

## NPHI BEST PRACTICES SERIES: ESTABLISHING AN NPHI FOUNDATION

Many NPHI directors are recognizing the benefits of establishing independent, nonprofit organizations to pursue partnerships and raise funds from the private sector to support the institute's mission in ways that might otherwise not be possible or easily achievable.

Several issues and considerations related to establishing an NPHI foundation are country specific. Even the term "foundation" means different things in different countries. For example, in the United States, "foundation" often implies a philanthropic entity funded through a private endowment, but, despite its name, the CDC Foundation is a nonprofit public charity that raises money only to support the mission of the US CDC and is not an endowed philanthropy. (See [NPHI Best Practices Series -- Case Study: CDC Foundation](#).)

Similarly, legal requirements for authorizing and operating a foundation will differ based on country and jurisdiction. NPHI directors and executive teams exploring creation of an NPHI foundation will require familiarity with the legislative and organizational development processes in their own countries and will likely benefit from advice from knowledgeable legal counsel familiar with local regulations. The following are, however, some general issues for consideration.

### INITIAL CONSIDERATIONS

- **High-level support** – As with NPHI creation, establishment of a foundation requires strong supportive leadership from the director to advocate for the idea at inception and to maintain momentum during a potentially lengthy development process.
- **Relationship to the NPHI** – Initial discussions must address the foundation's independence from the NPHI and the complexities involved in establishing and maintaining a close but separate relationship between the two entities. A balance must be struck between the mission of the foundation, which is driven by the mission of the NPHI, and the management and operation of the foundation as a separate entity.
- **Legal authority** – Legislation or other governmental mandate can be helpful in authorizing creation of an independent nonprofit foundation and facilitating its establishment.
- **Funding** – It takes money to establish and operate a foundation. Early discussions must address the availability of start-up funding as well as the potential for building relationships with and securing funding from the private sector and elsewhere.

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- **Ethical guidelines** – It is important to think through in advance the complex ethical issues and potential risks involved in establishing a nonprofit entity. A code of ethics might address issues such as personal and professional integrity, governance, legal compliance, and responsible stewardship of funds.

### ORGANIZATIONAL AND OPERATIONAL DOCUMENTS

The process for establishing a foundation usually requires two essential documents:

- **Formative document** (i.e., articles of incorporation; legislation) that contains general information about the foundation, such as the name, location, and statement of purpose
- **Bylaws** (i.e., rules) that govern daily operations of the organization and outline in writing the governance structure, terms and term limits, meeting requirements, conflicts of interest policies, code of ethics, etc.

It can be helpful to convene an organizing committee and hire an attorney to prepare these documents and create the foundation.

### GOVERNANCE

Foundations are typically governed by a Board that provides strategic leadership to the organization (i.e., sets direction, makes policy and strategy decisions, oversees performance, ensures accountability). Board members are key to securing essential funding for the foundation, building relationships and generating goodwill, and advocating on behalf of the NPHI.

The Governing Board should be constituted to provide relationships and a structure for fundraising and to ensure independence from the NPHI. The composition of the Board is typically set forth in the bylaws. Intentionally structuring the Board to include other sectors in addition to public health (e.g., business; philanthropy) can maximize both independence from the NPHI and success in fundraising and relationship building. Separation between

#### A Foundation Can Add Value to an NPHI

- Help the NPHI pursue innovative ideas that might not be possible without the support (e.g., funding, expertise, information, technology) of external partnerships
- Help the NPHI launch new programs, expand existing programs, or conduct pilot activities in advance of full implementation of a project
- Provide flexibility in use of funds so that the NPHI can act quickly and effectively in the face of a public health threat or challenge

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the foundation and the home agency can be further ensured by excluding the NPHI director, staff, and alumni from the Board.

Additional issues to consider in establishing a Governing Board include general powers, term limits, and a nomination process. An Executive Director appointed by the Board is typically responsible for operations of the foundation.

### NPHI BEST PRACTICES SERIES: CASE STUDIES

CDC Foundation

#### STAFFING

Once the foundation is established, the main activities are to raise funds and build programs to support the NPHI's mission. Three categories of staff are optimal: 1) financial staff, 2) program staff, and 3) staff tasked with partnership and fundraising.

#### INITIATING PROGRAMS

Partnership ideas can originate from NPHI scientists and other staff who see the value in collaborating with partners to extend the institute's public health priorities. Or a private-sector or philanthropic organization might determine that they can do a better job of accomplishing their own goals by working with the NPHI through its foundation. In either case, the foundation's role is to facilitate collaboration through dialogue and review processes at multiple levels to ensure that a project aligns with the NPHI's mission and priorities.

#### FUNDING AND FUNDRAISING

A foundation is typically formed to procure funding and create and manage alliances with public and private partners in support of the NPHI's mission. Therefore, it is important to have a development plan to raise funds and sustain the foundation, as well as dedicated fundraising staff who work in concert with Board members to secure private support for the NPHI. Fundraising should be conducted according to the highest ethical standards regarding solicitation, reporting, and use of funds. Clear policies for fundraising activities will ensure responsible use of funds for designated purposes.