

Ross–CASE Survey 2007-8

Final Report

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1 Executive summary

This report presents the results of the 2007-8 Ross–CASE Survey of Gifts and Costs of Voluntary Giving which evaluates the philanthropic health of universities in the UK. The survey is carried out every year and is commissioned on behalf of the Ross Group of Development Directors and the Council for Advancement and Support of Education (CASE) in Europe.

The Ross Group is a network of leading fundraising professionals from research intensive universities in the UK and Ireland. Members of the Group are Directors of Development or equivalent positions in their home universities. The Group began this survey in 2001-2 in order to ensure that there was a reliable source of data on the philanthropic health of universities in the UK.

This survey is one of the Ross Group's major projects. The Group's members have worked collaboratively to define common standards of philanthropic reporting, in terms of both income and costs, throughout the UK, and to engage the wider university sector in the need for participation in the survey. Until this survey began, there was no general sector-wide source for data on philanthropy in higher education in the UK.

CASE is the membership association that serves educational institutions around the world by enhancing the effectiveness of their fundraising, alumni relations, communications and marketing professionals – the group of related disciplines to which North Americans give the shorthand term “institutional advancement”. CASE is committed to being the primary resource for professional development and information and the leading advocate for professional standards and ethics.

CASE is a charitable trust, constituted as an unincorporated association, and is among the largest associations of educational institutions in the world. Its members include more than 3,300 universities, colleges and schools in 65 countries.

NatCen, founded in 1969 as Social and Community Planning Research (SCPR), is now Britain's leading and largest independent social research institute. It is a non-profit research institute registered as a charitable trust. NatCen's objective is specialising in high quality social research for government and other public bodies, and carrying out grant-funded research. The 2007-8 survey was the second Ross–CASE survey NatCen has conducted, the first covered the 2006-7 academic year.

1.1 Broad messages about the Ross–CASE Survey

This survey covers the academic year 2007-8, before the worst months of the recession in the UK. It was also the final academic year prior to the launch of the UK government's £200 million three-year matched funding scheme for England.

This survey remains the only source of information on this subject in the UK, enabling institutions to compare themselves with their peers. It also provides an estimate of the overall impact of philanthropy on the higher education sector. It allows institutions to measure their ongoing fundraising performance by benchmarking against selected participating institutions. The data in the survey is self reported by participating institutions. The definition and measurement of what constitutes philanthropic giving has been developed over several years by the Ross Group members and is now in accord with similar surveys in the US.

This report includes:

- charts to highlight main themes

- aggregated data based on returns from 172 institutions (28 more than last year)
- comments by experienced HE fundraisers
- an explanation of how the survey is undertaken
- a glossary of terms
- a list of participants in alphabetical order.

Universities should be encouraged to measure the value of their fundraising operations. Three measures are of special significance:

- new gifts and pledges secured by the institution in each financial year
- cash received in each financial year
- fundraising costs expressed in pence spent per pound raised.

Based on the data, presented below in the executive summary, some observations can be made.

- In 2007-8 UK universities reported securing more funds than ever before. They secured £682 million in new funds in 2007-8; this is an increase from £442 million in 2005-6 and £531 million in 2006-7.
- The longer-established universities, with correspondingly large development budgets and longer histories, raise the largest amounts of money and at a lower cost per pound raised. Institutional investment and experience matter.
- Large scale campaigns continue to drive the expectations of the sector. In recent years, Oxford and Cambridge have announced £1 billion+ campaigns. Edinburgh, Imperial, and University College London (UCL) are all in the midst of £250 million+ campaigns. These concentrated efforts have inspired other institutions to undertake their own campaigns, suitable to their own history and aspirations.
- The costs of fundraising has risen in this year's survey to a median cost of £0.33 per pound raised, a shift probably accounted for by the increased investment of many English institutions prior to the start of the HEFCE-administered Matched Funding scheme.
- The scale of investment in development offices continues to create increased demands for trained and skilled fundraising staff.
- The universities who participated in the £7 million UUK sponsored Matched Funding scheme for fundraising programmes which began in 2004, reported an increase in the median new funds secured (£743,000 in 2006-7 increasing to £905,000 in 2007-8). This increase in new funds suggests that increased investment has a direct result in fundraising outcomes.
- Universities are increasingly successful at engaging non-alumni as donors. Overall, the total number of donors who gave to universities was 144,282 in 2007-8, an increase of 12 per cent since 2006-7 and 32 per cent since 2005-6. The proportion of the total donors who were alumni donors has decreased since 2005-6 from 94 per cent to 82 per cent in 2007-8.

1.2 Key data

The key data from the 2007-8 Ross–CASE survey are presented below (Figure 1.1). Data refer to the 144 participating higher education institutions, rather than the 172 participating higher and further education institutions, unless otherwise stated.

Please note that all data has been taken from the 2007-8 Survey, which included *more participating institutions* than the 2006-7 Survey; 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 2005-6, 2006-7, and 2007-8 are compiled using the three-year self reported returns submitted by each participant in this recent survey.** Hence some figures for 2005-6 and 2006-7 may have changed since being reported in 2006-7.

Figure 1.1 Key data

Ross-CASE Survey 2007-8

£million	2005-6	2006-7	2007-8
New funds secured	442	531	682
Cash income received	323	410	438
Legacies	40	57	48
Gifts-in-kind	5	11	56
Annual Fund cash income	19	23	28
<i>For HEIs starting fundraising programmes pre-2004 only</i>			
Total fundraising spend	41	48	55
Median cost per pound raised	£0.25	£0.27	£0.33
<i>For non-Oxbridge English HEIs and FEIs only</i>			
Eligible for matched funding	87	144	143
Fundraising staff	Number 660	Number 734	Number 850
Addressable alumni	5,787,574	6,282,840	6,903,066
Alumni making donations	103,157	108,421	118,020
Donors	109,672	128,786	144,282
<i>Data are for UK higher education institutions unless otherwise stated</i>	136	137	142

1.3 University fundraising performance in 2007-8

Income is usually reported in two ways:

- new gifts secured in year (cash and future commitments)
 - cash received in year
- In total, UK universities secured £682 million in new philanthropic funds in 2007-8. 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. Of the growth of £151 million since 2006-7, just £6 million was accounted for by universities who had not participated in the 2006-7 Ross–CASE survey, with the rest representing 'like for like' growth. However, within the 'like for like' growth, only seven individual institutions saw increases of over £4 million: three of over £25 million, one of over £10 million, and three of over £6 million. In six of these seven institutions, the increase in cash income received was less than half of the increase in new funds raised. A higher median growth of funds secured since 2006-7 was reported by universities with fundraising programmes established in 2004 or more recently, than other universities.

- UK universities received £438 million in philanthropic cash income in 2007-8. Eleven per cent of the cash income received was from legacies (£48 million). Of the growth of £28 million since 2006-7, just £6 million was accounted for by universities who had not participated in the 2006-7 Ross–CASE survey. It is possible that some cash income was delayed by donors anxious for their gifts to fall within the period of the Matched Funding Scheme.
- The total amount of new funds secured by UK universities has increased by 54 per cent since 2005-6, and the cash income received by 36 per cent.
- The 2008-9 academic year saw the introduction by HEFCE of the new matched funding scheme for voluntary giving over the period 2008-11. Funding is available to match eligible gifts raised by English higher education institutions and directly funded further education colleges. The definition of matched funding eligible cash income used for the survey aimed to anticipate the final matched funding rules HEFCE would adopt, but has changed slightly for the three years from 2007-8 to reflect the final rules set by HEFCE. In 2007-8, the academic year prior to start of the English matched funding scheme, non-Oxbridge English higher and further education institutions raised £143 million that would be eligible for matched funding, had the scheme begun in 2007-8.
- As in previous years, for most survey measures in 2007-8 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 47 per cent of the new philanthropic funds secured by UK universities in the year, a small decrease since the 2006-7 survey when they accounted for 51 per cent of funds secured. In some cases, figures are reported with Oxford and Cambridge data omitted in order to provide a balanced picture of the sector. Where this is the case, this is indicated in the text.
- As a result of the large variation in fundraising between universities, the mean amounts of money secured were much higher than the median amounts. Therefore, median values are used as our preferred measure throughout the report, although some means are also provided.
- The median value of funds secured by those who participated in the £7 million UUK sponsored Matched Funding scheme for fundraising programmes which began in 2004 increased from £743,000 in 2006-7 to £905,000 in 2007-8. This suggests that an increase in return for fundraising investment will be seen.

1.4 University alumni fundraising in 2007-8

- In total, UK universities had just over 6.9 million addressable alumni in 2007-8, of whom 118,020 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 2007-8 was 1.1 per cent. Seven universities had greater than 4 per cent of alumni making a gift.
- The distribution of the mean amount for each of these indicators was wide, which reflects the very high numbers reported by the largest and most established universities that have strong and consistent Annual Fund operations.

- As with the new funds raised and cash income values, there has been significant growth in addressable alumni between 2005-6 and 2007-8. 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). The proportion of alumni making a gift has, however, remained stable over the same period. There is anecdotal evidence that this apparent stability is misleading: there is 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 those who gave to universities was 144,282 in 2007-8, an increase of 12 per cent since 2006-7 and 32 per cent since 2005-6. The proportion of the total donors who are alumni donors has decreased since 2005-6 (from 94% to 82%), suggesting that universities are increasingly successful in engaging non-alumni as donors.

1.5 University fundraising costs in 2007-8

- The reported data for fundraising costs exclude institutions 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 institutions would give a misleading picture of the efficiency of institutions' 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 sixty-seven higher education institutions (compared to 59 in the 2006-7 Survey Report). However, it is important to note that these figures will still include a number of institutions that have relatively young fundraising programmes.
- In total, UK universities spent £55 million on fundraising in 2007-8. Two-thirds (£37 million) was accounted for by staffing costs with the remainder spent on non-staffing costs. UK universities spent £15 million on alumni relations (excluding the cost of the alumni magazine, on which almost £8 million was spent).
- The total fundraising costs incurred by UK universities have increased by 34 per cent between 2005-6 and 2007-8, while the median fundraising cost per pound raised has increased by 32 per cent over this period.
- The ratio of an institution's development office expenditure to cash income 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 an institution are necessarily managed by the development office this ratio is the stable and reliable basis for comparisons (for more details please see section 4.3).
- Overall, the median value of HEIs' fundraising expenditure per pound raised in 2007-8 was 33p, higher than the median expenditures in 2005-6 (25p) and 2006-7 (27p).

1.6 University fundraising staffing in 2007-8

- As with the data on fundraising costs, the data on fundraising staff also exclude universities that reported starting their development or fundraising programme less than three years ago (in 2004 or later) or who do not have a programme.

- In total, those UK universities that had fundraising programmes employed 851 full-time equivalent (FTE) staff who worked mainly on fundraising in 2007-8; and an additional 366 staff who worked mainly on alumni relations.
- These UK universities employed a median of 6.5 FTE staff on fundraising and a median of 3 FTE staff on alumni relations.

2 Introduction

2.1 The context for the 2007-8 survey

The Ross–CASE survey asks institutions about their fundraising achievements in each of the three full academic years prior to the survey fieldwork. Inevitably there is a time lag between this period, and the report of the findings being published. This is of particular significance for the 2007-8 survey, as the reporting period for this survey (the academic years 2005-6 to 2007-8 inclusive) pre-dates the worst months of the recession in the UK. Although UK GDP started falling in the final quarter of the 2007-8 academic year (i.e. April – June 2008), the fall in GDP over the next two quarters (which fall into the academic year 2008-9) was much more dramatic. The 2008-9 survey, due to begin in September 2009, will be our first look at the full effects of the UK recession on the higher and further education sector's ability to raise philanthropic funds.

2007-8 was also the final academic year prior to the launch of the UK government's £200 million three-year matched funding scheme in England, administered by the Higher Education Funding Council for England (HEFCE). The announcement of this scheme has given a strong impetus to additional fundraising efforts in English higher and further education institutions. The scheme was formally launched on 1st August 2008. The level of funds that would qualify for Matched Funding in 2007-8, as measured in the survey, provides an assessment of the philanthropic health of the sector which may be used over the following years to estimate the impact of the scheme. To help ensure the estimates for eligible Matched Funding cash were as robust as possible, for applicants to the scheme, participation in the survey was mandatory in 2007-8¹.

The Welsh Assembly Government has recently decided to implement a matched funding scheme for Welsh institutions² to increase and expand the fundraising capacity of Welsh universities. This £10 million matched funding scheme will run for three years starting in the academic year 2009-10. To enable baseline measures to be established prior to the scheme's implementation, for the 2008-9 survey the Ross–CASE survey will also become mandatory for Welsh institutions wishing to make use of this funding facility. More information on Welsh institutions will therefore be published in the report on the 2008-9 findings.

However, the Ross–CASE survey covers other UK institutions beyond England and Wales, and a much wider range of measures than cash income eligible for matched funding. Hence cash income eligible for matched funding forms only a small part of this report. The principal aim of this report is to paint as complete a picture as possible of philanthropy in higher education throughout the UK. Therefore participation from institutions not involved in the matched funding scheme and those outside England remains extremely important to the survey.

