and student scholarships. To perform this function the Foundation had the structure needed to legally support this fiduciary responsibility – that is, the appropriate board membership and the appropriate committees to accept, manage, pay out, and audit the funds entrusted to it. Very little money was explicitly raised by the Foundation, mostly through the IEEE dues renewal process, nor did it have any philanthropic intent other than toward current and future IEEE members.

**Future:** Beginning in the early 2000’s, the IEEE Board and staff leadership decided that it was appropriate, and even necessary, for a variety of reasons, to encourage IEEE involvement in activities aimed at the ‘public good’ and beyond just its membership. It was also decided that these new activities should **not** be financed with member dues, but rather with proceeds of IEEE business activities (like publications and conferences) and, if possible, augmented through the philanthropy from IEEE members and other external sources (corporations and foundations). As a part of this grander vision for promoting the IEEE’s tagline of “humanity through technology”, the IEEE Foundation moved beyond its narrow historical function of guarding the Foundation Fund, used principally for awards and scholarships, to take on the additional role of proactively fundraising and actively encouraging philanthropy to be used to fund IEEE-managed projects.

## The Board

- 1) **Quantity:** Nominally 14 members; Bylaws allow up to 18 members and require that all be IEEE members and volunteers
- 2) **Selection method:** Nominations and Government Committee produces a slate, and the board votes on it. There is no explicit IEEE influence or veto.
- 3) **Terms and rotation:** Three-year terms, with two terms maximum. Officers may, in some cases, stay up to three years longer.
- 4) **Officers:** President/Board chair, 1<sup>st</sup> VP (president’s backup), Treasurer, Secretary, VP of Development and VP of Programs.
- 5) **Five Committees:** Nominations and Governance, Audit, Finance, Development, Programs. Finance, Development and Programs may include members other than Foundation Directors
- 6) **Expectations of board members:**
  - a. **Meetings:** Four, sometimes five, meetings per year with two being 2 day in-person board meetings and the others as video conference. Committee meetings are primarily conducted via video conference and occasionally at in-person board meetings
  - b. **Compensation and expenses:** No compensation (pro bono), lodging provided by the Foundation, travel funds provided if needed
  - c. **Giving:** All board members are expected to make an annual donation to the level of their ability so that we can advertise 100% participation by the board. Some donate more than a token amount and they tend to direct it toward the program they care most about. The diversity of backgrounds of the board members has historically precluded the establishment of a specific give/get target. Additionally, board members are encouraged to include the IEEE Foundation in their estate plans.
  - d. **Ambassador:** All board members are asked to serve as an ambassador and help with the following activities within their level of comfort and ability – 1) raise awareness of the Foundation, 2) steward our donors, 3) identify prospective donors and 4) assist with solicitation. The professional staff helps to facilitate these activities.

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**The Foundation staff:** Like most IEEE ‘organizational units’ [which we are legally not one of] there is a parallel supporting set of professional staff who work for the Foundation and lead the day-to-day operations and fundraising work.

## 1) Staff Structure

- a. Executive Director
  - i. Fundraising/Marketing/Communications
    1. Senior Manager Development Operations & Annual Giving
      - a. Donor Relations Specialist
      - b. Development Operations
    2. Development Officers (3) – pursue major gifts(\$10K+), principal gifts (\$100K+) and planned gifts
    3. Senior Communications Manager
  - ii. Programs & Governance
    1. Programs & Governance Specialist
    2. Governance Specialist –
  - iii. Foundation Accounting
    1. Accounting Manager
    2. Staff Accountant (1.2 FTE)

- 2) **IEEE Relationship:** All the IEEE Foundation professional staff are employees of IEEE who are seconded to the Foundation by a service agreement with IEEE. Annually, the IEEE Foundation pays IEEE for administrative, accounting and governance services (collectively called the ‘Contract Support’). Annually, IEEE donates money to the Foundation to cover a substantial portion of the Contract Support. Additionally, IEEE make an in-kind donation the Fundraising and Marketing functions (collectively called the ‘Contributed Services’). There is the potential of conflict of interest between the IEEE and the Foundation because of this arrangement, but, to date, this hasn’t been an issue.

