Giving to Excellence: generating philanthropic support for UK Higher Education 2010-11

Ross-CASE Survey Report

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Content

Executive summary

Commentary by the Ross Group Editorial Board

The Ross Group Editorial Board provides a commentary to the Ross–CASE Survey Report, bringing to the task extensive practitioner experience in Development and Alumni Relations and a broad understanding of the Higher Education context. The commentary supplements the excellent analytical report written by NatCen, which properly focuses on the statistical and factual. In contrast, comments from the Editorial Board seek to provide a more interpretive analysis, in effect seeking to answer an unstated question “So what?”.

The Ross–CASE Survey Report for 2010-11 is a significant review of both the current status and the on-going progress of Development (fundraising) and Alumni Relations in UK Higher Education. It has particular significance as it covers the full three years of the HEFCE Matched Funding Scheme (MFS), and an additional chapter analyses progress during the period of the MFS. The stability and longevity of the Ross CASE survey and report is increasingly making meaningful longitudinal comparisons possible. The report provides detailed analysis, of interest to professionals in the field, together with high level information for institutional heads, policy makers and governing bodies.

At ***sector*** level there are many significant indicators within the report:

1. Arguably the greatest success is the continued growth in the number of donors. In total more than 204,000 individuals and organisations chose to make a gift in support of higher education to those institutions included in the survey. For three years in succession there has been a growth rate above 10 per cent in both total donor and alumni donor numbers. This is a significant achievement and an indication that the Matched Funding Scheme and the increased investment it has catalysed has had an important impact.

2. There has also been a significant growth in total alumni numbers (up 595,000 in 2010-11). We think that the headline figure reflects several different trends including larger graduating cohorts; and enhanced alumni functions seeking to address years of comparative neglect. Many institutions are actively seeking ‘lost’ alumni as part of a strategy to build contacts and support among older groups as well as recent graduates. The growing numbers also reflect a challenge and there is a need to change the culture and expectation of generations of alumni to expect and welcome contact.

3. In absolute terms, the addressable alumni total of 8.6 million people is very significant. To put this in context, the National Trust is credited with being the largest membership organisation in the UK with 3.7 million members (2010). Taken together, UK HE has more than twice this ‘membership’ in its collective alumni body.

4. Cash income received, generally the most consistent and reliable indicator of fundraising success (especially in terms of comparisons between institutions as in this

report and in respect of longer term financial impact), is now consistently above £0.5 billion (above this level for the past three years see page 23) and shows a healthy 8.5 per cent increase in 2010-11. This confirms philanthropy as one of the few growing income streams available to HEIs, and the growing consistency and robustness of this income source is to be welcomed.

5. New funds secured, the second key measure of fundraising success (often used to report campaign progress and sometimes for internal reporting as it reflects activity achievements relating to a specific period), shows an even greater increase of 13.7 per cent (page 16). We are cautious, though, about drawing conclusions from this figure as it has been affected by the impact of a few very large pledges, including gifts in kind. The impact of these top-level gifts on cash income is moderated because the fulfilment of large pledges is often spread over several years and gifts in kind do not ever appear as 'cash income'.

6. The further progress described in this report underlines the fact that philanthropy is becoming a significant and secure income stream for the sector as a whole, providing funds *equivalent* to a mean of around two per cent of universities' total institutional expenditure (we say 'equivalent' as not all funds affect the income and expenditure account, with significant amounts reflected instead in the balance sheet as capital assets or endowments). It is worth noting that philanthropy does far more for the sector than raising much needed support; it also serves to deepen engagement with an influential group of individuals and organisations and highlights very clearly the value and importance of Higher Education in addressing pressing societal issues.

7. As noted above, this report covers the final year of the Matched Funding Scheme (MFS) and data has been collected for the full three years of the scheme. Chapter 5 analyses in more detail the impact of the MFS, but at sector level it is significant to note that the scheme appears to have been especially successful in extending the range and number of institutions enjoying fundraising success. This is shown by very substantial rises in the median new funds secured (up 130 per cent on the previous three year period) and median gifts received (up 172 per cent on a similar measure).

8. These outcomes are especially pleasing given that the matched funding scheme took place during a recession. Economic conditions, both current and anticipated, do of course impact on donors' willingness and ability to give, although the relationship is not a simple one. Over the past year, the relatively robust returns described by the survey results have been achieved against a background of poor economic growth and high unemployment in both Europe and the US. However, during the same period global equities and other risk assets performed strongly and this positive impact on wealth may have helped to sustain giving, particularly of larger gifts. It may be that fundraising is more affected by wealth than, for example the GDP or direct economic indicators, and there will often be a time lag between a recession and any impact on fundraising.

9. Looking to the future, since the middle of 2011 (i.e. after the end of the period reported in the survey) markets have been more volatile and the concerns about European

sovereign debt have reinforced donors' levels of uncertainty. As a result we are cautious about the prospects for fundraising results over the next 12 to 24 months.

For ***institutions*** there are also important findings:

10. The report continues to provide an analysis by Mission Group. There are marked differences between the groups, and this breakdown allows institutions to gain a broad view of where they fit within a mission group and within the patterns across the sector. In addition to this broad overview, it is also now possible for much more detailed bench-marking to be undertaken, and this is a welcome enhancement of the value of the survey. Figure 2.1 illustrates the range of performances very clearly. Although the dominance by Oxbridge, and then the remainder of the Russell Group remains, there is some evidence that there is a greater spread of benefits being achieved. This is illustrated by the increased proportion of funds raised by 1994 Group members (up from six per cent in 2008-09 to nine per cent in 2010-11, Table 2.6).

11. It is pleasing to see higher levels of fundraising success reaching across a wider range of institutions. A number of institutions in all the mission groups and in the "other HEI's categories" are achieving above £1 million in new funds secured, and approximately half of all institutions taking part in the survey are reporting at this level.

12. Analysis by longevity of fundraising programme is also provided. It is very clear from these results that university fundraising is a long-term business and sustained investment is key to long-term success. Established development programmes consistently produce the best results.

In respect of ***development practice*** it is possible to identify important aspects of best practice:

13. Developing the theme about established development programmes, perhaps the most significant finding to emerge from the report is that mature and sustained fundraising programmes are the most successful *on every measure*. It is possible to characterise some of the features of a successful or high quality HE Development Programme as follows:
    - It will have large numbers of donors (page 54);
    - A large proportion of donors will be alumni – often around 80 per cent by *number*, although the figures by *value* may differ;
    - Large and growing numbers (certainly thousands) of alumni will be donors and ideally participation (the percentage of alumni giving) will also be rising, although this can sometimes be difficult where total alumni numbers are growing quickly;
    - These qualities allow the programme to have a strong 'pipeline' to build on;
    - One effect of this will be revealed in increased legacy giving which, although always difficult to predict due to the more private nature of the commitment, can be nurtured and developed to reduce year-on-year variability (page 34);

- There will be a lower dependence on one (or very few) large gifts and the largest gift will form a lower proportion of total income, although the 80:20 (or even 90:10) 'rule' will continue to apply, where 80 per cent of income will come from 20 per cent of donors;
- It will have multiple large gifts, meaning that performance is less affected by the success or otherwise of one or two key solicitations (even if the success of the top few 'asks' will always be vital), creating a more robust and steady income stream;
- It will have a successful Annual Fund programme (page 49), usually supported by effective alumni relations activity;
- Typically about 70 per cent of staff resource in the Development and Alumni Relations office will be directed to fundraising and about 30 per cent to alumni relations.

14. It is not unknown for institutions newer to fundraising to ask if different models can be used – for example one focused exclusively on major gifts – in order to reduce the lead-time and to achieve higher results sooner. Whilst ensuring that there is sufficient emphasis on securing significant gifts is important (and making sure that this activity is not overwhelmed by the sheer volume of many small transactions) there is no evidence in this report that suggests such 'short cuts' can produce sustained success. The appropriate breadth of programme will be for each institution to decide, but all of the longer-term data confirm that 'pipeline' is the crucial idea to keep front-of-mind.

The data in this report underlines that 'established' and substantive programmes produce the best results in terms of funds raised and the return on investment. Institutions wishing to develop philanthropy as an important source of future funding should place a priority on developing the characteristics of established programmes noted above.

Key data

The key data from the 2010-11 Ross–CASE survey are presented below (Table 1.1). Data refer to the 151 participating higher education institutions, rather than the 164 participating higher and further education institutions, unless otherwise stated.

Please note that all data has been taken from the 2010-11 survey, which included *less participating institutions* than the 2008-9 and 2009-10 surveys; some institutions may also have changed their reporting of historical numbers as new information came to light over time. **Importantly, all comparative figures given between 2008-9, 2009-10, and 2010-11 are compiled using the three-year self-reported returns submitted by each participant in this survey (with the exception of staff numbers).** Hence some figures for 2008-9 and 2009-10 may have changed since being set out in the report covering 2009-10.

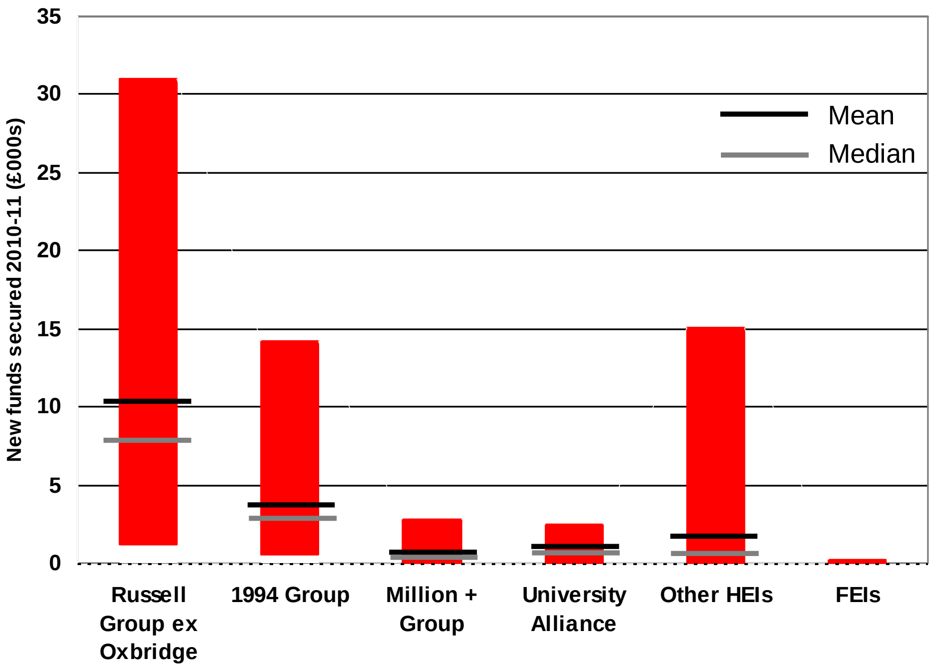
Table 1.1 Key data

	2008-9	2009-10	2010-11
			Ross-CASE Survey 2010-2011
£million			
All HEIs			
New funds secured	564	608	693
Cash income received	519	517	560
Number			
Addressable alumni	7,538,621	8,131,139	8,727,610
Alumni making donations	133,022	147,266	162,913
All donors	164,337	184,945	204,250
Number of UK higher education institutions	*151*	*151*	*151*
£million			
Cash which could be eligible for matched funding	147	157	189
Number of English higher education and further education institutions (excluding Oxford and Cambridge)	*138*	*138*	*138*
Total fundraising investment	72	73	76
Median cost per pound received	£0.27	£0.22	£0.22
Number of higher education institutions starting fundraising programmes pre-2007	*104*	*104*	*105*
Number			
Fundraising staff	913	1043	1101
Number of higher education institutions starting fundraising programmes more than three years previously	*73*	*95*	105

Participating institutions have been grouped according to their membership of one of six ‘mission groups’: the Russell Group, 1994 Group, Million+ Group, University Alliance Group, the HEIs not formally part of a mission group and all English FECs. Each institution falls into one category of mission group only, and all institutions that are part of the Russell Group, 1994 Group, Million+ Group, and University Alliance Group are categorised as higher education institutions. A list of mission groups and the key characteristics for each group can be found at Appendix E. The key data from the 2010-11 Ross–CASE survey, broken down by mission group, are presented overleaf (Figure 1.1).

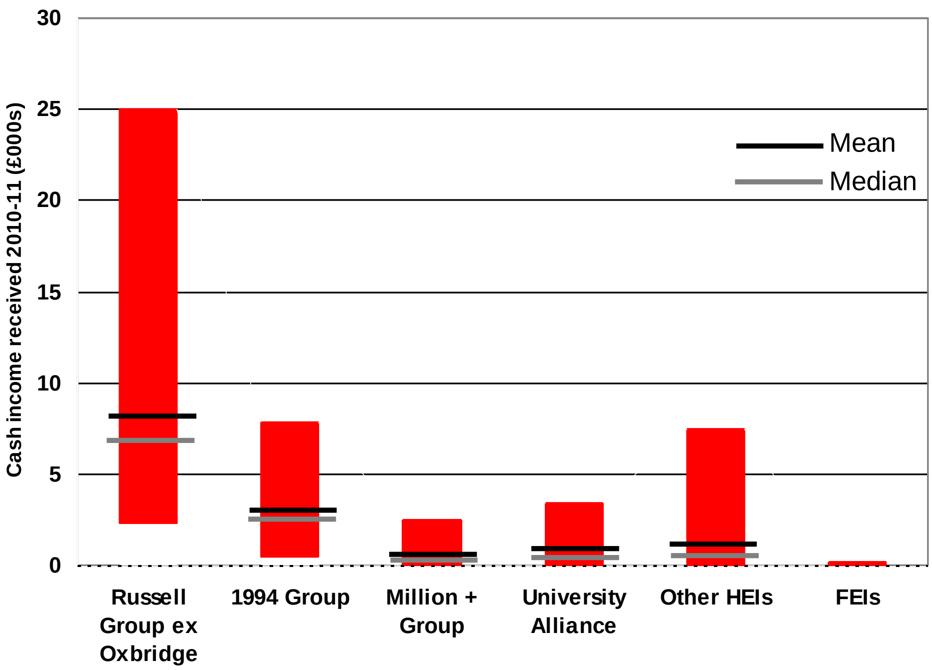
The bars below show the gap between the highest and lowest amounts of new funds secured within each mission group, excluding Oxford and Cambridge, in 2010-11.

Figure 1.1 **Range of new funds secured by mission group in 2010-11 (excluding Oxford and Cambridge)**



Number of HEIs: 161

Figure 1.2 **Range of cash income received by mission group in 2010-11 (excluding Oxford and Cambridge)**



Number of HEIs: 162

	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs	English FECs
Number of institutions in each mission group	18+2	19	22	22	66	12
Key data by mission group (including Oxford and Cambridge) in 2010-11						
£million						
All HEIs	488	64	10	15	115	1
New funds secured	390	55	13	16	86	1
Cash income received						
Number						
Addressable alumni	2,775,990	1,148,048	1,258,442	1,683,753	1,861,377	30,176
Alumni making donations	106,990	24,318	3,394	13,345	14,866	16
All donors	124,090	28,976	4,313	15,476	31,395	95
£million						
English HEIs and FECs only (excluding Oxford and Cambridge)						
Cash which could be eligible for matched funding	70	42	10	10	56	1
Number of English higher education institutions and further education institutions (excluding Oxford and Cambridge)	*14*	*18*	*22*	*17*	*54*	*13*
For institutions starting fundraising programmes pre-2007 only						
Total fundraising investment	45	9	2	4	16	*
Median cost per pound received	£0.15	£0.21	£0.24	£0.47	£0.24	*
Number						
Fundraising staff	633	149	29	58	231	*
Number of higher education institutions and further education institutions starting fundraising programmes pre-2007	*20*	*18*	*11*	*13*	*43*	*1*

Note: Some numbers are not shown for English FECs due to low base sizes.

University fundraising performance in 2010-11

Income is usually reported in two ways:

- new gifts secured in year (cash and future commitments); and
- cash received in year.

  - In total, UK universities secured £693 million in new philanthropic funds in 2010-11, an increase from the 2009-10 figure of £608 million. This figure is the sum of all pledges, new cash gifts and gifts-in-kind, and the most commonly used figure in counting campaign totals. For universities that participated in the 2009-10 Ross-

CASE survey the median new funds secured in total by UK universities showed an increase from £704,840 in 2009-10 to £877,540 in 2010-11.

- UK universities received £560 million in philanthropic cash income in 2010-11, up from £517 million in 2009-10. Ten per cent of the cash income received was from legacies (£57 million) in 2010-11.

- The total amount of new funds secured by UK universities has increase by 23 per cent since 2008-9, and the cash income received increased by eight per cent.

- The 2008-9 academic year saw the introduction by HEFCE of the new Government matched funding scheme for voluntary giving over the period 2008-11. Funding is available to match eligible gifts received by English higher education institutions and directly funded further education colleges. The definition of matched funding-eligible cash income used for the survey reflects the final rules set by HEFCE. Not all cash income received is eligible for matched funding under the HEFCE rules. In 2010-11, the second academic year after the start of the English matched funding scheme, English higher and further education institutions (excluding Oxford and Cambridge) reported that they received £189 million that could be eligible for matched funding.

- As in previous years, for most survey measures in 2010-11 there was a very large variation in fundraising between universities. Very high figures continued to be reported by the largest and most established universities. For example, Oxford and Cambridge accounted for 44.2 per cent of the new philanthropic funds secured by UK universities in the year, although a decrease from the share for 2009-10 (50.2 per cent) reported in this year's survey returns. Over the three year period between 2008-9 and 2010-11, the 1994 Group gradually increased their share of new philanthropic funds secured by UK universities (6.4 per cent in 2008-9 to 9.3 per cent in 2010-11), while institutions not formally part of a mission group experienced a decrease in their share (20.9 per cent in 2008-9 to 16.6 per cent in 2010-11).

- As a result of the large variation in fundraising between universities, the mean amounts of new funds secured were generally much higher than the median amounts. Therefore, median values are used as our preferred measure throughout the report, although some means are also provided.

- In 2004 a £7 million matched funding scheme sponsored by Universities UK (UUK) was launched to support the building of fundraising capacity in English universities. The median value of new funds secured by those universities which took part in this scheme increased from £1.1 million in 2009-10 to £1.2 million in 2010-11. The median cash income received increased from £1 million in 2009-10 to £1.5 million in 2010-11. This continues to suggest that investment in fundraising will generate an increase in new funds secured and cash income received. These figures are broadly in line with the sector as a whole, which showed strong increases in the medians for both new funds secured and cash income received.

University alumni fundraising in 2010-11

- In total, UK universities had just over 8.7 million addressable alumni in 2010-11, of whom 162,913 made a gift for any purpose. Typically, these gifts were made through the Annual Fund of individual institutions. The mean proportion of addressable alumni making a gift for any purpose in 2010-11 was 1.29 per cent. Nine universities had greater than 4 per cent of alumni making a gift.

- The mean amounts for each of these indicators were generally much higher than the median amounts, which reflect the very high numbers reported by the largest and most established universities that have strong and consistent Annual Fund operations.

- There has been significant growth in addressable alumni between 2008-9 and 2010-11. Alumni numbers grow in two distinct ways, through new graduates and through universities working to identify 'lost' alumni (i.e. those who are not in contact with the institution). Nevertheless, the proportion of alumni making a gift has increased slightly over the period (a mean proportion of 1.14 per cent of alumni gave a donation in 2008-9, rising to 1.29 per cent in 2010-11). Furthermore, there is anecdotal evidence that this small increase is misleading: there has been a strong increase in the percentage of older alumni who are giving, but this is 'hidden' behind growth in the absolute number of alumni (resulting from increases in the number of students graduating year on year).

- The total number of all donors who gave to universities was 204,250 in 2010-11, an increase of 10 per cent since 2009-10 and 24 per cent since 2008-9. The proportion of the total number of donations made by alumni has remained stable at around 80 per cent of all donors.

University fundraising investments in 2010-11

- The data for fundraising investments exclude universities that reported starting their development or fundraising programme less than three years ago, or who do not have a programme. The reason for this is that including such universities would give a misleading picture of the efficiency of universities' fundraising as there is a time lag between the start of a fundraising programme and when it starts to deliver significant benefits. Therefore, this section is based on the responses of 105 universities (compared to 95 in the 2009-10 survey report). However, it is important to note that these figures will still include a number of universities that have relatively young fundraising programmes.

- In total, these UK universities invested just under £76 million in fundraising in 2010-11. Seventy-one per cent (£54 million) was accounted for by staffing costs with the remainder spent on non-staffing costs. UK universities invested £25 million in alumni relations (excluding the cost of the alumni magazine, on which a further £8 million was spent).

- The total fundraising investments incurred by UK universities have increased by five per cent between 2008-9 and 2010-11, while the median fundraising investment per pound received has decreased by 16 per cent over this period.

- The ratio of a university's development office expenditure to cash income received is an established measure of performance that allows for comparisons between universities. While the Ross Group acknowledges that not all related development expenditure and philanthropic gifts within a university are necessarily managed by the development office, this ratio is the stable and reliable basis for comparisons (for more details please see section 4.4).

- Overall, the median value of HEIs' fundraising investment per pound received in 2010-11 was 22p, the same as the median investment in 2009-10 (22p) but lower than 2008-9 (27p).

University fundraising staffing in 2010-11

- As with the data on fundraising investments, the data on fundraising staff also exclude universities that reported starting their development or fundraising programme less than three years ago (in 2007 or later) or who do not have a programme.

- In total, those UK universities that had fundraising programmes employed 1,101 full-time equivalent (FTE) staff who worked mainly on fundraising in 2010-11; and an additional 496 staff who worked mainly on alumni relations.

- These UK universities employed a median of 5 FTE staff on fundraising and a median of 2.25 FTE staff on alumni relations.

1 Introduction

1.1 Survey management

1.1.1 Survey methodology

The methodology of the 2010-11 survey was very similar to that of its predecessors. The main features are summarised below.

- The questionnaire for the 2010-11 survey was almost identical to that used for the 2006-7, 2007-8, 2008-9 and 2010-11 surveys. Once again, institutions were asked to provide full numbers in answer to every question demanding a numerical answer, a change that had been introduced for the 2008-9 survey and they were asked whether they would be willing to join a group of institutions that shared their questionnaire returns on a confidential basis, a change that was introduced in the 2009-10 survey.

- The Reporting Rules for the survey (Appendix A) were unchanged from those used in the 2009-10 survey. The Rules relating to the inclusion or exclusion of corporate gifts and sponsorship can be found in Appendix B.

- Similar to last year's survey, detailed question-by-question guidance was provided by the Ross Group and was available for respondents.

- HEFCE and HEFCW provided NatCen with a list of institutions from across the UK that should be approached for the study. We approached 132 English higher education institutions, 28 other higher education institutions and 126 English further education institutions. The list was very similar in size to that used for the 2009-10 survey.

- Institutions on the list were sent an advance letter signed by Professor Eric Thomas, the Chair of CASE Europe, inviting them to participate. Those individuals who had responded on behalf of their institution for the 2009-10 survey were also emailed directly by NatCen to draw their attention to the survey. Both the letter and the emails provided the address of the Ross–CASE Survey website (www.rosscasesurvey.org.uk) from which the questionnaire could be downloaded. The website also included background information about the survey, Reporting Rules for questionnaire completion, question-by-question guidance notes and a Data Release Protocol.

- The questionnaire was in an Excel format. Completed questionnaires were returned to NatCen by email. Reminder calls and emails were used to encourage participation. Fieldwork took place between October 2011 and January 2012.

- A total of 164 questionnaires were returned in time to be included in the analysis (eight less than for the 2009-10 survey). A list of participating institutions can be found in Appendix C.

- Data processing was carried out by NatCen. Editing was carried out to distinguish between zero returns and missing data, to check outliers and to resolve observable errors such as data being entered in thousands where figures as whole numbers were requested. An additional stage of checking was performed as agreed with the Ross Group (see Appendix D). Where possible, missing or inconsistent data were queried with the institutions to check that they were correct before analysis was performed.

- Analysis was carried out by NatCen using PASW for Windows (formerly known as SPSS for Windows).

1.1.2 Data quality

We acknowledge that some universities and further education institutions who have completed the survey, particularly for the first time, may have struggled to collect the appropriate data for filing or may have misinterpreted some of the guidelines for completion. Therefore, in the last four years of the survey, NatCen made calls to institutions whose data raised some issues and in many cases the data were improved.

For the 2010-11 survey, the systematic checking process agreed with the Ross Group for the 2007-8, 2008-9 and 2009-10 surveys was used. The checks used are detailed in Appendix D. It is important to note that all comparative figures between 2008-9, 2009-10 and 2010-11 presented in this report were compiled using the three-year returns submitted by each participant in this recent survey (with the exception of staff numbers and data in Chapter 5 see section 1.2 below) – making the year-on-year comparisons consistent in standard for each participating institution.

1.1.3 Who responded to the survey?

The response rate to the Ross–CASE survey among English higher education institutions remained stable at 97 per cent in 2010-11 (compared with 98 per cent in 2009-10). This in part reflects the mandatory requirement to complete the survey for those participating in the matched funding scheme in England. Similar to last year, all Welsh universities engaged with the survey in 2010-11, no doubt reflecting the mandatory requirement to complete the survey for those wishing to participate in the matched funding scheme in Wales. The response rate among Scottish and Northern Irish institutions remained stable at 67 per cent (compared to 68 per cent in 2009-10). This was higher than the 42 per cent achieved in 2008-9 and 58 per cent in 2007-8, but still lower than in 2006-7 when the response rate was 78 per cent[1]. This year also saw a very welcome submission from a university in Ireland, for the first time.

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[1] Gilby N. and Armstrong, C. (2011) *Ross-CASE Survey 2009-10 Final Report.* National Centre for Social Research.

Overall we continue to believe that the total proportion of philanthropic giving to higher education institutions covered by the Ross–CASE survey is very near 100 per cent.

The response rate among English further education institutions has remained at a relatively low level of 10 per cent. This is lower than last year's response rate of 15 per cent. However, many of the further education institutions that do respond give "nil" returns and complete the survey because they wish to participate in the matched funding scheme.

Table 1.1 Response rates by institution type for 2008-9 to 2010-11

Ross-CASE Survey 2010-2011

Number	2008-9	2009-10	2010-11
English higher education institutions			
Invited to participate	132	131	132
Number participating	130	129	128
Response rate	98%	98%	97%
Welsh higher education institutions			
Invited to participate	11	11	10
Number participating	11	11	10
Response rate	100%	100%	100%
Scottish and Northern Irish higher education institutions[2]			
Invited to participate	19	19	18
Number participating	8	13	12
Response rate	42%	68%	67%
Further education institutions			
Invited to participate	125	124	126
Number participating	16	19	13
Response rate	13%	15%	10%

Information about the number of institutions participating by mission group is provided in Appendix E.

1.2 Conventions

In this report where reference is made to *universities*, this term is used to describe higher education institutions (HEIs) only. Where reference is made to *institutions*, this term is used to describe both HEIs and further education institutions (FEIs).

[2] A questionnaire was also received from a university in Ireland

Where we refer to universities or institutions we mean those universities and/or institutions which participated in the 2010-11 survey.

Many figures are broken down by the length of fundraising programme. Where this occurs, programmes described as "established" began before 2000, those described as "developing" were established between 2000 and 2006, and those described as "newer" were established in 2007 or later.

Where figures from previous years are used, these are derived from the returns to the 2010-11 Ross–CASE survey only (the 2010-11 survey asked respondents for information relating to the 2010-11 and two previous financial years). On occasion these figures are slightly different to those published in our previous reports on the 2008-9 and 2009-10 surveys. Some institutions have made improvements to their record keeping since the survey began, and have supplied us with corrections to returns from previous years. Hence we believe the historical data supplied in the 2010-11 survey is more accurate than that supplied in previous years. Another reason for changes to the data is that the list of responding institutions has changed since the 2009-9 and 2009-10 surveys. The only exception to this rule is for the data presented in Chapter 5 looking at the impact of the 2008-2011 matched funding scheme. Here, data is presented from the three years before (2005-06, 2006-07, 2007-08) and the three years after the scheme began (2008-09, 2009-10, 2010-11). In this chapter the data used is from the most up-to-date dataset available: so for the data for 2008-09, 2009-10 and 2010-11, the data used is from the 2010-11 data. The data for 2005-6 is taken from the 2007-8 survey, the data for 2006-7 is taken from the 2008-9 survey, and the data for 2007-8 is taken from the 2009-10 survey data. Data in Chapter 5 is only presented for institutions that provided data for all six years of the survey (2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11) and participated in the matched funding scheme.

Oxford and Cambridge have been excluded from several of the tables presented in the report because the amount they receive in philanthropic gifts is so much larger than other universities, their findings can disguise trend within the rest of the sector.

Where trend data are presented, often reference is made to a percentage change between two figures. These percentage changes have been calculated on the precise figures, rather than the rounded figures used in the report. Hence they may vary slightly from calculations completed using rounded figures.

We acknowledge the possibility that the change in the mix of institutions responding could have affected our total estimates. Therefore, we have analysed the totals for all the key measures over the three years both by all those responding, and also by excluding those who did not participate in the Ross–CASE survey in 2009-10. For most measures the change in the mix of survey respondents has not had any substantial impact on the estimates, or on the interpretation of the results.

On the 12th March 2012 a change to the mission groups was announced with four universities moving from the 1994 Group to the Russell Group. Where data is shown broken down by mission group this is on the basis of the mission group members *before* this change was made. A list of which universities are included in each mission group is shown in Appendix E.

For a small number of questions the results are presented as the proportion of all respondents giving a certain answer. Where this occurs a zero indicates at least one respondent but less than half of one per cent of all respondents gave an answer. A hyphen indicates no respondents giving that answer.

NatCen place great importance on protecting the confidentiality of responses from individual institutions. Hence aggregate figures have not been presented where the group being analysed comprises of fewer than six institutions. This is in line with our confidentiality standard for benchmarking. Where data are suppressed to protect the confidentiality of responses, an asterisk (*) is used.