The figures presented in this report are based on all the responses received or on broad sub-groups among the survey population. In addition to the report, NatCen has continued the benchmarking service launched when the 2006-7 results were published. The service enables participating institutions to benchmark their performance against other similar institutions. With this service, each institution is able to access to one benchmarking report. To protect confidentiality

¹ Please note that the actual amount individual institutions claim for Matched Funding is likely to differ from the figures reported in the survey. This is because institutions report all possible eligible funds in the survey but, to ensure compliance with the Matched Funding rules, may exclude cash which they are not confident is eligible.

² http://www.hefce.ac.uk/Sector_Management/5854.htm.

each institution must choose a minimum of six peers to benchmark itself against. For financial data, a three-year average for the chosen institutions is provided.

2.2 Survey management

The survey was managed by a Steering Group comprising members of the Ross Group of Development Directors and CASE in Europe. The National Centre for Social Research (NatCen) was contracted by the Ross Group and CASE to carry out the survey on a professional basis. The study was funded by HEFCE and the Ross Group.

Survey methodology

The methodology of the 2007-8 survey was very similar to that of its predecessors. The main features are summarised below.

- The questionnaire for the 2007-8 survey was the same questionnaire used for the 2006-7 survey (drafted by NatCen using the 2005-6 questionnaire as a starting point). The Reporting Rules for questionnaire completion and Rules relating to the inclusion or exclusion of corporate gifts and sponsorship can be found at Appendix A and Appendix B respectively.
- The reporting guidelines for the survey were thoroughly revised and updated by the Ross Group for the 2007-8 survey from those used in the 2006-7 survey. The guidelines used can be found at Appendix A. The principal changes were clarifying and expanding upon the definition of philanthropic intent, reporting funds secured, reporting cash income, the treatment of multi-institutional grants and matched funding.
- HEFCE provided NatCen with a list of 289 institutions from across the UK that should be approached for the study. The list comprised 134 English higher education institutions, 31 other UK higher education institutions and 124 English further education institutions. The list was very similar in size to that used for the 2006-7 survey.
- Institutions on the list were sent an advance letter signed by a representative of the Ross–CASE Steering Group, inviting them to participate. Those individuals who had responded on behalf of their institution for the 2006-7 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 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 2008 and January 2009.
- A total of 172 questionnaires were returned in time to be included in the analysis (more than double the number participating two years ago). A list of participating institutions can be found at 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 as whole numbers where figures in thousands 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 SPSS for Windows.

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 two years of the survey, NatCen made calls to institutions whose data raised some issues and in many cases the data were improved.

For the 2007-8 survey, as part of the survey's continued development, a more systematic checking process was adopted, with agreement from the Ross Group. The checks used are detailed at Appendix D. It is important to note that all comparative figures between 2005-6, 2006-7 and 2007-8 presented in this report were compiled using the three-year returns submitted by each participant in this recent survey – making the year-on-year comparisons consistent in standard for each participating institution.

Who responded to the survey?

The response rate for the Ross–CASE survey among English higher education institutions improved from 82 per cent in 2006-7 to 96 per cent in 2007-8 (Figure 2.1). Overall, the response rate for the survey increased from 48 per cent in 2006-7 to 60 per cent in 2007-8.

This in part reflects the mandatory requirement to complete the survey for those universities participating in the matched funding scheme. There has also been a doubling of the response rate among funded English further education institutions, from 12 per cent in 2006-7 to 23 per cent in 2007-8. It is believed that the high proportion of further education institutions not responding is largely due to the fact they are not fundraising.

The response rate among universities outside England has dropped from 60 per cent in 2006-7 to 48 per cent in 2007-8. The drop is due to five Scottish institutions dropping out, although two other Scottish institutions have answered for the first time this year. However, the introduction of a matched funding scheme in Wales may improve on the response rate for universities in that country in 2008-9.

Figure 2.1 Response rates by institution type for 2006-7 and 2007-8

	2006-7			2007-8		
	Invited to participate	Number participating	Response rate	Invited to participate	Number participating	Response rate
English higher education institutions	134	110	82%	134	129	96%
Scottish, Welsh and Irish higher education institutions	30	18	60%	31	15	48%
Further education institutions	135	16	12%	124	28	23%
Total	299	144	48%	289	172	60%

Just under a third (31%) of the participating institutions started their development or fundraising programme in 2004 or more recently while 40 per cent began their programmes before 2004. Twenty-nine per cent did not have a fundraising programme or did not provide this information.

2.3 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).

Where we refer to universities or institutions we mean those UK universities and/or institutions which participated in the 2007-8 survey.

Many figures are broken down by the length of fundraising programme. Where this occurs, programmes described as “established” began before 1997, those described as “developing” were established between 1997 and 2003, and those described as “newer” were established in 2004 or later.

Where figures from previous years are used, these are derived from the returns to the 2007-8 Ross–CASE survey only (the 2007-8 survey asked respondents for information relating to the 2007-8 and two previous financial years). On occasion these figures are slightly different to those published in our previous report on the 2006-7 survey. 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 2007-8 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 2006-7 survey, with some institutions participating for the first time.

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 participated in the Ross–CASE survey for the first time in 2007-8. The results can be seen in Appendix E. 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.

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.

2.4 Acknowledgements

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

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

The Ross Group has this year appointed a dedicated Editorial Board to work with NatCen on this report. Members of the Board are: Ross Group members Peter Agar, Christopher Cox, Fiona Kirk, Tania Jane Rawlinson, Kate Robertson and Miles Stevenson; and former Ross Group members Mary Blair and Jon Walker. We are very grateful to them all for their guidance and support.

In addition Linda Allebon at HEFCE provided valuable input, particularly helping us ensure all the institutions participating in the matched funding scheme had been given adequate opportunity to respond. We are also grateful to Joanna Motion and CASE for their involvement in the survey.

Within NatCen, Catherine O'Donnell provided valuable administrative support. We are also grateful to our telephone interviewers who assisted us in maximising the number of questionnaires returned.

3 Total funds

This chapter focuses on new philanthropic funds secured, cash income received and Matched Funding eligible cash income. The higher education sector has continued to show the growth seen in recent years in new philanthropic funds secured and cash income.

3.1 New funds secured

The 2007-8 survey confirmed the progress seen in past surveys. The higher education sector has continued to show the strong growth seen in recent years in new philanthropic funds secured. The total of new funds secured has increased 20 per cent or more year-on-year since 2005-6.

All those responding to the survey were asked to report new funds secured in 2007-8 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.

In 2007-8 UK universities reported raising £682 million in new funds (Figure 3.1). New funds increased from £442 million in 2005-6 to £531 million in 2006-7 (growth of 20 per cent over the year) and to £682 million in 2007-8 (growth of 28 per cent over the year).

Figure 3.1 New funds secured received in last three years for HEIs

Ross-CASE Survey 2007-8

£million	2005-6	2006-7	2007-8
New funds secured	442	531	682
<i>Number of HEIs</i>	136	137	142

Northern Irish, Scottish and Welsh universities secured just under £61 million out of the £682 million UK universities secured in new funds in 2007-8 (Figure 3.2). English HEIs secured a mean of just under £4.9 million and a median of £430,000. In total, English FEIs secured £333,000 in new funds in 2007-8, raising a mean of £12,000. 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.

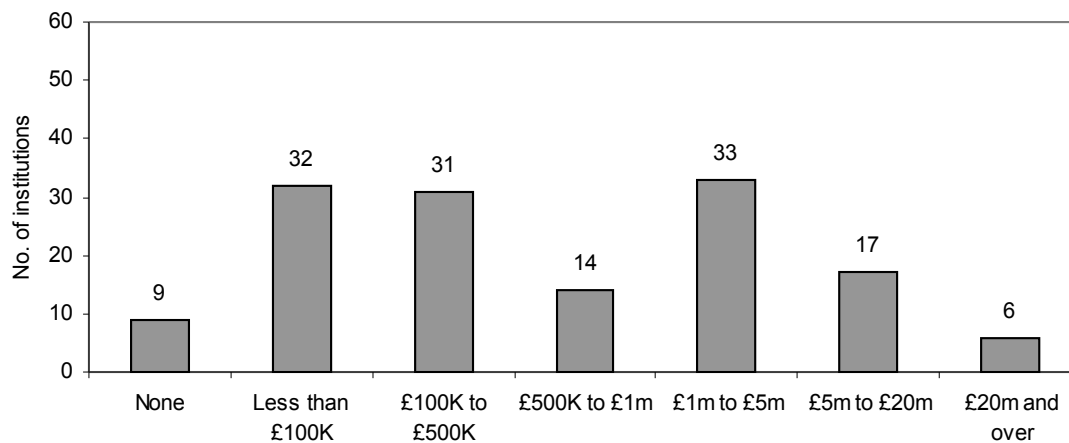
Figure 3.2 New funds secured in 2007-8, by type of institution

Ross-CASE Survey 2007-8

£000s	Total HEIs	English HEIs	Other UK HEIs	English FEIs
Mean	4803	4892	4048	12
Median	479	430	1625	0
Total	682044	621328	60716	333
<i>Number of institutions</i>	142	127	15	28

In 2007-8, there was a wide distribution in the value of funds secured amongst HEIs. At the top end of the distribution six HEIs reported funds secured of £20 million or more with 17 having secured between £5 million and £20 million. At the lower end of the distribution, nine HEIs reported securing funds of zero while 32 had secured less than £100,000 in funds (Figure 3.3).

Figure 3.3 New funds secured in 2007-8 for HEIs



Number of HEIs: 142

Participating institutions have been grouped according to their membership to one of six 'mission groups'; the Russell Group, 1994 Group, Million+ Group, University Alliance Group, the remaining HEIs and all English FEIs. A list of mission groups and the key characteristics for each group can be found at Appendix F. Looking at the new funds secured by all institutions over the three years covered by the survey broken down by mission group shows a lot of variation in the total funds secured between groups as well as the rates of growth of funds in recent years (Figure 3.4).

Institutions in the Russell Group secured a total of £484 million in funds secured in 2007-8, up from £412 million in 2006-7 and £327 million 2005-6. This represents a steady increase in the funds secured over the last three years for this group, of 48% growth from 2005-6 to 2007-8.

In 2007-8, the total funds secured by the 1994 group was £48 million, higher than the £42 million total reported for 2006-7 but less than the total secured in 2005-6 (£54 million). The remaining HEI Mission groups have experienced larger increases in new funds secured, particularly in the last year (from 2006-7 to 2007-8). For example, University Alliance HEIs secured new funds worth nearly £13 million in 2007-8, an increase from £6.7 million in 2006-7 and £5.8 million in 2005-6. This is equivalent to growth of 123% between 2005-6 and 2007-8.

Figure 3.4 New funds secured in last three years, by mission group

Ross-CASE Survey 2007-8

£million	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs	English FEIs
2005-6	326.7	53.8	4.0	5.8	51.6	0.2
2006-7	412.2	42.1	5.9	6.7	64.5	0.2
2007-8	483.7	48.4	13.7	12.9	123.4	0.3
	%	%	%	%	%	%
Growth between 2005-6 and 2007-8	48	-10	241	123	139	102
<i>Number of universities</i>	19	19	26	20	60	28

Looking just at the new funds secured by HEIs in 2007-8 by the year of establishment of fundraising programmes, the median value of new funds secured increases with length of fundraising (Figure 3.5). HEI's with established fundraising programmes, that is those which were established before 1997, secured a median of £3.8 million in 2007-8, compared to a median of £0.9 million amongst those with developing programmes (i.e. established between 1997 and 2003).

HEIs in the Russell Group reported securing a median of just over £8 million in new funds secured, higher than the average for institutions in all other mission groups. Members of the 1994 Group secured a median of just over £1 million, those in the Million+ and University Alliance Groups secured a median of around £100,000 and £200,000 respectively.

