Refocusing of the ADA Foundation

Introduction

After several years of in-depth analysis of the philanthropic and research activities of the ADA Foundation (ADAF), in June 2019 the ADA Board of Trustees, acting as the sole member of the ADAF, made the decision to refocus the work of the Foundation towards research and science.

The goal of the transition relating to philanthropy was to wind down the charitable grant programs and funds in as brief a time as practical and to exhaust funds as designated—all while complying with donor intent and all applicable laws. As part of the wind down, the ADA then determined which philanthropic activities previously conducted by the ADAF it wished to continue to engage in (as well as other philanthropic activities).

Philanthropy

General Overview: The ADAF transition Board appointed by the ADA Board of Trustees in June 2019 oversaw the spending down of philanthropic funds other than the two endowment funds. The ADAF transition Board determined that the two endowed funds would continue to be overseen by the ADAF Board but would be administered by the ADA.

In addition, some of the ADAF key charitable programs and activities were transferred to a new department created within the ADA, the Department of Corporate Social Responsibility and Philanthropy (DCSR). The DCSR preserves and promotes ADA’s longstanding commitment to improving the oral health of the public in the United States and beyond. Former ADAF programs and activities housed in the DCSR include Give Kids A Smile® and International Outreach. The DCSR also manages the ADAF’s charitable assistance grants to dentists and their dependents.

Philanthropy Funds: At the time of the ADA Board’s actions, the ADAF philanthropy assets totaled $14,700,616.

As mentioned above, the two endowments (totaling $10,246,861) will continue to be held by the ADAF and overseen by the ADAF Board. Any grants from the endowments will be managed by the ADA DCSR. The endowments are intended to generate income to be used for specified purposes. One of the endowments (Relief Fund) provides charitable assistance grants to dentists and their dependents; the other (Samuel Harris Fund) provides funding to support the oral health status of American children.

All non-endowment funds ($4,453,755) have been or are expected to be expended over the next 12–18 months—all as directed by the ADAF Board and in accordance with donor restrictions.

Philanthropy Grants: Key grants and awards made in 2019 include the following:

- $33,804 comprised of the Loren Feldner fund and unrestricted access funds to Dental Lifeline Network to be used for access to care for underserved veterans.

* ADA Trustee
- $125,000 to Illinois Masonic Medical Center for year one of a three-year grant to improve the oral health status of children with special needs.

- $27,915 in disaster assistance funds International Medical Relief, a 501(c)(3) charitable organization with non-governmental organization (NGO) status based in the United States for emergency disaster relief in the Bahamas.

- $414,400 in charitable assistance grants to 19 individual dentists and/or their dependents.

- $258,022 in Access to Oral Health Care for People with Special Needs two-year (2019 and 2020) grants divided among four organizations in various amounts - United Cerebral Palsy Seguin of Greater Chicago, Viscardi Center, University of Rochester Eastman Institute for Oral Health, and The Ohio State University Nisonger Center.

- $1,033,946 to the ADA Department of Corporate Social Responsibility and Philanthropy for 2020Give Kids A Smile, Tiny Smiles, international volunteer projects, and grants administration.

- $80,000 in dental student scholarships of $20,000 each to four individuals.

- $37,189 in Senior American Access to Care grants divided equally amount three recipients as follows: Dental Care in Your Home of Albuquerque, New Mexico; Case Western Reserve University of Cleveland, Ohio; and Good Shepard Ministries of Oklahoma, Inc. of Oklahoma City, Oklahoma.

- $114,178 in E. “Bud” Tarrson Dental School Student Community Leadership Awards to nine dental schools as follows: University of North Carolina Adams School of Dentistry (two awards); Oregon Health & Science University School of Dentistry; New York University College of Dentistry; A.T. Still University of Health Sciences; University of Minnesota School of Dentistry; Tufts University School of Dental Medicine; Meharry Medical College; Harvard University School of Dental Medicine; and the University of Detroit Mercy School of Dentistry.

- $20,000 to the University of California San Francisco for a Collaboration Grant to provide continuity of care for 12 months to patients seen during the September 2019 access to care event in conjunction with the ADA Annual Session.

- $20,000 of International Volunteer Dental Project Grants of $5,000 each to four organizations as follows: Philos Health, Cape CARES, Washington Overseas Medical and Dental Mission, and World Health Dental Organization.

- $10,000 Dentsply Sirona Research Award for Dual Degree Candidates to one individual.

- $5,000 Crest and Oral-B Promising Research Award to one individual.