1.3 Acknowledgements

First and foremost we would like to thank the university and further education institution staff who gave up their time to provide information about the philanthropic income of their institution.

We are grateful to HEFCE, HEFCW and the Ross Group for funding this study.

For the report of the findings of the 2010-11 survey, the Ross Group appointed a dedicated Editorial Board. The Editorial Board has worked with NatCen on subsequent reports of the Ross–CASE survey. Members of the Board currently are: Ross Group members Peter Agar, Christopher Cox, Tania Jane Rawlinson, CASE member Kate Hunter and former Ross Group members Frances Shepherd and Jon Walker. We are very grateful to them all for their guidance and support.

In addition, Fiona Gray and Fiona MacMillan at HEFCE, and Celia Hunt and Dr Ewen Brierley at HEFCW, provided valuable input, particularly in helping us ensure all the institutions participating in the matched funding schemes had been given adequate opportunity to respond. We are also grateful to CASE for their involvement in the survey.

Within NatCen we are immensely grateful to Nick Gilby who managed the project for several years until November 2011, when he left the organisation. Catherine O'Donnell once again provided valuable administrative support. We are also grateful to our telephone interviewers who assisted us in maximising the number of questionnaires returned.

2 Total funds

This chapter focuses on new philanthropic funds secured, cash income received and cash income received that could be eligible for matched funding under the HEFCE scheme.

2.1 Commentary by the Ross Group Editorial Board

1. As usual the report contains details of two key measures used to assess fundraising success. These are 'new funds secured' which may include pledges for up to five years, and 'cash income received' which is restricted to actual cash receipts in the year. There is, of course, a relationship between the two figures and rising new funds will lead to rising cash income in subsequent years.

2. It should be noted that it is normal for there to *not* be an exact correlation between the two measures. In addition to the expected difference of timing (a pledge made in one year may appear as income received over a number of subsequent years) some items will never appear in cash income. The best example of this is "gifts in kind" which, while having a real value to the institution, will in most cases never be sold (i.e. converted to an actual cash figure, rather than a valuation). An example in 2010-11 is the gift of major theatre collection to the University of Bristol. Independently valued at £8 million, this is an addition to the assets of the University as much as any new building, but this gift will only ever appear in 'new funds secured' and never in 'cash income received'.

3. Both indicators are useful. The new funds secured indicator is generally used for counting progress towards campaign targets (though notably, many public fundraising campaigns also include support which is not within the scope of this survey). Cash income raised is more often used for assessing return on investment and tends to be a more stable figure as payment of particularly large gifts is often phased over several years, reducing the extent that such gifts distort year-on-year trends.

4. We are pleased to note the return, after a more difficult year in 2009-10, to positive growth under both measures, including more than 10 per cent in cash income received. Our view is that several factors may be at work here including:
   - The impetus of the 31st July 2011 deadline for gifts to attract matched funding, which encouraged donors to complete gifts;
   - As Universities are maturing in fundraising they are developing cases for support that are more compelling and are based around interesting and creative projects exciting greater donor interest;
   - There is some sense that a period of some market optimism affected significantly the attitudes of some very large donors as we appeared to begin to emerge from recession.

5. The greater success of established fundraising activities is apparent. Table 2.4 illustrates this starkly: universities having a track record of more than 10 years have

median cash income of £3.5 million compared to those in the 4 years to 10 years range with £1.1 million and those newer to fundraising (last 3 years) at just £0.1 million. If anything this trend is becoming more marked, with the only change since 2009-10 being to see the median for established fundraising activities to rise from £3.3 to £3.5 million.

2.2 New funds secured

The higher education sector saw a steady increase in terms of new philanthropic funds secured between 2008-9 and 2010-11. There was an eight per cent increase in funds secured in 2009-10 compared with 2008-9 and a further 14 per cent increase in 2010-11 compared with the previous year. However, two universities reported gifts-in-kind of high value which has had a significant effect on the total new philanthropic funds secured in 2010-11.

All those responding to the survey were asked to report new funds secured in 2010-11 and the two preceding years. For the purposes of the survey this is defined as new cash (including legacy cash and gifts-in-kind) and confirmed non-legacy payments raised in the year, excluding pledged payments from previous years. Only documented pledges up to the first five years' duration of the pledges are counted.

The higher education sector reported raising £693 million in new funds in 2010-11 (Table 2.1). This was an increase from the £608 million raised in the preceding year and a further increase from the £564 million raised in 2008-9.

A small number of large pledges or gifts can result in large fluctuations to the total figures for new funds secured and/or cash income received. The median new funds secured by universities increased by 25 per cent in 2010-11. The median new funds secured increased from £454,000 in 2008-9 and £705,000 in 2009-10 to 878,000 in 2010-11. What this suggests is that success in increasing new funds secured is being shared more widely among universities.

Table 2.1 New funds secured in last three years for HEIs

Ross-CASE Survey 2010-2011

£million	2008-09	2009-10	2010-11
New funds secured	564	608	693
Median new funds secured	0.454	0.705	0.878
Number of HEIs	*150*	*149*	*151*

Scottish, Welsh and Northern Irish universities secured over £99 million in new funds in 2010-11 (Table 2.2). This represents around 14 per cent of the new funds secured by UK universities in 2010-11. This figure is higher than their share of new funds in both 2009-10 and 2008-9 (11 per cent and 14 per cent respectively).

English HEIs secured a mean of just over £4.7 million in new funds and a median of £857,000. The large discrepancy between the mean and median is due to the skewed nature of the distribution of funds secured across the higher education sector. The larger and more established institutions reported very high figures that had a strong effect on the mean.

English FECs secured a total of £567,000 in new funds in 2010-11, with a mean of £44,000.

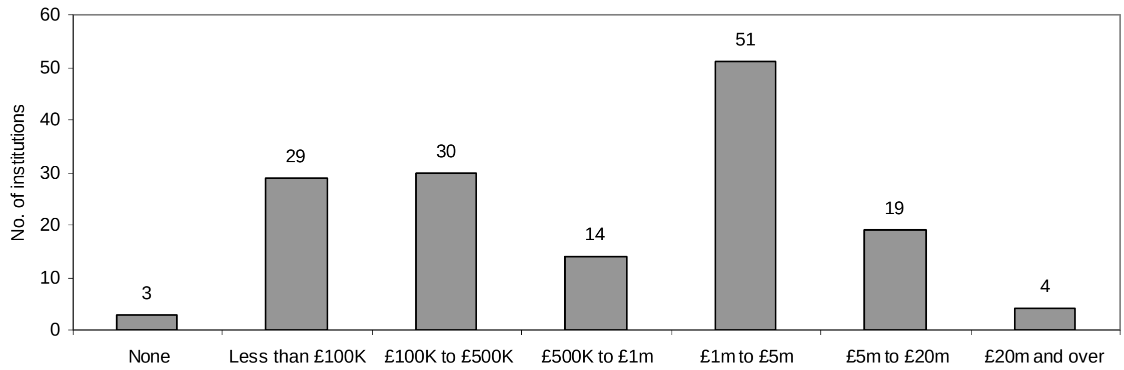
Table 2.2 New funds secured in 2010-11, by type of institution

Ross-CASE Survey 2010-2011

	HEIs			FECs
£000s	English	Other	Total	Total (English)
Mean	4,673	4,333	4,256	44
Median	857	1,074	772	0
Total	593,461	99,659	693,687	567
Number of institutions	*126*	*127*	*23*	*163*

Similar to previous years, in 2010-11 there was a wide distribution in the value of new funds secured amongst HEIs. At the top end of the distribution four HEIs reported funds secured of £20 million or more, with 19 having secured between £5 million and £20 million. At the lower end of the distribution, three HEIs reported securing no new funds while 29 secured less than £100,000 in new funds (but more than £0) (Figure 2.1).

Figure 2.1 – New funds secured in 2010-11 for HEIs



Number of HEIs: 150

The breakdown of the distribution of the value of new funds secured by mission group shows a lot of variation between mission groups (Table 2.3). All of the Russell Group universities secured new funds in 2010-11 worth at least £1 million, with most securing £5 million or more. The majority of 1994 Group members also secured new funds worth £1 million or more, with three securing £5 million or more, but none more than £20 million. Six universities not formally part of a mission group secured between £5 million and £20 million. The majority of the universities in the Million+ Group, University Alliance Group, and universities not formally part of a mission group secured less than £1 million in new funds.

Table 2.3 New funds secured (banded) in 2010-11, by mission group

Ross-CASE Survey 2010-2011

Number	None	Less than £100k	£100k to £500k	£500k to £1m	£1m to £5m	£5m to £20m	£20m and over
Russell Group	0	0	0	0	6	10	4
1994 Group	0	0	0	2	14	3	0
Million+ Group	0	7	8	3	4	0	0
University Alliance Group	0	2	10	3	7	0	0
Other HEIs	3	20	12	6	20	6	0
Number of HEIs	*3*	*29*	*30*	*14*	*51*	*19*	*4*

Looking at the new funds secured by HEIs in 2010-11 by the year of establishment of fundraising programmes, the median value of new funds secured increases with length of fundraising programme (Table 2.4). HEIs with established fundraising programmes, that is those which were established before 2000, secured a median of just under £3.5 million in 2010-11, compared to a median of £1.1 million amongst those with developing programmes (i.e. established between 2000 and 2006).

HEIs in the Russell Group reported securing a median of £9.5 million in new funds, much higher than the average for universities in all other mission groups. Members of the 1994 Group secured a median of £2.9 million, and those in the Million+ and University Alliance Groups secured a median of £154,536 and £455,130 respectively.

Table 2.4 New funds secured in 2010-11, by length of fundraising programme and mission group for HEIs

Ross-CASE Survey 2010-2011

£million	Establishment of fundraising				Mission groups				
	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Mean	12.2	1.8	0.4	0.1	24.4	3.4	0.5	0.7	1.7
Median	3.5	1.1	0.1	0.0	9.5	2.9	0.2	0.5	0.4
Total	575	100	18	0	488	64	10	15	115
Number of HEIs	*47*	*57*	*41*	*5*	*20*	*19*	*22*	*22*	*67*

Over the three years covered by the survey, there was a lot of variation in funds secured between one year and the next, and between mission groups. However, most of the mission groups experienced an increase in new funds secured in 2010-11 from 2009-10, with only the University Alliance Group experiencing a decline (Table 2.5).

Universities in the Russell Group secured a total of £488 million in new funds in 2010-11, up from £440 million in 2009-10 and £388 in 2008-9. This represents an increase in new funds secured since last year of 11 per cent for this group, and a 26 per cent increase over the three year time period.

Larger increases were reported between 2009-10 and 2010-11 by universities in the 1994 Group (40 per cent), the Million+ Group (36 per cent), universities not formally part of a mission group (17 per cent) and English FECs (124 per cent). In 2010-11 the 1994 Group raised £64.3 million, up from £45.8 million in 2009-10. The Million+ Group raised 10.5 million, up from £7.7 million in 2009-10, while universities not formally part of a mission group reported raising £115.2 million in 2010-11, up from £98.2 million in 2009-10. English FECs secured £600,000 in 2010-11 compared to £200,000 in 2019-10- although note that these findings only represent 13 FECs so cannot be taken to be representative of all FECs.

The University Alliance Group was the only mission group that reported securing less new funds in 2010-11 than they had in the preceding year (although the Million+ Group and universities not formally part of a mission group reported securing less new funds compared with 2008-9). In 2010-11, the University Alliance Group reported securing new funds worth £15.2 million, down from £15.8 million in 2009-10, this is due to a number of institutions in the University Alliance Group securing considerably less in new funds in 2010-11, compared to 2009-10.

Table 2.5 New funds secured in last three years, by mission group

Ross-CASE Survey 2010-2011

£million	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs	English FECs
2008-9	388.2	36.0	12.7	9.5	117.8	0.2
2009-10	440.1	45.8	7.7	15.8	98.2	0.3
2010-11	488.0	64.3	10.5	15.2	115.2	0.6
	%	%	%	%	%	%
Growth between 2008-9 and 2010-11	26	78	-17	59	-2	190
Growth between 2009-10 and 2010-11	11	40	36	-4	17	124
Number of institutions	*20*	*19*	*23*	*22*	*67*	*13*

Compared to 2008-9 and 2009-10, the distribution of new funds secured within the sector has altered very little (Table 2.6). Oxford and Cambridge continue to dominate, with these two universities securing 44 per cent of the sector's philanthropic new funds in 2010-11. The remaining Russell Group universities secured just over a quarter (26 per cent) of the sector's new funds in 2010-11. The three other mission groups – the 1994 Group, Million+ Group, and University Alliance Group – secured 13 per cent of new funds, with HEIs not formally part of a mission group securing 17 per cent. FECs secured less than one per cent of the sector's new philanthropic funds.

Table 2.6	Distribution of new funds secured in last three years, by mission group		
			Ross-CASE Survey 2010-2011
Percentage	2008-9	2009-10	2010-11
Oxford and Cambridge	45	50	44
Russell Group (excluding Oxford and Cambridge)	24	22	26
1994 Group	6	8	9
Million+ Group	2	1	2
University Alliance Group	2	3	2
Other HEIs	21	16	17
English FECs	0	0	0
Number of institutions	*163*	*162*	*163*

2.3 Changes in new funds secured

Although the new funds secured by the higher education sector as a whole increased over the last year, there was a wide range in the trends for individual universities. Some substantial decreases as well as increases were reported.

However, it is important to note that the new funds secured for individual universities can vary considerably from year-to-year. Even experienced fundraisers, who consistently raise significant sums every year can have their figures distorted by a particularly large pledge in one year.

It is important to note that large increases in new funds secured in one year are often followed by a fall in the value of new funds secured the following year as it is difficult to sustain increases of 20 per cent or more each year. Sustaining increases of 20 per cent or more each year is particularly difficult for institutions that have well established fundraising programmes and typically raise a large amount of philanthropic funds, as the actual amount of new funds required in a year to experience this level of growth would be very large.

Table 2.7 shows the breakdown of increases and decreases by mission group. In general within each mission group there was considerable variation in performance. The Russell Group was evenly split, with just over half reporting an increase in new funds secured in 2010-11, and just under half reporting a decrease. A majority of institutions from the 1994 Group (68 per cent), the Million+ Group (70 per cent), the University Alliance (64 per cent) and those not formally part of a mission group (63 per cent) also reported an increase in new funds. Amongst several mission groups, sizeable numbers reported an increase in new funds secured of 50 per cent or more relative to 2009-10. The Million+ Group (60 per saw the largest percentage increase in this area, while sizeable proportions of the institutions not formally part of a mission group (44 per cent) and the 1994 Group (37 per cent) also reported such results.

Table 2.7 New funds secured (banded) in 2010-11, by mission group

Ross-CASE Survey 2010-2011

Number	-50% or more	-50% to 20%	-20% to 0%	0% to 20%	20% to 50%	50% or more
Russell Group	0	7	2	3	2	6
1994 Group	1	4	1	3	3	7
Million+ Group	4	1	1	0	2	12
University Alliance Group	3	2	3	4	5	5
Other HEIs	13	7	3	6	6	28
Number of HEIs	*21*	*21*	*10*	*16*	*18*	*58*

2.4 Cash income received

Over the three years covered by the 2010-11 survey, the level of philanthropic cash income received increased by eight per cent, from £519 million in 2008-9 to £560 million in 2010-11 (Table 2.8). However, in 2009-10 the cash income received decreased albeit by less than one per cent to £517 million (from £519 million in 2008-9).

The median cash income received also grew sharply over the three years. The median cash income received by universities was £774,000 in 2010-11, up from £549,000 in 2009-10 (growth of 41 per cent over the year) and £447,000 in 2008-9 (growth of 73 per cent over the two year period).

Table 2.8 Cash income received in last three years for HEIs

Ross-CASE Survey 2010-2011

£million	2008-9	2009-10	2010-11
Cash income received	519	517	560
Median cash income received	0.447	0.549	0.774
Number of HEIs	*150*	*149*	*151*

Scottish, Welsh and Northern Irish universities received approximately £62 million out of the £561 million UK universities received in cash income in 2010-11 (Table 2.9).

The median cash income received by English HEIs in 2010-11 was £762,480 while this was £850,910 for other universities. English FECs received a total of £651,000 in cash income. The median value was £10,460 for English FECs as only eight of the 13 FECs that responded to the question reported receiving any philanthropic cash income.

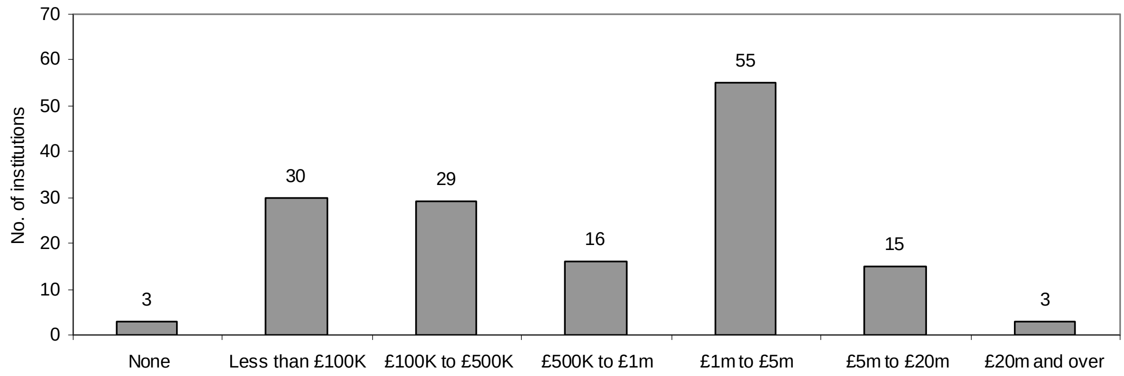
Table 2.9 Cash income received in 2010-11, by type of institution

Ross-CASE Survey 2010-2011

	HEIs			FECs
£000s	English	Other	Total	Total (English)
Mean	3,896	2,677	3,420	50.10
Median	762.48	850.91	652.44	10.46
Total	498,674	61,563	560,889	651
Number of institutions	128	23	164	13

As with new funds secured, there was considerable variation in the cash income received by individual universities (Figure 2.2). Thirty HEIs received less than £100,000 in cash income in 2010-11 with three reporting receiving no cash income. Fifty-five HEIs received cash income of between £1 million and £5 million while 18 reported receiving £5 million or more.

Figure 2.2 – Cash income received in 2010-11 for HEIs



Number of HEIs: 151

As with new funds secured, the breakdown of the distribution of philanthropic cash income received by mission group shows a lot of variation within and between groups (Table 2.10). All of the Russell Group universities received at least £1 million in cash income in 2010-11. Most secured £5 million or more with three receiving £20 million or more. The majority of 1994 Group members received between £1 million and £5 million in cash income. Among universities not formally part of a mission group, three received £5 million or more in cash income in 2010-11. The majority of the Million+ Group and University Alliance Group members received less than £1 million in cash income.

Table 2.10 Cash income received (banded) in 2010-11, by mission group

Ross-CASE Survey 2010-2011

Number	None	Less than £100k	£100k to £500k	£500k to £1m	£1m to £5m	£5m to £20m	£20m and over
Russell Group	0	0	0	0	8	9	3
1994 Group	0	0	1	2	13	3	0
Million+ Group	0	8	7	2	6	0	0
University Alliance Group	0	3	9	4	6	0	0
Other HEIs	3	19	12	8	22	3	0
Number of HEIs	*3*	*30*	*29*	*16*	*55*	*15*	*3*

The median amount of cash income received by HEIs increased with the length of fundraising programmes (Table 2.11). HEIs with established fundraising programmes received a median cash income of £3.3 million in 2010-11, compared to a median of around £1.1 million amongst those who have developing fundraising programmes and around £100,000 for those with newer programmes (established in 2007 or more recently). As with new funds secured, the mission groups where member universities often have more established programmes tended to receive higher values of cash income. For example, members of the Russell Group received a median of approximately £8.5 million in cash income in 2010-11 while those in the Million+ Group received a median of around £154,322.

Table 2.11 Cash income received in 2010-11, by length of fundraising programme and mission group for HEIs

Ross-CASE Survey 2010-2011

£million	**Establishment of fundraising**				**Mission groups**				
	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Mean	9.5	1.7	0.4	0.1	19.5	2.9	0.5	0.7	1.3
Median	3.3	1.1	0.1	0.0	8.5	2.5	0.2	0.4	0.5
Number of HEIs	446	97	17	0	390	55	13	16	86

Table 2.12 below shows the cash income received by mission group, excluding Oxford and Cambridge. The cash income received over the last three years has grown for all mission groups. The 1994 Group, Million+ Group and University Alliance Group all saw large increases of between 60 and 66 per cent. Although further education colleges also saw a large increase (104 per cent), as there is only data for only 13 colleges shown here,

these findings should not be taken as indicative of changes in the whole sector. The total cash income received by the Russell Group and institutions not part of a mission group has fluctuated over the three years.

If the data for Oxford and Cambridge were to be included in the Russell Group findings in Table 2.12, the cash income for each year would increase significantly. In 2008-9 the cash income of the Russell Group including Oxford and Cambridge was £382.8 million compared to £112.9 million when Oxford and Cambridge are excluded. For 2009-10 it was £360 million with Oxford and Cambridge included, compared to £118.2 million with them excluded; and for 2010-11 it was £389.8 million, compared to £145.5 million. It is interesting to note however that there was a higher rate of growth between 2008-9 and 2010-11 for the Russell Group universities when Oxford and Cambridge are excluded, of 18 per cent over the three years, compared to 2 per cent with them included, suggesting that the Russell Group universities apart from Oxford and Cambridge, have been able to increase their cash income more quickly over this time period, than Oxford and Cambridge.

Table 2.12 Cash income received in last three years, by mission group (excluding Oxford and Cambringe)

Ross-CASE Survey 2010-2011

£million	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs	English FECs
2008-9	122.9	34.6	7.5	10.0	84.2	0.3
2009-10	118.2	45.9	10.7	11.7	88.2	0.4
2010-11	145.5	55.4	12.5	16.0	86.4	0.7
	%	%	%	%	%	%
Growth between 2008-9 and 2010-11	18	60	66	61	3	104
Number of institutions	*18*	*19*	*23*	*22*	*67*	13

As with new funds secured, the distribution of cash income received across the mission groups has not changed greatly over the three years (Table 2.13). Oxford and Cambridge continue to receive around half of the philanthropic cash income for the higher education sector, although this has gradually decreased by six per cent from 2008-9 to 2010-11. The proportion of cash income received by the remaining Russell Group members is largely unchanged from 2009-10. The shares received by other mission groups and FECs are also largely unchanged.

Table 2.13 Distribution of cash income received in last three years, by mission group

Ross-CASE Survey 2010-2011

Percentage	2008-9	2009-10	2010-11
Oxford and Cambridge	50	47	44
Russell Group (excluding Oxford and Cambridge)	24	23	26
1994 Group	7	9	10
Million+ Group	1	2	2
University Alliance Group	2	2	3
Other HEIs	16	17	15
English FECs	0	0	0
Number of institutions	*162*	*162*	*164*

2.5 Changes in cash income received

As with the new funds secured, there was a wide range in the trend for cash income received for individual universities. Table 2.14 shows the breakdown of increases and decreases by mission group.

Whilst there was considerable variation in performance within each mission group, the majority of institutions in all mission groups reported an increase in cash income in 2010-11. In the Russell Group 70 per cent of HEIs reported an increase in cash income, as did 74 per cent of the 1994 Group, 67 per cent of the Million+ Group, 73 per cent of the University Alliance Group and 59 per cent of institutions not formally part of a mission group. Amongst all mission groups, sizeable numbers reported an increase in cash income received of 50 per cent or more relative to 2009-10. While the largest percentage of institutions reporting such an increase were from the University Alliance group (59 per cent), sizeable proportions of the Russell Group (35 per cent), the 1994 Group (32 per cent), the Million+ Group (43 per cent) and the institutions not formally part of a mission group (38 percent) also reported such results.

Table 2.14 Growth of cash income received over one year (between 2008-9 and 2010-11) for HEIs

Ross-CASE Survey 2010-2011

Number	-50% or more	-50% to 20%	-20% to 0%	0% to 20%	20% to 50%	50% or more
Russell Group	2	3	1	6	1	7
1994 Group	2	1	2	6	2	6
Million+ Group	4	1	2	3	2	9
University Alliance Group	1	0	5	1	2	13
Other HEIs	9	14	3	6	7	24
Number of HEIs	*18*	*19*	*13*	*22*	*14*	*59*

2.6 Cash income received by English institutions which could be eligible for matched funding[3]

The Government matched funding scheme for voluntary giving over the period 2008-11, managed by HEFCE, started on 1st August 2008. Under this scheme funding is available to match eligible gifts secured by English HEIs and directly funded FECs. The scheme aims to achieve a step change in voluntary giving, both in numbers of donors and in cash received. The definition of cash income eligible for matched funding was set out in sections 6.5 to 6.7 of the Reporting Rules (see Appendix A) and reflects the final rules set by HEFCE for the scheme. The returns to the Ross-CASE survey this year therefore cover the amounts received in the second year of the scheme.

On 1st March 2010 HEFCE announced that they had now made the first year payments as a proportion of the approved claims for the first year of the matched funding scheme[4]. The aggregate levels of matched funding over the three years of the scheme are as follows:

- Tier 1 institutions received £1 for every £1 of cash income eligible up to a cap of £200,000 per institution.
- Tier 2 institutions received £1 for every £2 of cash income eligible up to a cap of £1.35 million per institution.
- Tier 3 institutions received £1 for every £3 of cash income eligible up to a cap of £2.75 million per institution.

The matched funding scheme currently operates only in England, and hence the figures produced in this section of the report analyse English HEIs and FECs only (a separate matched funding scheme exists in Wales and this is looked at in Chapter 6). Please note

[3] Data for Wales can be found in Chapter 5.

[4] http://www.hefce.ac.uk/finance/fundinghe/vol/claimpay.

that not all cash that institutions report as cash income eligible for matched funding necessarily ends up being matched. The actual funds matched by HEFCE depend on the funding tier of individual institutions and the amount submitted on claim forms – which may not necessarily tally with the funds eligible for matching reported in this survey. Unlike the Ross–CASE survey, claims made to the matched funding scheme may be audited. The Ross–CASE survey does not track the claims or payments for individual institutions but it does provide the big picture of the progress and success of the scheme in engaging more donors, and in encouraging greater university investment and participation in fundraising.

Oxford and Cambridge have different arrangements to other universities for cash eligible for matched funding. Hence we have excluded them so we are able to look at the underlying overall trend over recent years for cash income eligible for matched funding (Table 2.15). By this measure there was an increase from the £147 million received in 2008-9 and £157 million received in 2009-10 to £189 million in 2010-11.

Table 2.15 Cash income which could be eligible for matched funding in last three years

Ross-CASE Survey 2010-2011

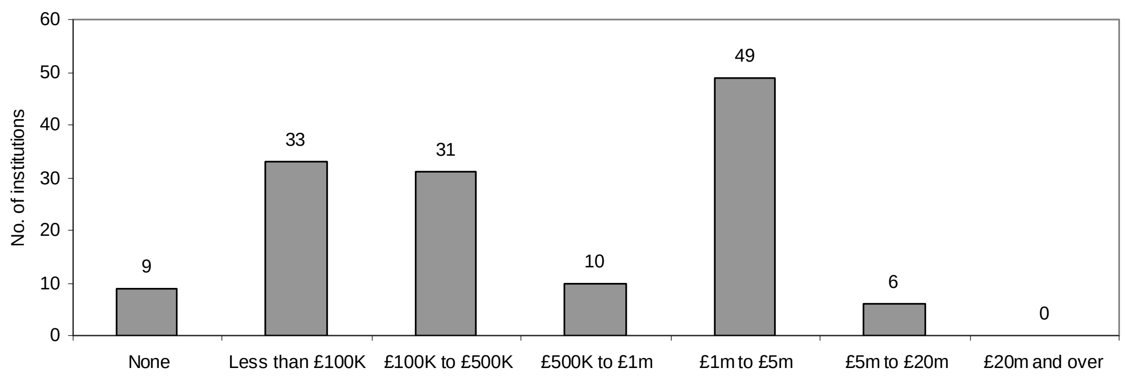
£million	2008-9	2009-10	2010-11
Total cash income which could be eligible for matched funding	147	157	189
Total cash income received	204	226	255
	%	%	%
Proportion of total cash income received that was cash eligible for matched funding	72	70	74
Number of English institutions (excluding Oxford and Cambridge)	*138*	*138*	*139*

Almost all the cash income which could be eligible for matched funding in 2010-11 was received by English HEIs. The median cash income which could be eligible for matched funding received by English HEIs in 2010-11 was £569,000 (Table 2.16). In total, FECs secured £634,000 in cash income which could be eligible for matched funding; while the median value secured for these institutions was £10,000 (only eight of the 13 FECs responding had any eligible cash income), the mean was £49,000.

Table 2.16	**Cash income which could be eligible for matched funding in 2010-11, by type of institution**	
		Ross-CASE Survey 2010-2011
£000s	English HEIs	English FECs
Mean	1,509	49
Median	569	10
Total	188,597	634
Number of English institutions (excluding Oxford and Cambridge)	*125*	*13*

As may be expected due to the wide range in cash income received by individual institutions, there is also a large range in the cash income which could be eligible for matched funding across English institutions. Nine institutions received no cash income which could be eligible for matched funding in 2010-11 while just over a quarter of all institutions (33 institutions) received under £100,000 in eligible cash (Figure 2.3). Six institutions received between £5 million and £20 million, while a further 49 received between £1 million and £5 million in cash income which could be eligible for matched funding. In total about 40 per cent of institutions (55 institutions) reported receiving £1 million or more in cash income which could be eligible for matched funding.