Figure 3.5 New funds secured in 2007-8 by length of fundraising programme and mission group

Ross-CASE Survey 2007-8

	Establishment of fundraising				Russell	Mission groups			
	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given		1994	Million+	University Alliance	Other HEIs
£million									
Mean	15.7	3.4	1.3	0.2	25.5	2.5	0.5	0.6	2.1
Median	3.8	0.9	0.2	0.0	8.2	1.1	0.1	0.2	0.3
Total	485.6	122.6	68.1	5.7	483.7	48.4	13.7	12.9	123.4
<i>Number of universities</i>	31	36	51	24	19	19	25	20	59

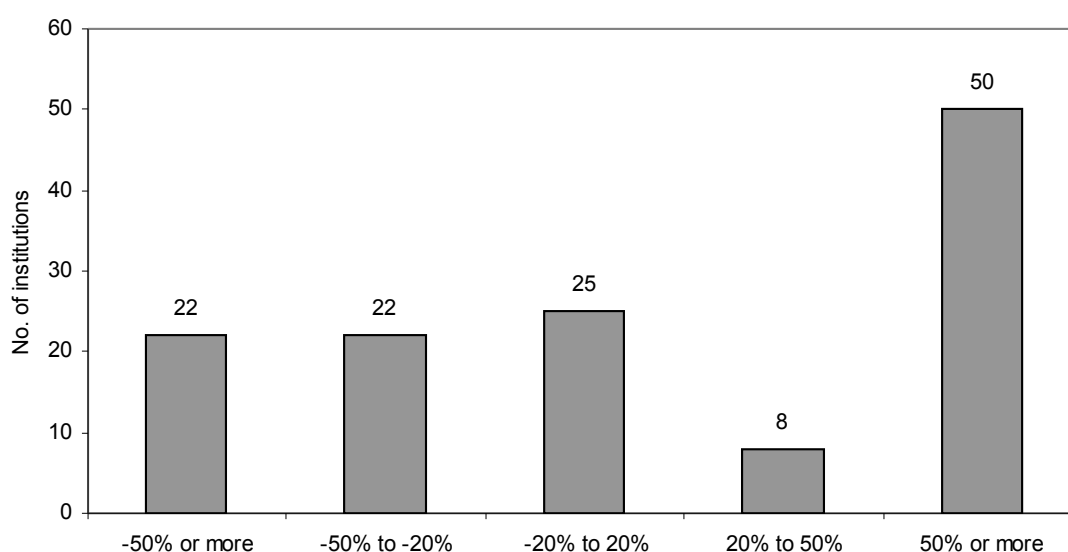
3.2 Changes in funds secured for individual universities

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

In 2007-8, seventy (55%) of the responding universities reported an increase in new funds secured. There was considerable variation in performance over the past year, with twenty-two (17%) universities reporting a fall in the amount of new funds secured by 50 per cent or more (Figure 3.6). Fifty universities (39%) reported a growth of new funds secured at or exceeding 50 per cent.

However, it is important to note that large increases in funds secured in one year are often followed by a fall in the value of 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 funds secured required in a year to experience this level of growth would be very large.

Figure 3.6 Growth of new funds secured over one year (between 2006-7 and 2007-8) for HEIs



Number of HEIs: 127

Universities with newer fundraising programmes (begun in 2004 or more recently) reported a higher median growth in their funds secured (43 per cent) than all other universities (between -5 per cent and 10 per cent). Universities in the University Alliance mission group reported a larger median growth in funds secured of 38 per cent over the year from 2006-7 to 2007-8 while the Russell, 1994 and Million+ mission groups experienced median growth of between -10 per cent and 10 per cent. Other HEIs reported median growth of 25 per cent.

3.3 Cash income received

Cash income received by UK universities grew from £323 million in 2005-6 to £410 million in 2006-7 (growth of 27 per cent over the year) and to £438 million in 2007-8 (growth of seven per cent over the year) (Figure 3.7). It may be that this smaller growth in the last year reflects a delay in the receipt of cash gifts because donors were anxious for their gifts to fall within the period of the Matched Funding Scheme. We will not know if this is the case until data are available for subsequent years.

Figure 3.7 Cash income received in last three years for HEIs

Ross-CASE Survey 2007-8

£million	2005-6	2006-7	2007-8
Cash income received	323	410	438
Median	0.283	0.295	0.330
<i>Number of HEIs</i>	<i>136</i>	<i>137</i>	<i>142</i>

Northern Irish, Scottish and Welsh universities received £44 million out of the £438 million UK universities received in cash income in 2007-8 (Figure 3.8). The median cash income received by English HEIs in 2007-8 was £274,000 while this was £1.3 million for other UK universities. English FEIs received a total of £189,000 in cash income. The median value was zero for English FEIs as only six of the 25 FEIs that responded to the question reported receiving any cash income.

Figure 3.8 Cash income received in 2007-8, by type of institution for all institutions

Ross-CASE Survey 2007-8

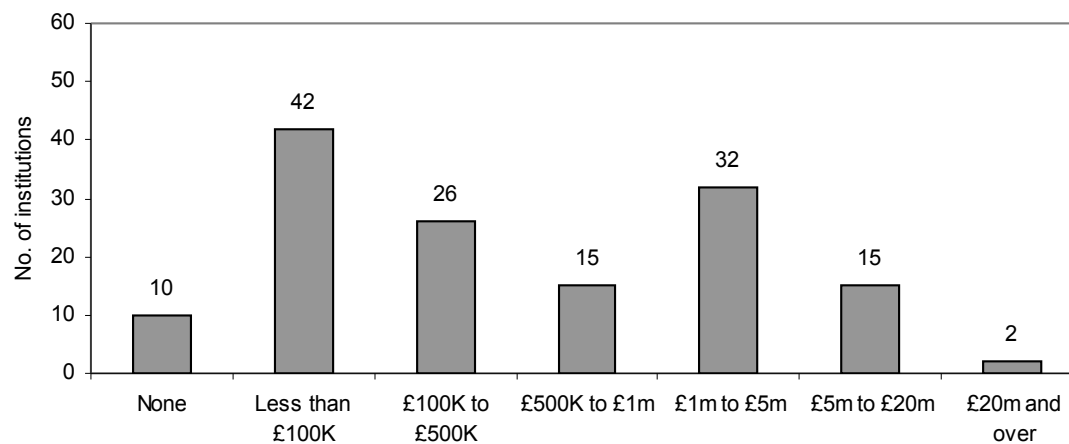
£000s	Total HEIs	English HEIs	Other UK HEIs	English FEIs
Mean	3087	3104	2941	8
Median	330	274	1282	0
Total	438131	394203	44110	189
<i>Number of institutions</i>	<i>142</i>	<i>127</i>	<i>15</i>	<i>25</i>

The rate of increase in cash income received was lower for other UK HEIs than it was for English HEIs. Cash income received by English HEIs has increased from £262 million in 2005-6 to £366 million in 2006-7 (growth of 28 per cent over the year) and to £394 million in 2007-8 (growth of 8 per cent over the year). Other UK HEIs experienced smaller growth from £38 million in 2005-6 to £43 million in 2006-7 (15 per cent over the year) and to £44 million in 2007-8 (2 per cent over the year). This suggests that there are other reasons than the Matched Funding Scheme for the slower rate of increase in cash income received as compared with new funds secured.

As with new funds secured, there was considerable variation in the cash income received by individual universities. Forty-two HEIs received less than £100,000 in cash income in 2007-8 with

ten reporting receiving no cash income (Figure 3.9). Thirty-two HEIs received cash income of between £1 million and £5 million while 17 reported receiving £5 million or more.

Figure 3.9 Cash income received in 2007-8 for HEIs



Number of HEIs: 142

As with new funds secured, the cash income received in the last three years by members of the Russell Group has experienced steady growth (Figure 3.10). The total value of cash income received by this group has gone up by a third since 2005-6, from £251 million in 2005-6, to £319 million in 2006-7 and £334 million in 2007-8. The total cash income received by members of the Million+ Group experienced large growth in the last year (from £4.2 million in 2006-7 to £10.7 million in 2007-8). However, the total cash income received by the 1994 and University Alliance Groups has fallen over the three years covered by the survey.

Figure 3.10 Cash income received in last three years, by mission group for all institutions

Ross-CASE Survey 2007-8

£million	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs	English FEIs
2005-6	250.6	31.9	3.2	6.3	31.5	0.1
2006-7	318.5	38.5	4.2	6.7	41.7	0.2
2007-8	334.2	29.6	10.7	4.4	59.4	0.2
Growth between 2005-6 and 2007-8	% 33	% -7	% 239	% -30	% 89	% 45
Number of institutions	19	19	26	20	60	28

The median amount of cash income received by HEIs increased with the length of fundraising programmes (Figure 3.11). HEIs with established fundraising programmes received a median income of £1.7 million in 2007-8, this is compared to a median of around £800,000 amongst those who have developing fundraising programmes and around £100,000 for those with newer programmes (established in 2004 or more recently). As with 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 £7.6 million cash income in 2007-8 while those in the Million+ group received a median of £100,000.

Figure 3.11 Cash income received in 2007-8 by length of fundraising programme and mission group for HEIs

Ross-CASE Survey 2007-8

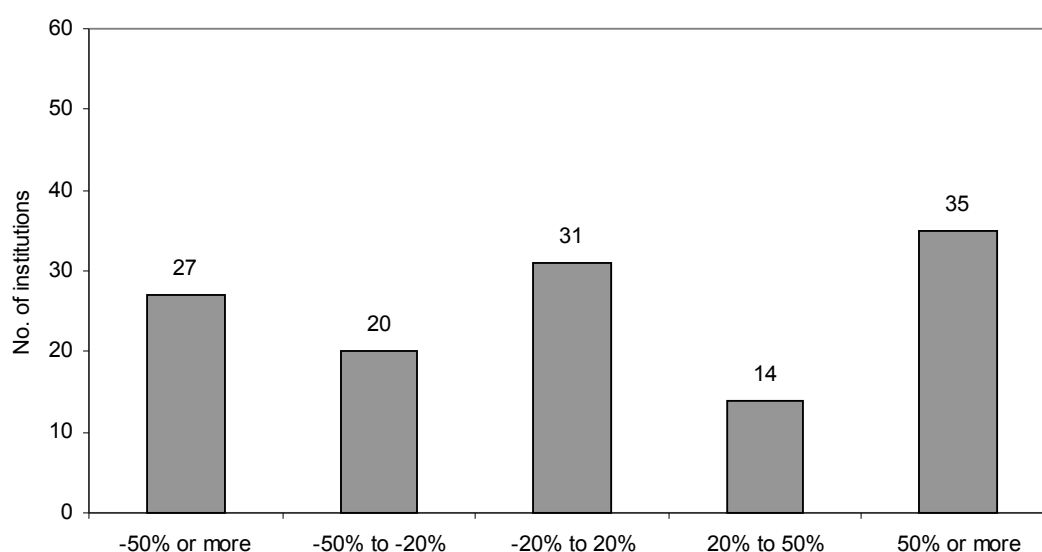
£million	Establishment of fundraising				Russell	Mission groups			
	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/not given		1994	Million+	University Alliance	Other HEIs
Mean	10.4	1.7	0.9	0.2	17.6	1.6	0.4	0.2	1.0
Median	1.7	0.8	0.1	0.0	7.6	1.0	0.1	0.1	0.3
Total	323.7	62.2	46.8	5.7	334.2	29.6	10.7	4.4	59.4
Number of HEIs	31	36	51	24	19	19	25	20	59

3.4 Changes in cash income received for individual universities

As with the new funds secured, although cash income received for the higher education sector as a whole increased over the three years covered by the survey, there was a wide range in the trend for individual universities.

Overall, 67 HEIs (53%) reported receiving a higher philanthropic cash income in 2007-8 than they achieved in 2006-7. Thirty-five HEIs (28%) reported an increase in their cash income in 2007-8 of 50% or more, compared to this income in 2006-7. Twenty-seven (21%) reported a fall in cash income of 50 per cent or more in 2007-8 compared with their 2006-7 figure (Figure 3.12). Thirty-one (24%) HEIs reported growth of between -20 per cent and 20 per cent. However, as noted for funds secured, large increases in cash income are often followed by a fall in cash income the following year as it is difficult to sustain increases of 20 per cent or more each year.

Figure 3.12 Growth of cash income over one year (between 2006-7 and 2007-8) for HEIs



Number of HEIs: 127

3.5 Cash income received which would be eligible for Matched Funding by English institutions

The new 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 FEIs. The scheme aims to achieve a step change in voluntary giving. The definition of matched funding eligible cash income was set out in sections 6.5 to 6.7 of the Reporting Rules (see Appendix A) and aimed to anticipate the final matched funding rules HEFCE would adopt. The definition of matched funding eligible cash income changed in 2007-8 to reflect the final rules set by HEFCE for the scheme.

The matched funding scheme currently operates only in England, and hence the figures produced in this section of the report analyse English HEIs and FEIs only. These figures exclude Oxford and Cambridge. This is because Oxford and Cambridge have agreed special arrangements with the Government and thus a true benchmark for English HEIs and FEIs as a whole should exclude these two cases. Please note that not all cash income eligible for matched funding will necessarily end up being matched by institutions. The actual funds matched by HEFCE will depend on the funding tier of individual institutions and the amount submitted on claim forms. Unlike the Ross-CASE survey, claims made to the Matched Funding Scheme may be audited.

The cash income eligible for matched funding secured by English institutions was £143 million in the 2007-8 academic year (Figure 3.13). This figure was almost unchanged from 2006-7 (£144 million) but 64 per cent higher than the figure two years previously (£87 million).

Figure 3.13 Cash income eligible for matched funding in last three years

Ross-CASE Survey 2007-8

£million	2005-6	2006-7	2007-8
Total	87	144	143
<i>Number of English institutions (excluding Oxford and Cambridge)</i>	132	142	155

The median cash income eligible for matched funding secured by English HEIs in 2007-8 was £202,000 (Figure 3.14). In total, FEIs secured £226,000 in cash income eligible for matched funding, while the median value secured for these institutions was zero (only 7 of the 28 FEIs responding had any eligible cash income), the mean was £8,000.