## Finances:

- 1) **Net Assets:** As of the end of 2021 - the Foundation had Net Assets of about \$71M ‘in the bank’, more than 80% of which is restricted in the sense that the funds are earmarked for specific purposes in 250+ donor designated funds. While we are legally free to do otherwise, we have chosen to co-mingle the net assets intended to last long term with the IEEE’s money in its Long-term Investment Fund, which is overseen by the IEEE Investment Committee. The investment fund has performed quite well over the years and the Board routinely examines this relationship every three years.
- 2) **Fund(s) management:** While we talk about ‘the fund’, in fact we manage 250+ donor designated accounts, each with its own conditions based on agreements with donors and the IEEE units that manage the program(s) the Fund supports. Management of these Funds accounts for a non-trivial percentage of our professional team’s time.
- 3) **Unrestricted funds:** Within the Net Assets, approximately \$4M or so is unrestricted money used to operate the Foundation and its usage is at the Foundation Board’s discretion. The remainder of the funds, we are obligated to spend in accordance with donor restrictions.
- 4) **Charity quotient:** For each dollar we spend, 78% goes to ‘good works’ and 22% to admin and fundraising. While this number is inflated a bit by the money that the IEEE gives us for the staff they provide, this 78% figure is very good in the world of not-for-profit charities and is a major driver to the 100 rating the IEEE Foundation has with Charity Navigator.

## Fundraising:

**History:** Until the 2012/13 change in course, fundraising was relatively passive with a handful of annual giving initiatives and a single major gift officer. There was not a cohesive or structured manner to our fundraising efforts. It was catch as catch can.

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**Pan IEEE fundraising campaigns** launched during our history designed to bring structure, focus and awareness to the fundraising objectives:

- 1) **Realize the Full Potential of Campaign (2015-2020):** In 2015, we launched our first comprehensive campaign with a goal of raising \$30M. We went public with it in February of 2018. At that time, we had already raised slightly more than half of the goal. In December of 2020, we exceeded the goal raising \$32.1M. Enjoy the Realize Your Impact campaign celebration video to discover more about how the money was and is being used:  
<https://www.youtube.com/watch?v=B3wOythDLsl>
- 2) **50<sup>th</sup> Anniversary Celebration (2022-2024):** On 16 February 2023, the IEEE Foundation will turn 50 years old. The celebration of this important milestone will dominate our activities throughout 2023 and into early 2024 as we reflect on 50 years of impact and looking to the future. The celebration will include events, speaking engagements and a fundraising initiative seeking to raise \$10M and among other objectives add 50 members to our IEEE Goldsmith Legacy League (planned giving donor recognition group).

**Deployment of Fundraising Energy - Service Categories:** To create a service framework that organizes the support and resources the Foundation provides to IEEE donor supported programs and define expectations for involvement in the fundraising process by these programs, four service categories were defined:

- 1) **Focus** - these are programs that match our program pillars (see below) and have a proven track record of impact, donor interest and IEEE commitment. For a year, maybe longer, these receive the maximum number of services from the IEEE Foundation team and represent the center piece of our fundraising efforts and will be frequently featured in our communications. During 2023 these include: IEEE Smart Village, IEEE SIGHT, IEEE TryEngineering, Scholarships (including PES Scholarship Plus Initiative), IEEE Life Members Committee, IEEE History Center, IEEE-Eta Kappa Nu (HKN), and Women in Engineering.

The wide variety of programming is intentional to appeal to different donor interests. These are the centerpiece of the 50<sup>th</sup> Anniversary Celebration campaign.

- 2) **Opportunity** – these are programs that are emerging or timely special initiative with specified fundraising goal and defined time horizon. These are frequently ‘in honor’ or ‘in memory’ opportunities. These receive a high number of services and will also frequently feature prominently in our communications.
- 3) **Enrich** – these Programs continually fundraise or receive gifts based on IEEE unit driving the fundraising effort. Examples include EPICS in IEEE, Science Kits for Public Libraries (IEEE Region 4 program) and IEEE MOVE.
- 4) **Sustain** – are all other donor supported programs/funds not in another category. Included are any funds that are ‘endowed’ or spending down a balance with no current need to fundraise.