Figure 2.3 – Cash income which could be eligible for matched funding in 2010-11



Number of English institutions (excluding Oxford and Cambridge): 138

Looking at the distribution by mission group, the pattern for cash eligible for matched funding is similar to that for total cash income received (Table 2.17). The Russell Group, 1994 Group and HEIs which are not formally part of a mission group made up the bulk of institutions receiving £1 million or more in cash which could be eligible for matched funding in 2010-11. The majority of universities in the Million+ Group, University Alliance Group and HEIs which are not formally part of a mission group received less than £500,000 in cash which could be eligible for matched funding.

Table 2.17 Cash income which could be eligible for matched funding (banded) in 2010-11 by mission group

Ross-CASE Survey 2010-2011

Number	None	Less than £100k	£100k to £500k	£500k to £1m	£1m to £5m	£5m to £20m	£20m and over
Russell Group	0	0	0	0	9	5	0
1994 Group	0	0	2	2	13	1	0
Million+ Group	0	9	6	3	4	0	0
University Alliance Group	0	3	9	1	4	0	0
Other HEIs	4	16	11	4	19	0	0
English FECs	5	5	3	0	0	0	0
Number of English institutions (excluding Oxford and Cambridge)	*9*	*33*	*31*	*10*	*49*	*6*	*0*

As with new funds secured and cash income received, the median amount of cash income which could be eligible for matched funding received by institutions increased with the length of fundraising programme (Table 2.18). Institutions with established fundraising programmes received a median income of £2.8 million in 2010-11, compared to a median of around £1.1 million amongst those who have developing fundraising programmes and around £101,959 for those with newer programmes (established in 2007 or more recently).

As with new funds secured and cash income received, the mission groups where member universities often have more established programmes tended to receive higher values of cash income which could be eligible for matched funding. For example, members of the Russell Group received a median of £3.8 million in cash income in 2010-11 while those in the 1994 Group received a median of £1.9 million.

Table 2.18 Cash income which could be eligible for matched funding in 2010-11, by length of fundraising programme and mission group for HEIs

Ross-CASE Survey 2010-2011

£million	Establishment of fundraising				Mission groups				
	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Mean	2.8	1.5	0.3	0.0	5.0	2.3	0.5	0.6	1.0
Median	2.8	1.1	0.1	0.0	3.8	1.9	0.1	0.3	0.2
Number of HEIs	*97*	*80*	*12*	*0*	*70*	*42*	*10*	*10*	*56*

2.7 Summary of total funds trends

The higher education sector saw a steady increase in terms of new philanthropic funds secured between 2008-9 and 2010-11 and an increase in cash income over this time also. Cash income which could be eligible for matched funding similarly showed strong growth over the three years of the survey. As has been the case for many years, on every measure the headline figures disguise a considerable variation in outcomes reported. Generally, universities with longer running fundraising programmes reported raising more funds in 2010-11, compared with less well established programmes.

3 Analysis of gifts

This chapter presents an analysis of gifts, firstly looking at legacy income, followed by the equivalent cash value of gifts-in-kind and campaigns. It then focuses on largest pledges and cash gifts, Annual Fund income, and donors.

Table 3.1 breaks down some of these measures by mission group for 2010-11.

Gifts-in-kind made up a small proportion of new funds secured in 2010-11 for the majority of mission groups. However, they made up around five per cent of new funds secured in 2010-11 for the University Alliance Group and universities which did not formally belong to any mission group. For the Russell Group, 1994 Group and Million+ Group gifts-in-kind made up around one to two per cent of new funds secured in 2010-11.

The significance of legacy income as a proportion of total cash income received in 2010-11 varied by mission group. In HEIs not formally part of any mission group, legacy income made up 14 per cent of cash income received. In the Russell Group, Million+ Group and University Alliance group, 10 per cent of cash income received came from legacies. In comparison, no cash income received by FECs, and three per cent of cash income received by those in the 1994 Group, came from legacies received.

Table 3.1 Gifts by mission group, 2010-11

Ross-CASE Survey 2010-2011

	Russell Group		1994 Group		Million+ Group		University Alliance Group		Other HEIs		English FECs	
£million and percentage	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%
New funds secured	488	100	64	100	10	100	15	100	115	100	1	100
Including:												
Gifts-in-kind	9	2	0	1	0	2	1	5	6	5	0	0
Cash income received	390	80	55	86	13	120	16	106	86	75	1	115
Including:		%		%		%		%		%		%
Legacy income received	40	10	2	3	1	10	2	10	12	14	0	0
Number of institutions	*20*		*19*		*22*		*22*		*67*		*13*	

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3.1 Commentary by the Ross Group Editorial Board

1. The measurable success or otherwise of a university fund-raising programme comes down ultimately to two crucial indicators – the number of gifts received and the value of those gifts. Although an obvious statement, it is important to focus on this most basic ‘transactional’ data which underpins the success shown in this report.

2. At the highest level, in terms of the total numbers of gifts there is very significant progress to report. Through the efforts and energy of academic leaders, volunteers and specialist professional staff across the sector, presenting the case for giving to higher education, more than 204,500 people and organisations (the vast majority being individual private donors) chose to make a gift. This figure is 19,300 more than 2009-10 and takes the increase since 2007-08 to more than 56,000.

3. In the three years of the matched funding scheme donor numbers are up by more than a third. It is impossible to overstate the long-term significance of this growing donor base. We consider that this represents a particular success of the scheme, which appears to have had a significant impact in changing donor behaviour and also in making institutions more willing to ‘ask’ than before. It also reflects the impact of increased investment in the process of asking for support.

4. We have referred to gifts-in-kind in the commentary on Total Funds, illustrating how such gifts contribute to the difference between “new funds secured”, which includes gifts in kind, and “cash income received” which does not. Gifts in kind represent an important way in which some benefactors are able to provide support for Higher Education. Clearly care needs to be taken in the solicitation of such gifts to ensure that they do represent a useful addition to the resources of the institution and indeed if there are associated costs that need to be considered. In some cases it is possible to negotiate a linked cash donation to meet such costs.

Analysis of Annual Fund giving is especially challenging and care needs to be taken in drawing firm conclusions from the data. This is because the definition of what is included in annual fund income varies among institutions and because Oxbridge figures tend to have a distorting effect. Nonetheless, it is possible to see a very clear correlation between the time a fundraising programme has been established and the level of Annual Fund income received. For example, those programme established for more than 11 years have a median Annual Fund income more than four times the level for programmes established between four and ten years.

3.2 Legacy income received

Legacy cash income is counted in the survey as both new funds secured and cash income received. The total value of legacy cash income has increased over the last three years (Table 3.2). Legacy cash income received in 2010-11 was £57 million, up from £56 million in 2009-10 and £55 million in 2008-9.

Table 3.2 Legacy cash income received in last three years for HEIs

Ross-CASE Survey 2010-2011

£million	2008-9	2009-10	2010-11
Legacy cash income received	55	56	57
Number of HEIs	*142*	*144*	*148*

In 2010-11 legacy cash income received made up 10 per cent of universities' philanthropic cash. This compared with 11 per cent in 2009-10 and 2008-9.

Table 3.3 shows the average legacy cash received by institutions over the three years of the survey. The average over three years has been shown as legacy cash income is inherently unpredictable. High levels of average legacy cash income were received by over half of the Russell Group over the three years of the survey (Table 3.3). Fifteen Russell Group universities (75 per cent of the Russell Group) received and average of £250,000 or more in legacy cash income over the three years. Among all other mission groups, five universities received an average of £250,000 or more in legacy cash income. Only four Million+ Group universities received any legacy cash income at all. Of the universities not formally part of a mission group, twelve (18 per cent) received legacy cash income of £250,000 or more, but about 48 per cent received none.

Table 3.3 Legacy cash income received (average over three years, banded), by mission group

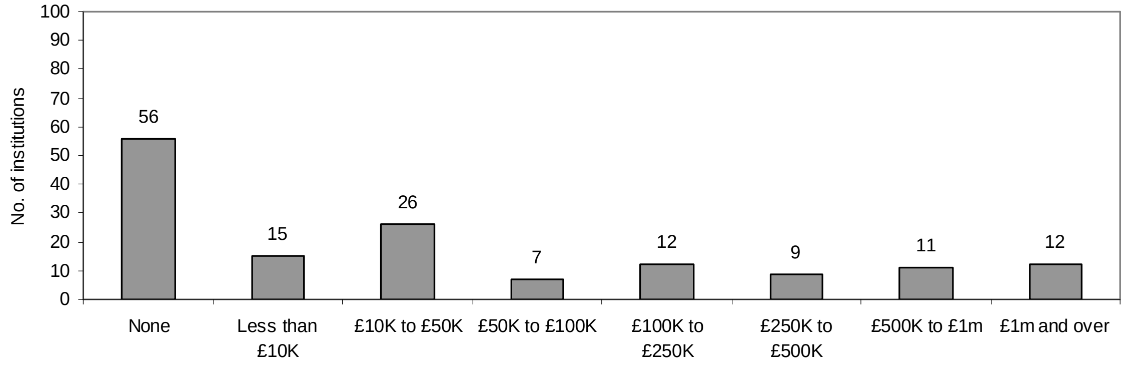
Ross-CASE Survey 2010-2011

Number	None	Less than £10k	£10k to £50k	£50k to £100k	£100k to £250k	£250k to £500k	£500k to £1m	£1m and over
Russell Group	0	1	2	1	1	3	4	8
1994 Group	0	3	6	3	4	1	2	0
Million+ Group	18	1	1	0	1	0	1	0
University Alliance Group	8	5	5	1	1	1	0	0
Other HEIs	30	5	12	2	5	4	4	4
Number of HEIs	*56*	*15*	*26*	*7*	*12*	*9*	*11*	*12*

Although most universities did not receive any legacy cash income in 2010-11, more than half had received some over the last three years. While 50 per cent had received legacy cash income in 2010-11, the proportion who had received some legacy cash income over the three year period was 62 per cent.

The distribution of legacy cash income in 2010-11 is largely the same as in the last three years (Figure 3.1).

Figure 3.1 – Legacy cash income received in year for HEIs (average of three years)



Number of HEIs: 148

Looking at the average legacy cash income received over the three years of the survey by length of fundraising programme and mission group shows that legacy cash income is concentrated amongst universities with a longstanding fundraising programme who are typically Russell Group universities (Table 3.4). HEIs with established fundraising programmes received a median of £150,000 in legacy cash income, a much greater amount than those with developing or newer (£7,000 and zero respectively) programmes. Similarly, the Russell Group universities received a much larger legacy cash income (a median of £587,000) than other mission groups.

Table 3.4 Legacy cash income received (average over three years), by length of fundraising programme and mission group for HEIs

Ross-CASE Survey 2010-2011

£000s	Establishment of fundraising				Mission groups				
	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Mean	978	148	53	10	1920	137	44	33	209
Median	150	7	0	0	587	52	0	1	2
	45,962	8292	2119	48	38,395	2598	964	702	13,762
Number of HEIs	*47*	*56*	*40*	*5*	*20*	*19*	*22*	*21*	*66*

3.3 Gifts-in-kind

The equivalent cash value of gifts-in-kind received by the higher education sector was £16 million in 2010-11, an increase from £12 million in 2009-10 (Table 3.5). The figure of £33 million in 2008-9 is an outlier, largely accounted for by a particularly large gift-in-kind to one university in that year.

Table 3.5 Total equivalent cash value of gifts-in-kind received in last three years for HEIs

Ross-CASE Survey 2010-2011

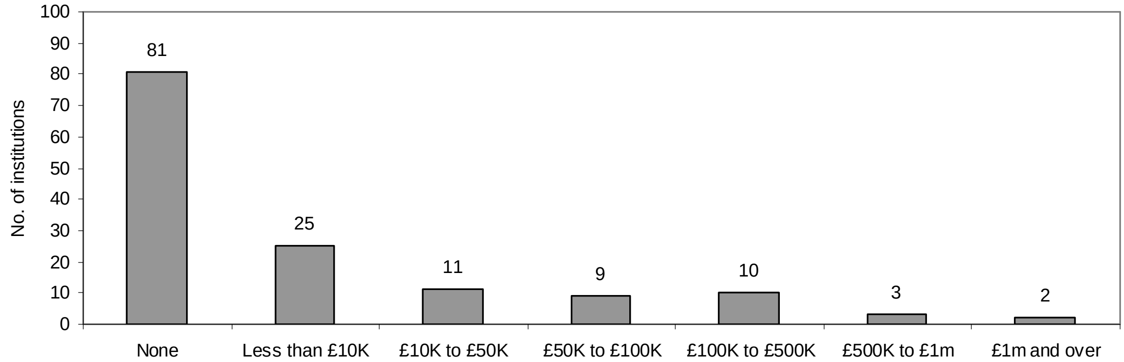
£million	2008-9	2009-10	2010-11
Equivalent cash value of gifts	33	12	16
Number of HEIs	*139*	*139*	*141*

The pattern for the equivalent cash value of gifts-in-kind is similar to that for legacies. Most universities did not receive any gifts-in-kind in 2010-11 (

Figure 3.2). Of those that did there was a large variation in the cash value of those gifts.

Eighty-one universities (57 per cent) did not receive any gifts-in-kind in 2010-11. While five universities (4 per cent) received gifts-in-kind worth £500,000 or more in 2010-11, thirty-six universities (26 per cent) received gifts-in-kind worth £50,000 or less.

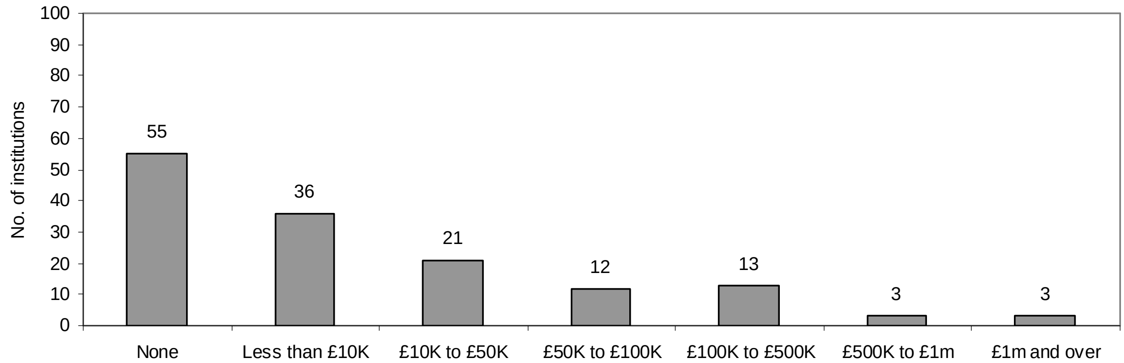
Figure 3.2 – Total equivalent cash value of gifts-in-kind over one year (2010-11) for HEIs



Number of HEIs: 141

Looking at gifts-in-kind over a three year period, a similar pattern to that for legacy income is evident (Figure 3.3). While only a two-fifths (43 per cent) of universities received gifts-in-kind in 2010-11, more than half (62 per cent) received at least one over the three year period.

Figure 3.3 – Total equivalent cash value of gifts-in-kind in year for HEIs (average of three years)



Number of HEIs: 143

3.4 Campaigns

Twenty-seven per cent of universities reported being in a campaign in 2010-11. This was a slight increase from the 24 per cent who reported being in a campaign in 2009-10, recorded in the last survey. Universities with longer established fundraising programmes were more likely to report being in one. Thirty-six per cent of universities with programmes established before 2000 were in a campaign, with a smaller proportion (25 per cent) of those with programmes established between 2000 and 2006 in one, falling to 22 per cent of those with programmes beginning in 2007 or more recently. Looking at campaigns by mission groups, both Oxford and Cambridge were in campaign in 2010-11. Around two fifths of the Russell Group (excluding Oxford and Cambridge) and the 1994

Group reported being in a campaign (44 per cent and 42 per cent respectively). Comparatively, a smaller proportion of institutions not formally part of a mission group reported being a campaign (26 per cent) with 17 per cent of the Million+ Group being in one. Only a minority of the University Alliance Group (5 per cent) reported being in a campaign in 2010-11.

The 40 universities in a campaign in 2010-11 aimed to raise £4,264 million between them. Importantly, many universities choose to “count” their campaigns using different criteria; thus the £4,264 million includes significant gifts from sources which do not count for the purposes of Ross-CASE reporting.

The public phases of the campaigns were expected to last a mean of just over three and a half years. The mean proportion of the campaign target the universities expected to achieve before the campaign went public was 41 per cent, with a median also of 41 per cent.

Most of the total (£2,250 million) was accounted for by Oxford and Cambridge. The remaining 38 universities with campaigns are aiming to raise £2,014 million, of which other Russell Group member universities are aiming to raise £1,570 million.

3.5 Largest pledges

Pledges include the total value, including Gift Aid (but not Transitional Relief), for up to the first five years of payment of a multi-year gift. However, a new, single cash gift which is larger than the five year total of any multi-year gifts would be counted as an institution’s largest pledge.

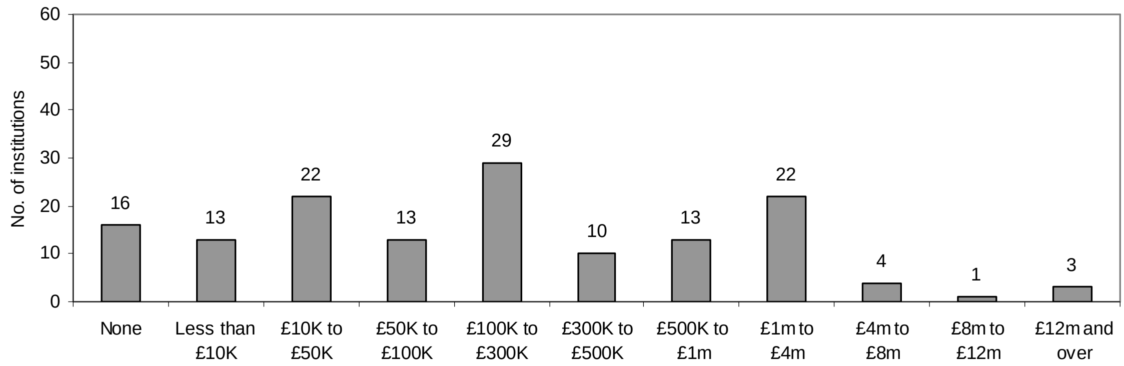
The total value of the largest non-legacy confirmed pledges raised by the higher education sector increased in 2010-11 to £162 million from £118 million in the previous year and £146 million in 2008-09. This rate of increase was in line with the rise in the total value of new funds secured by universities. The proportion that the largest pledges contributed to the total new funds secured was 23 per cent in 2010-11, which is four percent higher than the proportion recorded last year (19 per cent).

The number of gifts of £500,000 or more received by universities has gradually increased over the last three years. In 2008-9 the higher education sector as a whole received 141 gifts of £500,000 or more, rising to 175 in 2009-10. In 2010-11, the sector again received 175 such gifts, with Scottish, Northern Irish and Welsh universities accounting for 23.

As with new funds secured and cash income received, the distribution of the value of the largest non-legacy confirmed pledges is very wide (

Figure 3.4). Sixteen (11 per cent) universities had no pledges in 2010-11 and a forty-eight (33 per cent) had no pledge over £100,000. However, thirty universities (21 per cent) had largest pledges worth £1 million or more, with eight universities having a largest pledge worth £4 million or more.

Figure 3.4 – Largest non-legacy confirmed pledge over one year (2010-11) for HEIs



Number of HEIs: 146

More than half (65 per cent) of the Russell Group universities received £1 million or more as their largest non-legacy confirmed pledge in 2010-11 (Table 3.6). Ten universities in other mission groups received £1 million or more as their largest pledges, but most did not. The University Alliance Group did not receive a largest pledge worth over £1 million. There was more variation among the universities not formally part of a mission group, with seven receiving £1 million or more as their largest pledge, and nine receiving less than £10,000 (nine also received nothing).

Table 3.6 Largest non-legacy confirmed pledge (banded) in 2010-11, by mission group

Ross-CASE Survey 2010-2011

Number	None	Less than £10k	£10k to £50k	£50k to £100k	£100k to £300k	£300k to £500k	£500k to £1m	£1m to £4m	£4m to £8m	£8m to £12m	£12m and over
Russell Group	0	0	0	1	2	1	3	8	1	1	3
1994 Group	0	1	1	1	2	3	2	8	1	0	0
Million+ Group	6	2	5	1	3	1	2	1	0	0	0
University Alliance Group	1	1	4	3	9	1	2	0	0	0	0
Other HEIs	9	9	12	7	13	4	4	5	2	0	0
Number of HEIs	*16*	*13*	*22*	*13*	*29*	*10*	*13*	*22*	*4*	*1*	*3*

There was no clear pattern in the median contribution the largest pledge made to the total funds secured at individual universities by the length of the fundraising programmes (Table 3.7). For example, the median percentage for institutions with established programmes was 22 per cent, compared to 23 per cent for those with developing programmes and newer programmes. The mean percentages for the developing (29 per cent), newer (28 per cent) programmes were relatively similar, with a slightly lower mean for established programmes (26 per cent).

The largest non-legacy confirmed pledge received by Russell Group universities accounted for a median of 23 per cent of these universities' total funds secured. The largest non-legacy confirmed pledges tended to contribute more to the new funds secured of universities in the 1994 Group (35 per cent).

Table 3.7 Largest non-legacy confirmed pledge as percentage of funds secured in 2010-11, by length of fundraising programme and mission group for HEIs

Ross-CASE Survey 2010-2011

Percentage	**Establishment of fundraising**				**Mission groups**				
	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Mean	26.1	29.1	28.4	24.7	22.1	32.2	27.9	27.3	28.5
Median	22.3	23.2	22.7	3.5	23.2	34.9	27.1	22.1	19.2
Number of HEIs	*46*	*54*	*39*	*4*	*20*	*19*	*21*	*21*	*62*

In 2010-11, nearly half of the largest non-legacy confirmed pledges received by universities came from trusts and foundations (Table 3.8). In comparison to 2008-9, the proportion receiving their largest non-legacy pledge from trusts and foundations had decreased by 14 percentage points, while the proportion receiving their largest non-legacy pledge from a living individual had increased by six percentage points.

There has been a fluctuation in the proportion of largest pledges which come from the corporate sector over the last three years. From 12 per cent in 2008-09, this decreased to ten per cent in 2009-10, and increased to 17 per cent in 2010-11. Trusts and foundations, living individuals and corporate donations together account for the largest source of all the largest non-legacy confirmed pledges received. These three sources accounted for 95 per cent of the largest pledges in 2008-9, 94 per cent in 2009-10, and 92 per cent in 2010-11.

Table 3.8 Source of largest non-legacy confirmed pledges in last three years for HEIs

Ross-CASE Survey 2010-2011

Percentage	2008-9	2009-10	2010-11
Trusts and foundations	60	53	46
Individual in lifetime	23	31	29
Corporate	12	10	17
Lottery	0	2	2
Other	5	4	5
Number of HEIs with pledges	*124*	*127*	*127*

The sources of the largest non-legacy pledge in 2010-11 differed by length of fundraising programme and mission group (Table 3.9).

Established and developing fundraising programmes received a larger proportion of their largest non-legacy pledges in 2010-11 from trusts and foundations (57 per cent and 46 per cent respectively) compared with newer programmes (31 per cent). Newer programmes received 31 per cent of their largest non-legacy pledges from living individuals, compared to established and developing programmes (28 per cent for each).

The majority of largest non-legacy pledges received by the Russell Group (65 per cent) were from trusts and foundations. This was the same for the 1994 Group (47 per cent), the Million+ Group (40 per cent), the University Alliance Group (45 per cent) and for universities who are not formally part of a mission group (40 per cent). However, living individuals also amounted to sizeable proportions of largest non-legacy pledges for the 1994 group (37 per cent), the Million+ Group (27 per cent), the University Alliance Group (30 per cent) and for universities who are not formally part of a mission group (30 per cent), compared to only 20 per cent for the Russell Group.

Table 3.9 Source of largest non-legacy confirmed pledges in 2010-11, by length of fundraising programme and mission group for HEIs

Ross-CASE Survey 2010-2011

Percentage	Establishment of fundraising				Mission groups				
	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Trusts and foundations	57	46	31	50	65	47	40	45	42
Individual in lifetime	28	28	31	50	20	37	27	30	30
Corporate	9	20	28	0	5	16	27	15	21
Lottery	4	2	0	0	10	0	0	0	2
Other	2	4	10	0	0	0	7	10	6
Number of HEIs	*46*	*50*	*29*	*2*	*20*	*19*	*15*	*20*	*53*

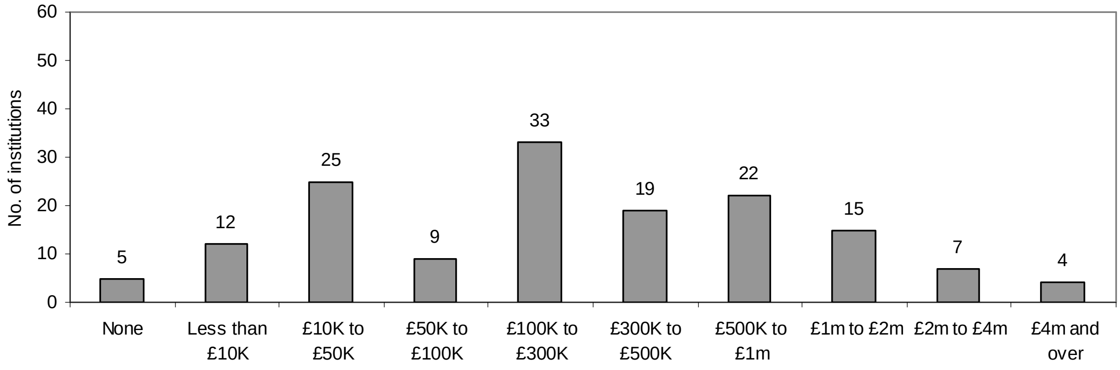
3.6 Largest cash gifts

The number of philanthropic cash gifts received by the higher education sector worth £500,000 has fluctuated over the three years, decreasing from 174 in 2008-09 to 157 in 2009-10 and staying nearly level in 2010-11 at 158. However, their contribution to the cash income received over the three years covered by the survey has declined. The mean contribution of largest cash gifts to total cash income received was 35 per cent in 2010-11, lower than 2009-10 (39 per cent) and 2008-9 (45 per cent). Given the rise in donor numbers across the sector (see section 4.9) this is perhaps not surprising.

As with non-legacy confirmed pledges, the distribution of the value of the largest cash gifts is very wide (

Figure **3.5**). A total of 146 (97 per cent) universities received a cash gift in 2010-11, but for thirty-seven (25 per cent) the largest such gift was worth less than £50,000. Twenty-six universities had a largest cash gift of £1 million or more, with four universities having a largest cash gift of £4 million or more.

Figure 3.5 – Largest cash gift over one year (2010-11) for HEIs



Number of HEIs: 151

The largest cash gifts received by HEIs with established fundraising programmes contributed a median of 21 per cent to their total cash income while the corresponding figure for developing programmes was 32 per cent (Table 3.10).

The largest cash gifts received by HEIs with newer programmes and those without a programme tended to contribute much more to their total cash income (medians of 43 per cent and 55 per cent respectively) than older programmes. The largest cash gifts contributed least to the total cash income of the Russell Group and 1994 Group which are the mission groups with the longest established programmes.

Table 3.10 Largest cash gift as percentage of cash income received in 2010-11, by length of fundraising programme and mission group for HEIs

Ross-CASE Survey 2010-2011

	Establishment of fundraising				**Mission groups**				
Percent -age	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Mean	26.0	33.0	46.5	50.3	15.4	33.3	43.1	37.4	37.6
Median	20.7	31.8	42.7	55.0	10.7	29.6	33.0	38.2	34.3
Number of HEIs	*47*	*57*	*40*	*4*	*20*	*19*	*23*	*22*	*64*

Across the three years, the distribution of sources of largest cash gifts remained remarkably similar. In 2010-11 52 per cent of universities received their largest cash gift from trusts and foundations, which was similar to 2008-9 (55 per cent) and 2009-10 (53 per cent) (Table 3.11). The relative importance of living individuals as sources of the largest cash gifts has gradually increased over the last three years, with 19 per cent of largest cash gifts coming from these donors in 2008-9, 25 per cent in 2009-10 and 28 per cent in 2010-11.

Table 3.11 Source of largest cash gifts in last three years for HEIs

Ross-CASE Survey 2010-2011

Percentage	2008-9	2009-10	2010-11
Trusts and foundations	55	53	52
Individual in lifetime	19	25	28
Legacy cash received	19	6	6
Corporate	13	10	9
Lottery	2	3	2
Other	6	3	3
Number of HEIs with cash gifts	*143*	*145*	*145*

The most common source of largest cash gifts were trusts and foundations for all mission groups (Table 3.12). This was highest amongst the 1994 Group (74 per cent) and the Russell Group (65 per cent), although institutions in the Million+ Group (52 per cent), University Alliance Group (50 per cent), and universities who are not formally part of a mission group (41 per cent) also reported trusts and foundations as being the source of their largest cash gift.

Table 3.12 Source of largest cash gift in 2010-11, by length of fundraising programme and mission group for HEIs

Ross-CASE Survey 2010-2011

	Establishment of fundraising				**Mission groups**				
Percentage	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Trusts and foundations	60	54	41	33	65	74	52	50	41
Individual in lifetime	26	23	36	67	20	16	35	23	34
Legacy cash received	9	7	3	0	10	0	9	9	5
Corporate	6	9	13	0	0	5	4	9	15
Lottery	0	5	0	0	0	5	0	0	3
Other	0	2	8	0	5	0	0	9	2
Number of HEIs	*47*	*56*	*39*	*3*	*20*	*19*	*23*	*22*	*61*

3.7 Annual Fund cash income

Annual Fund cash income is defined as the total cash income received by the Annual Fund in a given year. This section of the chapter excludes data from Oxford and Cambridge, for two reasons. Firstly, because one of the universities was not able to obtain Annual Fund cash income from one of its constituent colleges and secondly, and more importantly these two institutions constitute such a large portion of overall Annual Fund income (around half) that including them gives a misleading picture of the rest of the sector.