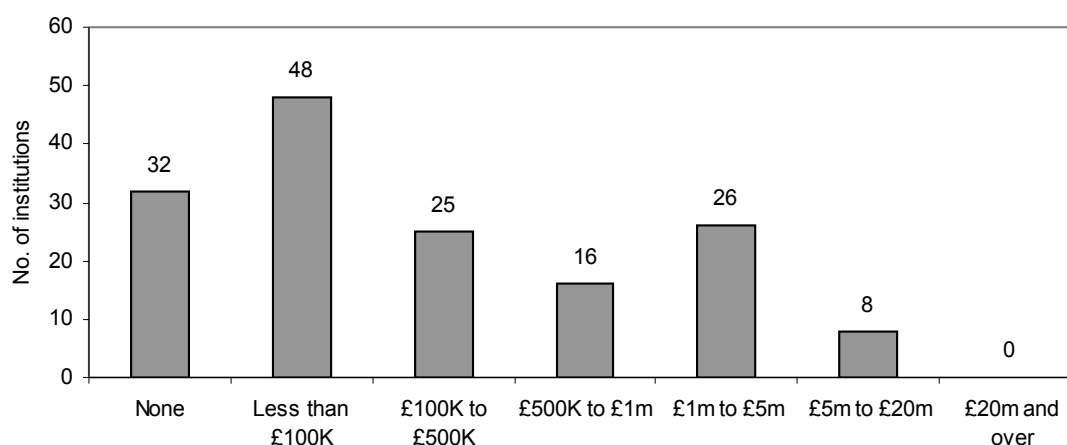
Figure 3.14 Cash income eligible for matched funding in 2007-8, by type of institution

Ross-CASE Survey 2007-8

£000s	English HEIs	English FEIs
Mean	1126	8
Median	202	0
<i>Number of English institutions (excluding Oxford and Cambridge)</i>	127	28

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 eligible for Matched Funding across English institutions (HEIs and FEIs). Thirty-two institutions (21%) received no Matched Funding eligible cash income in 2007-8 while just under a third of all institutions (48 institutions) received under £100,000 in eligible cash (Figure 3.15). At the other end of the distribution, 26 institutions (17%) secured between £1 million and £5 million in eligible cash with 8 institutions receiving £5 million or more.

Figure 3.15 Cash income eligible for matched funding in 2007-8



Number of English institutions (excluding Oxford and Cambridge): 155

As with other measures of philanthropic income, the median cash income eligible for Matched Funding increased with length of fundraising programme (Figure 3.16). Institutions with established programmes received a median of £900,000 in Matched Funding eligible cash, compared to a median of around £100,000 received by those with newer fundraising programmes. A similar pattern was also observed by mission group. Institutions belonging to the Russell Group that tend to have longer established fundraising programmes received a median of £4.1 million cash eligible for Matched Funding. The University Alliance group raised a median of £103,000.

Figure 3.16 Cash income eligible for matched funding in 2007-8 by length of fundraising programme and mission group for English institutions

Ross-CASE Survey 2007-8

	Establishment of fundraising				Russell Group	1994 Group	Mission groups			English FEIs
	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/not given			Million+ Group	University Alliance Group	Other HEIs	
£million										
Mean	2.7	1.4	0.6	0.1	5.5	1.2	0.1	0.2	0.7	0.0
Median	0.9	0.6	0.1	0.0	4.1	0.9	0.0	0.1	0.1	0.0
Total	64.7	47.5	27.7	3.2	76.7	21.5	2.9	3.8	38.0	0.23

Number of English institutions (excluding Oxford and Cambridge)

	24	33	49	49	14	18	24	18	53	28
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3.6 Summary of total funds trends

By all measures, the UK higher education sectors' philanthropic fundraising has grown strongly in recent years, echoing the findings of last year's Ross–CASE survey. The growth of new funds secured has been over ten percentage points in each of the last two years. There was a seven per cent growth in cash income received in the last year, however the total cash income eligible for Matched Funding was almost unchanged from 2006-7.

However, 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 2007-8.

4 Sources of funds

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

Overall, the total value of legacy income and the cash value of gifts-in-kind for the higher education sector as a whole has fluctuated over the last three years. As for the 2006-7 survey, participation in capital campaigns continues to be associated with longer established fundraising programmes.

4.1 Legacy income

The total value of legacy income has fluctuated over the last three years (Figure 4.1). Legacy income fell in 2007-8 to £48 million, compared with £57 million in 2006-7, but was still higher than the 2005-6 level of £40 million. Of the £48 million UK universities received in legacy income in 2007-8, Northern Irish, Scottish and Welsh universities received £9 million.

Figure 4.1 Legacy cash income received in last three years for all HEIs

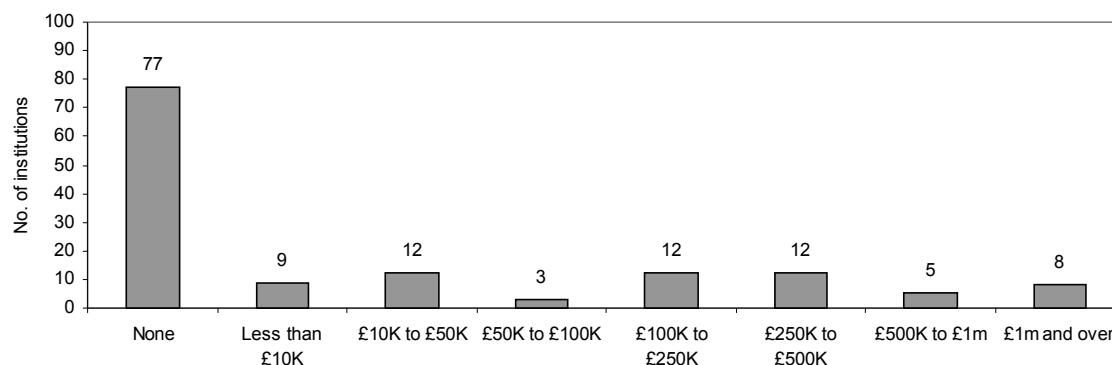
Ross-CASE Survey 2007-8

£million	2005-6	2006-7	2007-8
Legacy cash income	40	57	48
Number of HEIs	131	132	138

The significance of legacy income for UK universities was the same in 2007-8 as it was in 2005-6. In 2007-8 legacy income made up 11 per cent of universities' philanthropic cash income, compared with 12 per cent in 2005-6.

Most (56%) universities had no legacy income in 2007-8, while the levels of legacy income gained by other universities varied considerably (Figure 4.2). Eight universities (6%) received £1 million or more in legacy income in 2007-8, while twenty-four (17%) received more than zero but less than £100,000.

Figure 4.2 – Legacy income over one year (2007-8) for HEIs

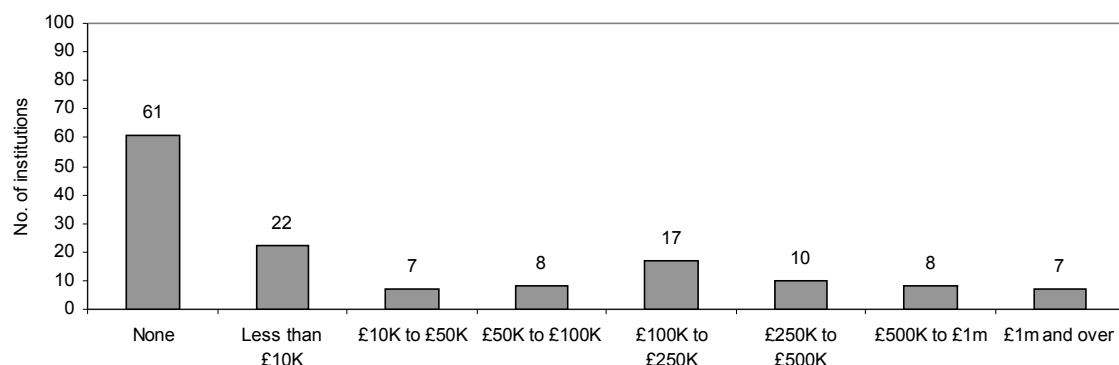


Number of HEIs: 138

Legacy income is, however, inherently unpredictable. Although most universities did not receive any legacy income in 2007-8, most had received some over the last three years. While 44 per cent had received legacy income in 2007-8, the proportion who had received some legacy income over the three year period was 56 per cent.

The distribution of legacy income in 2007-8 (Figure 4.3) is largely the same as in the last three years.

Figure 4.3 – Legacy income in year for HEIs (average of three years)



Number of HEIs: 140

Looking at the legacy cash income received in 2007-8 by length of fundraising programme and mission group provides some insight into the wide distribution of legacy income (Figure 4.4). HEIs with established fundraising programmes received a median of £106,000 in legacy cash income, a much greater amount than those with developing (£8,000) or newer (zero) programmes. Similarly, the Russell Group universities received a much larger legacy cash income (a median of £282,000) than other mission groups.

Figure 4.4 Legacy cash income received in 2007-8 by length of fundraising programme and mission group for all HEIs

Ross-CASE Survey 2007-8

	Establishment of fundraising				Russell Group	Mission groups			
	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/not given		1994 Group	Million+ Group	University Alliance Group	Other HEIs
£000s									
Mean	1217	80	104	88	1679	241	0	6	186
Median	106	8	0	0	282	8	0	0	0
Total	37732	2863	4995	2014	31910	4575	2	117	11000
<i>Number of HEIs</i>	31	36	48	23	19	19	22	19	59

4.2 Gifts-in-kind

There was a sharp jump in the cash value of gifts-in-kind from £11 million in 2006-7 to £56 million in 2007-8 (Figure 4.5). However, this was accounted for by one gift-in-kind reported by one university of around £40 million. The cash value of gifts-in-kind received by Northern Irish, Scottish and Welsh universities was £1.9 million in 2007-8.

Figure 4.5 Total equivalent cash value of gifts-in-kind received in last three years for all HEIs

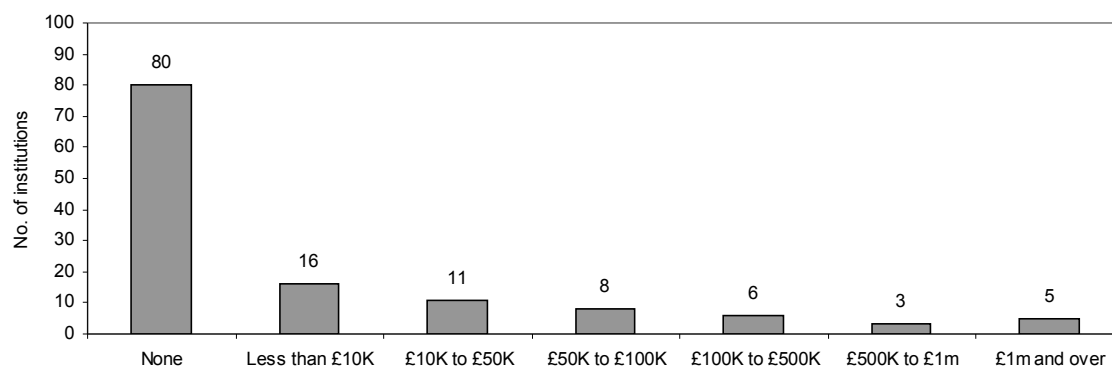
Ross-CASE Survey 2007-8

£million	2005-6	2006-7	2007-8
Equivalent cash value of gifts	5	11	56
Number of HEIs	124	127	129

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 2007-8 (Figure 4.6). Of those who did there was a large variation in the cash value of those gifts.

Eighty universities (62%) did not receive any gifts-in-kind in 2007-8. While eight universities (6%) received gifts-in-kind worth £500,000 or more in 2007-8, twenty-seven universities (21%) received gifts-in-kind worth £50,000 or less.

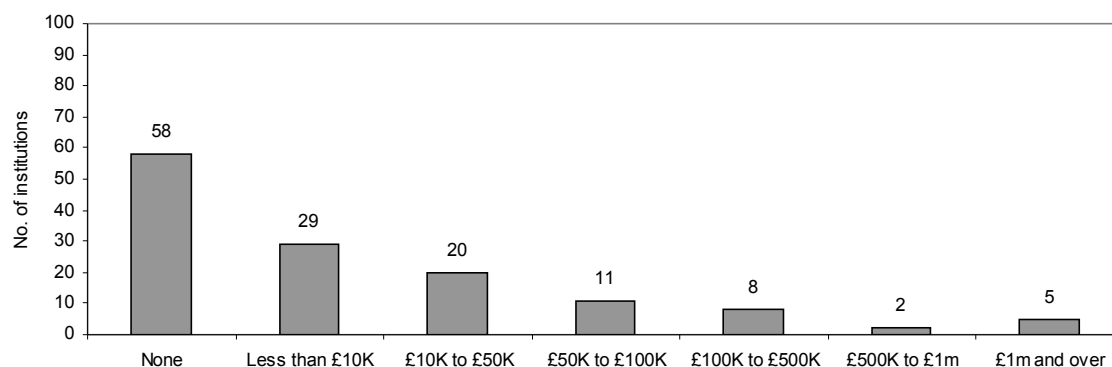
Figure 4.6 – Total equivalent cash value of gifts-in-kind over one year (2007-8) for HEIs



Number of HEIs: 129

Looking at gifts-in-kind over a three year period, a similar pattern to that for legacy income is evident (Figure 4.7). While only a minority (38%) of universities received gifts-in-kind in 2007-8, most (56%) received at least one over the three year period.