- $10,000 for the Dr. David Whiston Leadership Awards of $5,000 each to two individuals.

- $15,000 to The Indiana University School of Dentistry for the 2020 Give Kids A Smile National Kickoff Event.

Key grants and awards made from January 1, 2020 through April 30, 2020 include the following:

- $176,000 in charitable assistance grants to seven individual dentists and/or their dependents.

- $33,000 in dental student scholarships to be awarded in May or June 2020 to up to three individuals.
Other Transition Steps Taken

The transition has been extremely complex. While not exhaustive, the following list is provided to provide an overview of the transition process since June 2019. The following actions were taken:

- The executive director search was cancelled.
- ADAF presence at ADA FDI 2019 was cancelled except for the University of California San Francisco access to care event (previously funded and scheduled) which went forward with two staff members.
- ADAF break-out session during Management week was cancelled although ADAF did host a previously scheduled and contracted-for reception on Monday evening.
- The ADAF “donate now” button was removed from the ADAF website.
- Staff payroll deduction donations to the ADAF were discontinued.
- Recurring donations to the ADAF were discontinued; all donors were notified and thanked.
- Donors who made gifts after the June 23, 2019 ADA Board decision were thanked and advised of the shift to research and science and that there would be no individual fundraising in the future.
- Each of the seven states where a contribution to the ADAF could be made on member dues statements was notified to discontinue the option; copies of the letter were sent to the state executive director and district trustee.
- The Scholarship, Access to Care and Education, and Charitable Assistance committees were retained to make grants recommendations, as needed, to assist the Board in spending down funds; all other committees were discontinued. Following the transition, the Scholarship and Access to Care and Education committees were dissolved.

Science and Research

The structure of ADAF science and research as envisioned by the ADA Board evolved over the second half of 2019. The goal of the ADA Board in refocusing the ADAF was to combine the ADAF Research Center and the ADA Science Institute to allow for a renewed focus on the creation and translation of scientific knowledge and the development of new products and technology. The ADA Science and Research Institute is the key ADA subsidiary involved in the creation and translation of science for the practice of dentistry. The Research Center, based in Maryland, on the other hand, filled an important niche that is not duplicated by the National Institute of Dental and Craniofacial Research or corporate research in the advancement of dental research. The Research Center’s focus on early product development represents an avenue of dental research that has the potential for significant clinical impact and public benefit. The Board felt that joining the strengths of the Science Institute to those of the ADAF research center would offer economies of scale, proven management capability, strong strategic alignment, financial sustainability, and operational efficiencies for both the Research Center and the Science Institute.

However, as the process to focus the science work progressed, it became apparent that the structure of combining the ADA Science Institute with the ADAF Research Center as originally contemplated posed certain practical hurdles and legal risks because of the differences between 501(c)(6) organizations such as the ADA and 501(c)(3) charitable organizations such as the ADAF. It became evident that moving all of the ADA Science and Research Institute programs to the 501(c)(3) charitable organization would require a meaningful change in focus for many of the programs because the requirement that the activities of a 501(c)(3) must focus solely on the public interest.

Thus, to address these legal and practical considerations, the ADA Board of Trustees approved the creation of a new wholly owned subsidiary, in the form of a single member limited liability company with no employees to be named ADA Science and Research Institute LLC (ADASRI).

The structure described above has numerous practical and legal benefits as it: (1) allows greater flexibility for activities, staffing, and resources without the significant legal restrictions on the activities of a
501(c)(3); and (2) allows ADA to continue to do what ADA does best and not give up the essence of what it does, while still being able to collaborate with the 501(c)(3).

Dr. Marcelo Araujo is the ADA chief science officer, the ADAF chief executive officer, as well as the chief executive officer of ADASRI. As such, he will be able to guide the strategic direction of both organizations. During 2020, the ADAF Board of Directors is working with Dr. Araujo to guarantee a smooth transition of the Research center operations to the ADASRI, which should be concluded by December of this year.

**New Grants Programs focused on research:** Four new ADAF grant award programs have been developed in the research arena. The awards are intended to support new or junior researchers, via grants or stipends, to help support their academic research endeavors in dental institutions or “equivalent” institutions. The four award programs are as follows:

- $100,000 per year to support the ADAF Research Grant for Dental Students.
- $225,000 per year to support the ADAF Research Grant for Dentists Entering Academic Careers.
- $300,000 per year to support ADAF Oral Health Research Grant for Junior Faculty.
- $500,000 over two years, to support the ADAF Oral Health Research Pilot Grant Program for New Investigators.