Table 3.13 shows that the income reported for this measure has increased since 2008-9. Universities received £21 million in Annual Fund income in 2010-11 an increase from £17 million in 2009-10 and 2008-9. Of the £21 million received by UK universities in Annual Fund income in 2010-11, just under £4.7 million was received by Scottish, Northern Irish and Welsh universities.

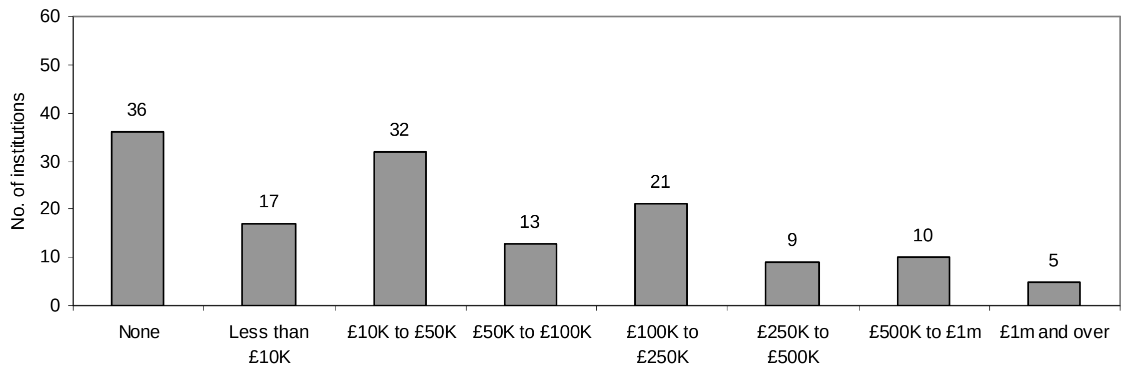
Table 3.13 Cash income received by Annual Fund in last three years for HEIs

Ross-CASE Survey 2010-2011

£million	2008-9	2009-10	2010-11
Total value	17	17	21
Number of HEIs (excluding Oxford and Cambridge)	*138*	*141*	*143*

As with many other measures in the survey there was a very wide distribution of cash income received by Annual Funds across the higher education sector (Figure 3.6). In 2010-11, thirty-six universities (25 per cent reported receiving no Annual Fund cash income. Forty-nine (34 per cent) received less than £50,000 in Annual Fund income. On the other hand 15 universities had Annual Funds which received £500,000 or more in cash income in 2010-11.

Figure 3.6– Total cash income received by Annual Fund over one year (2010-11) for HEIs



Number of HEIs: 143

Universities with longer established fundraising programmes received higher Annual Fund cash income (Table 3.14). Universities with the longest established fundraising programmes reported a median cash income of £177,000 from this source, compared to £42,000 amongst those with developing programmes and around £2,000 for those with more recently established programmes.

There was also considerable variation in cash received by Annual Funds by mission group membership. Russell Group universities received a median of £477,000 in cash from this source, compared to £154,000 amongst the 1994 Group, and £17,000 amongst the Million+ Group. Please note that the mean and median for institutions without a fundraising programme are not given due to the small base size.

Table 3.14 Cash received by Annual Fund in 2010-11, by length of fundraising programme and mission group for HEIs

Ross-CASE Survey 2010-2011

	Establishment of fundraising				**Mission groups**				
£000s	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Mean	327	103	23	-	568	256	36	64	61
Median	177	42	2	-	477	154	17	15	3
Total	14,394	5,743	910	-	10,226	4,856	746	1398	3,820
Number of HEIs (excluding Oxford and Cambridge)	*44*	*56*	*39*	*4*	*18*	*19*	*21*	*22*	*63*

3.8 Alumni donors

The number of addressable alumni reported in the survey will be constrained by a number of factors, such as the number of students who graduate each year, the physical size of each university, and the university's facilities and resources to accurately record their contact details.

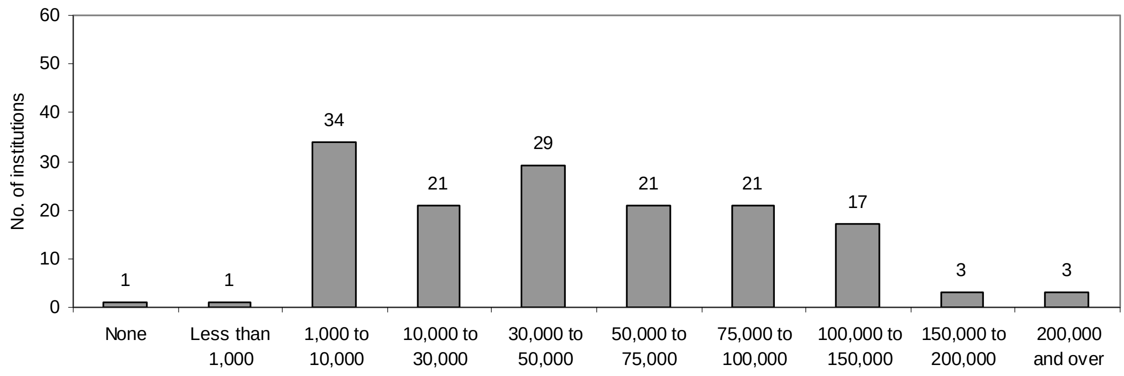
The steady upward trend in the numbers of addressable alumni noted in the reports of the 2007-8, 2008-9, and 2009-10 findings is still evident. The total number of addressable alumni reported in this survey was around 8.7 million in 2010-11, compared with just over 8.1 million in 2009-10 and just over 7.5 million in 2008-9 (Table 3.15). Of UK universities' 8.7 million addressable alumni, just under 1.23 million were alumni of Scottish, Northern Irish and Welsh universities.

Table 3.15	Number of addressable alumni in the last three years for HEIs		
			Ross-CASE Survey 2010-2011
Number	2008-9	2009-10	2010-11
Addressable alumni	7,538,621	8,131,139	8,727,610
Median	39,974	41,444	47,812
Number of HEIs	*150*	*150*	*150*

Universities periodically undertake exercises to improve the quality of their alumni databases. Hence the number of addressable alumni for an individual university is likely to vary year on year, decreasing when alumni become "lost" by moving house without telling the university, or die; or increasing when students graduate and become "new" alumni, or when "lost" alumni are "found" again by their university. Therefore, our preferred measure for addressable alumni is a three-year average.

As with other measures, there is a great deal of variation within the higher education sector in the number of addressable alumni universities have (Figure 3.7). One university reported having fewer than 1,000 addressable alumni over the last three years, while one university reported having no addressable alumni. Six universities reported having 150,000 or more addressable alumni. The median number of addressable alumni over the three years was 41,807.

Figure 3.7 – Addressable alumni in year for HEIs (average of three years)



Number of HEIs: 151

Universities with longer established fundraising programmes tended to have higher numbers of addressable alumni (Table 3.16). Universities with the longest established fundraising programmes reported a median three-year average of 72,638, compared to 47,106 amongst those with developing programmes and 25,464 for those with more recently established programmes.

There was also variation by mission group membership. Russell Group universities had a median three-year average of 113,603 addressable alumni, compared to 67,903 for the University Alliance Group, 57,566 for the 1994 Group, and 48,401 for the Million+ Group.

Table 3.16 Addressable alumni in year (average of three years), by length of fundraising programme and mission group for HEIs

Ross-CASE Survey 2010-2011

	Establishment of fundraising				Mission groups				
Number	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Address-able alumni	3,891,009	2,954,006	1,210,476	109,505	2,586,308	1,076,749	1,110,070	1,656,901	1,734,968
Median	72,638	47,106	25,464	1,200	113,603	57,566	48,401	67,903	12,066
Number of HEIs	*47*	*58*	*41*	*5*	*20*	*19*	*23*	*22*	*67*

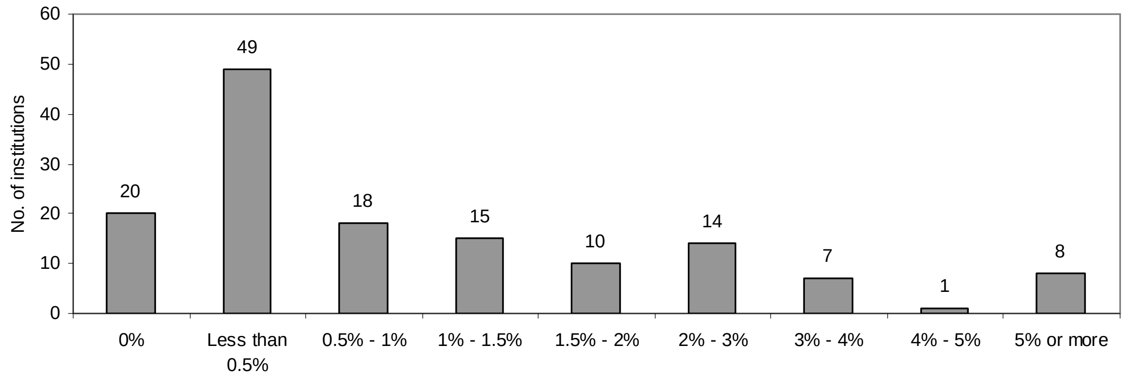
The caveats around the number of addressable alumni which are expressed above are important to note when considering the proportion of alumni who are making a donation. A large university that is very efficient in keeping track of its alumni may struggle to increase its ratio of donors to addressable alumni, as the large number of alumni graduating each year, most of whom will not be in a financial position to become donors, will depress the figures. Conversely, a new university or one with a newly established fundraising programme may be able to achieve a good ratio purely because it has not built up a large total of addressable alumni.

The proportion of universities' alumni who made a donation in the last three years has gradually increased over the last three years. In 2010-11 the mean proportion of addressable alumni who made a donation was 1.29 per cent, compared with 1.22 per cent in 2009-10 and 1.14 per cent in 2008-9. The median figure for 2010-11 was 0.49 per cent, for 2009-10 it was 0.39 per cent, and in 2008-9 the median figure was 0.38 per cent.

The mean proportion of addressable alumni of Scottish, Northern Irish and Welsh universities who made a donation in 2010-11 was 1.12 per cent, while the median figure was 0.57 per cent.

Twenty universities (14 per cent) received no donations from their alumni in 2010-11, while, at the other end of the range, 16 (11 per cent) received donations from three per cent or more of their alumni (Table 3.9).

Figure 3.8 – Percentage of addressable alumni making a donation in year for HEIs (2010-11)



Number of HEIs: 142

There was a large degree of variation in the number of addressable alumni making a donation in 2010-11, by length of fundraising programme and mission group (Table 3.17). The median number of alumni making a donation was 1,283 among established programmes, 190 among developing programmes and just 14 for newer programmes.

Generally, the mission groups with member institutions that had longer established fundraising programmes achieved a higher median of alumni donors, although there was a great deal of variation within mission groups. The median in the Russell Group was 2,872, over twice that of the 1994 Group (1,292), while the Million+ and University Alliance Groups had low medians (24 and 113 respectively).

Table 3.17 Number of addressable alumni making a donation in 2010-11, by length of fundraising programme and mission group for HEIs

Ross-CASE Survey 2010-2011

	Establishment of fundraising				**Mission groups**				
Number	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None / not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Minimum	0	0	0	0	645	176	0	0	0
Mean	2,688	549	119	0	5,350	1,280	148	607	229
Median	1,283	190	14	0	2,872	1,292	24	113	41
Maximum	34,741	4,183	1,200	1	34,741	3,767	902	9,180	2,037
Number of HEIs	*47*	*58*	*40*	*4*	*20*	*19*	*23*	*22*	*65*

3.9 Donors

In 2010-11, 204,220 donors made a gift to the higher education sector for any purpose. This figure has risen from 184,945 in 2009-10 and 164,337 in 2008-9 (Table 3.18). Scottish, Northern Irish and Welsh universities had 22,389 donors in 2010-11.

The majority of these donors were alumni; in the three years covered by the survey, the proportion of the total number of donations made by alumni has remained stable at around 80 per cent. However, fundraising activities among non-alumni are still important to the philanthropic income of the higher education sector.

Table 3.18 Number of alumni donors and total donors in the last three years for HEIs

Ross-CASE Survey 2010-2011

Number	2008-9	2009-10	2010-11
Alumni donors	133,022	147,266	162,913
All donors	164,337	184,945	204,250
	%	%	%
Percentage of alumni donors	81%	80%	80%
Number of HEIs	*148*	*149*	*150*

Eighty-three per cent of all donors to HEIs with established fundraising programmes were alumni donors, compared with 73 per cent for developing fundraising programmes and 66 per cent for newer fundraising programmes (Table 3.19). Between 84 per cent and 86 per cent of all donors to the Russell Group, 1994 Group and University Alliance Group universities were alumni donors. A lower proportion of all donors to the Million+ Group (79 per cent) were alumni.

Table 3.19 Number of alumni donors and total donors in 2010-11, by length of fundraising programme and mission group for all HEIs

Ross-CASE Survey 2010-2011

	Establishment of fundraising				Mission groups				
Number	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Alumni donors	126,314	31,833	4,765	1	106,990	24,318	3,394	13,345	14,866
All donors	153,083	43,894	7,251	22	124,090	28,976	4,313	15,476	31,395
	%	%	%	%	%	%	%	%	%
% of alumni donors	83%	73%	66%	5%	86%	84%	79%	86%	47%
Number of HEIs	*47*	*58*	*41*	*5*	*20*	*19*	*23*	*22*	*66*

3.10 Summary of trends in analysis of gifts

The picture for specific sources of income in the higher education sectors' philanthropic fundraising is a mixed one. Measures such as legacy cash income received, and Annual Fund cash income received have grown. However, gifts-in-kind, largest non-legacy confirmed pledges and cash gifts worth over £500,000 have fluctuated since 2008-9.

However, on almost every measure the headline figures disguise a considerable variation in outcomes reported which can often be attributed to the length of time universities have been fundraising.

4 Key cost trends

This chapter looks at the fundraising investment incurred by the UK higher education sector over the last three years.

The same analytical approach has been adopted for this report as for the 2009-10, 2008-9, 2007-8 and 2006-7 survey reports. All the data reported in this chapter, unlike the other chapters, exclude universities that reported starting their development or fundraising programme less than three years ago (i.e. in 2007 or later), or who do not have a programme. The reason for this is that including such universities would give a misleading picture of the efficiency of universities' fundraising. Universities which start a fundraising programme will inevitably commit significant sums in investment in staff and associated overheads such as databases at the start of the programme, while there will be a time lag between this and when it starts to bear fruit in terms of income and pledges received. Hence we believe that it is most meaningful to look at universities which have had a fundraising programme in place for at least three full financial years. However, it is important to note that these figures will still include a number of universities that have relatively young fundraising programmes. Fifty-eight universities included in this section of the analysis began their programmes in 2000 or more recently (compared to 49 in the 2009-10 survey report).

Those universities which participated in the £7 million UUK sponsored matched funding scheme for fundraising programmes which began in 2004 and who participated in the survey sustained in 2010-11 the level of fundraising investment achieved in the previous year. The median value of funds secured by these universities increased from £841,000 million 2008-9 to £1.2 million in 2010-11. The median cash income received increased from £748,000 in 2008-9 to £1.5 million in 2010-11. This continues to suggest that an increase in return for fundraising investment will be seen. These figures are broadly in line with the sector as a whole, which showed strong increases in the medians for both new funds secured and cash income received.

4.1 Commentary by the Ross Group Editorial Board

1. For a second year in succession expenditure has not shown a significant growth above inflation, reflecting continued constraints across all HE expenditure. The contrast with the change at the start of the match fundraising scheme was noted in last year's report; there had been a growth of 14-18 per cent over the previous two years.

2. The continued evidence in this report of strong sustained results (across cash income, funds raised and especially growth in donor numbers) suggest that the investment decisions made several years ago have helped to sustain performance in a year with little additional investment. This backs up the message that additional investment improves performance, even if there may be a time-lag before the benefits of investment come through.

3. Overall, investment in fundraising continues to represent a small percentage of total institutional expenditure – typically just less than one quarter of one per cent. Good returns continue to be achieved by further investment, and there is no indication from the results that any institution has reached a point where further investment in fundraising would not be beneficial.

4. The case for increased investment in Alumni Relations is only partly related to its longer term impact on fundraising. A successful and established Alumni Relations programme contributes in many different areas such as marketing (especially for post-graduate programmes), enhancing employability (eg alumni helping with placements and work experience) and the student experience (for example through alumni mentoring).

5. The section relating to the universities that benefited from the UUK capacity building programme (Table 4.10) shows excellent progress. Cash income received is up from £25 million (2008-09) to £45 million (2010-11). The rise in the median from £748K to £1,477K in the same period suggests that all types and sizes of operation within the UUK supported group have seen significant benefits. This should give some comfort to those considering increased institutional investment who fear that it may take decades for results to come through. The results also suggest that there is a strong case for repeating this capacity-building approach as it would enhance the chances of success of the many new fundraising programmes being reported.

6. The sector as a whole benefits greatly from its fundraising activities, with cash income received exceeding costs in 2010-11 by £483 million (among institutions with established or developing fundraising programmes), highlighting the importance of philanthropy to the sector. It remains true, though, that the distribution of both income and costs is highly variable.

7. The section on cost trends uses 'cash income received' in all analysis where costs are set against income, including the classic 'pence in the pound' measure. This measure again shows variability by mission group/longevity of fundraising programme. Overall it is pleasing to see that the median cost per pound raised continues its fall from 32 pence in 2007-08, to 27 pence in 2008-09, to 23 pence in 2009-10 and to 22 pence in 2010-11.

8. We are interested to note that there is a slowing of the reduction in cost per pound as it nears the "20 pence per pound" benchmark which is held in some development circles to be the level at which investment and return reaches the best balance. By this we mean that rates below 20 pence per pound may represent *under*-investment for the long term.

9. One factor worthy of special note is the impact of rapidly rising postage costs on alumni communications. This is particularly significant when combined with rising alumni numbers, causing the proportion of budgets required for alumni magazine distribution to become disproportionately large. Anecdotal evidence suggests institutions are

resorting to reducing frequency of publication and/or increased reliance in electronic communications. There is not an evidence base that enables the impact of such moves to be assessed, and they therefore represent an unknown risk.

10. In the past only Oxbridge have developed substantial development offices (especially when college and central functions are viewed together), although even these activities remain small compared to major US development functions. It appears, however, that some other Russell Group institutions, with a sustained record in fundraising, are either undertaking or planning continued growth that will see the number of so-called "big shops" increase. This is important for the sector as a whole as it improves career development opportunities and will lead, over time, to more Development Directors in smaller scale operations having had mid-level experience in a large scale office.

It should, of course, always be borne in mind that there will be inconsistency between the period in which the costs are incurred and the timescale over which the income is received. The second measure used in reporting which utilises 'new funds secured' may better reflect the relationship between cost and performance– but is more open to later changes, adjustments and interpretation. We have therefore asked NatCen to provide an alternative cost analysis on this second basis (cost against new funds secured) in Appendix F. As noted above, this second measure of success is especially useful in tracking campaign progress and for internal reporting but is generally considered to be less reliable in terms of benchmarking between universities.

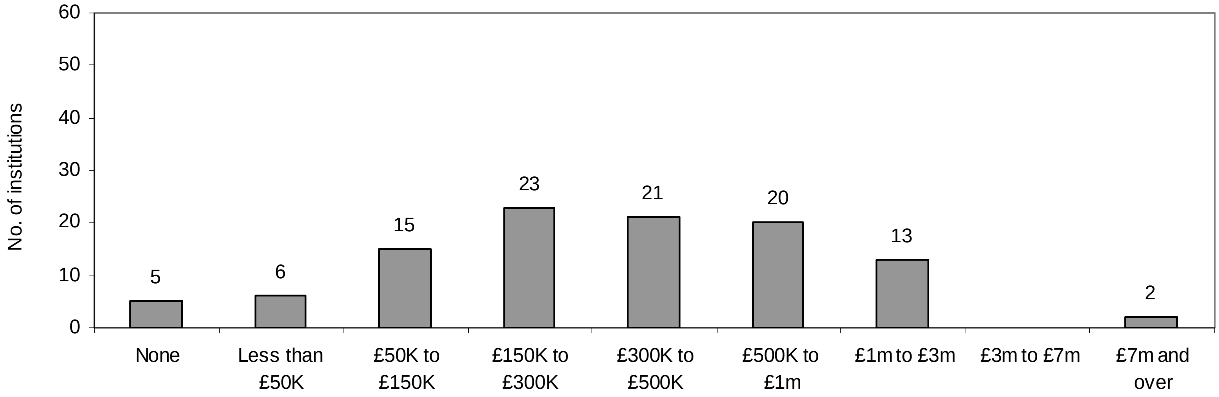
4.2 Total fundraising investment

Total fundraising investment includes the staff costs of, and non-staff expenditure relating to the activities undertaken by: Development Director, development/gift officers, legacy officers, trust/foundation officers, and PAs/secretaries for these positions. It also includes 50 per cent of the costs of operations and databases, including operational heads, and database managers and officers. (NB it does NOT include alumni relations and non-staff investment, as outlined below).

The rate of increase in fundraising investment has been steady over the past three years. Total investment across the selected participating universities rose from £72 million in 2008-9 to £73 million in 2009-10 and £76 million in 2010-11.

There was considerable variation in the total fundraising investment among the selected 105 universities in 2010-11 (Figure 4.1). The distribution is a wide one. Over two thirds (68 per cent) had a total fundraising investment of less than £500,000 per year. Fifteen universities reported investing £1 million or more per year on fundraising over the period with two universities investing more than £7 million.

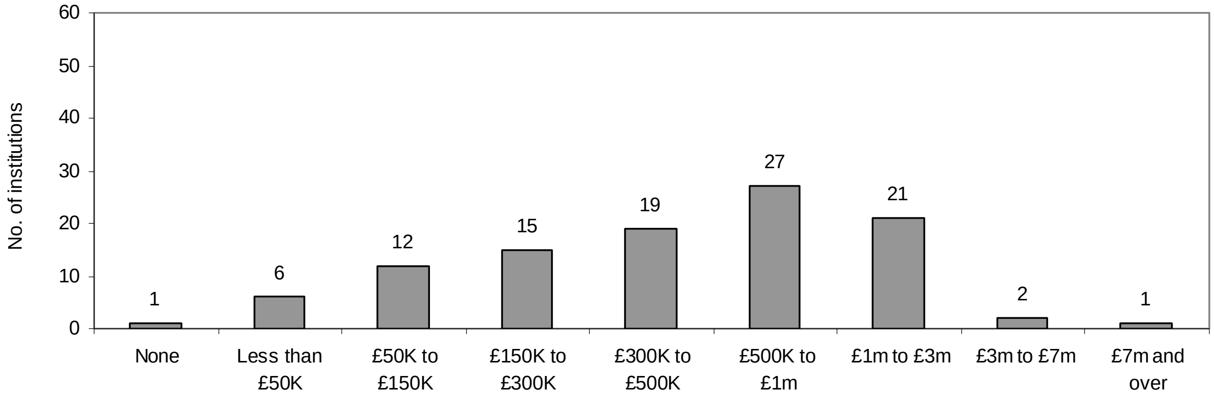
Figure 4.1 – Total fundraising investment in year for HEIs (2010-11)



Number of HEIs starting a fundraising programme before 2007: 105

Figure 4.2 shows the distribution of total development investment in 2010-11 including alumni relations and alumni magazine investment. When alumni relations and magazine investment are included it can be seem that whilst there is still a wide distribution of fundraising investment, around half of institutions (51 per cent, 53 universities) invested less than £500,000 and 24 invested more than £1 million a year (23 per cent).

Figure 4.2 – Total development investment in year for HEIs (2010-11) including fundraising, alumni relations and alumni magazine investment



Number of HEIs starting a fundraising programme before 2007: 104

4.3 Structure of fundraising investments

In line with the findings of previous reports, over half of fundraising investments were staffing costs in 2010-11 (Table 4.1). Total fundraising investments rose six per cent over the three years covered by the survey. Staff costs increased slightly faster (eight per cent) than the total fundraising investments; whilst non-staff costs over the three years remained stable.

Table 4.1 Breakdown of fundraising investments over last three years

Ross-CASE Survey 2010-2011

£million	2008-9	2009-10	2010-11
Total fundraising investments	72	73	76
Staff costs	50	52	54
Non-staff costs	22	21	22
Number of HEIs starting a fundraising programme before 2007	*104*	*104*	*105*

Universities with longer established fundraising programmes reported higher average total investment than those with more recently established programmes (Table 4.2). Universities with established fundraising programmes invested a median of £584,776 in fundraising with a median of £440,210 spent on staff costs. This is compared to a median total cost of £263,866 and median staff costs of £190,425 for institutions with developing programmes (established between 2000 and 2006).

The Russell Group universities reported considerably higher costs than other mission groups. This group reported median total fundraising investments of just under £1.1 million and median staff costs of £740,147. Universities from the 1994 Group invested a median of £481,936 on fundraising, compared to £268,738 reported by the University Alliance Group and £187,696 by the Million+ Group.

Table 4.2 Breakdown of fundraising investments in 2010-11, by length of fundraising programme and mission group

Ross-CASE Survey 2010-2011

£million	Establishment of fundraising: Established (11+ years)	Establishment of fundraising: Developing (4-10 years)	Mission groups: Russell Group	Mission groups: 1994 Group	Mission groups: Million+ Group	Mission groups: University Alliance Group	Mission groups: Other HEIs
Total fundraising investment							
Mean	1.2	0.3	2.2	0.5	0.2	0.3	0.4
Median	0.6	0.3	1.1	0.5	0.2	0.3	0.2
Total	58.2	17.3	44.6	9.3	2.1	3.7	15.9
Staff costs							
Mean	0.9	0.2	1.6	0.4	0.1	0.2	0.3
Median	0.4	0.2	0.7	0.4	0.1	0.2	0.2
Total	41.0	12.9	31.2	7.1	1.6	2.8	11.3
Non-staff costs							
Mean	0.4	0.1	0.7	0.1	0.1	0.1	0.1
Median	0.1	0.0	0.2	0.1	0.0	0.1	0.0
Total	17.2	4.5	13.4	2.2	0.6	0.9	4.6
Number of HEIs starting a fundraising programme before 2007	*47*	*58*	*20*	*18*	*11*	*13*	*43*

Universities' investment in fundraising is only a tiny fraction of universities' total expenditure (Table 4.3). In 2010-11, median investment in fundraising among mission groups varied between 0.11 per cent and 0.30 per cent of their total expenditure.

Over the three years covered by the survey, for most mission groups the proportion of total expenditure accounted for by fundraising investment fluctuated but was broadly the same in 2010-11 as it had been in 2009-10. In total across all institutions, the proportion of total expenditure accounted for by fundraising investment was 0.20 per cent in 2010-11, 0.21 per cent in 2009-10, and 0.23 per cent in 2008-9.

Table 4.3 Fundraising investment in the last three years as proportion of total expenditure, by mission group

Ross-CASE Survey 2010-2011

Median fundraising investment as proportion of total expenditure	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
2008-9	0.22	0.28	0.11	0.17	0.30
2009-10	0.24	0.26	0.13	0.15	0.27
2010-11	0.20	0.29	0.14	0.15	0.24
Number of HEIs starting a fundraising programme before 2007	*20*	*18*	*11*	*13*	*42*

Looking at universities' investment in fundraising relative to total expenditure, the proportions varied by the year of establishment of fundraising programmes. The median and mean proportions increased with length of fundraising programme (Table 4.4). HEIs with established fundraising programmes, that is those which were established before 2000, spent a median of 0.30 per cent of their total investment on fundraising in 2010-11, compared to a median of 0.18 per cent amongst those with developing programmes (i.e. established between 2000 and 2006).

HEIs in the Russell Group reported spending a median of 0.20 per cent of their total investment on fundraising. Those in the 1994 Group reported spending a median of 0.29 per cent, whilst those not formally part of a mission group reported a median of 0.24 per cent. Members of the Million+ and University Alliance Groups spent less (0.14 per cent and 0.15 per cent respectively).

Table 4.4 Fundraising investment in 2010-11 as proportion of total expenditure, by length of fundraising programme and mission group

Ross-CASE Survey 2010-2011

	Establishment of fundraising		Mission groups				
Median fundraising investment as proportion of total expenditure	Established (11+ years)	Developing (4-10 years)	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Mean	0.49	0.37	0.37	0.34	0.15	0.15	0.63
Median	0.30	0.18	0.20	0.29	0.14	0.15	0.24
Number of HEIs starting a fundraising programme before 2007	*46*	*55*	*20*	*17*	*10*	*12*	*42*

4.4 Fundraising investment per pound received

Using our preferred measure of fundraising efficacy – median cost per pound received – the ratio has decreased over the three years, to 22p in 2010-11.

This measure is calculated by dividing the fundraising investment for each university by its cash income received. There is an argument that the new funds secured figure more directly reflects the fundraising work and investment in fundraising in a given year. The results of this alternative method of calculation can be found in Appendix F.

Overall, the median value of selected participating HEIs' fundraising investment per pound received in 2010-11 was 22p (Table 4.5). This was the same as the median expenditure in 2009-10 (22p) and lower than that of 2008-9 (27p). The cost per pound ratio was higher among HEIs with the newest fundraising programmes, but still decreased from 2008-9 to 2010-11.