Figure 4.7 – Total equivalent cash value of gifts-in-kind in year for HEIs (average of three years)



Number of HEIs: 133

4.3 Capital campaigns

Twenty-eight per cent of universities reported being in a capital campaign in 2007-8. Universities with longer established fundraising programmes were more likely to report being in a capital campaign. Just under half (48%) of universities with programmes established before 1997 were in a capital campaign, with a similar proportion (42%) of those with programmes established between 1997 and 2003 and a fifth (20%) of those with programmes beginning in 2004 or more recently.

The 40 universities in a capital campaign in 2007-8 aimed to raise £3,157 million between them. The public phases of the campaigns were expected to last a mean of just over four years. The mean proportion of the capital campaign target the universities expected to achieve before the campaign went public was 36 per cent, with a median of 40 per cent.

Most of the total (£2,250 million) was accounted for by Oxford and Cambridge. The remaining 38 universities with capital campaigns aimed to raise £907 million, of which other Russell Group member universities aimed to raise £460 million. The mean amount the non-Oxbridge HEIs were trying to raise was £24 million with a median of £5 million.

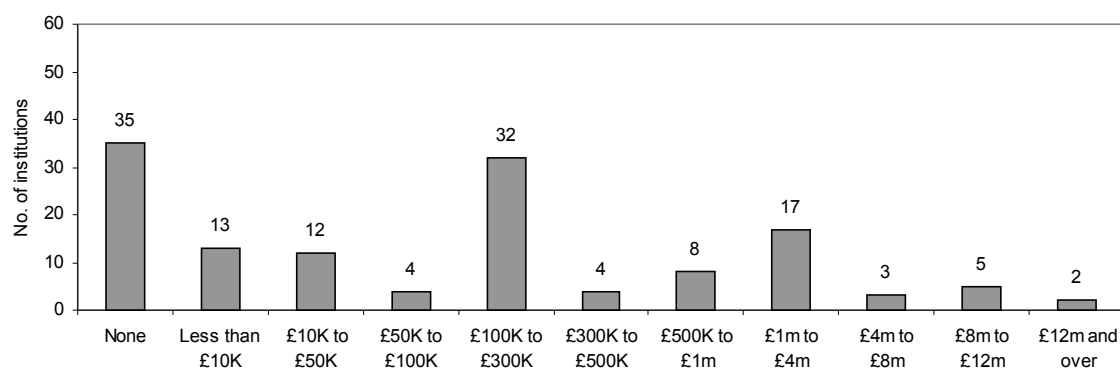
4.4 Largest pledges

The total value of the largest non-legacy confirmed pledges raised by the higher education sector has grown sharply, in line with the total value of new funds raised by universities. The mean proportion that the largest pledges contributed to the total new funds raised was 28 per cent in 2007-8, which is comparable to the 27 per cent recorded two years ago.

The number of gifts of £500,000 or more received by universities has also risen over the last three years. In 2005-6 the higher education sector as a whole received 112 gifts of £500,000 or more. In 2007-8 the sector as a whole received 149 such gifts, with Northern Irish, Scottish and Welsh universities accounting for 14.

As with new funds secured and cash income, the distribution of the value of the largest non-legacy confirmed pledges is very wide (Figure 4.8). Thirty-five (26%) universities had no pledges in 2007-8 and a further twenty-nine (21%) had no pledge over £100,000. However, twenty-seven universities (20%) had largest pledges worth £1 million or more, with ten universities having a largest pledge worth £4 million or more.

Figure 4.8 – Largest non-legacy confirmed pledge over one year (2007-8) for HEIs



Number of HEIs: 135

Over the three year period, the distribution of the size of the largest pledges was similar. Around one in five (18%) universities had no pledges over the three-year period, but over twenty universities had largest pledges worth between £100,000 and £300,000 (17%) or between £1 million and £4 million (15%) over that period.

The contribution the largest pledge made to the total funds secured at individual universities tends to be similar regardless of the length of fundraising programmes (Figure 4.9). For example, the median percentage for institutions with established programmes was 17%, compared to 19% for those with developing programmes. However, there was not a clear pattern between this measure and mission group membership. Universities in the Million+ Group reported a median of 34%, higher than in all other groups, including the Russell Group (23%) and 1994 Group (23%).

Figure 4.9 Largest pledge as percentage of funds secured in 2007-8 by length of fundraising programme and mission group for all HEIs

Ross-CASE Survey 2007-8

	Establishment of fundraising				Russell Group	Mission groups			
	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/not given		1994 Group	Million+ Group	University Alliance Group	Other HEIs
Percentage									
Mean	26.4	24.3	33.1	20.6	31.4	29.3	42.8	17.5	24.0
Median	16.5	18.7	16.8	0.0	22.7	23.0	34.2	0.4	12.7
Number of HEIs	31	35	47	13	19	18	19	19	51

In 2007-8, most (52%) of the largest non-legacy confirmed pledges received by universities came from trusts and foundations (Figure 4.10). The proportion receiving their largest pledge from a trust or foundation increased seven percentage points over the last three years, while the proportion

receiving their largest pledge from a living individual has declined by six percentage points. However, the significance of this change in the source of largest pledges is brought into question by anecdotal evidence which suggests that individuals who use 'personal' trusts as a giving vehicle are often recorded as trusts and foundations, rather than individuals.

Figure 4.10 Source of largest non-legacy confirmed pledges in last three years

Ross-CASE Survey 2007-8

Percentages	2005-6	2006-7	2007-8
Trusts and foundations	45	50	52
Individual in lifetime	35	34	29
Corporate	16	8	14
Lottery	1	1	1
Other	2	8	4
<i>Number of universities with pledges</i>	<i>93</i>	<i>101</i>	<i>100</i>

There sources of the largest non-legacy pledge in 2007-8 were similar by length of fundraising programme but more varied by mission group (Figure 4.11).

The majority of largest non-legacy pledges received by the Russell Group universities were from trusts and foundations (79%). The source of the largest non-legacy pledges was more varied among the other mission groups. For example, in the 1994 Group, only 24 per cent of these pledges were from trusts and foundations, 29 per cent from individuals and 35 per cent from a corporate source.

Figure 4.11 Source of largest non-legacy confirmed pledges in 2007-8 by length of fundraising programme and mission group for all HEIs

Ross-CASE Survey 2007-8

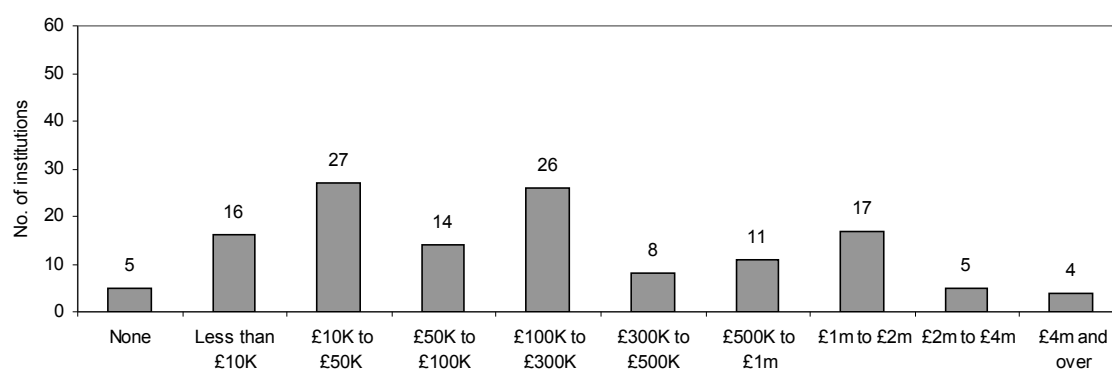
Percentage	Establishment of fundraising				Russell Group	Mission groups			
	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given		1994 Group	Million+ Group	University Alliance Group	Other HEIs
Trusts and foundations	52	52	56	33	79	24	47	30	59
Individual in lifetime	26	33	26	33	16	29	35	50	27
Corporate	15	12	15	17	5	35	12	20	8
Lottery	0	0	0	17	0	0	6	0	0
Other	7	3	3	0	0	12	0	0	5
<i>Number of HEIs</i>	<i>27</i>	<i>33</i>	<i>34</i>	<i>6</i>	<i>19</i>	<i>17</i>	<i>17</i>	<i>10</i>	<i>37</i>

4.5 Largest cash gifts

The number of philanthropic cash gifts raised by the higher education sector worth £500,000 or more has also increased sharply, from 103 in 2005-6 to 170 in 2007-8. However, there has been little change in the contribution of the largest cash gifts to the cash income received over the three years covered by the survey. The mean contribution of largest cash gifts to total cash income received was 37 per cent in 2007-8, similar to 2006-7 (41%) and 2005-6 (38%).

As with non-legacy confirmed pledges, the distribution of the value of the largest cash gifts is very wide (Figure 4.12). One hundred and twenty-eight (96%) universities received a cash gift in 2007-8, but for forty-three (32%) 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 4.12 – Largest cash gift over one year (2007-8) for HEIs



Number of HEIs: 133

The largest cash gifts received by HEIs with established fundraising programmes contributed a median of 17 per cent to their total cash income while the corresponding figure for developing programmes was 21 per cent (Figure 4.13). The largest cash gifts received by HEIs with newer programmes (46%) and those without a programme (49%) tended to contribute much more to their total cash income than older programmes.

Figure 4.13 Largest cash gift as percentage of cash income received in 2007-8 by length of fundraising programme and mission group for all HEIs

Ross-CASE Survey 2007-8

Percentage	Establishment of fundraising				Russell Group	Mission groups			
	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/not given		1994 Group	Million+ Group	University Alliance Group	Other HEIs
Mean	25.1	28.0	49.4	47.4	15.2	33.2	43.1	38.9	43.9
Median	16.7	20.7	45.6	48.6	10.3	28.3	42.1	30.8	39.0
Number of HEIs	31	36	44	17	19	19	19	18	53

In 2007-8 universities were more reliant on trusts and foundations for their largest cash gifts than they had been in the previous two years (Figure 4.14). Half of universities secured their largest cash gift from a trust or foundation in 2007-8, compared with 40 per cent two years ago. The relative importance of living individuals as sources of the largest cash gifts declined in 2007-8. Twenty-seven per cent of HEIs received their largest cash gifts from living individuals in 2006-7, but this fell to 20 per cent in 2007-8. However, it is believed that this trend may be partly due to an increasing number of individuals who are now donating through trusts and foundations. The proportion relying on other sources for their largest cash gifts has remained largely unchanged over the three years.

Figure 4.14 Source of largest cash gifts in last three years

Ross-CASE Survey 2007-8

Percentages	2005-6	2006-7	2007-8
Trusts and foundations	40	36	50
Individual in lifetime	28	27	20
Legacy cash received	9	13	13
Corporate	15	15	10
Lottery	2	1	0
Other	6	9	7
<i>Number of universities with cash gifts</i>	117	124	128

The most common source of largest cash gifts were trusts and foundations for all mission groups (Figure 4.15). This was highest amongst Russell Group universities (63%) and lowest amongst University Alliance Group universities (44%).

Figure 4.15 Source of largest cash gift in 2007-8 by length of fundraising programme and mission group for all HEIs

Ross-CASE Survey 2007-8

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	Universit y Alliance Group	Other HEIs
Trusts and foundations	52	58	45	41	63	53	47	44	47
Individual in lifetime	16	22	23	18	16	21	26	17	21
Legacy cash received	26	6	9	12	11	21	0	11	15
Corporate	3	6	14	24	5	5	16	17	9
Lottery	0	0	0	0	0	0	0	0	0
Other	3	8	9	6	5	0	11	11	8
<i>Number of HEIs</i>	31	36	44	17	19	19	19	18	53

4.6 Annual Fund income

Annual Fund income is defined as the total cash income received by the Annual Fund in a given year. This measure has grown over 20 per cent year-on-year since 2005-6.

Universities received £28 million in Annual Fund income in 2007-8 compared with £23 million in 2006-7 and £19 million in 2005-6 (Figure 4.16). Of the £28 million received by UK universities in Annual Fund income in 2007-8, £4 million was received by Northern Irish, Scottish and Welsh universities.

