



Program to Management Ratio: The Story Behind the Numbers

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For many years, CureSearch was able to report that our research and education programs received 95% of our revenue allocation. This extremely favorable admin/funding ratio was possible because CureSearch acted as the fiscal agent for the Children’s Oncology Group (COG), receiving more than \$50 million in annual government grant funding, which was directly allocated to programs.

In October 2012, CureSearch completed our yearlong process to end our role as federal grantee and fiscal agent for the COG. Ending this role had a dramatic impact on our revenues – an immediate loss of more than \$50 million annually. This sudden shift in our revenue model required significant changes to operations: a reduction of staff from 150 to 28; the consolidation of eight regional offices and an increase in virtual employees; optimized, right-sized banking, insurance, financial services, and health care for our small but mighty workforce were just some of the changes we implemented. The modifications needed to transform CureSearch began altering the program to management ratio in 2013. The specific numbers are shown in Table 1.

Table 1: 2013-2016 Program to Management Ratio

	<u>2013</u>		<u>2014</u>		<u>2015 estimate</u>		<u>2016 budget</u>	
Programs	5,542,090	62%	3,211,384	49%	3,749,574	55%	4,150,384	58%
Fundraising	2,417,238	27%	2,435,183	37%	2,274,639	34%	1,666,746	23%
Administration	1,003,058	11%	957,373	14%	771,942	11%	1,333,622	19%
Total	\$8,962,767		\$6,603,940		\$6,796,156		\$7,150,752	

To understand the numbers, consider these key points:

- Previous research programs that no longer fit the new business model were phased out in 2014, accounting for a reduction in program expenses of nearly \$1.7 million when compared to 2013.
- A drop in fundraising results in 2014 caused a 65% reduction in Clinical Trial Advancement Awards.
- As evidence of CureSearch’s focus on results with impact, in 2014 we withheld \$660,000 in funding to a research grantee due to an unforeseen delay in the launch of pediatric clinical trials. Withholding the funds hurt our ratio, but it is more important that we stay true to core principles and demand results that have a chance to help children in a timely way.
- CureSearch spent nearly \$535,000 more on programs in 2015 compared to 2014. We also plan to invest \$400,000 more on programs in 2016 compared to 2015. That is an upward trend we are proud of and you will see in our improved ratios.

- The program numbers do not include \$1.25 million in collaborative partnerships with The Rising Tide Foundation and The Gateway Foundation. Funding from these partners will go directly to the researchers, so there is no direct contribution to our program spend even though the methodology, management, measurement and reporting is all executed by CureSearch. Building collaborative partnerships to drive impactful research is fundamental to getting things done. We will continue to build these partnerships even though the arrangement does not have a positive impact on our ratio.
- We know that to drive cures into the clinic, we need to stand by our researchers. CureSearch carefully selects only the best scientists and projects and then makes large, multi-year commitments. This means that while we are fundraising and banking the funds needed to fulfill our long-term commitments to these researchers, only a portion of those funds are expended in a given year, once again reducing our numbers – on paper only.

The separation from the COG allowed CureSearch to seize the moment to re-envision our role in ending children’s cancer. No longer constrained by a government-funded research agenda, we embraced the opportunity to create a new scientific vision and new operating structure. While our organization is more than 25 years old, we are –in essence—a start-up launched just three years ago.

Our approach is working. Two of the three projects in the Acceleration Initiative are progressing to human clinical trials within eight months. CureSearch is committed to ensuring the research gets to new drug development and clinical trials. Our commitment may take many forms, such as:

- additional direct funding, or with CureSearch playing a primary role in sourcing additional funding;
- connecting the researchers to bio-pharma companies to develop new drugs; and,
- assisting with the laborious navigation of the FDA application and registration process.

Very little of the behind-the-scenes work to get a new children’s cancer drug developed shows up in the calculation of our program to management ratio. ***Make no mistake, we want a better ratio and we are committed to improving it. Our first priority is to develop cures to save lives now.***

While many cancer foundations quantify their success based on how many research grants they’ve funded, or the total dollars they have spent, CureSearch is unique in quantifying our impact based on how our funded work will impact children with cancer. CureSearch has developed a unique measurement framework through which we demand results. We report every six months on the research progress to hold the scientists and ourselves accountable to you and all those who contribute to CureSearch. Our most recent [Impact Report](#) includes links to detailed progress reports from all our funded projects.

Only research will spark new discoveries in pediatric cancer, and only research that leads to drug development will result in new treatments and cures. It is with this in mind that we are relentless in searching for ways to drive forward innovative and impactful research.

The single best way to evaluate CureSearch is not the program to management ratio, but rather the impact we have on children with cancer.

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