## Programs:

**History:** Until the 2012/13 change in course, the IEEE Foundation spent money two ways – as directed according to fund restrictions (e.g., for the Kilby Medal) and on a grants program with the unrestricted money. The grants were small, diffuse, not limited to IEEE activities or actors, and not terribly ‘impactful’. When the decision was made to become more active philanthropically, this scheme was altered to focus our limited proactive fundraising bandwidth on a handful of key and impactful IEEE program we call ‘donor supported program’. We retained a small grants program, but it is limited to funding requests from IEEE ‘organizational units’.

**Pillars:** We organize our 250+ donor designated funds and the programs each supports into Pillars. The pillars provide a focal point, and structure for financial reporting and marketing purposes.

Our pillars include:

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- 1) **Illuminate** the possibilities of technology by using it to address global challenges. Within IEEE circles, these are called ‘humanitarian’ programs and include:
  - a. **IEEE Smart Village** - Empowering energy impoverished communities by delivering sustainable electricity, educational services and enterprise development
  - b. **IEEE SIGHT** - A global network of IEEE volunteers partnering with underserved communities & local organizations to leverage technology for sustainable development.
  - c. **IEEE MOVE** - Assisting victims of natural disasters with short-term communication, computer, and power solutions.
  - d. **EPICS in IEEE** - Working with students to solve community challenges through service learning and engineering
- 2) **Educate** the next generation of innovators and engineers. These are educationally oriented programs ranging from pre-university to continuing education programs and include:
  - a. **IEEE TryEngineering** – IEEE’s STEM Portal that is Fostering the Next Generation of Technology Innovators
  - b. **IEEE REACH** - Bridging the technological literacy gap by bringing the history of technology alive in the classroom
  - c. **IEEE PES Scholarship Plus Initiative** – Transformational Scholarship program that is ensuring the future of the power & energy sector
  - d. **Scholarships and Fellowships** offered by IEEE units
  - e. **Research and Projects Grants** for Students and Young Investigators offered by IEEE units, mostly Societies
  - f. **Travel Grants** for Students and Young Investigators to attend, present and network at an IEEE conference
- 3) **Engage** a wider audience in appreciating the value and importance of technology. These tend to be public awareness programs and include:
  - a. **IEEE History Center** - Preserving the past, enlightening the future
  - b. **Life Members Committee** - Leading the way and giving back as life-long problem solvers
- 4) **Energize** innovation by celebrating technological excellence. These include peer to peer recognitions (aka awards) and IEEE-HKN.
- 5) **Future** allows us to dream and looks beyond our lifetime to shape the destiny of future generations. This includes diversity, equity and inclusion programs like IEEE Women in Engineering.

**Issues:** No organization is without issues. The list is longer, but these are the biggest ones the Foundation Board is currently tackling.

- 1) **Relationship with the IEEE:** In spite of the IEEE’s desire to do more in the ‘humanitarian and philanthropic’ space (they called it H&P) there is still little, albeit growing, clarity within the IEEE on how they plan to do it and how the IEEE Foundation should be involved. Should, for example, the IEEE Foundation be put in charge of all IEEE H&P activities, since it has built/is building a fundraising organization, should it be completely uninvolved, or is there some middle ground? This problem is exacerbated by two facts: 1) few IEEE volunteers know as much about the Foundation as we would hope, and 2) most H&P-oriented folks in the IEEE want to spend money but don’t really want to raise it.
- 2) **Building a Culture of philanthropy at IEEE:** One of the Foundation’s long-term objectives is to illustrate to IEEE members that personal philanthropy is a good thing and that the IEEE is an excellent avenue by which their philanthropy can have maximum societal effect. There are various complications this concept encounters including the fact that donations are only tax deductible in the US while IEEE is growing more outside the US, IEEE top leadership turns over before they fully grasp the possibilities of philanthropy, and the Foundation receives minimal exposure in the mass IEEE communications (and not because of lack of trying).
- 3) **Program Impact:** Successful fundraising requires a clear need and purpose, excellent storytelling and impact metrics that will grab a donor’s attention. These are not skills IEEE, and its programs excel at thus it is challenging for the IEEE Foundation to attract donors and retain donors. We are examining ways we can help our programs build these important skill sets.