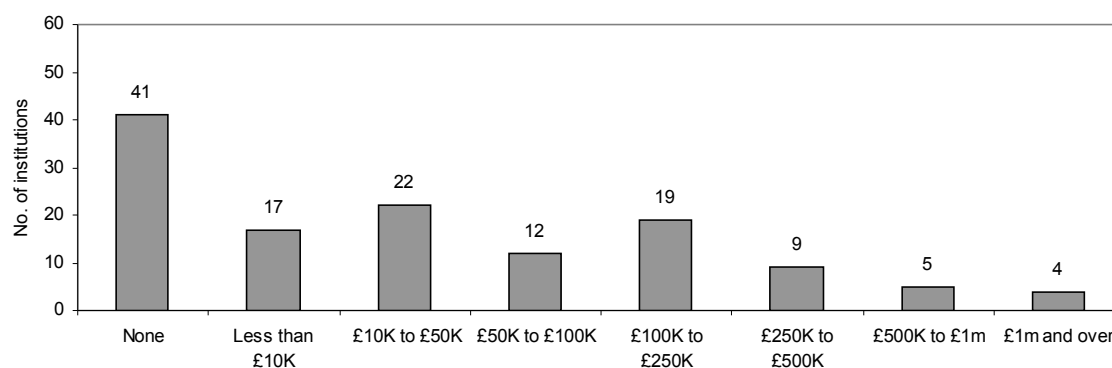
Figure 4.16 Cash income received by Annual Funds in last three years for all HEIs

Ross-CASE Survey 2007-8

£million	2005-6	2006-7	2007-8
Total value	19	23	28
Number of HEIs	120	121	129

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 4.17). In 2007-8 forty-one universities (32%) reported receiving no Annual Fund income. Thirty-nine (30%) received less than £50,000 in Annual Fund income. On the other hand nine universities had Annual Funds which received £500,000 or more in cash income in 2007-8.

Figure 4.17– Total cash income received by Annual Fund over one year (2007-8) for HEIs



Number of HEIs: 129

Universities with longer established fundraising programmes received higher Annual Fund cash income (Figure 4.18). Universities with the longest established fundraising programmes reported a median cash income of just under £160,000 from this source, compared to £50,000 amongst those with developing and £4,000 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 nearly £380,000 in cash from this source, compared to £65,000 amongst the 1994 Group.

Figure 4.18 Cash received by Annual Fund in 2007-8 by length of fundraising programme and mission group for all HEIs

Ross-CASE Survey 2007-8

£000s	Establishment of fundraising				Russell Group	Mission groups			
	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/not given		1994 Group	Million+ Group	University Alliance Group	Other HEIs
Mean	700.4	84.7	75.2	0.8	1143.8	96.5	6.4	36.1	67.0
Median	158.0	50.0	4.0	0.0	379.0	65.0	0.0	9.0	4.0
Total	21712.1	2966.0	3231.7	15.9	21733.1	1832.7	128.0	613.1	3618.9
<i>Number of HEIs</i>	31	35	43	20	19	19	20	17	54

4.7 Alumni donors

The steady upward trend in the numbers of addressable alumni noted in the report of the 2006-7 findings is still evident. The total number of addressable alumni reported in this survey was just over 6.9 million in 2007-8, compared with just under 6.3 million in 2006-7 and 5.8 million in 2005-6 (Figure 4.19). Of UK universities' 6.9 million addressable alumni, 764,000 were alumni of Northern Irish, Scottish and Welsh universities.

Figure 4.19 Number of addressable alumni in the last three years for all HEIs

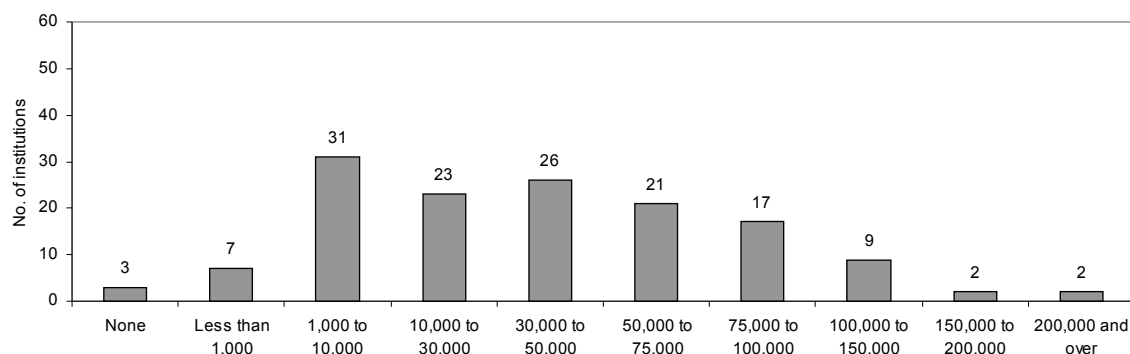
Ross-CASE Survey 2007-8

Number	2005-6	2006-7	2007-8
Addressable alumni	5,787,574	6,282,840	6,903,066
<i>Number of HEIs</i>	135	134	141

However, 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.

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 4.20). Ten universities reported having fewer than 1,000 addressable alumni over the last three years, while four universities reported having 150,000 or more addressable alumni. The median number of addressable alumni over the three years was 34,702.

Figure 4.20 – Addressable alumni in year for HEIs (average of three years)



Number of HEIs: 141

As may be expected, HEIs with longer established fundraising programmes reported a higher median number of addressable alumni (Figure 4.21). Established fundraisers reported a median of 68,102 addressable alumni over the three years covered by the survey, compared to 45,180 amongst the developing fundraisers and 23,845 for newer fundraisers. The Russell Group HEIs had a median of 101,017 addressable alumni while University Alliance Group HEIs reported a median of 66,002.

Figure 4.21 Addressable alumni in year (average of three years) by length of fundraising programme and mission group for all HEIs

Ross–CASE Survey 2007-8

Number	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
Addressable alumni	2,431,679	1,818,476	1,630,151	510,853	2,176,732	893,244	862,438	1,348,913	1,109,832
Median	68,102	45,180	23,845	9,954	101,017	46,581	34,702	66,002	7,281
Number of HEIs	31	36	50	24	19	19	25	20	58

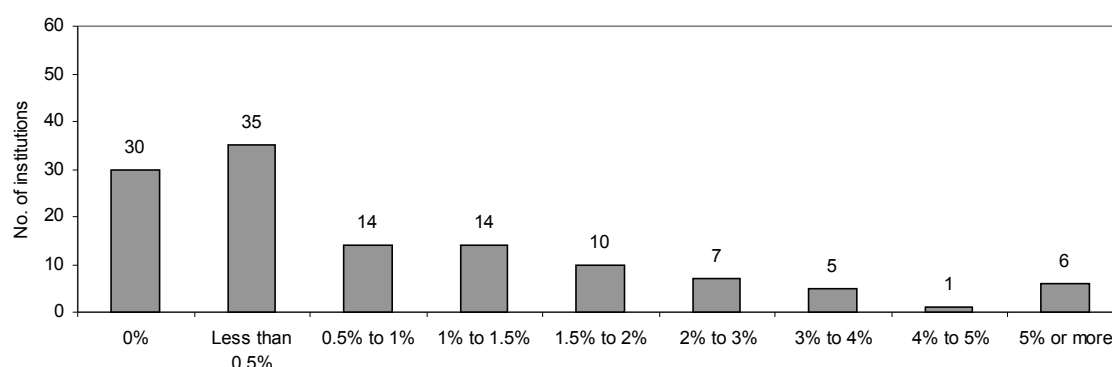
The caveats around the number of addressable alumni which are expressed above are important to note when considering the proportion of alumni who are making a donation. A large university that is very efficient in keeping track of its alumni may struggle to increase its ratio of donors to addressable 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 been stable. In 2007-8 the mean proportion of addressable alumni who made a donation was 1.1 per cent, compared with 1.1 per cent in 2006-7 and 1.3 per cent in 2005-6. The median figures for 2007-8 and 2006-7 were 0.3 per cent, and in 2005-6 the median figure was 0.4 per cent.

The mean proportion of addressable alumni of Northern Irish, Scottish and Welsh universities who made a donation in 2007-8 was 1.4 per cent, while the median figure was 0.75 per cent.

Thirty universities (25%) received no donations from their alumni in 2007-8, while, at the other end of the range, 12 (10%) received donations from three per cent or more of their alumni (Figure 4.22).

Figure 4.22 – Percentage of addressable alumni making a donation in year for HEIs (2007-8)



Number of HEIs: 122

There was a large degree of variation in the proportion of alumni making a donation in 2007-8, by length of fundraising programme and mission group (Figure 4.23). The range of proportions of alumni making a donation were similar amongst HEIs with established programmes (0% to 13%) and developing programmes (0% to 13%). However, the median proportion amongst the longest established programmes was 1.7 per cent, compared to 0.8 per cent for the developing programmes.

Generally, the mission groups with member institutions that had longer established fundraising programmes achieved higher median alumni donations, although there was a great deal of variation within mission groups. The lowest percentage of addressable alumni making a donation to universities in the Russell Group was 1.2 per cent, going up to a maximum of 13.2 per cent, with a median of 2 per cent. Amongst the 1994 Group universities this ranged between 0 per cent and 6.6 per cent with a median of 1.5 per cent.

Figure 4.23 Percentage of addressable alumni making a donation in 2007-8 by length of fundraising programme and mission group for all HEIs

Ross-CASE Survey 2007-8

Percentage	Establishment of fundraising				Russell Group	Mission groups			
	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given		1994 Group	Million+ Group	University Alliance Group	Other HEIs
Minimum	0.0	0.0	0.0	0.0	1.2	0.0	0.0	0.0	0.0
Mean	2.8	1.3	0.3	0.4	3.1	1.8	0.1	0.2	1.0
Median	1.7	0.8	0.1	0.0	2.0	1.5	0.0	0.0	0.3
Maximum	13.2	13.0	1.9	7.1	13.2	6.6	2.1	1.3	13.0
Number of HEIs	30	36	48	19	19	19	23	20	52

4.8 Donors

In 2007-8 144,282 donors made a gift to the higher education sector for any purpose. This figure has risen from 128,786 in 2006-7 and 109,672 in 2005-6 (Figure 4.24). Northern Irish, Scottish and Welsh universities had just over 15,000 donors in 2007-8, out of a UK total of 144,282.

While the majority of these donors are alumni, it is important to acknowledge the importance of non-alumni donors to philanthropy in the Higher Education sector. In the three years covered by the survey, the proportion of the total number of donations made by alumni has fallen. Alumni donations accounted for 94 per cent of all donations to HEIs in 2005-6, 84 per cent in 2006-7 and 82 per cent in 2007-8 (Figure 4.24). Therefore, fundraising activities among non-alumni are becoming increasingly important to the philanthropic income of the higher education sector.

Figure 4.24 Number of alumni donors of total donors in the last three years for all HEIs

Ross-CASE Survey 2007-8

Numbers	2005-6	2006-7	2007-8
Alumni donors	103,157	108,421	118,020
Total donors	109,672	128,786	144,282
Percentage of alumni donors	% 94	% 84	% 82
<i>Number of HEIs</i>	128	131	136

Eighty-eight per cent of donors to HEIs with established fundraising programmes were alumni donors, compared with 68 per cent for developing fundraising programmes and 76 per cent for newer fundraising programmes (Figure 4.25). Whilst between 84 per cent and 92 per cent of donors to the Russell Group, 1994 Group and University Alliance Group universities were alumni donors, the Million+ Group had a much lower proportion of donations from alumni (66%).

Figure 4.25 Number of alumni donors and total donors in 2007-8 by length of fundraising programme and mission group for all HEIs

Ross-CASE Survey 2007-8

Numbers	Establishment of fundraising				Russell Group	Mission groups			
	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given		1994 Group	Million+ Group	University Alliance Group	Other HEIs
Alumni donors	87,601	20,732	9,379	308	82,839	18,032	1,146	6,749	9,254
Total donors	99,862	30,363	12,370	1,687	92,055	21,397	1,741	7,339	21,750
Percentage of alumni donors	% 88	% 68	% 76	% 18	% 90	% 84	% 66	% 92	% 43
<i>Number of HEIs</i>	31	36	51	22	19	19	24	20	58

4.9 Summary of trends in sources of income

As with the overall fundraising measures, the growth of specific sources of income in the higher education sectors' philanthropic fundraising has grown strongly in recent years, echoing the findings of last year's Ross–CASE survey. Growth on many measures (new funds secured, equivalent cash value of gifts in kind, total value of largest non-legacy confirmed pledges and cash gifts, and Annual Fund income) has been over ten percentage points in each of the last two years.

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.

5 Key cost trends

Having established the upward trend in fundraising in the previous two chapters, this chapter looks at the fundraising expenditure 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 2006-7 survey report. 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 2004 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 institutions that have relatively young fundraising programmes. Twenty-six institutions included in this section of the analysis began their programmes in 2000 or more recently (compared to 15 in the 2006-7 survey report).

In last year's report those institutions which participated in the £7 million UUK sponsored Matched Funding scheme for fundraising programmes which began in 2004 and who participated in the survey reported a large increase in median fundraising expenditure. This suggested that they would see a large return for their investment in the coming years. In 2007-8, this group have experienced a small increase in funds secured, similar to the general trend for HEIs. The median value of funds secured by UUK sponsored institutions increased from £743,000 in 2006-7 to £905,000 in 2007-8, again suggesting that an increase in return for fundraising investment will be seen as the funds secured are realised in cash income.