Table 4.5 Fundraising investment per pound received in the last three years

Ross-CASE Survey 2010-2011

£	2008-9	2009-10	2010-11
Median	0.27	0.22	0.22
Number of HEIs starting a fundraising programme before 2007	*104*	*103*	*104*

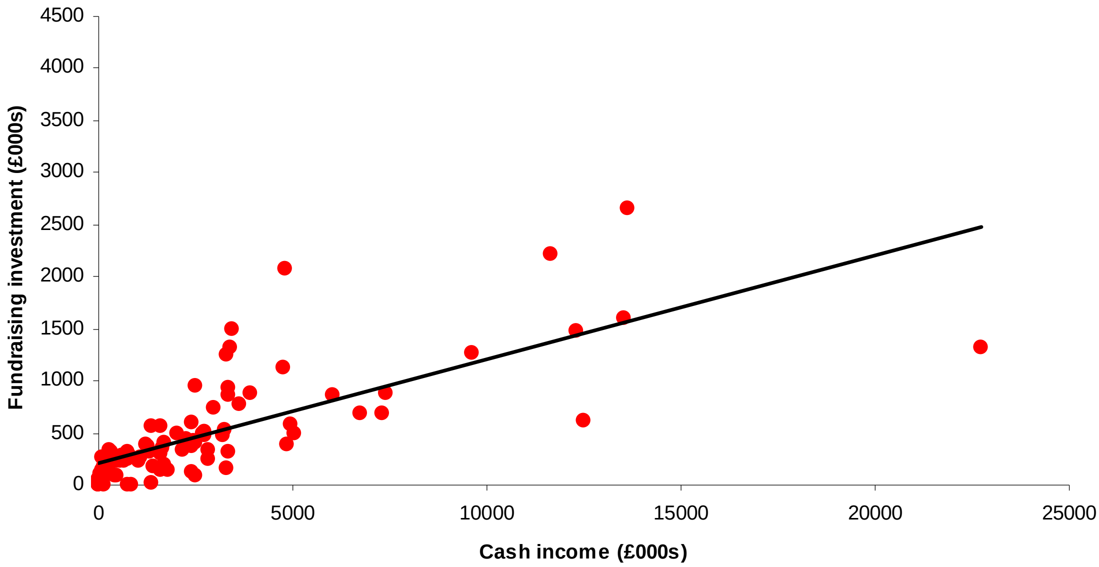
Some limitations of this measure should be noted. Development expenditures may be incurred by parts of a university other than the development office; also some gifts which are philanthropic in nature may not be managed by the development office.

The cost per pound measure used in the Ross–CASE survey is not, anecdotal evidence suggests, a performance measure used at all universities. This is because other universities may have different concerns.

However, the fundraising investment figure does represent a university's formal commitment to the development endeavour, and therefore in comparison to cash income received provides a pence on the pound ratio. This is a *stable point of comparison* between universities.

Figure 4.4 shows that there is a broad correlation between the amount invested in fundraising and the cash income received. However, it shows some interesting variation. For instance among the six universities with the highest cash income (to the middle and right of the chart there is a large difference in the amount invested in fundraising. Similarly, for universities receiving around £5 million in cash income (around the middle of the chart), there is a large range of fundraising investment. Were Oxford and Cambridge to be included their data points on the graph would be well past the right end of the horizontal axis, as their cash income is so much higher than other institutions.

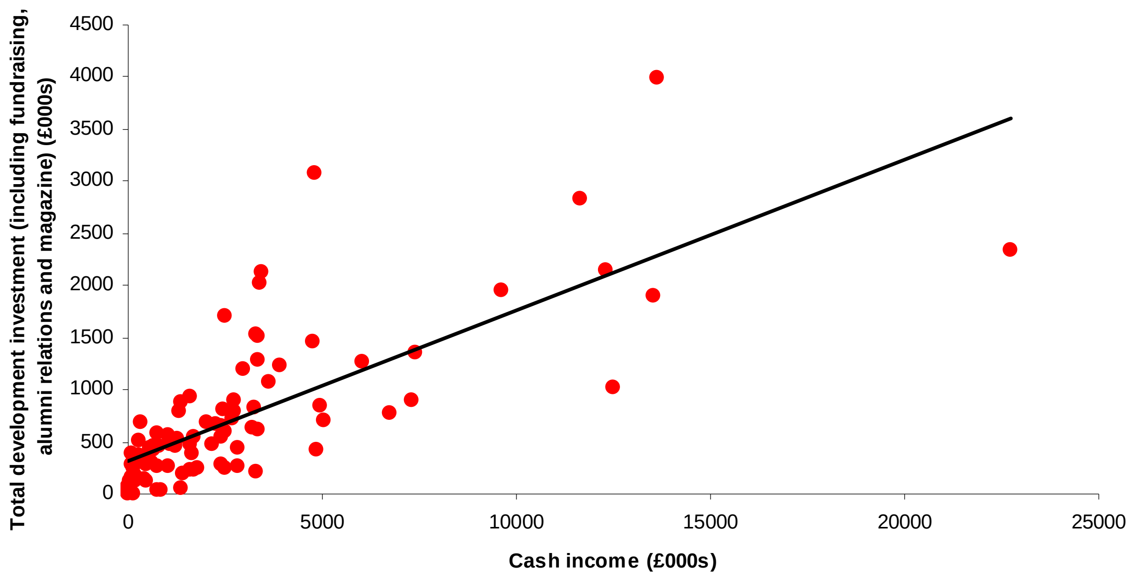
Figure 4.3 – Total fundraising investment compared with cash income received in year for HEIs excluding Oxford and Cambridge (2010-11)



Number of HEIs starting a fundraising programme before 2007: 103

Figure 4.4 shows the same data as Figure 4.4, but shows the total development investment which is the total investment in fundraising, alumni relations and the alumni magazine. A similar pattern can be seen, with a clear correlation between the total development investment and the cash income received.

Figure 4.4 – Total development investment including fundraising, alumni relations and the cost of the alumni magazine compared with cash income received in year for HEIs excluding Oxford and Cambridge (2010-11)

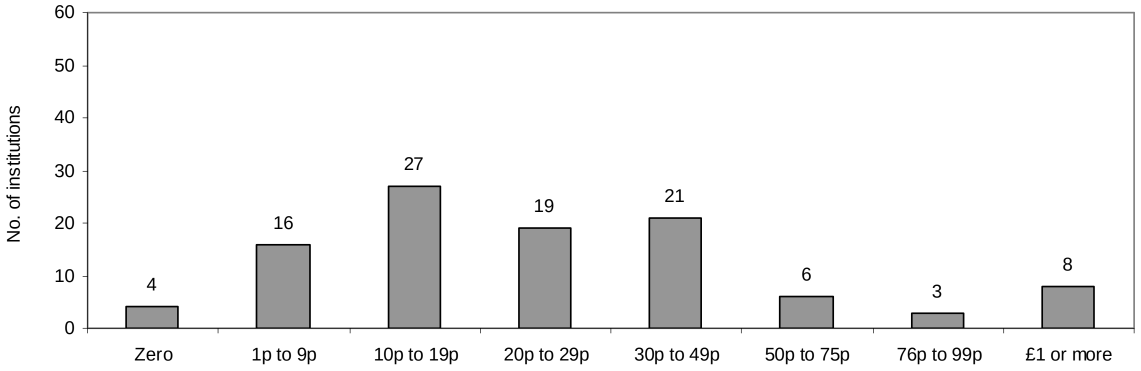


Number of HEIs starting a fundraising programme before 2007: 103

There was considerable variation in the median fundraising investment per pound received between universities (Figure 4.5). At the top end of the distribution eight universities reported spending at least one pound to receive a pound in 2010-11, and a further thirty between 30p and £1. Sixteen programmes reported very lean figures – spending between 1p and 9p to receive a pound.

Care should be taken in interpreting the variation. Greater investment in a fundraising programme is often required to produce more philanthropic income. However, a consistently high cost per pound ratio is, naturally, a flag for concern. In many fields a low ratio, that is a high yield of cash from a low investment, would be regarded as a good result. But it is possible to take this too far in fundraising: high cash yields from low investments may in fact indicate an under funded programme, rather than good efficiency. The Ross Group Editorial Board regard 30p spent for every pound received as an appropriate level for newer or expanding programmes, with 15-20p spent for every pound received as a healthy ratio for more mature programmes to target. Forty-four (42 per cent) universities were within 10p of the Ross Group's healthy ratio in 2010-11.

Figure 4.5 – **Median fundraising investment per pound received in year for HEIs (2010-11)**

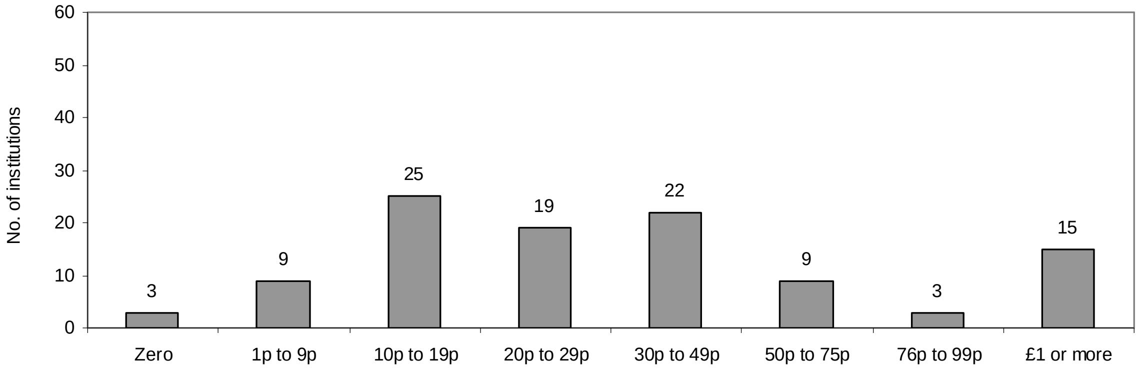


Number of HEIs starting a fundraising programme before 2007: 104

The goal for universities is to achieve a consistency of expenditure with steady growth of income. A new fundraising office is frequently marked by strong fluctuations in cost measurement, and this can frequently occur with more established offices too. Hence it is also useful to look at the figures over a three year period (Figure 4.6).

The distribution of the figures for the last three years is similar to those for 2010-11.

Figure 4.6 – **Fundraising investment per pound received in year for HEIs (average of three years)**



Number of HEIs starting a fundraising programme before 2007: 105

Looking at fundraising investment per pound received over the three years covered by the survey, there was a large degree of variation both within and between mission groups on this measure (Table 4.6). While for the Russell Group the median cost per pound received has been stable over the three years, and now stands at 15p, for other groups this measure has fluctuated. Like the Russell Group, the 1994 Group, the Million+ Group and HEIs which are not part of any formal mission group were within 10p of the Ross Group's healthy ratio (between 15 and 20 pence in the pound) in 2010-11. Of note is the steady decrease in fundraising investment per pound for the Million+ Group, decreasing from 49p in 2008-9 to 26p in 2010-11.

Table 4.6 Fundraising investment per pound received in year in the last three years, by mission group

Ross-CASE Survey 2010-2011

£median	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
2008-9	0.15	0.29	0.49	0.50	0.28
2009-10	0.14	0.22	0.35	0.59	0.27
2010-11	0.15	0.21	0.26	0.47	0.24
Number of HEIs starting a fundraising programme before 2007	*20*	*18*	*10*	*13*	*41*

4.5 Investment in alumni relations

There was a positive correlation in 2010-11 between investment in alumni relations and the percentage of addressable alumni who made a gift for any purpose.

Investment in alumni relations will be to a degree dictated by the size of the alumni base. A university with a large alumni base will have to invest more in order to run a high quality fundraising programme.

Investment in alumni relations has shown a slight increase over the three year period between 2008-9 and 2010-11. In 2010-11 UK universities invested £25 million in alumni relations, excluding the cost of the alumni magazine, up from £23 million in 2009-10 and £22 million in 2008-9 (Table 4.7).

Alumni relations investment includes all alumni relations staff costs, and non-staff expenditure relating to the activities undertaken by: Alumni Relations officers, magazine/communications staff, events officers, and PAs/secretaries for the above. It also includes 50 per cent of the costs of operations and databases, including operational heads, and database managers and officers. (It does not include the costs of printing or posting the alumni magazine, which are accounted for separately).

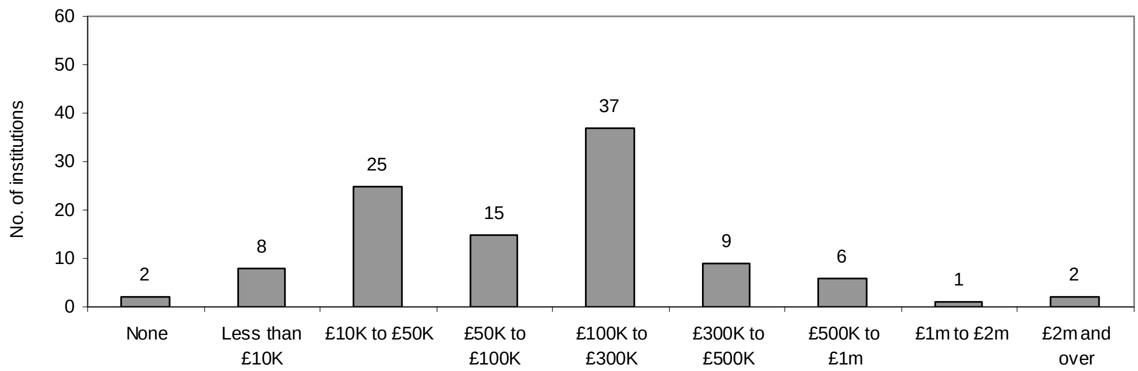
There has also been no real change in the level of expenditure on alumni magazines in the higher education sector over the last three years. Expenditure on alumni magazines for the sector remained fairly static at around £8 million for each of the three years.

Table 4.7	Breakdown of investment in alumni relations over last three years		
			Ross-CASE Survey 2010-2011
£million	2008-9	2009-10	2010-11
Total fundraising investments	72	73	76
Investment in alumni relations (excluding the cost of the alumni magazine)	22	23	25
Cost of the alumni magazine	9	8	8
Number of HEIs starting a fundraising programme before 2007	*104*	*104*	*105*

The median ratio of investment in alumni relations to total fundraising investment has fluctuated over the period covered by the surveys. It was 33 per cent in 2008-9, 32 per cent in 2009-10, and 37 per cent in 2010-11. The average over the three years covered by the survey was 34 per cent.

There was considerable variation between the investment of HEIs in alumni relations in 2010-11 (Figure 4.7). Fifty universities (48 per cent) reported investment below £100,000, forty-six (44 per cent) reported investment between £100,000 and £500,000 and nine reported investment above this level.

Figure 4.7 – Investment in alumni relations (excluding the cost of the alumni magazine) in year for HEIs (2010-11)



Number of HEIs starting a fundraising programme before 2007: 105

4.6 Fundraising and alumni staffing

The number of full-time equivalent fundraising and alumni relations staff employed in higher education institutions which have been fundraising for over three years has grown over the last year (Table 4.8). The number employed in fundraising in 2010-11 was six per cent higher than the previous year, with the number employed on alumni relations increasing the same rate.

The median number of FTE fundraising staff per selected participating HEI in 2010-11 was five and the median number of alumni relations staff was two and a quarter.

These figures are derived from the returns from the surveys for 2008-9, 2010-11 and 2010-11.

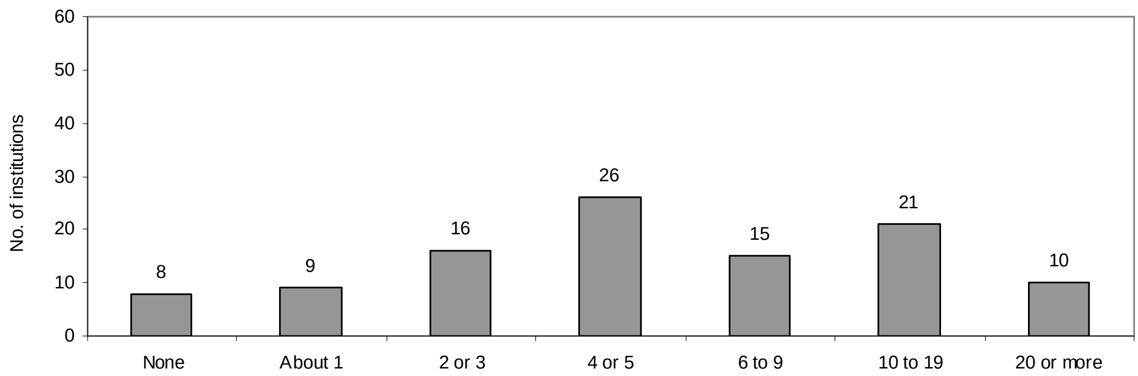
Table 4.8 Breakdown of fundraising and alumni staffing over last three years

Ross-CASE Survey 2010-2011

Number	2008-9	2009-10	2010-11
Total FTE Fundraising staff	913	1043	1101
Total FTE Alumni relations staff	412	467	496
Median FTE Fundraising staff	7.00	6.00	5.00
Median FTE Alumni relations staff	3.00	2.50	2.25
Number of HEIs starting a fundraising programme more than three years previously	*73*	*95*	*105*

In 2010-11, ten (ten per cent) universities employed 20 or more fundraising staff, 21 (20 per cent) employed between 10 and 19, and 15 (14 per cent) employed between six and nine (Figure 4.8). Overall 46 (44 per cent) HEIs had six or more fundraising staff, while 33 (31 per cent) had three or fewer.

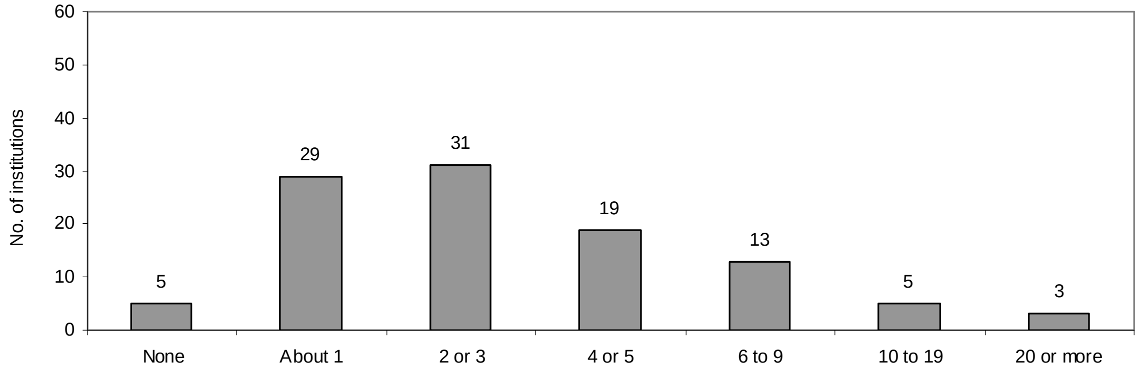
Figure 4.8 – FTE staff working mainly on fundraising in year for HEIs (2010-11)



Number of HEIs starting a fundraising programme before 2007: 105

The picture is different for alumni relations staff (Figure 4.9). Twenty-one universities (20 per cent) employed more than five alumni relations staff, compared with 44 per cent who employed more than five fundraising staff. Sixty-three universities (62 per cent) had three or fewer alumni relations staff.

Figure 4.9 – FTE staff working mainly on alumni relations in year for HEIs (2010-11)



Number of HEIs starting a fundraising programme before 2007: 105

4.7 Cost of alumni magazine

Universities who had begun a fundraising programme before 2007 spent nearly £8 million on alumni magazines in 2010-11. The mean spend per addressable alumni was £1.36 and the median spend was 99p.

However, it is important to note that a high proportion of the cost of alumni magazines will be comprised of postage costs and therefore will vary by the number of addressable alumni an institution has and the number of editions of the magazine that are produced each year (generally institutions produce a magazine twice a year). This may be supported by the positive correlation observed in 2010-11 between alumni magazine costs and the number of addressable alumni reported in this survey.

The mean cost of alumni magazines per addressable alumni has declined in the last year (Table 4.9). The mean was £1.55 in 2008-9, £1.33 in 2009-10 and £1.36 in 2010-11. The median figure has also declined. The median was £1.05 in 2008-9, £1.04 in 2009-10 and 99p in 2010-11.

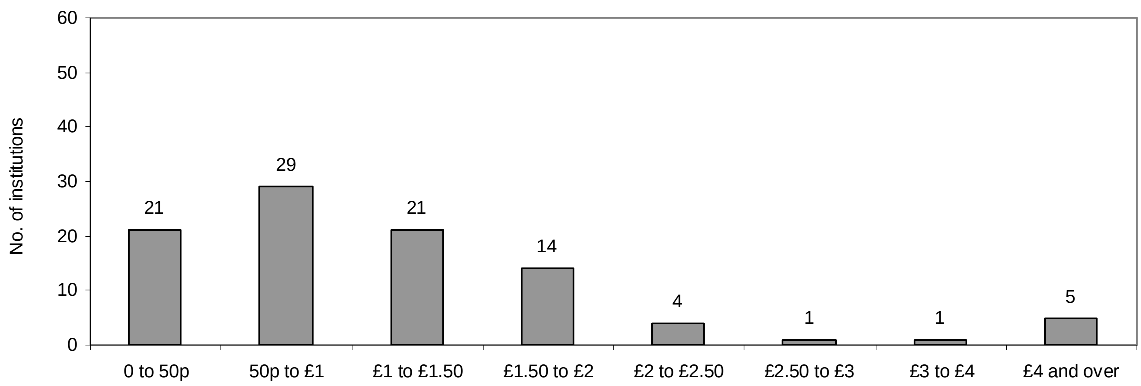
Table 4.9 Breakdown of expenditure on alumni magazines per addressable alumni over last three years

Ross-CASE Survey 2010-2011

£	2008-9	2009-10	2010-11
Mean	£1.55	£1.33	£1.36
Median	£1.05	£1.04	£0.99
Number of HEIs starting a fundraising programme before 2007	*97*	*96*	*96*

There was considerable variation in the cost of alumni magazines per addressable alumni among the selected HEIs, ranging from 3p to £10 (Figure 4.10). Twenty-nine universities (28 per cent) had a cost per alumni of between 50p and £1 while another twenty-one (20 per cent) had a cost of between £1 and £1.50 per alumni. Eleven institutions spent more than £2 per addressable alumni.

Figure 4.10 – Cost of alumni magazine per addressable alumni for HEIs (2010-11)



Number of HEIs starting a fundraising programme before 2007: 96

4.8 Fundraising capacity building scheme managed by UUK

The purpose of this section is to look at those universities that participated in the £7 million Universities UK (UUK) sponsored matched funding for Fundraising scheme begun in 2004. It aims to assess whether the investments in fundraising programmes for those universities are paying off.

The scheme aimed to support the building of fundraising capacity in English universities. Through a competitive process, twenty-seven universities received amounts ranging from £35,000 to £125,000 per year which they had to match from their own funds and which had to be spent on enriching their development offices. This year, with over five years having elapsed since the scheme ended, we would expect to see positive returns on their investments in fundraising capacity.

The 27 universities that participated in the UUK matched funding scheme are listed below:

University of Essex	University of Kent
Oxford Brookes University	University of Sussex
Lancaster University	University of Bath
Middlesex University	Nottingham Trent University
Cranfield University, School of Management	Bournemouth University
Coventry University	The University of Sheffield
Royal Northern College of Music	University of East Anglia
University of Greenwich	University of Salford
York St John University	Brunel University
Institute of Education, University of London	De Montfort University
Ravensbourne College of Design & Communication	Birkbeck, University of London
University of Sunderland	University of Leicester
London South Bank University	University of Surrey
Kingston University	

Some of these universities had only just started a fundraising programme in 2004. However, a small minority (26 per cent) are now established fundraisers, just under five percentage points lower than the figure for the higher education sector overall. The remainder of the UUK scheme participants started a programme between 2000 and 2006 (70 per cent) or later (four per cent).

The median value of funds secured by UUK sponsored institutions with established programmes increased from £1.1 million in 2009-10 to £1.2 million in 2010-11, an increase of nine per cent over the last year (Table 4.10). The total new funds secured have increased from £35.2 million in 2009-10, to £39.4 million in 2010-11.

Median cash income also grew from £1.0 million in 2009-10 to £1.5 million in 2010-11.

These universities have continued to invest heavily in their fundraising programmes. The total fundraising investment decreased slightly from £8.1 million in 2008-9, to £7.8 million in 2009-10, before increasing again to £8.5 million in 2010-11. This continued increase in expenditure promises good success for wise use of expanded resources and disciplined strategic fundraising efforts.

Table 4.10 The UUK sponsored universities – key measures in 2010-11

Ross-CASE Survey 2010-2011

£000s	2008-9	2009-10	2010-11
New funds secured	35,676	35,161	39,372
Median	841	1,072	1,173
Cash income received	25,146	36,178	45,057
Median	748	1,017	1,477
Cash income which could be eligible for matched funding	18,317	31,116	39,165
Median	577	850	1,316
Fundraising investment	8,072	7,811	8,462
Median	318	288	317
Number of UUK universities starting a fundraising programme before 2007	*26*	*26*	*26*

4.9 Summary of key investment trends

Investment in fundraising programmes has grown steadily over the three years covered by the survey. As with other survey measures, universities with longer established fundraising programmes reported higher average costs than more recently established programmes.

The median fundraising expenditure per pound decreased in 2010-11 to 22p from 27p in 2008-9. This is within 10p of the Ross Group's healthy ratio (between 15 and 20 pence in the pound).

5 Government matched funding scheme

In August 2008 the government introduced a matched funding scheme, administered by HEFCE. The aim of the scheme was to increase voluntary giving to higher education providers and to promote a culture of philanthropic giving that lasts beyond the end of the scheme in 2011. All higher education institutions and directly funded further education colleges in England were invited to participate in the scheme[5]. The purpose of this chapter is to compare findings from the Ross-CASE survey for institutions taking part in the matched funding scheme for the three years before (2005-06, 2006-07, 2007-08) and the three years during the scheme (2008-09, 2009-10, 2010-11). It should be noted that changes seen over this time cannot be directly attributed to the matched funding scheme as there may have been other factors at play which could have affected the changes seen. It is nonetheless useful to examine Ross-CASE survey data for institutions involved in the scheme. Data are presented for the 126 universities and seven further education colleges in England that took part in the matched funding scheme *and* in all six years of the survey (a list of the 133 institutions is shown in Appendix G). Some institutions participated in the matched funding scheme but had not completed the survey in the three years prior to the scheme beginning, and therefore have not been included in the comparison.

5.1 Commentary by the Ross Group Editorial Board

1. The three-year Matched funding scheme was completed on 31.7.11. This report provides an important opportunity to analyse the impact of the scheme on UK HE fundraising, although it is expected that the benefits of the scheme will be evident for many years to come.

2. The Matched funding scheme was established with an initial budget of £200 million, with the overwhelming majority of funding directed towards matched funding cash income received by higher education institutions. The scheme was designed to achieve maximum effect on the behaviours of donors and institutions. As a result some exclusions were made – for example legacy income was not included. The scheme recognised the different stages institutions had reached in respect of fundraising and a three tier approach was designed to optimise the impact and benefits for different institutions.

3. In addition the amount available to institutions was capped to ensure funds were available to all participants. A consequence of this was that, although eligible funds raised far-exceeded the amount allocated by the matched funding scheme in total, this

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[5] More information about the matched funding scheme can be found on the HEFCE website: http://www.hefce.ac.uk/finance/fundinghe/vol/

was not the case for every institution and as a result the scheme has only cost around £140 million.

4. Special mention should be made of the use of under one per cent of funding (£1.5 million) to support an enhanced programme of training and development delivered by CASE Europe for professionals working in the field. Our sense is that this element of the programme, although only evident indirectly in the survey data, will have far-reaching benefits for development activities in higher education. In short, a new generation of fundraisers, alumni relations professionals and, especially, of senior leaders have been developed who can lead the next stage of progress.

5. In terms of statistical analysis, the usual issue of being able to show cause and effect remains difficult to overcome. This is even more marked as the matched funding scheme is not, of course, the only variable that has affected philanthropic support to higher education during the period (the recession being but one 'other factor'). Our approach with NatCen has been to propose suggestions of the impact we would have expected, and to ask them to validate (or otherwise!) our hypotheses. These expectations were unsurprisingly informed by the aims of the scheme itself. We have requested NatCen to examine the data for evidence of:
    - Growth in income raised (both new funds and cash received);
    - Increases in donor numbers, both overall and among alumni;
    - Increased investment in fundraising and development activities overall.

6. In respect of these key indicators there has, we are pleased to report, been continuing growth through the period of the matched funding scheme. It is less clear, however, that there has been an *acceleration* of some of the patterns of growth that had been present in the years leading up to the matched funding scheme. The trends appear to be mixed: for example continued growth levels in new funds raised are recorded alongside a significant increase in cash received (perhaps not altogether surprising as a known impact of matched funding schemes is to create a sense of urgency and 'deadline' to complete gifts). Equally, although the percentage rises in donor numbers more closely reflect sustaining levels of increase, as the baseline has risen considerably there are very marked increases in the actual donor numbers involved – once again a key target of the matched funding scheme was 'more donors'.

7. Arguably the most significant outcome of the MFS, and one which is marked by scheme wide data, is the broadening of the range of institutions that are engaged and successful in fundraising. Partly because of measures to spread the benefits as widely as possible, and partly because any scheme will be disproportionately beneficial to those with smaller numbers of donors and funds raised, the MFS has been especially successful in achieving a culture change about philanthropy across HE and in enabling a broad base of institutions to see greater success.

8. This is most clearly revealed by the rapid rise in the median values for both new funds received and cash income. The growth from 2005-8 to 2008-11 was 130 per cent (new funds secured) and 172 per cent (cash received). It is likely that the funds secured by

Oxbridge and a few other leading institutions will for many years make up a large majority of the philanthropic income to the sector. But developments in the broad base of the many institutions (illustrated by the very large increases in the median values are the real results of the MFS that provide optimism for the future.

