

INVESTING IN INNOVATION FUND (i3)

Securing the i3 Private-Sector Match A Resource for Applicants 2016

i3 grantees are required to obtain matching private funds or in-kind donations. The following information describes the i3 matching requirement and includes links to additional resources that eligible applicants may find useful.

- I. **Overview:** Potential grantees under the i3 program are responsible for obtaining private-sector matching funds or in-kind donations. Development grantees must secure a 15 percent private-sector match; Validation grantees must secure a 10 percent private-sector match; and Scale-up grantees must secure a 5 percent private-sector match (or have requested, as part of their applications, a reduction in the required private-sector match, though the match cannot be waived in its entirety and must be approved by the Department).¹

Eligible applicants are not required to secure the private-sector match prior to submitting their applications. However, to receive a grant, eligible applicants that are designated as highest-rated by the Department of Education (the Department) must submit evidence of the private-sector match following the peer review of applications. Each highest-rated applicant, as identified by the Department following peer review of full applications, must submit evidence of half of the required private-sector match prior to the awarding of an i3 grant. An applicant must provide evidence of the remaining half of the required private-sector match no later than three months after the project start date. The grant will be terminated if the grantee does not secure its private-sector match by the established deadline.

To meet that obligation, potential i3 grantees should vigorously pursue all available sources of private monetary and in-kind support, including private business, local charitable and service organizations, individual private donors, as well as regional and national foundations.

To assist potential i3 grantees in meeting the private-sector match requirement, the Department has identified some potential private sector resources below. The Department does not endorse these, or any other specific private-sector source of support to meet the i3 matching requirement, but is providing this information as a service to potential grantees. As noted above, potential i3 grantees should pursue a private-sector match from a variety of sources, not just those listed as potential resources in Section II. Please consider the following requirements pertaining to the match:

- a. Following the peer review of applications, the highest-rated applicants will have

¹ For more information about the i3 matching requirement, see the *Investing in Innovation Fund (i3) Program Guidance and Frequently Asked Questions* (available on the Department's website at <http://innovation.ed.gov/frequently-asked-questions-faqs/>).

several weeks to secure the match and provide evidence of at least half of the required private- sector match.

- b. Only contributions from **non-governmental (private) sources** count towards the matching requirement.
- c. Contributions may be **cash or in-kind**.
- d. Eligible applicants may count **existing private-sector support towards the required match** so long as these funds are **reallocated in support of the proposed project**, and the applicant submits appropriate evidence of this commitment.
- e. An eligible applicant need not have the entire match amount in hand at the time of award; however, an i3 grant award will not be made unless the eligible applicant provides adequate evidence that at least half of the required private-sector match has been committed or the Secretary approves the eligible applicant's request to reduce the matching requirement. (Again, the remaining half of the private-sector match will need to be secured no later than three months after the project start date.)

II. Potential Resources: There are multiple resources an applicant may consider when trying to secure its i3 match. We have listed a few of these resources below. The Department has no role in the funding decisions made by any private funder, and therefore cannot guarantee that pursuing these resources will result in securing the required match. The Department does not endorse any particular funding resource, including those listed here, and strongly encourages applicants to seek matching funds or in-kind donations from a diverse range of individuals, corporations, private business, local charitable and service organizations, and foundations. Because private funders operate on a variety of different schedules, applicants are encouraged to seek the required match as early as possible and do not need to wait for designation as a highest-rated applicant to begin that process.

a. Foundation Registry i3

The Foundation Registry i3 was created by 12 national foundations in 2010 to improve the ability of foundations funding i3 applications to examine potential investment opportunities, and to simplify the process for eligible applicants seeking matching foundation funds. Currently, 72 foundations participate in the Foundation Registry i3. Eligible grant applicants may register their i3 proposal on the Foundation Registry i3 website, which will make their applications accessible and viewable to all participating foundations. Please note that while the Foundation Registry i3 enables registered applicants to make their funding needs known, each foundation maintains its own decision-making authority and applicants still need to submit a formal proposal to foundations separately. Additionally, not all entities that register an application will be contacted and/or funded. During the last six i3 grant cycles, 84 of the 157 highest-rated applicants that uploaded their proposals to the Foundation Registry i3 were matched by one or more Registry funders for a total of approximately \$85.7 million. The Foundation Registry i3 can be found at the following Internet address: <https://www.foundationregistryi3.org/>.

b. Foundation Center

The Foundation Center is a source of information on philanthropy, fundraising, and grant programs. Its Foundations for Education Excellence Initiative and Internet site is a resource focused on education funding. It provides interactive maps of foundations supporting education reform by state and lists the top education grant makers by program/reform area. Daily news feeds include announcements of new foundation grants and programs in the field. The

Foundation Center's Foundations for Education Excellence Initiative Internet site can be found at the following Internet address:<http://foundationcenter.org/educationexcellence/>.