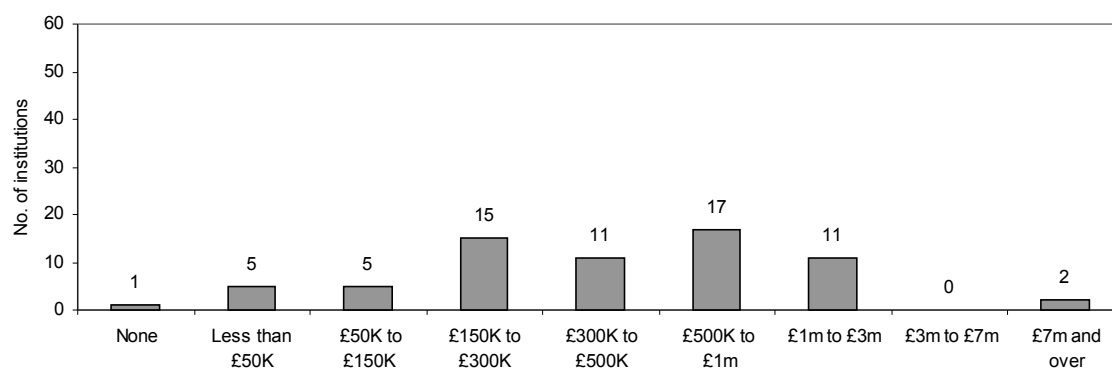
5.1 Total fundraising expenditure

Fundraising expenditure 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% 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 expenditure, as outlined below).

Fundraising expenditure has risen steadily over the past three years. Total expenditure across the selected participating universities rose from £41 million in 2005-6 to £48 million in 2006-7 and £55 million in 2007-8. This represents an increase of around 16 per cent year-on-year. Oxford and Cambridge accounted for just over a third (36%) of the entire UK higher education philanthropic fundraising cost base for 2007-8.

There was considerable variation in the total fundraising expenditure among the selected universities in 2007-8 (Figure 5.1). The distribution is a wide one. Just over half (55%) had a total fundraising expenditure of less than £500,000 per year. Thirteen universities reported spending £1 million or more per year on fundraising over the period with two universities (Oxford and Cambridge) spending more than £7 million.

Figure 5.1 – Total fundraising expenditure in year for HEIs (2007-8)



Number of HEIs starting a fundraising programme before 2004: 67

The distribution for the three years period is identical.

5.2 Structure of fundraising costs

Two-thirds of the fundraising costs were staffing costs in 2007-8 (Figure 5.2). These increased at roughly the same pace as total fundraising costs over the three years covered by the survey (by around a third). The rate of increase for non-staff costs over the three years was lower (24%).

Figure 5.2 Breakdown of fundraising costs over last three years

Ross-CASE Survey 2007-8

£million	2005-6	2006-7	2007-8
Total fundraising costs	41	48	55
Staff costs	27	32	37
Non-staff costs	15	16	18
<i>Number of universities starting a fundraising programme before 2004</i>	66	66	67

Oxford and Cambridge accounted for 34 per cent of UK higher education fundraising staff costs. Oxford and Cambridge accounted for a slightly higher proportion (40%) of the sector's non-staff costs.

Universities with longer established fundraising programmes reported higher average total costs than those with more recently established programmes (Figure 5.3). Universities with established fundraising programmes spent a median of £640,000 on fundraising with a median of £538,000 on staff costs. This is compared to a median total cost of £304,000 and median staff costs of £227,000 for institutions with developing programmes which were established between 1997 and 2003.

The Russell Group universities reported considerably higher costs than other mission groups. This group reported median total fundraising costs of just over £1 million and median staff costs of £688,000. Universities from the 1994 Group spent a median of £386,000 on fundraising, compared to £299,000 reported by the University Alliance Group.

Figure 5.3 Breakdown of fundraising costs in 2007-8 by length of fundraising programme and mission group for all HEIs

Ross-CASE Survey 2007-8

	Establishment of fundraising		Mission groups				
	Established (11+ years)	Developing (4-10 years)	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
£000s							
Total fundraising expenditure							
Mean	1340	382	2164	407	*	377	437
Median	640	304	1073	386	*	299	257
Total	41543	13765	34618	6511	*	3017	10050
Staff costs							
Mean	881	273	1457	307	*	238	273
Median	538	227	688	308	*	220	200
Total	27308	9812	23318	4907	*	1905	6279
Non-staff costs							
Mean	459	110	706	100	*	139	164
Median	173	73	283	93	*	90	72
Total	14235	3952	11300	1604	*	1112	3770
<i>Number of universities starting a fundraising programme before 2004</i>							
	31	36	16	16	4	8	23

Note: Numbers are not shown for the Million+ Group due to low base sizes (4).

5.3 Fundraising expenditure per pound raised

Using our preferred measure of fundraising efficacy – median cost per pound raised – the median value of selected universities' fundraising expenditure per pound raised increased in 2007-8 from the level seen in the previous two years.

Overall, the median value of selected participating HEIs' fundraising expenditure per pound raised in 2007-8 was 33p (Figure 5.4). This was higher than the median expenditures in 2006-7 (27p) and 2005-6 (25p). Only a small amount of this increase can be attributed to HEIs with the newest fundraising programmes. When this analysis is restricted to HEIs who began fundraising before 2003, the median expenditure was 34p in 2007-8, higher than in 2006-7 (26p) and 2005-6 (24p).

Figure 5.4 Fundraising expenditure per pound raised in the last three years for HEIs that began fundraising programmes before 2004

Ross-CASE Survey 2007-8

£	2005-6	2006-7	2007-8
Median	0.25	0.27	0.33
<i>Number of universities starting a fundraising programme before 2004</i>	66	66	67

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. It is also important to note that one hundred per cent of the gifts go to the purposes selected by the donor and no portion goes to support this expenditure ratio.

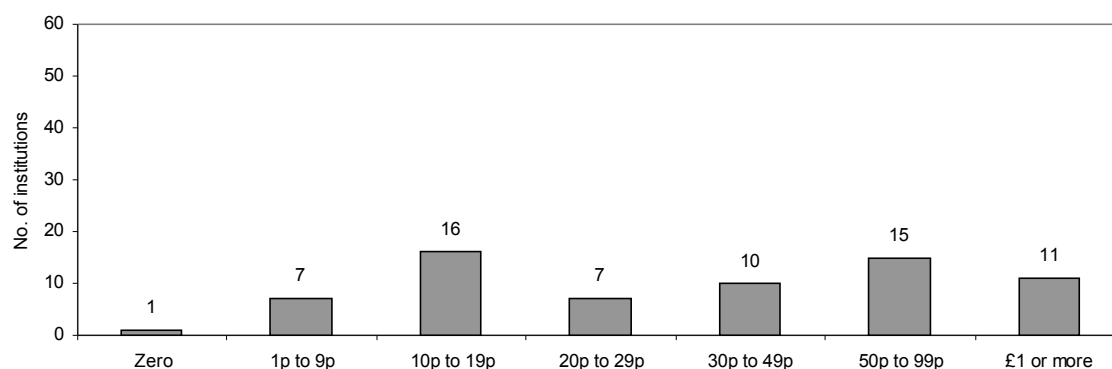
The cost per pound measure used in the Ross-CASE survey is not, anecdotal evidence suggests, a performance measure used at all universities. This is because other universities may have different concerns.

However, the fundraising expenditure 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 and hence is the single most consistent data figure for this purpose.

There was considerable variation in the median fundraising expenditure per pound raised between universities (Figure 5.5). At the top end of the distribution eleven universities reported spending at least one pound to raise a pound in 2007-8, and a further twenty-five between 30p and £1. Seven programmes reported very lean figures – spending between 1p and 9p to raise 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 underfunded programme, rather than good efficiency. Many regard the ideal ratio being 10 and 30 pence spent for every pound raised. By this measure, twenty-three (34%) universities had achieved the ideal ratio in 2007-8.

Figure 5.5 – Median fundraising expenditure per pound raised in year for HEIs (2007-8)

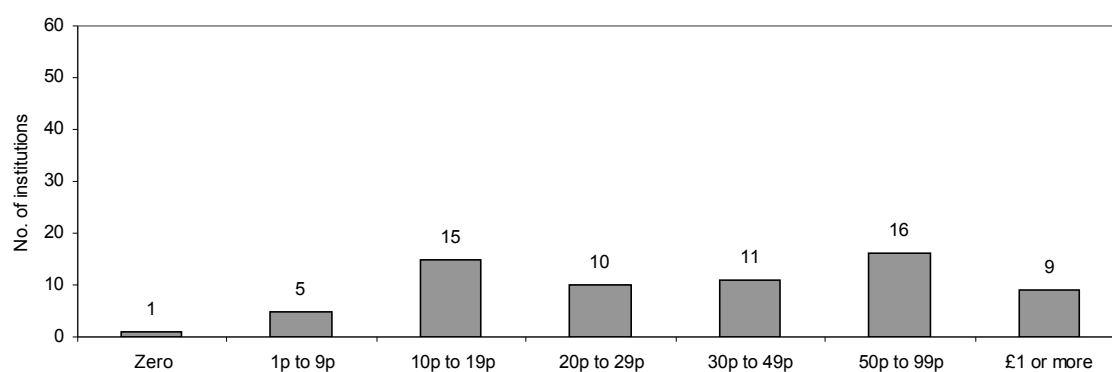


Number of HEIs starting a fundraising programme before 2004: 67

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 5.6).

The distribution of the figures for the last three years is similar to those for 2007-8. Over the three years, a slightly higher proportion (37%) achieved the “ideal” ratio of between 10 and 30 pence in the pound, than did in 2007-8 (34%).

Figure 5.6 – Fundraising expenditure per pound raised in year for HEIs (average of three years)



Number of HEIs starting a fundraising programme before 2004: 67

Looking at fundraising expenditure per pound raised over the three years covered by survey, there was a large degree of variation both within and between mission groups on this measure (Figure 5.7). While for the Russell Group and the “Other HEIs” group the median cost per pound raised has declined since 2005-6, for other groups this has often increased.

To help understand this relationship further, it can be helpful to look at the proportion of universities’ total expenditure which is dedicated to fundraising. In 2007-8, the Russell Group (12p) and the “Other HEIs” group (24p) reported median ratios of what some may regard as the ideal ratio of between 10 and 30 pence for every pound raised. Over the three years covered by the survey, for the Russell Group the proportion of total expenditure accounted for by fundraising expenditure was relatively stable at about 0.25 per cent each year.

Figure 5.7 Fundraising expenditure per pound raised in year in the last three years, by mission group for HEIs starting a fundraising programme before 2004

Ross–CASE Survey 2007-8

£median	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
2005-6	0.16	0.28	*	0.48	0.47
2006-7	0.12	0.30	*	0.71	0.29
2007-8	0.12	0.41	*	1.00	0.24
Median fundraising expenditure as proportion of total expenditure	%	%	%	%	%
2005-6	0.24	0.22	*	0.15	0.23
2006-7	0.24	0.24	*	0.19	0.22
2007-8	0.27	0.27	*	0.20	0.24
<i>Number of universities starting a fundraising programme before 2004</i>	16	16	4	8	23

Note: Numbers are not shown for the Million+ Group due to low base sizes (4).

The Russell and 1994 mission group universities invested a consistently higher median proportion of the university’s total expenditure in fundraising, compared with the University Alliance Group, and appear to achieve a lower median cost per pound raised (Figure 5.7). However, this does not explain why we have seen an increase in the cost per pound over the last year, from 27p in 2006-7 to 33p in 2007-8. Due to the introduction of the HEFCE-administered Matched Funding scheme for English institutions, a number of institutions may have invested more heavily in their fundraising programmes in 2007-8 and therefore are likely to be experiencing a lag between investing in their programmes and a return in cash income. Overall, the total costs amongst English HEIs have increased by 16 per cent between 2006-7 and 2007-8 (£42.6 million to £49.6 million) while there has been a smaller increase of seven per cent HEIs outside England (£5.3 million to £5.7 million).

This increase in English investment in fundraising prior to the introduction of the Matched Funding programme, coupled with a smaller increase in total cash income received in the last year suggests that it may also be helpful to look at the ratio of fundraising costs per pound funds raised, using the reported total funds raised, rather than 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, so provides an alternative point of comparison.

Overall, using this alternative measure, the median funds raised per pound spent on fundraising in 2007-8 was 22p, slightly higher than in 2006-7 (19p) and the same as in 2005-6 (22p; Figure 5.8).