9. Over the course of the scheme the sector's fundraising outcomes generally improved. In particular there is a sense that the MFS has been a special help during a time of recession in sustaining the growth in funds raised and in donor numbers of recent years, and in helping institutions to have the confidence to continue to support the activity. Avoiding a recession-inspired down-turn is likely to be one of the lasting legacies of the matched funding scheme.

5.2 New funds secured and cash income received

Table 5.1 shows the new philanthropic funds secured and cash income received only for institutions participating in the matched funding scheme that took part in the three years of the survey before and after the matched funding scheme began. The table shows the average totals and medians for new funds secured, and cash income received over the three years before (2005 to 2008) and three years during the scheme (2008 to 2011). These institutions reported an increase in total new funds secured over this time, from £501 million on average between 2005 and 2008, to £539 million on average between 2008 and 2011. The median new philanthropic funds secured more than doubled over this time from £279,000 on average between 2005 and 2008, to £642,000 on average between 2008 and 2011.

The level of philanthropic cash income received showed a 28 per cent increase over this period. The total cash income received by institutions involved in the scheme rose from £345 million on average between 2005 and 2008, to £476 million on average between 2008 and 2011, whilst the median cash income also more than doubled from £223,000 on average between 2005 and 2008, to £608,000 on average between 2008 and 2011.

Table 5.1 New funds secured and cash income received, average over three years before and during the matched funding scheme (institutions involved in matched funding scheme only)

Ross-CASE Survey 2010-2011

£million	2005-08	2008-11
New funds secured	501	539
Median new funds secured	0.279	0.642
Cash income received	345	476
Median cash income received	0.223	0.608
Number of HEIs	*132*	*133*

The average new funds secured and cash income received each year by institutions involved in the matched funding scheme, are shown broken down by mission group in Table 5.2 and findings are split to show the total and medians for the three years before the scheme began (2005-06, 2006-07, 2007-08) and the three years during the scheme (2008-09, 2009-10, 2010-11). Note that the seven further education colleges that took part in the scheme and responded to the survey in three years prior to the scheme beginning and the three years following are shown here with the HEIs not part of a mission group, as the final 'Other institutions' column.

Total new funds for all mission groups were higher in the three years following the matched funding scheme. For example the 1994 Group secured an average of £37 million in new philanthropic funds per year, between 2005 and 2008 and £45 million in the three years during matched funding scheme - 2008 to 2011. The University Alliance Group secured an average of £8 million per year in new funds in the three years before the scheme was implemented, and an average of £10 million per year for the three years during the scheme. The average yearly median new funds secured was higher in the three years of the matched funding scheme, for all mission groups apart from those universities in the Russell Group where it remained stable at around £8.1 million.

The cash income received for these universities was also higher for all mission groups in the three years after the matched funding scheme began compared to the three years before. For the Russell Group the average yearly median cash income received was £6.8 million between 2005 and 2008, and just under £9 million between 2008 and 2011. The median yearly cash income for the Million + Group and the University Alliance Group more than doubled over this period from £46,000 for the Million + Group before the matched funding scheme to £173,000 during the scheme and from an average of £118,000 before to £313,000 during for the University Alliance Group.

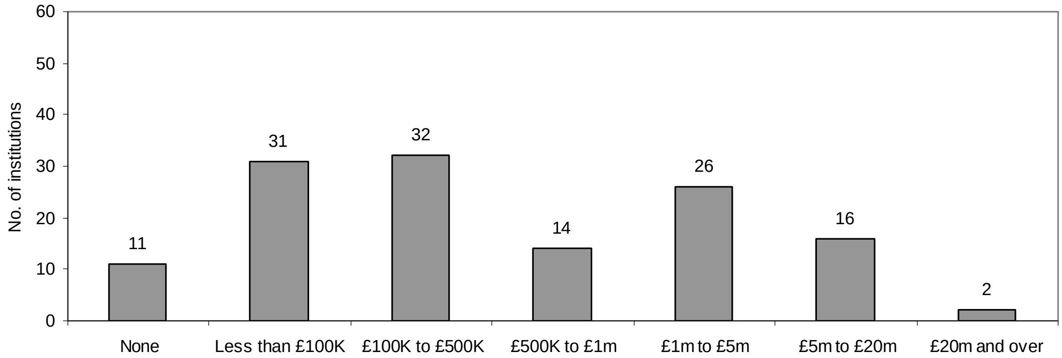
Table 5.2 New funds secured and cash income received (average over three years) before and during the matched funding scheme (institutions involved in matched funding scheme only)

Ross-CASE Survey 2010-2011

£million	Russell Group		1994 Group		Million+ Group		University Alliance Group		Other institutions	
	3 years before	3 years during	3 years before	3 years during	3 years before	3 years during	3 years before	3 years during	3 years before	3 years during
New funds secured	383	403	37	45	6	10	8	10	68	73
Median new funds secured	8.117	8.115	1.080	2.519	0.101	0.170	0.190	0.367	0.113	0.174
Cash income received	270	352	27	41	5	9	5	11	39	63
Median cash income received	6.842	8.956	1.055	2.053	0.046	0.173	0.118	0.313	0.113	0.173
Number of institutions	*16*		*18*		*22*		*17*		*60*	

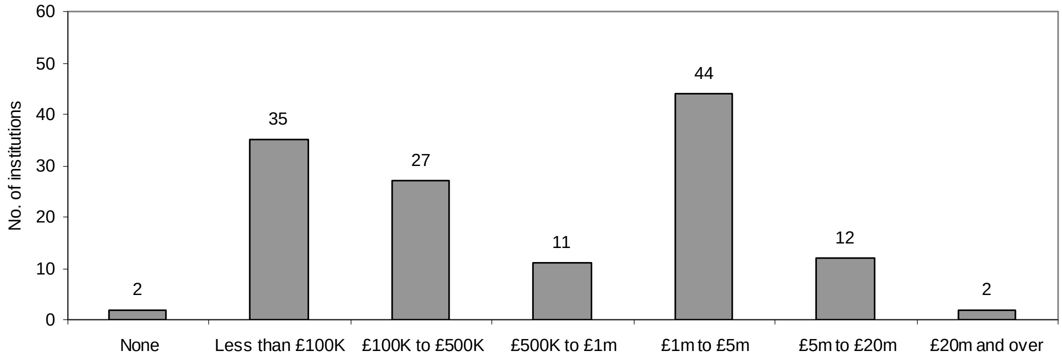
The distribution of average new funds secured among universities in the three years before the matched funding scheme and the three years during the scheme, are shown in Figure 5.1 (before) and Figure 5.2 (during the scheme). As was seen among all institutions, there was a wide distribution in the value of new funds among institutions for the years before and during the scheme. There was an increase in the number of institutions securing on average higher levels of new funds in the three years after the matched funding scheme. For example, in Figure 5.1, 11 institutions reported securing no new funds on average between 2005 and 2008 (eight per cent), whereas Figure 5.2 shows that only two institutions were in this position between 2008 and 2011 (two per cent). The number of institutions securing an average of £1 million in new funds per year was also higher in the three years during the matched funding scheme. Thirty- three per cent (forty-four institutions) secured £1 million or more in new funds in the three years before the matched funding scheme, compared to 44 per cent (58 institutions) in the three years during.

Figure 5.1 – New funds secured between 2005 and 2008 (average over three years) (institutions involved in matched funding scheme only)



Number of institutions (those involved in the matched funding scheme only): 132

Figure 5.2 – New funds secured between 2008 and 2011 (average over three years) (institutions involved in matched funding scheme only)



Number of institutions (those involved in the matched funding scheme only): 133

5.3 Alumni donors

Table 5.3 shows the total number of alumni donor and all donors for institutions that took part in the matched funding scheme, for the year before the scheme began (2007-8) and last year of the scheme (2001-11). The number of donors and the number of alumni donors increased over this time period. In 2007-8 there were 94,569 alumni donors and in 2010-11 there were 127,468, in 2007-8 there were 115,787 donors in total and in 2010-11 there were 157,788. The proportion of donors which were alumni remained stable over this time period, at 82 per cent in 2007-8 and 81 per cent in 2010-11.

Table 5.3 Total number of alumni donors and all donors per year (institutions involved in matched funding scheme only) 2007-8 and 2010-11

Ross-CASE Survey 2010-2011

Number	2007-08	2010-11
Alumni donors	94,569	127,468
All donors	115,787	157,788
	%	%
Percentage of alumni donors	82%	81%
Number of institutions	*102*	*102*

Table 5.4 and Table 5.5 show the total number of alumni donors and all donors in the year before the matched funding scheme began (2007-8, Table 5.4) and three years into the scheme (2010-11, Table 5.5), but only for institutions who reported donor numbers for every year. Alumni donors increased for all mission group members between 2007-8 and 2010-11. For example, for the Russell Group had 76,729 alumni donors in 2007-8 and 99,364 in 2010-11 whilst for the Million + Group alumni donors increased from 6527 in 2007-8, to 11,951 in 2010-11. Overall donor numbers also increased for all mission groups: for the 1994 Group the overall donor numbers increased from 19,011 in 2007-8, to 25,406 in 2010-11, for institutions not formally part of a mission group (including further education colleges) donor numbers rose from 18,378 in 2007-8 to 23,323 in 2010-11. As mentioned above, it should be noted that it is not possible to prove a link between the matched funding scheme and the increase in overall or alumni donors- these increases may have happened without the scheme, or they may have been slower.

No clear pattern emerged in the proportion of donors that were alumni among mission groups over this time period. For the 1994 Group, the proportion of alumni that were donors remained stable at 83 per cent in 2007-8 and 85 per cent in 2010-11. For some other mission groups there was a small decline in the proportion of alumni that were donors (the Russell Group and the University Alliance Group, both saw a small decline), whilst for institutions not formally part of a mission group, there was a slight increase.

Table 5.4 Total number of alumni donors and all donors 2007-8, by mission group (institutions involved in matched funding scheme only)

Ross-CASE Survey 2010-2011

Number	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other institutions
Alumni donors	76,729	15,731	913	6527	5826
All donors	84,733	19,011	1302	7056	18,378
	%	%	%	%	%
Percentage of alumni donors	91%	83%	70%	93%	32%
Number of institutions	*16*	*18*	*19*	*17*	*51*

Table 5.5 Total number of alumni donors and all donors 2010-11, by mission group (institutions involved in matched funding scheme only)

Ross-CASE Survey 2010-2011

Number	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other institutions
Alumni donors	99,364	21,612	3076	11,951	8582
All donors	113,120	25,406	3871	13,822	23,323
	%	%	%	%	%
Percentage of alumni donors	88%	85%	79%	86%	37%
Number of institutions	*16*	*18*	*19*	*17*	*51*

5.4 Total fundraising investment

The same analytical approach has been adopted for this section as for Chapter 4: data reported in this section exclude institutions that reported starting their development or fundraising programme less than three years ago (i.e. in 2007 or later), or which do not have a programme. The reason for this is that in the early stages of fundraising or development programmes considerable investment is made in staff and associated overheads, such as databases. Including institutions with newer programmes would, therefore give a misleading picture of the efficacy of universities fundraising. Findings from the eighty-eight institutions that participated in the matched funding scheme and had established or developing fundraising programmes, are reported in this section.

Fundraising investment includes the staff costs of, and non-staff expenditure relating to the activities undertaken by: Development Director, development/gift officers, legacy officers, trust/foundation officers, and PAs/secretaries for these positions. It also includes 50 per cent of the costs of operations and databases, including operational heads, and database managers and officers

Fundraising investment, on average over the three years before and three years during the matched funding scheme is shown in Table 5.6. The median fundraising investment for institutions involved in the matched fundraising scheme, was on average, between 2005 and 2008, £225,677. In the three years during the matched funding scheme the median fundraising investment had increased to £313,406 a year on average. The total development investment also increased over this time period (Table 5.5). Total development investment includes investment in fundraising (as outlined above) *and* investment in alumni relations and the alumni magazine. The median development investment, on average per year between 2005 and 2008 was £386,333, compared to 2010-11, when it had increased to £493, 588. Again, it should be noted that it is not possible to definitively link increase in the levels of fundraising investment and total development investment to the matched funding scheme- institutions may have made these investments anyway without the scheme being in place, on the other hand investment may have been less without the scheme.

Table 5.6	Fundraising investment and total development investment (including fundraising, alumni relations and alumni magazine) average over three years before and during the matched funding scheme (institutions involved in matched funding scheme only)

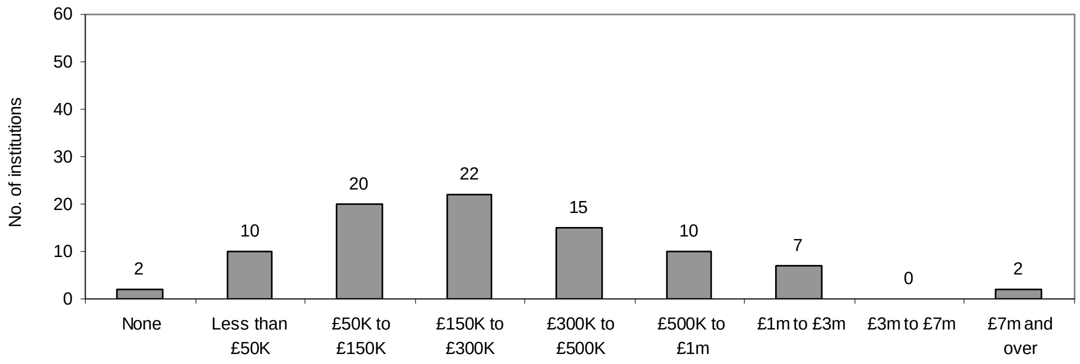
Ross-CASE Survey 2010-2011

£million	2005-08	2008-11
Total fundraising investment	48	65
Median fundraising investment	0.226	0.313
Total development investment	71	92
Median development investment	0.386	0.494
Number of HEIs	*88*	*88*

The distributions of total fundraising investment among the 88 universities, on average, over the three years before and during the matched funding scheme are shown in Figure 5.5 and

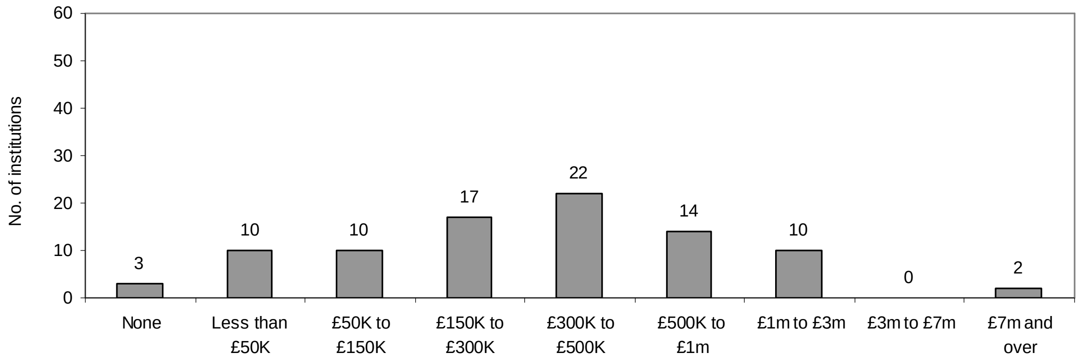
Figure 5.6. A trend of higher levels of fundraising investment in the three years after the matched funding scheme can be seen. Between 2005 and 2008, 80 per cent of universities (69 institutions) invested less than £500,000 whilst 11 per cent (nine institutions) invested over £1 million on average. In the three years during the matched funding scheme, the proportion investing less than £500,000 on average was lower at 70 per cent (62 institutions) whilst the proportion investing £1 million on average was slightly higher at 14 per cent (12 institutions).

Figure 5.3 Total fundraising investment (average over 3 years) 2005-6, 2006-7, 2007-8 (institutions involved in matched funding scheme only)



Number of institutions (those involved in the matched funding scheme only): 86

Figure 5.4 Total fundraising investment (average over 3 years) 2008-9, 2009-10, 2010-11 (institutions involved in matched funding scheme only)

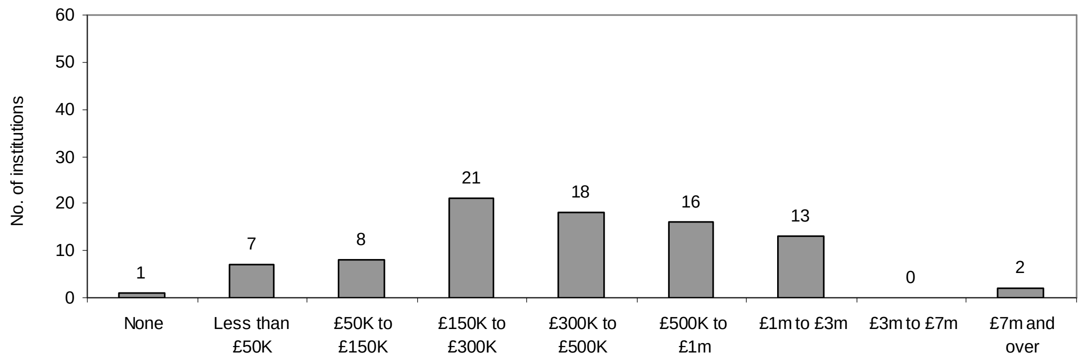


Number of institutions (those involved in the matched funding scheme only): 88

Figure 5.5 and

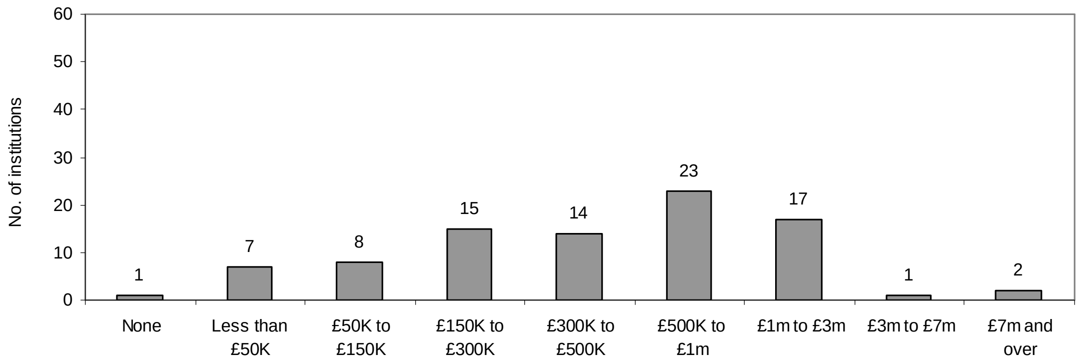
Figure 5.6 show the total development investment. Again, there is a trend of higher total development investment in the three years during the scheme compared to the three years prior to the scheme. Between 2005 and 2008 (the three years prior to the scheme beginning) 64 per cent (55 institutions) invested less than £500,000 on average over three years, compared to 51 per cent (45 institutions) in the three years during the scheme. In the three years before the scheme began 17 per cent of institutions (15 institutions) invested more than £1 million, whereas in the years during the scheme this had risen to 23 per cent (20 institutions).

Figure 5.5 Total development investment (average over 3 years) 2005-6, 2006-7, 2007-8 including fundraising, alumni relations and alumni magazine



Number of institutions (those involved in the matched funding scheme only): 86

Figure 5.6 Total development investment (average over 3 years) 2008-9, 2009-10, 2010-11 including fundraising, alumni relations and alumni magazine

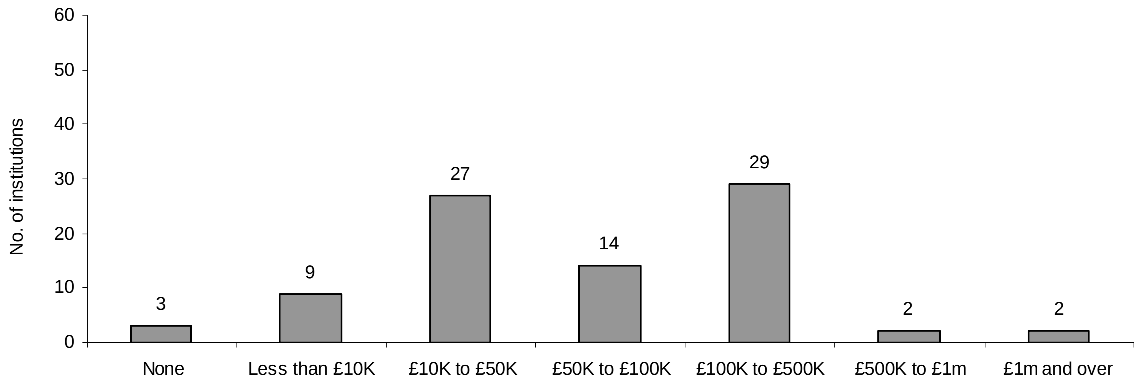


Number of institutions (those involved in the matched funding scheme only): 88

Average investment per year in alumni relations (excluding the cost of the alumni magazine) before and during the matched funding scheme is shown in Figure 5.7 and

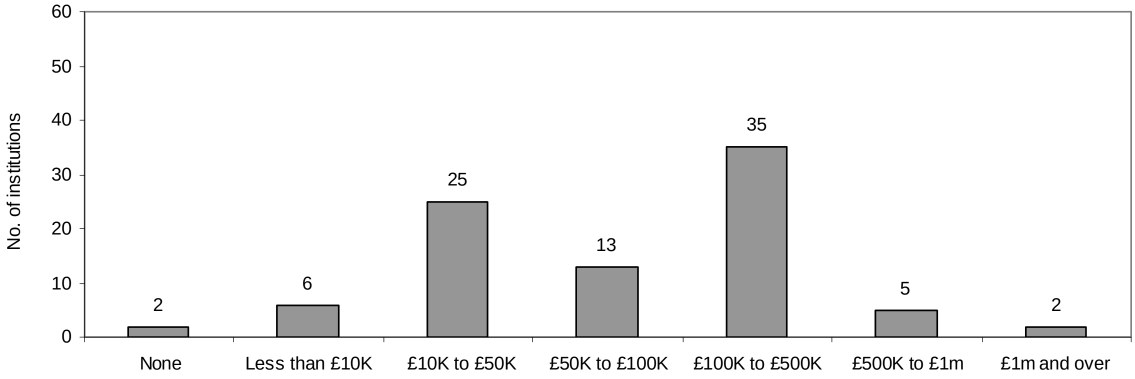
Figure 5.8. Although the same proportion of institutions invested more than £1 million in alumni relations before and during the matched funding scheme (two institutions, two per cent), the proportion of institutions investing between £100,000 and £500,000 rose over this time. Between 2005 and 2008 29 universities (33 per cent) invested between £100,000 and £500,000, compared to 35 institutions (40 per cent) between 2008 and 2011. The number of institutions investing less than £100,000 fell over this time period. Fifty-three universities (60 per cent) invested less than £100,000 on average between 2005 and 2008, whereas in the three years after the matched funding period 46 universities (52 per cent) invested this amount on average.

Figure 5.7 Investment in alumni relations (excluding the cost of the alumni magazine) (average of three years) 2005-6, 2006-7, 2008-9



Number of institutions (those involved in the matched funding scheme only): 88

Figure 5.8 Investment in alumni relations (excluding the cost of the alumni magazine) (average of three years) 2008-9, 2009-10, 2010-11



Number of institutions (those involved in the matched funding scheme only): 88

5.5 Summary of Government matched funding scheme findings

Improvements have been seen in all areas where the matched funding scheme might have been expected to have had an impact: growth in income raised, an increase in donor numbers and increased investment in development and fundraising activities. Although it is not possible to prove these changes were as a direct result of the matched funding scheme, it is possible to hypothesise that the scheme provided some protection, in terms of sustaining growth, at a time of recession.

6 Findings from Wales

6.1 Fundraising

The key fundraising data from the 2009-10 Ross–CASE survey for Wales are presented overleaf (Table 6.1).

- Welsh universities secured £5.7 million in new funds in 2010-11, down from £6.6 million in 2009-10 (decline of 14 per cent over the year) and around £1.7 million in 2008-9 (growth of 288 per cent over the year).

- Welsh universities received £7.2 million in philanthropic cash income in 2010-11. This is an increase from £3.2 million in 2009-10 (growth of 128 per cent over the year) and £1.9 million in 2008-9 (growth of 68 per cent over the year). Ten per cent of the cash income received in 2010-11 was from legacies (£752,000).

- The total amount of new funds secured by Welsh universities has increased by 233 per cent since 2008-9, and the cash income received by 282 per cent.

- The Welsh Assembly Government has implemented a matched funding scheme for Welsh institutions[6] to increase and expand the fundraising capacity of Welsh universities. This £10 million matched funding scheme will run for three years and started in the academic year 2009-10. In the second year of this scheme Welsh universities received £6.4 million in cash income which could be eligible for matched funding, more than double the £2.9 million raised in 2009-10, and nearly four times the £1.7 raised in 2008-9.

- Gifts-in-kind as a source of new funds for Welsh universities have fluctuated over the three years, and were worth £135,000 in 2010-11. Cash income from Annual Funds showed significant growth particularly between 2008-09 and 2009-10, increasing from £101,000 in 2008-9 to £208,000 in 2009-10 (growth of 107 per cent over the year), and £271,000 in 2010-11 (growth of 30 per cent over the year).

- As with the sector as a whole, in Wales the mean amounts of money secured were generally much higher than the median amounts, suggesting large variations in fundraising between Welsh universities.

6

http://www.hefcw.ac.uk/documents/publications/circulars/circulars_2009/w09%2024he%20matched%20funding%20scheme%20for%20voluntary%20giving.pdf.

Table 6.1 Key fundraising data from Wales			
			Ross-CASE Survey 2010-2011
£000s	2008-9	2009-10	2010-11
<u>All HEIs</u>			
New funds secured	1716	6663	5713
Cash income received	1881	3157	7193
Cash income which could be eligible for matched funding	1679	2925	6409
Legacies cash income received	130	215	752
Gifts-in-kind	177	110	135
Annual Fund cash income	101	208	271
Number of Welsh higher education institutions	*10*	*10*	*10*

- As with the sector as a whole, Welsh universities experienced mixed fortunes in 2010-11. Five universities saw their new funds secured fall and two saw their new funds secured decline by 50 per cent or more. Two saw their new funds secured increase by 50 per cent or more.

- Three universities saw their cash income decrease, and one of these experienced a fall of 50 per cent or more. Six saw their cash income received increase by 50 per cent or more.

- The largest non-legacy confirmed pledges were worth just under £1.3 million in 2010-11, down from £3.2 million in 2009-10 and from £2.2 million in 2008-9. Of those responding, six out of eight said their largest pledge in 2010-11 was from a living individual.

- The largest cash gifts were worth £2.9 million to Welsh universities in 2010-11, up from £776,000 in 2009-10 and £536,000 in 2008-9. Of those responding, half (50 per cent) said their largest cash gift in 2010-11 was from a living individual.

6.2 Alumni fundraising

The key alumni fundraising data from the 2010-11 Ross–CASE survey for Wales are presented overleaf (Table 6.2).

- In total, Welsh universities had just nearly 351,855 addressable alumni in 2010-11. There was a steady increase in addressable alumni over the three years of the survey. Between 2008-9 and 2009-10 there was a 13 per cent increase from just under 271,799 to 307,783, and a 14 per cent increase was seen between 2009-10 and 2010-11. This small but steady increase in the in addressable alumni numbers is reflective of a maturing alumni relations programme.

- The number of alumni giving to Welsh universities was 2,434 in 2010-11, an increase from 2,050 in 2009-10 and 854 in 2008-9. The proportion of the total number of donations made by alumni reached 87 per cent in 2010-11, up from 75 per cent in 2009-10 and 68 per cent in 2008-9.

- The total number of donors to Welsh universities was 2,790 in 2010-11, up from 2,743 in 2000-10 (growth of 2 per cent over the year) and 1249 in 2008-9 (growth of 120 per cent over the year).

- The mean proportion of addressable alumni making a gift for any purpose in 2010-11 was 0.48 per cent.

Table 6.2 Key alumni fundraising data from Wales

Ross-CASE Survey 2010-2011

Number	2008-9	2009-10	2010-11
All HEIs			
Addressable alumni	271,799	307,783	351,855
Alumni making donations	854	2050	2434
Donors	1249	2743	2790
Number of Welsh higher education institutions	*10*	*10*	*10*

6.3 Fundraising investments and staffing

University fundraising is not well established in Wales. Of the ten Welsh universities, only five reported starting their development or fundraising programme before 2007. We are unable to provide further analysis in this report of the fundraising investments and staffing of these universities, as to do so would potentially be disclosive of the results of the individual universities concerned.

Appendix A Reporting Rules

ROSS-CASE GROUP SURVEY SUB-GROUP

FINAL ACCOMPANYING TEXT FOR 2010/11 SURVEY.

ROSS-CASE SURVEY

ANNUAL SURVEY OF GIFTS AND COSTS OF VOLUNTARY GIVING TO HE IN THE UK

Reporting Rules for questionnaire completion

Developed by the Ross Group of Development Directors

October 2011

1 Introduction

1.1 Most universities in the UK have been actively fundraising for the past decade or more, with Development Offices now well established in many universities to direct the fundraising effort of the institution.

1.2 Until the initiation of, and subsequent annual improvements to, the Ross-CASE survey, there had been a wide range of ways in which these achievements were reported, both in terms of funds secured, pledged and received, and the costs associated with fundraising endeavours.

1.3 The aim of the Ross-CASE survey is to define and collect standard measures of philanthropic support to universities and HE institutions. It aims to ensure consistency in the reporting of fundraising activity between UK institutions.

1.4 **Please read the rules below with care.** These rules are unchanged from 2008/9 and will remain so, through to and including the 2010/11 survey, after which period they will be subject to a further review.

1.5 Development Offices often have direct involvement in raising income which is strategically important to the institution, but does not qualify under the Ross-CASE rules as philanthropic. This might include sponsorship revenues, business development activity, or fundraising from public funding bodies. As each internal audience will differ in its priorities and expectations, Development Offices are encouraged to develop their own internal reporting mechanisms for highlighting the value of this wider work.

1.6 **The Ross-CASE Survey** and **Campaign Counting**. The Ross-CASE survey is the standardised UK model for identifying and counting philanthropic pledges and income to UK universities. It provides one model which universities may wish to adopt for Campaign counting purposes. Universities may have strategic reasons for including other forms of funding, whether this relates to the source of funding, or the extent of its philanthropic intent, in their Campaign targets and announcements. In these circumstances it is recommended that universities state clearly in their campaign materials which elements over and above those that qualify under Ross-CASE guidelines are being counted, so as to allow broadly accurate comparisons to be made both within and outside of the UK University community.

1.7 All those completing this survey are required to adopt these Rules in order to define the philanthropic health of their institution within the HE sector.

1.8 The survey aims to measure the philanthropic health of the *whole* institution, not merely the performance of fundraising staff. This survey will therefore involve co-operation between the Development Director (or equivalent appointment) and the Finance Director in using these Rules to assess what funding, from that coming into all parts of the institution, is classified as philanthropic, according to these Rules. It will also require the setting up of adequate systems to recognise and record all of these gifts.

1.9 The priority of the survey is to obtain a complete return for each institution. The rules below should allow clear decisions to be made as to whether particular gifts and agreements are eligible. Inevitably best judgement will need to be used on occasion (see 2.10 re. supporting documentation).

1.10 In order to ensure consistency in reporting, NatCen will contact some institutions once their returns have been received, in order to check particular details.

2 Identifying philanthropic funds

2.1 Philanthropic funds indicate the capability of the institution to attract donations on the basis of its academic reputation and network of support.

2.2 Funds secured as gifts or donations can only be counted within this survey as philanthropic funds if they meet ***both*** of the following two criteria:

a) The source of the funds is eligible (see 2.3 to 2.5).

and

b) The nature of the gift meets the survey's definition of philanthropic intent (see 2.6 onwards).

Both of these criteria must be fulfilled for funds to be counted as philanthropic.

Eligible sources of philanthropic funds

2.3 Sources which are eligible to be counted as philanthropic funds are the following:

2.3.1 Gifts from personal donors, in the UK and overseas, of cash and other instruments of wealth, including shares, appreciated securities, bonds etc.

2.3.2 Gifts-in-kind of physical items - property, art, equipment etc.

2.3.3 Actual legacy income received in-year from deceased individuals (to be recorded in survey question 6.2). *Legacy pledges from living donors are excluded from any part of the survey*.

2.3.4 Donations from charitable trusts and foundations in the UK and overseas. This includes donations from independent charities associated with NHS Trusts (but not direct from NHS Trusts).

2.3.5 Grants made by affiliated support foundations such as North American 501(c)(3) organisations and similar organisations in other countries. The value of the grant received in-year from the foundation should be counted, rather than the value of individual gifts made to the foundation.

2.3.6 Gifts from companies in the UK and overseas.

2.3.7 Gifts from overseas governments or their agencies and foundations.

2.3.8 Income from the National Lottery and similar sources (e.g. Heritage Lottery Fund, Sport England etc).

2.3.9 Funding through the Land Fill Scheme.

2.4 Note that qualifying as an eligible source as above is not enough to determine the eligibility of funds as philanthropic, as the gift must also be made with *philanthropic intent* (see below).

Ineligible sources of philanthropic funds

2.5 Sources which are ineligible to be counted as philanthropic funds include:

2.5.1 All funding from HM Government and its agencies, including HEFCE and the research councils.

2.5.2 Funding from NHS Trusts.

2.5.3 All funding from the EU or its agencies.

2.5.4 Royalties and other funds generated by the exploitation of the University's intellectual property rights.

2.5.5 Internal transfers within the institution.

Definition of philanthropic intent

2.6 Giving to an institution with philanthropic intent is defined as all giving which does not confer full or partial ownership of a deliverable on the funder in return for the funding. The gift must be owned in full by the receiving institution once it is received.

Exclusions from philanthropic intent

2.7 If **any one** of the 7 exclusion criteria below apply, the whole of the funding associated with an agreement becomes ineligible for the survey. Institutions may not deduct the known or estimated value of any such exclusions from the overall value of the funding associated with an agreement and report the net remaining balance.

2.7.1 Table of Exclusion criteria

No.	Exclusion Criteria	Description
1	Contractual relationship	A contract exists between the two parties which commits the recipient institution to provide an economic benefit for compensation, where the agreement is binding and creates a quid pro quo relationship between the recipient institution and the donor. *Contract income, including income for clinical trials, is ineligible*.
2	Exclusive information	The donor is entitled to receive exclusive information, or other privileged access to data or results emerging from the programme of activity.
3	Exclusive publication	The donor is entitled to exclusive rights to publication of research or other results through their own branded communication channels (website, report, etc.).
4	Consultancy included	Consultancy for the donor or a linked organisation is included as part of the agreement.
5	IP rights	The agreement assigns to the donor any full or partial rights to intellectual property which may result from the programme of activity. This exclusion extends to the provision of royalty-free licenses (whether exclusive or non-exclusive) to the funder, and also to granting the funder first option or similar exclusive rights to purchase the rights to any subsequent commercial opportunities. If the written agreement includes any actual *or potential future* benefit of this kind, it must be excluded.
6	Other forms of financial benefit	Any other direct financial benefits are required by the donor as a condition of the donation (e.g. discounted courses, training etc).
7	Donor control	The donor retains control over operational decisions relating to the use of funds once the gift has been made. This includes control over appointment and selection procedures to academic posts and student scholarships. (For detailed rules and examples on donor control of gifts see Appendix B). Note that this clause has nothing to do with a donor's right to know that a gift will be used for a designated purpose, where applicable, which is entirely consistent with a philanthropic gift.

2.7.2 This list is not comprehensive. There may also be other circumstances where service provision with a commercial value means that a donation cannot be regarded as having philanthropic intent.

2.7.3 In some circumstances it may be appropriate for philanthropic and contractual elements of a multi-faceted relationship with an organisation to be summarised in separate written agreements. In these circumstances the philanthropic agreement is eligible for the survey, as long as none of the 7 exclusion criteria under 2.7.1 apply, and as long as the income associated with the gift agreement is not contingent on delivery of any activities included within the separate contractual agreement. Please also see 2.13 re. HMRC rules relating to substantial donors.

Donor Stewardship

2.7.4 Donor stewardship strategies (e.g. providing update reports on the progress of students supported by donors, or informal contact between donors and those supported by their gifts), do not of themselves represent a benefit to the donor. Stewardship of this kind is considered best practice, is entirely consistent with Ross-CASE guidelines, and is actively encouraged.

Corporate Sponsorship

2.8 Exclusion criteria 1 (under 2.7.1 above) dictates that in the vast majority of cases corporate sponsorship must be excluded from the survey, as sponsorship is based on a quid pro quo relationship.

2.8.1 As the definition of 'sponsorship' can vary greatly between institutions, for the purposes of the Ross-CASE survey any corporate sponsorship which is subject to VAT as a chargeable supply according to HMRC definitions must be **excluded** from the survey. HMRC considers an agreement to take the form of sponsorship liable for VAT "if, in return, you are obliged to provide the sponsor with a significant benefit".

2.8.2 HMRC advise that this significant benefit might include ***any*** of the following:

- naming an event after the sponsor;
- displaying the sponsor's company logo or trading name;
- participating in the sponsor's promotional or advertising activities;
- allowing the sponsor to use your name or logo;
- giving free or reduced price tickets;
- allowing access to special events such as premieres or gala evenings;
- providing entertainment or hospitality facilities; or
- giving the sponsor exclusive or priority booking rights.

HMRC adds the following note: "This list is not exhaustive and there are many other situations in which your sponsor may be receiving tangible benefits. What matters is that the agreement or understanding you have with your sponsor requires you to do something in return."

2.8.3 The only circumstances where HMRC consider corporate support not to be eligible for VAT (and which as a result could be included within the **Ross-CASE** Survey, as long as none of the exclusions under 2.7.1 apply) is where acknowledgement is restricted to:

- giving a flag or sticker;
- naming the donor in a list of supporters in a programme or on a notice;
- naming a building or university chair after the donor (without the use of a logo); or
- putting the donor's name on the back of a seat in a theatre.

(source: HMRC Reference:Notice 701/41)

2.8.4 For the purposes of the survey, these HMRC guidelines should be applied in assessing the eligibility of all sponsorship agreements, including those with international companies not subject to HMRC regulations.

Notes on university priorities and activities typically funded by philanthropy

2.9 Philanthropic funds can take the form of funding for buildings and land, staff appointments, equipment and other assets, scholarships and bursaries, endowment of lectures and other academic activities, core funding of academic activities, and in some limited circumstances funding of research programmes. (NB None of the 7 exclusion criteria listed under 2.7.1 must apply irrespective of the activity funded; see also the examples in Appendix A).

2.9.1 Funding for **buildings, land and equipment** will typically be eligible for the survey, as long as the facilities funded will remain the property of the University.

2.9.2 Donor-funded **staff appointments** are eligible, but if the agreement states that the member of staff will allocate time to specific activities which would not meet the philanthropic intent definitions within this document (i.e. any of the exclusion criteria listed under 2.7.1 above – e.g. consultancy or work on research contracts) then the funding should be excluded **in full** from the survey. Exclusion 7 – donor control – will also need careful assessment (see **Appendix B**).

2.9.3 Funding for **scholarships and bursaries** is eligible, as long as the student recipient is not required to undertake specific activities of economic benefit to the funder (e.g. research projects, work placements, etc.), in which case the funding should be excluded in full from the survey. Exclusion 7 – donor control – will also need careful assessment (see **Appendix B**).

2.9.4 **Research funding**. The exclusion criteria described above (2.7.1) mean that the majority of research funding from institutions, whether in the form of contracts with business and industry or from grant-awarding bodies (even if they themselves are charities), should not be counted as a gift and should therefore be **excluded** from the survey. In some cases grants for research programmes from trusts and foundations may be eligible, but these will need to be assessed closely against the exclusion criteria on a case-by-case basis, given the differences in grant conditions between grant-making bodies (see **Appendix A** for worked examples which are intended to help guide institutions' case-by-case assessments of specific grants/research programmes).

Supporting documentation

2.10 It is essential that the survey data includes only pledges and gifts which are documented by paperwork (typically in the form of a simple gift agreement). If other individuals across the University outside of the Development Office have assessed income as being eligible for the survey, it is essential that those individuals have assessed the relevant income against these Ross-CASE rules in full. Development Offices also need to check that if other individuals across the University have assessed income as being eligible for the survey, paperwork documentation exists, even if the Development Office themselves are not in possession of it. (Note: In the case of any income to be included in the Government's matched funding scheme, the relevant paperwork for individual gifts may be required by HEFCE auditors.)

Approaches from donors

2.11 Some companies, trusts or individuals approach a single institution about a potential gift, or invite specific institutions to apply for grants; this has no bearing on the philanthropic intent involved, and any gifts or grants gained on that basis should be included in the survey if none of the 7 exclusion criteria listed under 2.7.1 apply.

Reporting back to the donor

2.12 The donor often requests or requires an accounting of the use of funds and of the impact of the programmes or projects undertaken. Any such request/requirement from the donor for regular status or other reports does not negate the philanthropic intent underlying a specific gift or grant, so agreements with reporting requirements are still eligible if none of the 7 exclusion criteria listed under 2.7.1 apply.

HMRC Substantial donor rules

2.13 Institutions may have multi-faceted relationships with some donors and funders, some of a philanthropic, some of a contractual, nature. HMRC have issued 'anti-avoidance' guidance as to tax treatment in these circumstances (known as 'substantial donor rules' – your finance office will have full details), in order "to tackle those who influence or set up charitable structures with a view to avoiding tax rather than with any charitable intent". As institutions enjoying charitable status, universities have since 2006 been required to comply with these accounting rules. Development offices must as a result ensure that they are liaising with their finance offices to ensure that the survey data is in full compliance with these rules.

3 Reporting 'funds secured'

3.1 Throughout the survey, it is vital to distinguish between "cash" and "pledges":

3.1.1 "Cash" includes monies received within the financial year from any source (individual in lifetime, legacy, corporate, trust/foundation) by cash, cheque, Standing Order, Direct Debit, CAF, electronic wire transfers; and any actual or future Gift Aid (but not Transitional Relief) income received in relation to these payments.

Cash payments from overseas donors (individual or institutional) should be counted according to the value on the date they were transferred to your institution. So if an American 501(c)3 organisation collects gifts in year 1 and donates them to your institution in year 2, you should count the cash value of the donation in year 2 (although, the individual donors should be counted in survey questions 13 and 14 in the year in which they made the gift) .

3.1.2 "Pledges" include multi-year and/or future-year gifts. Only documented, confirmed pledges should be reported. These are standing orders, direct debit mandates, documented gift agreements or other signed documentation from the donor which confirm the size of the donation and a timetable for the transfer of funds. Included are:

- multi-year Direct Debit/Standing Order gifts;
- multi-year formal pledge agreements for medium and large gifts;
- single gifts which are promised to be made in a future year.

Oral pledges and legacy pledges should <u>not</u> be included in the survey. Unrealised legacy pledges are never counted as "pledges" by this survey, even if documented, because they are revocable.

Unspecified or undocumented pledges should <u>not</u> be included in the survey.

The remainder of this section provides guidance on how to count and report on 'funds secured' for the purposes of the survey. For clarity of language, it assumes that entries are for the 2010/11 year. Universities entering or amending data for previous years will need to adjust for each year accordingly.

3.2 **'Funds secured'** (survey question 5) **includes**:

3.2.1 new cash received in 10/11 that results from new (non-legacy) pledges (whether from multi-year pledges or one-off cash gifts) made in 10/11

PLUS

3.2.2 cash due to be received beyond 10/11 as a result of new pledges made during 10/11, counting up to five years' worth of funding for each pledge (the five years includes the year in which the pledge is made).

PLUS

3.2.3 Any actual or future Gift Aid (but not Transitional Relief) income received, or due in the future, relating to 3.2.1 and 3.2.2.

3.3 'Funds secured' **excludes**

3.3.1 cash received during 10/11 from pledges made prior to 10/11 as these should have already been counted in 'funds secured' in those previous years (whether or not the institution was actually participating in this survey).

Treatment of Shares and Financial instruments under 'funds secured'

3.4 Gifts of shares, appreciated securities, bonds and other financial instruments should be valued for the purposes of 'funds secured' at the documented value provided by the receiving institution's broker on the day that they were received.

3.4.1 Any income received from these financial instruments (e.g.: dividends, interest, etc.) should be excluded from the survey.

3.4.2 Sales receipts in respect of gifts of shares and financial instruments made in previous years should not be recorded in 'funds secured' for 10/11 as these gifts should have been recorded under 'funds secured' in previous years at their imputed value at the time they were given.

Treatment of gifts of real estate and gifts-in-kind under 'funds secured' (survey question 8)

3.5 The value of donated real estate and other gifts-in-kind that create assets in the institution's balance sheet (e.g. books and paintings), should be included under 'funds secured' based on an external expert view (other than that of the donor) on the value of the gift as close to the date of receipt as possible.

3.5.1 Any income received from donated real estate (e.g. rent) or from other gifts in kind should be excluded from the survey.

3.5.2 Sales receipts in respect of real estate and other gifts-in-kind made in previous years should not be recorded in 'funds secured' as these gifts should have been recorded under 'funds secured' in previous years at their imputed value at the time they were given.

3.5.3 Gifts-in-kind of services rendered (e.g. providing event facilities; volunteer time) are excluded entirely from the survey.

Return of unspent monies under 'funds secured'

3.6 If donors making gifts for restricted purposes stipulate that any unspent monies should be returned to the funder, the full amount pledged can still be counted under 'funds secured'. Any monies eventually returned to the donor should be deducted from the 'funds secured' total for the relevant year. (See also 4.2.3 below).

Requirement for documentation under 'funds secured'

3.7 Only *documented, confirmed pledges* should be reported in the survey as 'funds secured'. These are standing orders, direct debit mandates, documented gift agreements or other signed documentation from the donor which confirm the size of the donation and a timetable for the transfer of funds.

3.8 Oral pledges should not be included in the survey.

3.9 For the avoidance of doubt, any unspecified or undocumented pledges should not be included in the survey

Legacies and 'funds secured'

3.10 Legacy cash income received during 10/11 should be included under funds secured.

3.11 If the University received notification during 10/11 that a will has gone through probate, but the related cash was not received during 10/11, no value should be included under 'funds secured', even if specified sums are included in the probate documentation.

3.12 As stated in 2.3.3, legacy pledges from living donors are excluded from the survey.

Pledge duration under 'funds secured'

3.13 As stated in 3.2.2, the value of up to the *first five years' duration* of confirmed pledges, from the date of the pledge, should be counted within 'funds secured'. [If a donor makes a pledge for a period exceeding five years, for the purposes of the survey this can be treated as two separate pledges, with any remaining balance due from the overall initial pledge included under 'funds secured' within the survey for the first financial year beyond the initial five years.]

4. Reporting Cash Received

4.1 **"Cash received"** (survey question 6.1) records the value of all cash received by the institution in 10/11 as a result of philanthropic giving (as defined above).

Cash received **includes**:

4.1.1 the cash received during 10/11 resulting from new pledges made in 10/11 (whether from multi-year pledges or one-off cash gifts). (This will be the same figure as that calculated for 3.2.1 above).

PLUS

4.1.2 the cash received in 10/11 as a result of pledges made in previous years.

PLUS

4.1.3 Any actual or future Gift Aid (but not Transitional Relief) income received, or due in the future, relating to 4.1.1 and 4.1.2.

PLUS

4.1.4 The documented value of gifts of shares, appreciated securities, bonds and other financial instruments provided by the receiving institution's broker on the day that they were received (i.e. the value at the point of gift). (This will be the same figure as that calculated for 3.4 above). Financial instruments should be treated as cash.

4.2 Cash received **excludes**:

4.2.1 the actual net cash received from the sale of financial instruments donated in previous years (i.e. before 10/11), because this income should have been included under 'cash received' in the year in which it was received (see 4.1.4).

4.2.2 the income received (e.g. investment returns or rent) from any retained donated financial instruments or real estate.

4.2.3 any cash returned to donors during 10/11, whether this relates to gifts received during 10/11 or in previous years. Any such returns of cash should be deducted from the 'cash received' total (and 'funds secured' returns) for the appropriate year(s) - see also 3.6 above.

5. Treatment of multi-institution grants with a single 'grant-holding' body under 'funds secured' and 'cash received.'

Some Trusts will allocate funding which is eligible under the above rules for the survey to one 'grant holding' institution, on the basis that an element of the funding may be allocated to another institution or institutions.

If the grant holding institution has full discretion over the level of any award to another institution, the full value of the funds received can be included under 'funds secured', and subsequently under 'cash received' in current/future years. If the agreement includes a specific amount ear-marked by the donor that is to be allocated by the grant-holding institution to another specific institution or institutions, the grant-holding institution should deduct that element of the funding before including it in its own 'funds secured' or 'cash received' entry on the survey.

Conversely, an institution can only count funding received from similar multi-institutional programmes where they are not the grant-holding institution if an explicit level of funding for their institution is earmarked for their institution by the donor as part of the written agreement. This similarly applies to both 'funds secured' and 'cash income'.

6. Matched-funding eligible cash income (survey question 7)

6.1 This section of the survey is included at the request of HEFCE which is administering the £200M matched funding scheme in support of English Higher Education Institutions. It has been included since the 2006-7 survey.

6.2 It is important to note that this part of the survey will not be used to claim matched funding from HEFCE this year. The actual claims for matched funding income relating to gift income for 2010/11 (the final year of the scheme) will be made during 2011/12 via a separate claim form to be sent direct to HEFCE, signed by your senior finance officer. This claim may be audited. HEFCE will contact institutions directly about this process.

6.3 Those institutions wishing to participate in the Matched Funding Scheme in either England or Wales must complete the Ross-CASE survey, including this section, for the year 2010-11. This section should only be completed by those HEIs that qualify for the scheme.

6.4 This section should include only what you would be claiming from HEFCE if the scheme was in place to cover 10/11 income.

6.5 Matched funding is based only on cash received in the year, including Gift Aid (though not Transitional Relief) where it can be claimed. The aim is to show changes to HEI fundraising as a result of the scheme, allowing comparisons at the aggregate sector-wide level. Other aspects of the survey, such as number of donors and annual fund participation, will also provide such data.

While some research grants can be included in the Ross-CASE Survey in the overall funds secured by an institution, section 6.6.4 below will exclude some of these from matching for the HEFCE programme in English universities. These guidelines always call for some measure of judgement from the institution.

Please note: section 6.6.4 reduces the range of research funding eligible for matched funding, when compared with the guidelines used for the 2006-07 Ross-CASE survey.

6.6 Matched-funding eligible cash income is equivalent to philanthropic cash received as entered under survey question 6.1, **except** for the following *exclusions* of cash income from four sources:

6.6.1 Legacy gifts (i.e. legacy cash income received in year from deceased individuals)

6.6.2 Lottery grants

6.6.3 Funds from foreign governments (grants and gifts)

6.6.4 Income from the following Trusts and Foundations must be excluded from the return, due to their size:

UK trusts and foundations

- Arts Council England
- Wellcome Trust
- Co-operative Action
- National Lottery

International trusts and foundations (all in the US)

- Gates Foundation
- Ford Foundation
- Lilly Endowment
- Robert Wood Johnson Foundation
- William and Flora Hewlett Foundation
- W.K. Kellogg Foundation
- Gordon and Betty Moore
- Jewish Communal Foundation
- Andrew W. Mellon Foundation
- John T. and Catherine McArthur Foundation

- Annie E. Casey Foundation
- Walton Family Foundation
- David and Lucile Packard Foundation
- Pew Memorial Foundation
- Kresge Foundation
- United Jewish Appeal

Gifts funded through partnerships between trusts and foundations where one of the partners donate over £60 million annually. These include:
UK trusts and foundations:

- Wolfson-Wellcome Capital Wards in Biomedical Science

Further details about the Government Match Funding can be obtained from HEFCE, see http://www.hefce.ac.uk/Finance/fundinghe/vol/faq.

6.7 If a company, charitable trust, individual donor, or other source of funding eligible under Ross-CASE guidelines (see 2.3 above) provides a match for donations made to universities, that additional privately-funded match is eligible for the Government's matched funding scheme, provided that the terms of both the original gift which triggered the privately-funded match, and of the privately-funded match itself, meet all of the qualifying criteria for the Ross-CASE survey and the Government matched funding programme (as outlined under this section).

7 Fundraising expenditure (survey questions 19-22)

7.1 The measurement of fundraising expenditure should, for comparison purposes, only include the direct costs involved in **fundraising** (development) activities.

7.2 Philanthropic expenditure therefore includes only the direct **fundraising** costs which are the responsibility of the Development Director, or the equivalent appointment.

7.3 Philanthropic expenditure excludes the indirect costs associated with philanthropic support for the institution, such as the costs of academic staff and administrative staff not identified in Table 7.6 below, and the costs associated with the recruitment of students or the promotion of the research activities of the institution.

7.4 An appropriate proportion of the costs of staff with a joint focus on fundraising and alumni relations should be attributed to philanthropic expenditure (survey question 19.1). **Include National Insurance and Pension costs in all calculations for staffing costs.** Table 7.6 shows how the costs of typical development and alumni staffing positions should be included.

7.5 Some universities employ students to make fundraising calls at certain times of year on a temporary employment basis. Although sometimes these temporary employment costs are budgeted as “non-payroll” they should be counted as staff costs in question 19.1.

7.6: Table showing suggested allocation of Development & Alumni Staff Costs for purposes of survey

Role	Fundraising	Alumni Relations
Director of Development	100%	
Development/Gift Officers	100%	
Annual Fund Staff	100%	
Prospect Researcher	100%	
Trusts Officer	100%	
Legacy Officer	100%	
PA/Secretary for Director/Gift Officers	100%	
Alumni Officer (if fundraising in job description)	50%	50%
Head of Operations/Development Services	50%	50%
Head of Data	50%	50%
Data in-putters	50%	50%
Alumni Officer (no fundraising in job description)		100%
Magazine/Communications Officer		100%
PA/Secretary for Alumni Office		100%
Alumni Reunions/Event Officer		100%

7.7 Non-staff costs (survey question 19.2) relating to fundraising should be included under fundraising expenditure, including 50 per cent of the operational costs relating to the database (licenses, etc.).

8 Worked examples

8.1 This section provides a worked example to illustrate the principles for reporting philanthropic support as set out in these Rules. A selection of typical sources of philanthropic support has been drawn up for the fictitious University of X, and information provided showing under which headings specific values should be recorded.

8.2 During the financial year (1st August to 31st July) the University of X received a selection of cash gifts, confirmed pledges, legacies and gifts in kind (all totals grossed up to include Gift Aid etc). These are described in Table 8.3 along with an indication of how they should be reported (or not) at key survey questions.

8.3: Table showing worked examples for entries under 'funds secured' and 'cash received', etc.

		£000s				
	Description of support	**Q5 Funds secured**	**Q6 Cash received**	**Q7 Matched-funding eligible cash**	**Q8 Gifts in kind**	**Q11 Annual Fund**
A	Several one-off gifts from trusts and large donors	150	150	110	-	-

	totalling £150,000. All have been received. Of these, £40,000 came from the Kresge Foundation (excluded from Government matched funding due to its size – see 6.6.4 above).					
B	Several confirmed pledges from trusts and other large donors totalling £245,000. These have not yet been received but will come in over the next 5 years.	245	-	-	-	-
C	A gift from a trust which meets all of the Government matched funding criteria of £200,000 in four equal instalments, of which the first £50,000 has been received.	200	50	50	-	-
D	The final £5,000 instalment of a £20,000 gift from an individual donor made over four years.	-	5	5	-	-
E	A gift of a painting received within the year, which was sold and the cash received – raising £15,000.	15	-	-	15	-
F	A gift in kind of computer equipment valued at £20,000, not yet sold.	20	-	-	20	-
G	A historic book given six years ago was sold within the year for £600.	-	-	-	-	-
H	Five alumni have written to say that they have each left £8,000 in their wills. *This type of legacy pledge cannot be recorded in the survey.*	-	-	-	-	-
I	Two alumni have died leaving legacy gifts totalling £92,000. The University receives notification during the year that both wills have gone through probate, but no cheques were received during the year.	-	-	-	-	-
J	One alumna has died and the University received notification during the year that the will had gone through probate. A total of £140,000 is due to the university and the first instalment of £80,000 was received during the year. [Note: in this example if the remaining £60,000 is received the following year, that £60,000 would be included under both 'funds secured' and 'cash received' in that year. See also K below]	80	80	-	-	-
K	The final instalment of a legacy of £100,000 has been received, worth £25,000. The previous instalments were received last year.	25	25	-	-	-
L	Two hundred donors have made one-off Annual Fund cash gifts (cheque / credit cards) – all received – worth £55,500.	55.5	55.5	55.5	-	55.5
M	One hundred Annual Fund donors have taken out open ended standing orders of £1000/p.a. and the first instalments worth £100,000 have been received. *As the standing orders have been set up,*	500	100	100	-	100

	a further 4 years of instalments, worth £400,000, can be recorded as confirmed pledges under 'funds secured'.					
N	£66,000 has been received from previous Annual Fund standing orders set up in previous years	-	66	66	-	66
O	In your telephone campaign, 25 alumni made oral pledges totalling £20,000 over four years, but no paper work has been received. *These oral pledges cannot be recorded anywhere on the questionnaire.*	-	-	-	-	-
	Totals to be reported at each question	**1290.5**	**531.5**	**386.5**	**35.0**	**221.5**

Appendix A Examples of research programme/position funding that are eligible or ineligible as philanthropic funds for the survey

	Example scenario	**Eligibility for the survey**	**Number and nature of exclusion criteria**
A	An individual donor agrees to fund a research fellowship and a PhD studentship for five years in lung cancer research, and the University offers to name the positions in memory of her husband. The gift agreement is clear that all resulting research outputs, including any intellectual property rights which emanate from the research of the funded positions or their team, will remain the property of the University.	**ELIGIBLE**	**None**
B	A company endows a Professorship in sustainable engineering. The Chair is named after the company, but the company does not expect private access to privileged or commercially valuable data or information, or private consultancy or training, or other form of direct financial benefit. The company asks for representation on the appointment panel, which the University accepts on the clear understanding that the appointment rests with the University and will follow the University's appointment procedures.	**ELIGIBLE**	**None**
C	Identical case to **B**, but ten days' consultancy a year is built into the agreement.	**INELIGIBLE**	**One exclusion: No. 4 – Consultancy.** None of the funding is eligible.
D	A charitable trust funds a professorship and a research associate for ten years to work in a specific field of regenerative medicine. The agreement states that all findings will be in the public domain. The agreement includes a clause stating that if intellectual property with commercial value emanates from the research programme, the rights to this will be split 50/50 between the University and the charity. All other clauses in the gift agreement are entirely compatible with the definitions of philanthropic intent in this survey.	**INELIGIBLE**	**One exclusion: No. 5 – IP rights.** Even though no specific IP split is agreed, inclusion of this potential financial benefit to the charity makes it ineligible.
E	A medical charity provides money for research funding. They specify in the agreement that "The grant receiving organisation hereby grants a perpetual, royalty-free non-exclusive licence" to the charity.	**INELIGIBLE**	**One exclusion: No. 5 – IP rights**. Even though the IP related rights are non-

			exclusive, any such inclusion means exclusion.
F	A funder uses blanket terms for their research grant agreements. These include the requirement for a share of any resulting IPR even where this is clearly not relevant to the research programme in hand.	**INELIGIBLE**	**One exclusion: No. 5 – IP rights**. If no IPR is anticipated, contact could be made with the donor to seek to have this clause removed. It is the wording of the agreement that counts.
G	A charitable foundation awards a project grant to the University. The grant has a defined multi-year timeline and payment schedule; milestones to deliver along the way; and a specific purpose. An annual report and three quarterly updates must be submitted by the University each year. The Foundation may request additional reports. The Foundation "is making the grant in furtherance of its charitable purposes" and requires that any knowledge gained during the project "be promptly and broadly disseminated to the scientific and international development community. None of the 7 exclusion criteria under 2.7.1 apply.	**ELIGIBLE**	**None.** Neither the inclusion of detailed reporting requirements, nor agreed milestone targets along the way, undermine the philanthropic intent of the grant.
H	A professional institute provides a donation to fund a Principal Researcher researching a niche area of research. The results of this research are relevant to the interests of the members of the funding institute. The funded person is required to provide the funder with a quarterly report on the progress of the research. The funder has the exclusive rights to publicise the results on their website, thereby putting them in the public domain. The University grants the funder a non-exclusive license to use the results and copyright materials generated in the course of the project.	**INELIGIBLE**	**Two exclusions: No. 3 – exclusive publication; and No. 5 – IP rights.**
I	A funder funds both a piece of research and also a post for a three-year period. The agreement states that the post holder will work both across the research as well as on other projects. The agreement for the research funding includes	**INELIGIBLE**	**Research funding – one exclusion: No. 5 – IP rights.**

	the requirement for a share in any resulting IPR but there is no specific provision for a share of IPR on the funding of the post.		**Post funding – excluded as part of the agreement relates to non-philanthropic activity (see 2.7 and 2.9.2)**
J	A fellowship is jointly funded by the MRC and a charity. The overall agreement meets all of the criteria for a philanthropic gift according to the **Ross-CASE** rules.	Element funded by the charity - **ELIGIBLE**; MRC element **INELIGIBLE** (Government funding).	**None**
K	A major trust (e.g. Wellcome) funds both research contracts through their funding programmes, as well as making philanthropic donations to institutions for buildings and equipment.	Research contract funding **INELIGIBLE** Philanthropic donations **ELIGIBLE** (as long as the institution owns the new facility – e.g. building or laboratory).	Research Contract Funding – **One exclusion: No. 1 – contractual Relationship** Philanthropic elements **– None**

Appendix B Rules and examples relating to donor control of funds

The definition of philanthropic funds confirms that the recipient institution must retain complete ownership of any resultant work or product. This dictates that an individual, charitable trust or corporate donor may not retain any explicit or implicit control over a gift after acceptance by the institution.

A donor can make a restricted gift to a department or area to which the recipient institution should apply the contribution, and has the right to expect that restriction to be honoured. Both parties may wish to engage in discussion of shared aims as a part of a programme of activity funded by the donor, and recipient institutions also often wish to involve donors informally in the activity they are funding as part of good stewardship. However, certain forms of donor involvement or influence undermine the recipient institution's control over the gift. Specifically, donor control over candidate selection precludes the counting of a gift within the survey.

The appointment process for donor-funded student scholarship recipients or staff appointments must remain under the control of the recipient institution.

Example A
A donor establishes a scholarship fund but requires that (s)he be able to select the recipient. This cannot be counted as a philanthropic gift. The selection of the student must rest with the recipient institution, which may nonetheless choose to involve the donor at an appropriate level in the student selection process. But if the donor has a majority or a casting vote, or the power of veto in that process, the funding must not be counted as a gift.

Example B
A donor makes a restricted contribution to a professorship while requiring the institution to award a professorship to a specified individual. This cannot be counted as a philanthropic gift. Similar guidelines would need to be in place as for Example A above.

Appendix B Rules relating to the inclusion or exclusion of corporate gifts and sponsorship

ROSS–CASE SURVEY
ANNUAL SURVEY OF GIFTS AND COSTS OF VOLUNTARY GIVING TO HE IN THE UK

Rules relating to the inclusion or exclusion of corporate gifts and sponsorship

January 2008

Company gifts that can be included

The Ross group survey follows HMRC's definitions in terms of the eligibility of corporate gifts/sponsorship as donations. These can be counted 'provided they are freely given and secure nothing in return for the donor'. Some forms of acknowledgement and/or insignificant benefit can be offered in return for gifts. HMRC advises that these include:

- giving a flag or sticker;
- naming the donor in a list of supporters in a programme or on a notice;
- naming a building or university chair after the donor; or
- putting the donor's name on the back of a seat in a theatre

(source: HMRC Reference: Notice 701/41)

Company sponsorship that must be excluded

Similarly, the Ross Group survey follows HMRC's definitions for corporate sponsorship, which must be **excluded** from the survey. This applies 'if, in return, you are obliged to provide the sponsor with a significant benefit'. HMRC advise that this might include any of the following:

- naming an event after the sponsor;
- displaying the sponsor's company logo or trading name;
- participating in the sponsors promotional or advertising activities;
- allowing the sponsor to use your name or logo;
- giving free or reduced price tickets;
- allowing access to special events such as premieres or gala evenings;
- providing entertainment or hospitality facilities; or
- giving the sponsor exclusive or priority booking rights.

HMRC adds the following note: ‘This list is not exhaustive and there are many other situations in which your sponsor may be receiving tangible benefits. What matters is that the agreement or understanding you have with your sponsor requires you to do something in return.’ (source: HMRC Reference:Notice 701/41).

Appendix C List of Institutions responding to the survey

Participating Institutions

*indicates institution participated in 2009-10 survey

Higher Education Institutions

Aberystwyth University*
Anglia Ruskin University*
The Arts University College at Bournemouth*
Aston University*
Bangor University*
Bath Spa University*
Birkbeck College, University of London*
Birmingham City University*
Bishop Grosseteste University College Lincoln*
Bournemouth University*
Brunel University*
Buckinghamshire New University*
Canterbury Christ Church University*
Central School of Speech and Drama*
Cardiff Metropolitan University, formerly known as University of Wales Institute, Cardiff (UWIC)*
Cardiff University*
City University London*
Conservatoire for Dance and Drama*
Courtauld Institute of Art*
Coventry University*
Cranfield University*
De Montfort University*
Durham University*
Edge Hill University*
Edinburgh Napier University*
Glasgow Caledonian University*
The Glasgow School of Art*
Glyndwr University*
Goldsmiths, University of London*
Guildhall School of Music & Drama*
Harpers Adams University College*
Heythrop College*
Imperial College London*
Institute of Cancer Research*
Institute of Education, University of London*
Keele University*

King's College London*
Kingston University*
Lancaster University*
Leeds College of Music*
Leeds Metropolitan University*
Leeds Trinity University College*
Liverpool Hope University*
Liverpool Institute for Performing Arts*
Liverpool John Moores University*
London Business School*
London Metropolitan University*
London School of Economics & Political Science*
London School of Hygiene & Tropical Medicine*
London South Bank University*
Loughborough University*
Manchester Metropolitan University*
Middlesex University*
Newcastle University*
Newman University College*
Northumbria University*
Norwich University College of the Arts*
Nottingham Trent University*
Open University*
Oxford Brookes University*
Queen Mary, University of London*
Queen's University Belfast*
Ravensbourne College*
Robert Gordon University*
Roehampton University*
Rose Bruford College*
Royal Academy of Music*
Royal Agricultural College*
Royal College of Art*
Royal College of Music*
Royal Holloway and Bedford New College*
Royal Northern College of Music*
Royal Veterinary College*
School of Oriental and African Studies*
School of Pharmacy, University of London*
Sheffield Hallam University*
St George's, University of London*
St Mary's University College*
Staffordshire University*
Swansea Metropolitan University*
Swansea University*
Teesside University*

Trinity College Dublin (Trinity Foundation)
Trinity Laban Conservatoire of Music and Dance*
University of Aberdeen*
University Campus Suffolk*
University College Birmingham*
University College Falmouth*
University College London*
University College Plymouth St Mark & St John*
University for the Creative Arts*
University of Bath*
University of Bedfordshire*
University of Birmingham*
University of Bolton*
University of Bradford*
University of Brighton*
University of Bristol*
University of Cambridge*
University of Central Lancashire*
University of Chester*
University of Chichester*
University of Cumbria*
University of Derby*
University of Dundee*
University of East Anglia*
University of Edinburgh*
University of Essex*
University of Exeter*
University of Glamorgan*
University of Glasgow*
University of Gloucestershire*
University of Greenwich*
University of Hertfordshire*
University of Huddersfield*
University of Hull*
University of Kent*
University of Leeds*
University of Leicester*
University of Lincoln*
University of Liverpool*
University of London and its Institutes
University of Manchester*
University of Northampton*
University of Nottingham*
University of Oxford*
University of Plymouth*
University of Portsmouth*

University of Reading*
University of Salford*
University of Sheffield*
University of Southampton*
University of St Andrews*
University of Stirling*
University of Strathclyde*
University of Sunderland*
University of Surrey*
University of Sussex*
University of the Arts London*
University of the West of England*
University of Wales Trinity Saint David*
University of Wales, Newport*
University of Warwick*
University of West London*
University of Westminster*
University of Winchester*
University of Wolverhampton*
University of Worcester*
University of York*
Writtle College*
York St John University*

FE Institutions*

Askham Bryan College*
Filton College*
Kingston College*
Leeds City College*
Leeds College of Art
Moulton College*
Plymouth College of Art*
Ruskin College*
St Helens College*
Stockport College*
Walsall College*
Warwickshire College*
West Nottinghamshire College

Appendix D List of checks undertaken by NatCen for Ross-CASE survey 2010-11

1. Logic checks

The logic checks detailed below were used to examine each institution's return for inaccuracies in reporting between questions, which were then queried with the respondent. Question numbers are shown in brackets.

a) Total Funds secured in philanthropic gifts (5) must be greater than or equal to:
- Legacies (6.2)
- Equivalent cash value of gifts-in-kind (8)
- Largest pledge (9.1)
- Largest cash gift (9.3)
- Annual fund (11.1).

b) Total Funds secured in philanthropic gifts (5) must be greater than or equal to the sum of:
- Largest pledge (9.1)
- Equivalent cash value of gifts-in-kind (8)
- Legacies (6.2).

c) Total philanthropic cash income (6.1) must be greater than or equal to the sum of:
- Annual fund (11.1)
- Legacies (6.2)

d) Total philanthropic cash income (6.1) must be greater than or equal to largest cash gift received (9.3) and if more than 1 donor (10.2) total philanthropic cash income (6.1) must be greater than largest cash gift received (9.3).

e) If the number of confirmed pledges over £500,000 (10.1) is greater than 1, then the funds secured in philanthropic gifts (5) must be greater than the largest single non-legacy confirmed pledge (9.1).

f) The total cash income (6.1) must be greater than or equal to the number of cash gifts over £500,000 (10.2) multiplied by £500,000.

g) Total cash eligible for matched funding (7) must be less than or equal to the total philanthropic cash income (6.1) minus the amount from legacies received (6.2).

h) Number of addressable alumni (12) must be greater than or equal to the number of alumni that made a gift (13).

i) Number of donors (14) must be greater than or equal to the number of alumni that made a gift (13).

j) Staffing costs (19.1) and Total costs (19.3) cannot be £0 if number of fundraising staff is greater than 0 (22.1).

k) Respondents cannot answer 'no' to (15) if they have filled in positive values for either of the following two questions (16 and 17).

l) Staffing costs (19.1), non-staff costs (19.2), total costs (19.3), total spent on alumni relations (20) and cost of alumni magazine (21) cannot be larger than the university's total expenditure (23).

m) If total number of donors (14) is greater than 0, total funds (5) must be greater than 0.

n) Alumni numbers should not fall over time (12).

o) Largest cash gift (9.3) must be less than or equal to the total eligible for matched funding (7).

p) Total eligible for matched funding (7) must be filled in by all institutions applying for matched funding.

q) If the number of addressable alumni (12) is 0 then the total cost of the alumni magazine (21) should not be greater than 0.

r) If largest pledge (9.1) is greater than largest cash gift (9.3) in one year, then at least 20 per cent of it should begin to arrive in cash (6.1) in the subsequent year.

s) Alumni relations costs (20) cannot be £0 if alumni relations staff (22.2) is greater than 0.

2. Value checks

This stage of checking compared the key responses for each institution with high responses (Tables AD1 and AD2) and key ratios (Table AD3) to these questions from the 2009-10 and 2008-9 surveys. We analysed responses from the Ross Group members and non-Ross Group members separately, as the Ross Group members typically had well established fundraising programmes and thus tended to have much higher values than other institutions.

This helped identify the main outliers early so that we could confirm whether the figures provided were accurate before analysis began. Please note that, for both columns, the highest responses and ratios used exclude Oxford and Cambridge and any large outliers.

Table AD1 looks at the largest answer (excluding Oxford and Cambridge and any large outliers). The Ross Group members are experienced responders and this should be sufficient to pick up any discrepancies.

Table AD1. Ross Group checks using the aggregated highest response from 2009-10 survey

Question	Description	2009-10 Largest answer (excl. Oxford and Cambridge & any large outliers)	Query if answer is above
5	Funds secured	18,447,000	25,000,000
6.1	Cash income	17,404,000	20,000,000
6.2	Cash income from legacies	2,399,000	6,000,000
7	Match funding eligible cash income	13,513,000	17,000,000
8	Equivalent cash value of gifts-in-kind	3,236,000	900,000
9.1	Largest non-legacy, confirmed pledge	4,800,000	8,000,000
9.3	Largest cash gift	2,800,000	8,000,000
10.1	Number of gifts of £500,000 or over received as confirmed pledges	7	13
10.2	Number of gifts of £500,000 or over received as cash income	6	7
11.1	Annual fund income raised	2,359,000	2,000,000
11.2	Annual fund cash received	935,000	2,000,000
12	Number of alumni	233,787	230,000 Flag if *below* 10,000.
13	Number of alumni making a gift	5,853	7,000
14	Number of donors making a gift	6,706	7,000
16	Capital campaign target	500,000,000	400,000 (if exceeded check time campaign

			expected to last prior to querying)
17	Length of public phase of campaign (years)	5	10
18	Percentage of target achieved/expected before going public	72	75
Fundraising expenditure			
19.1	Staff costs	1,758,000	2,000,000
19.2	Non-staff costs	592,000	2,000,000
19.3	Total costs	2,161,000	3,000,000
20	Total spent on alumni relations (excl. magazine)	927,000	5,000,000
21	Total cost of alumni magazine	244,000	1,000,000
22.1	FTE fundraising staff	33	33
22.2	FTE alumni relations staff	16	16
23	Total university expenditure	764,500,000	1,000,000,000 Flag if *below* 1,000,000.

Table AD2 adopted a slightly different approach. For each question we looked to see if there were any clear "jumps" in the figures in the 2009-10 and 2008-9 surveys. Where there were, we used this point to determine which answers to investigate further. Where there were not "jumps" in the distribution, we looked instead at the figures below to identify any that seemed out of the ordinary.

Table AD2. Non-Ross Group checks using the aggregated highest response from 2009-10 and 2008-9 surveys

Question	Description	Query if answer is above
5	Funds secured	7,000,000
6.1	Cash income	8,000,000
6.2	Cash income from legacies	300,000
7	Match funding eligible cash income	4,000,000
8	Equivalent cash value of gifts-in-kind	100,000
9.1	Largest non-legacy, confirmed pledge	3,000,000
9.3	Largest cash gift	3,000,000

10.1	Number of gifts of £500,000 or over received as confirmed pledges	2
10.2	Number of gifts of £500,000 or over received as cash income	2
11.1	Annual fund income raised	500,000
11.2	Annual fund cash received	500,000
12	Number of alumni	140,000. Flag if *below* 3,000.
13	Number of alumni making a gift	1,300
14	Number of donors making a gift	1,400
16	Capital campaign target	250,000,000
17	Length of public phase of campaign (years)	5
18	Percentage of target achieved/expected before going public	50
Fundraising expenditure		
19.1	Staff costs	500,000
19.2	Non-staff costs	250,000
19.3	Total costs	700,000
20	Total spent on alumni relations (excl. magazine)	400,000
21	Total cost of alumni magazine	150,000
22.1	FTE fundraising staff	10
22.2	FTE alumni relations staff	5
23	Total university expenditure	300,000,000. Manually select unusual cases.

As in the 2009-10 survey, examination of the data suggested that producing different ratios to check responses against, depending on Ross Group membership would not help us to identify further reporting errors.

Table AD3. Checks using key ratios from previous surveys

Ratio	Query if
Funds secured (5) / number of donors (14)	>20,000
Total Cash (6.1) / number of donors (14)	>20,000
Total Cash (6.1) / cash gift over £500,000 (10.2)	>4,000,000
Total Cash (6.1) / cash gift over £500,000 (10.2)	<500,000
Largest cash gift (9.3) / total cash (6.1)	>1
Annual fund raised (11.1) / number of donors (14)	>500
Annual fund cash (11.2) / number of donors (14)	>500
Total fundraising costs (19.3) / number of donors (14)	>8,000

3. Year on year changes

The third stage of checks was comparing the figures given in this year's survey to those provided by each institution in last year's survey, taking into account any notes provided with survey returns indicating revised figures for previous financial years. Checking changes between years highlighted where there were very large year on year increases or decreases which should be queried.

Appendix E Mission Group members

Figure AE.1 provides a summary of the number of institutions in each mission group, the number that participated in the survey and the length of fundraising programmes of group members. On the 12th March 2012 a change to the mission group membership was announced with four universities moving from the 1994 Group to the Russell group. The mission groups used in this report reflect the membership prior to this change.

Table AE. 1 Mission group membership by establishment of fundraising programme

Ross-CASE Survey 2010-2011

			Establishment of fundraising				
Number	Total Members	Participated in survey	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Included in fundraising costs chapter
Russell Group	20	20	13	7	0	0	20
1994 Group	19	19	11	7	1	0	18
Million+ Group	27	23	2	9	12	0	11
University Alliance Group	22	22	6	7	8	1	13
Other HEIs	74	67	15	28	20	4	43
English FEIs	126	13	1	0	5	7	1
UUK sponsored universities	27	27	7	19	1	0	26

The Russell Group

Universities that are members of the Russell Group and participated in the 2010-11 Ross–CASE Survey are as follows:

University of Birmingham
University of Bristol
University of Cardiff
University of Cambridge

University of Edinburgh
University of Glasgow
Imperial College London
King's College London
University of Leeds
University of Liverpool
London School of Economics & Political Science
University of Manchester
Newcastle University
University of Nottingham
University of Oxford
University of Sheffield
University of Southampton
University College London
University of Warwick
Queen’s University, Belfast

The Russell Group is an Association of twenty research-intensive universities in the UK (http://www.russellgroup.ac.uk/).

Most of the participating universities from this mission group are English HEIs (80 per cent) while the others are from Northern Ireland, Scotland and Wales. Just under two-thirds (65 per cent) of the universities have fundraising programmes which were established before 2000 and 35 per cent established their programmes between 2000 and 2006. All of these universities participated in the 2009-10 survey.

The 1994 Group

All universities that are members of the 1994 Group participated in the 2010-11 Ross–CASE Survey, the member institutions are as follows:

University of Bath
Birkbeck College, University of London
Durham University
University of East Anglia
University of Essex
University of Exeter
Goldsmiths, University of London
Institute of Education, University of London
Royal Holloway, University of London
Lancaster University
University of Leicester
Loughborough University
Queen Mary, University of London
University of Reading
University of St Andrews

School of Oriental and African Studies
University of Surrey
University of Sussex
University of York

The 1994 Group has 19 member universities that share common aims, standards and values and was founded in 1994 (www.1994group.ac.uk).

The 1994 Group is comprised of mostly English HEIs (95%). Fifty-eight per cent of the universities have fundraising programmes which were established before 2000. Over a third established their programmes between 2000 and 2006 (37 per cent) and in 2007 or more recently (five per cent). All of these universities participated in the 2009-10 survey.

The Million+ Group

Institutions that are members of the Million+ Group and participated in the 2010-11 Ross–CASE Survey are as follows:

Anglia Ruskin University
Bath Spa University
Birmingham City University
Buckinghamshire New University
Coventry University
Edinburgh Napier University
Kingston University
Leeds Metropolitan University
London Metropolitan University
London South Bank University
Middlesex University
Roehampton University
Staffordshire University
Teesside University
University of Bedfordshire
University of Bolton
University of Central Lancashire
University of Derby
University of Greenwich
University of Northampton
University of Sunderland
University of West London
University of Wolverhampton

The Million+ Group, formerly known as Campaigning for Mainstream Universities (CMU) is a university think tank which aims to help solve complex problems in higher education (www.millionplus.ac.uk).

Those responding from the Million+ Group comprised mostly English HEIs (96 per cent). Nine per cent began their fundraising programmes prior to 2000. Thirty-nine per cent of member universities began their fundraising programmes between 2000 and 2006 while just over half (52 per cent) of the universities have fundraising programmes which were established in 2007 or more recently. All of these universities participated in the 2009-10 survey.

The University Alliance Group

Institutions that are members of the University Alliance Group and participated in the 2010-11 Ross–CASE Survey are as follows:

Aberystwyth University
Bournemouth University
Cardiff Metropolitan University, formerly known as University of Wales Insitute, Cardiff (UWIC)
De Montfort University
Glasgow Caledonian University
Liverpool John Moores University
Manchester Metropolitan University
Northumbria University
Nottingham Trent University
Open University
Oxford Brookes University
Sheffield Hallam University
The University of Salford
University of Bradford
University of Glamorgan
University of Hertfordshire
University of Huddersfield
University of Lincoln
University of Plymouth
University of Portsmouth
University of the West of England
University of Wales, Newport

The University Alliance Group was formed in 2006 and comprises of a mix of pre and post 1992 universities. Member institutions have a balanced portfolio of research, teaching, enterprise and innovation in the individual missions.

Seventy-seven per cent of participating University Alliance Group members are English HEIs. Twenty-seven per cent of universities began their fundraising programmes before 2000 and just under a third (32 per cent) established their programme between 2000 and 2006. Thirty-sex per cent established their programmes in 2007 or more recently. Five per cent of universities did not have an established fundraising programme or did not provide the year their programme began. All of these universities participated in the 2009-10 survey.

Other HEIs

This group comprises of all HEIs that participated in the survey and are not members of the Russell, 1994, Million+ or University Alliance mission groups.
The HEIs included in this group are as follows:

The Arts University College at Bournemouth
Aston University
Bangor University
Bishop Grosseteste University College Lincoln
Brunel University
Canterbury Christ Church University
Central School of Speech and Drama
City University London
Conservatoire for Dance and Drama
Courtauld Institute of Art
Cranfield University
Edge Hill University
The Glasgow School of Art
Glyndwr University
Guildhall School of Music & Drama
Harpers Adams University College
Heythrop College
Institute of Cancer Research
Keele University
Leeds College of Music
Leeds Trinity University College
Liverpool Hope University
Liverpool Institute for Performing Arts
London Business School
London School of Hygiene & Tropical Medicine
Newman University College
Norwich University College of the Arts
Ravensbourne College
Robert Gordon University
Rose Bruford College
Royal Academy of Music
Royal Agricultural College
Royal College of Art
Royal College of Music
Royal Northern College of Music
Royal Veterinary College
School of Pharmacy, University of London

St George's, University of London
St Mary's University College
Swansea Metropolitan University
Swansea University
Trinity College Dublin (Trinity Foundation)
Trinity Laban Conservatoire of Music and Dance
University Campus Suffolk
University College Birmingham
University College Falmouth
University College Plymouth St Mark & St John
University for the Creative Arts
University of Aberdeen
University of Brighton
University of Chester
University of Chichester
University of Cumbria
University of Dundee
University of Gloucestershire
University of Hull
University of Kent
University of London and its Institutes
University of Stirling
University of Strathclyde
University of the Arts London
University of Wales Trinity Saint David
University of Westminster
University of Winchester
University of Worcester
Writtle College
York St John University

English FEIs

This group comprises of all participating English FEIs, the institutions included are as follows:

Askham Bryan College
Filton College
Kingston College
Leeds City College
Leeds College of Art
Moulton College
Plymouth College of Art
Ruskin College
St Helens College

Stockport College
Walsall College
Warwickshire College
West Nottinghamshire College

Appendix F Alternative fundraising expenditure per pound secured measure

Calculating the cost per pound ratio using new funds secured figure provides an alternative point of comparison to the cost per pound figures calculated on cash income which are provided in the rest of the report.

Overall, using this alternative measure, the median funds secured per pound spent on fundraising in 2010-11 was 22p, similar to 2009-10 (21p) but lower than 2008-9 (24p). The breakdown for these figures by mission group is below (Figure AF1).

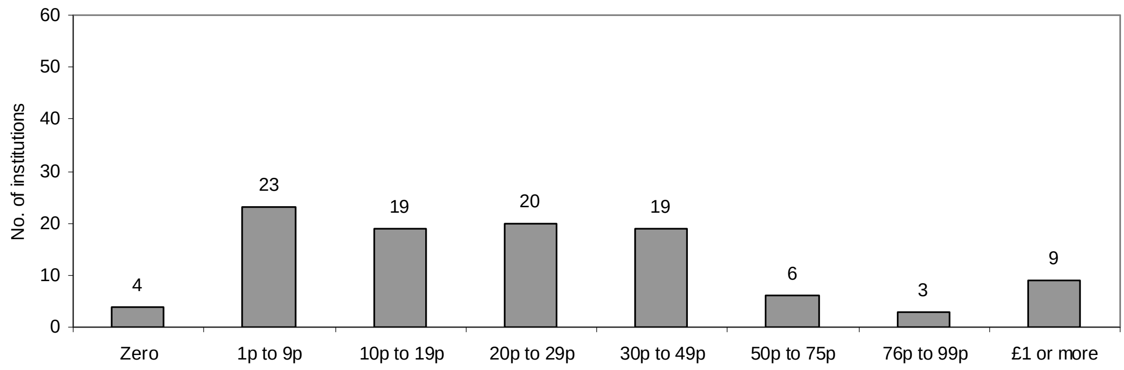
Table AF. 1 Alternative measure of fundraising expenditure per pound funds secured in the last three years for HEIs that began fundraising programmes before 2007, by mission group

Ross-CASE Survey 2010-2011

£median	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
2007-8	0.13	0.36	0.31	0.51	0.23
2008-9	0.12	0.20	0.35	0.33	0.21
2009-10	0.13	0.21	0.33	0.38	0.24
Number of HEIs starting a fundraising programme before 2007	*20*	*18*	*11*	*13*	*42*

There was considerable variation in the median fundraising expenditure per pound secured between universities (Figure AF.2). At the top end of the distribution nine universities reported spending at least one pound to secure a pound in 2010-11, and a further 28 between 30p and £1. Twenty-three programmes reported very lean figures – spending between 1p and 9p to secure a pound.

Figure AF.1 – Median fundraising expenditure per pound funds secured in year for HEIs (2010-11)



Number of HEIs starting a fundraising programme before 2007: 103

Universities and further education colleges in England that participated in the 2008 to 2011 matched funding scheme, administered by HEFCE and responded to six years of the Ross-CASE survey from 2005 to 2011.

Appendix G Institutions that participated in the 2008-11 matched funding scheme

Universities and further education colleges in England that participated in the 2008 to 2011 matched funding scheme, administered by HEFCE and responded to six years of the Ross-CASE survey from 2005 to 2011.

Anglia Ruskin University
Askham Bryan College
Aston University
Bath Spa University
Birkbeck, University of London
Birmingham City University
Bishop Grosseteste University College Lincoln
Bournemouth University
Brunel University
Buckinghamshire New University
Canterbury Christ Church University
City University London
Conservatoire for Dance and Drama
Courtauld Institute of Art
Coventry University
Cranfield University
De Montfort University
Durham University
Edge Hill University
Filton College
Goldsmiths, University of London
Guildhall School of Music & Drama
Harpers Adams University College
Heythrop College
Imperial College London
Institute of Cancer Research
Institute of Education, University of London
Keele University
King's College London
Kingston College
Kingston University
Lancaster University
Leeds College of Music
Leeds Metropolitan University
Leeds Trinity University College
Liverpool Hope University
Liverpool Institute for Performing Arts

Liverpool John Moores University
London Business School
London Metropolitan University
London School of Economics & Political Science
London School of Hygiene & Tropical Medicine
London South Bank University
Loughborough University
Manchester Metropolitan University
Middlesex University
Moulton College
Newcastle University
Newman University College
Northumbria University
Norwich University College of the Arts
Nottingham Trent University
Oxford Brookes University
Queen Mary, University of London
Ravensbourne College
Roehampton Univerisity
Rose Bruford College
Royal Academy of Music
Royal Agricultural College
Royal College of Art
Royal College of Music
Royal Holloway and Bedford New College
Royal Northern College of Music
Royal Veterinary College
Ruskin College
School of Oriental and African Studies
Sheffield Hallam University
St George's, University of London
St Helens College
St Mary's University College
Staffordshire University
Teeside UniversityThe Arts University College at Bournemouth
The Central School of Speech and Drama
The Open University
The School of Pharmacy, University of London
The University of Northampton
The University of Nottingham
The University of Salford
The University of York
Trinity Laban Conservatoire of Music and Dance
University College London
University Campus Suffolk
University College Birmingham
University College Falmouth
University College Plymouth St Mark & St John
University for the Creative Arts
University of Bath

University of Bedfordshire
University of Birmingham
University of Bolton
University of Bradford
University of Brighton
University of Bristol
University of Cambridge
University of Central Lancashire
University of Chester
University of Chichester
University of Derby
University of East Anglia
University of Essex
University of Exeter
University of Gloucestershire
University of Greenwich
University of Hertfordshire
University of Huddersfield
University of Hull
University of Kent
University of Leeds
University of Leicester
University of Lincoln
University of Liverpool
University of Manchester
University of Oxford
University of Plymouth
University of Portsmouth
University of Reading
University of Sheffield
University of Southampton
University of Sunderland
University of Surrey
University of Sussex
University of the Arts London
University of the West of England
University of Warwick
University of West London
University of Westminster
University of Winchester
University of Wolverhampton
University of Worcester
Warwickshire College
Writtle College
York St John University