Figure 5.8 Alternative measure of fundraising expenditure per pound funds raised in the last three years for HEIs that began fundraising programmes before 2004 by mission group

Ross-CASE Survey 2007-8

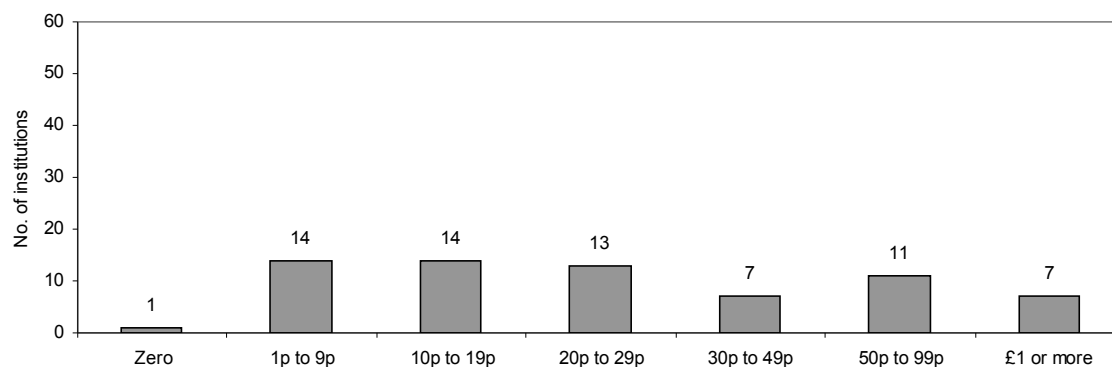
£median	All	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
2005-6	0.22	0.12	0.26	*	0.50	0.23
2006-7	0.19	0.11	0.22	*	0.71	0.17
2007-8	0.22	0.11	0.26	*	1.05	0.17

Number of universities starting a fundraising programme before 2004	All	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
	67	16	16	4	8	23

Note: Numbers are not shown for the Million+ Group due to low base sizes (4).

As with the cost per pound of cash income, there is considerable variation between individual universities in the cost ratio based on funds raised (Figure 5.9). At the top end of the distribution, seven HEIs had a cost ratio of more than one pound, and for 18 this was between 30p and 99p. Twenty-seven HEIs reported spending between 10p and 30p for every pound secured in funds.

Figure 5.9 – Median fundraising expenditure per pound funds raised in year for HEIs (2007-8)



Number of HEIs starting a fundraising programme before 2004: 65

5.4 Expenditure on alumni relations

There is a positive correlation between expenditure on alumni relations and the percentage of addressable alumni who made a gift for any purpose.

Expenditure on 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 spend more in order to run a quality fundraising programme.

Expenditure on alumni relations has increased around 10 per cent year-on-year over the three year period. In 2007-8 UK universities spent £15 million on alumni relations, excluding the cost of the alumni magazine, up from £14 million in 2006-7 and £12 million in 2005-6 (Figure 5.10).

Alumni relations expenditure 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% 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 a sharp increase in the level of expenditure on alumni magazines in the higher education sector. Expenditure on alumni magazines for the sector was just under £5 million in 2005-6, £6 million in 2006-7 and almost £8 million in 2007-8. This is a rise of 63 per cent between 2005-6 and 2007-8.

Figure 5.10 Breakdown of expenditure on alumni relations over last three years

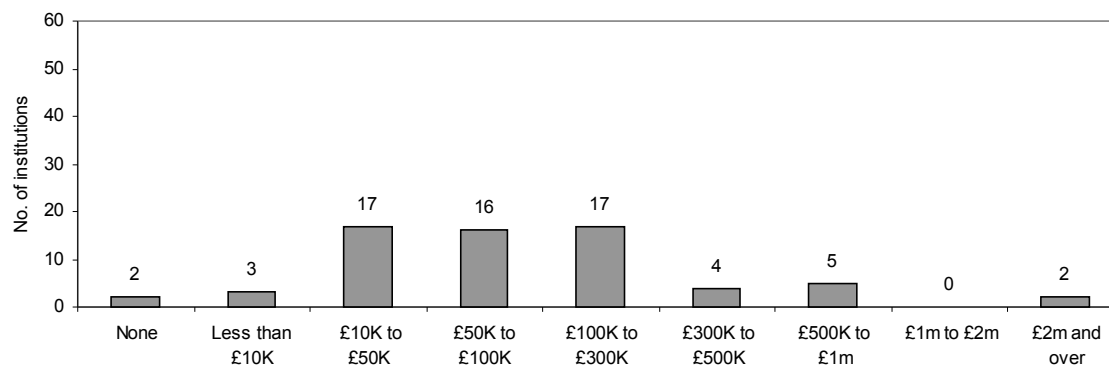
Ross-CASE Survey 2007-8

£million	2005-6	2006-7	2007-8
Total fundraising costs	41	48	55
Expenditure on alumni relations (excluding the cost of the alumni magazine)	12	14	15
Cost of the alumni magazine	5	6	8
<i>Number of universities starting a fundraising programme before 2004</i>	64	65	66

The median ratio of expenditure on alumni relations to total fundraising expenditure as an average over the three years covered by the survey was 32 per cent. This percentage has decreased from 34 per cent in 2005-6 to 29 per cent in 2006-7 and 26 per cent in 2007-8.

There was considerable variation between HEI's expenditure on alumni relations in 2007-8 (Figure 5.11). Thirty-eight institutions (58%) reported expenditure below £100,000, twenty-one (32%) reported expenditure between £100,000 and £500,000 and seven reported expenditure above this level. Oxford and Cambridge reported an average expenditure of over £2 million.

Figure 5.11 – Expenditure on alumni relations (excluding the cost of the alumni magazine) in year for HEIs (2007-8)



Number of HEIs starting a fundraising programme before 2004: 66

5.5 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 (Figure 5.12). The number employed in fundraising increased 16 per cent between 2006-7 and 2007-8 (the same rate of increase as for total fundraising expenditure), with the number employed on alumni relations increasing by 17 per cent.

The median number of FTE fundraising staff per selected participating HEI was 6.5 and the median number of alumni relations staff was 3.0.

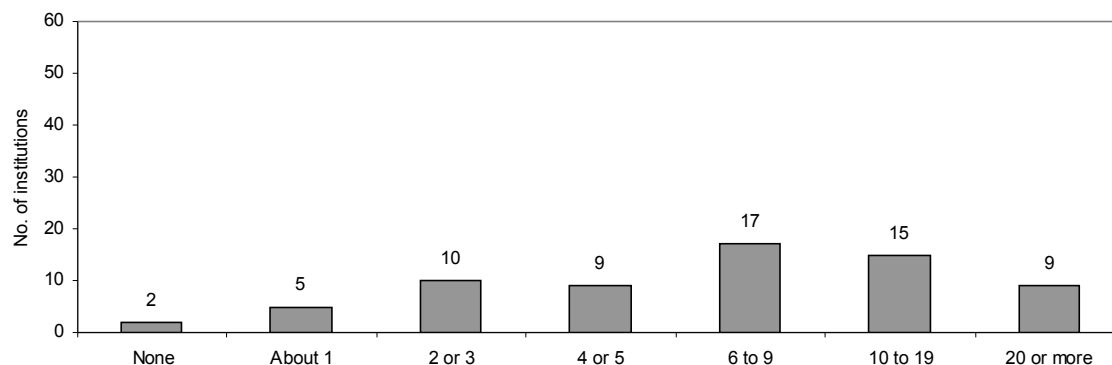
Figure 5.12 Breakdown of fundraising and alumni staffing over last three years

Ross-CASE Survey 2007-8

£million	2006-7	2007-8
Total FTE Fundraising staff	734	851
Total FTE Alumni relations staff	313	366
Median FTE Fundraising staff	6.0	6.5
Median FTE Alumni relations staff	3.0	3.0
Number of universities starting a fundraising programme before 2004 (for 2006-7 before 2003)	59	67

Nine (13%) universities employed 20 or more fundraising staff, 15 (22%) employed between 10 and 19, and 17 (25%) employed between six and nine (Figure 5.13). Overall forty-one (61%) HEIs had six or more fundraising staff, while seventeen (25%) had three or fewer.

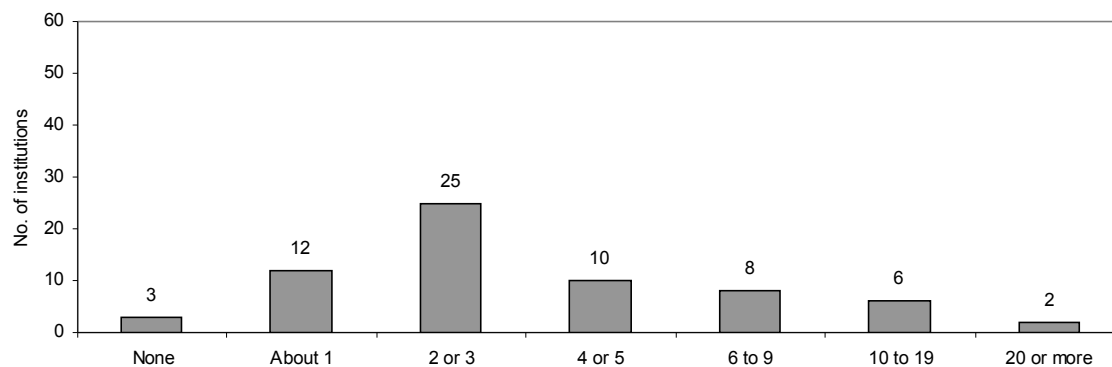
Figure 5.13 – FTE staff working mainly on fundraising in year for HEIs (2007-8)



Number of HEIs starting a fundraising programme before 2004: 67

The picture is different for alumni relations staff. Only two universities employed 20 or more (Figure 5.14). Sixteen (24%) employed more than five alumni relations staff, compared with 61 per cent who employed more than five fundraising staff. Forty universities (61%) had three or fewer alumni relations staff.

Figure 5.14 – FTE staff working mainly on alumni relations in year for HEIs (2007-8)



Number of HEIs starting a fundraising programme before 2004: 66

5.6 Cost of alumni magazine

Universities who had begun a fundraising programme before 2004 spent almost £8 million on alumni magazines in 2007-8. The mean spend was £119,000 and the median spend was £55,000.

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 strong correlation observed between alumni magazine costs and the number of addressable alumni reported in this survey.

The mean cost of alumni magazines per addressable alumni has been quite stable over the last three years (Figure 5.15). The mean was £1.63 in 2005-6, £1.65 in 2006-7 and £1.71 in 2007-8. The median figure has also been quite stable over the three years and was £1.23 in 2007-8, the same as in 2005-6.

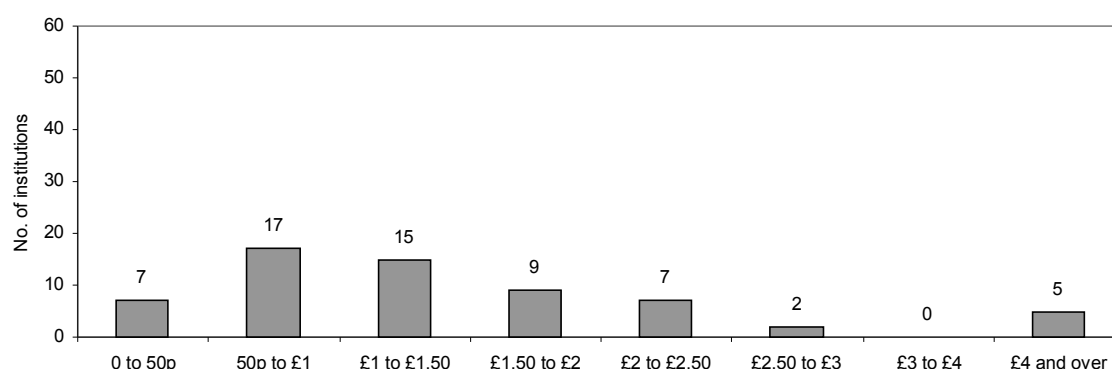
Figure 5.15 Breakdown of expenditure on alumni magazines per addressable alumni over last three years

Ross-CASE Survey 2007-8

	2005-6	2006-7	2007-8
Mean	£1.63	£1.65	£1.71
Median	£1.23	£1.20	£1.23
<i>Number of universities starting a fundraising programme before 2004</i>	52	59	62

There was considerable variation in the cost of alumni magazines per addressable alumni among the selected HEIs, ranging from 22p to £11.35 (Figure 5.16). Seventeen universities (27%) had a cost per alumni of between 50p and £1 while another fifteen had a cost of between £1 and £1.50 per alumni.

Figure 5.16 – Cost of alumni magazine per addressable alumni for HEIs (2007-8)



Number of HEIs starting a fundraising programme before 2004: 62

5.7 UUK Sponsored universities

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. In the first year of reporting, these universities had high fundraising costs ratios to income received as they had not yet begun to see the results of their extra efforts. This year, the second year, gives an opportunity to begin to assess the results of that investment.

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	

Overall, forty-one per cent of these universities had only just started a fundraising programme in 2004. However a small minority (15%) were established fundraisers, six percentage points lower than the figure for the higher education sector overall. Forty-four per cent of the UUK scheme participants started a programme between 1997 and 2003.

In last year's survey report these institutions reported a large increase in their median fundraising expenditure but reported similar median cash incomes to the present year. This suggested that they would see a large return for their investment in the coming years. In 2007-8, this group (analysing by those with a fundraising programme in place prior to 2004) have experienced a small increase in median cash income, similar to the general trend for HEIs, and a larger increase in funds secured (£13.6 million to £25.1 million).

The median value of funds secured by UUK sponsored institutions increased from £743,000 in 2006-7 to £905,000 in 2007-8, an increase of 22 per cent over the last year (Figure 5.17). Median cash income received experienced slower growth, from £590,000 in 2005-6 to £661,000 in 2006-7 and £675,000 in 2007-8.

These universities have continued to invest heavily in their fundraising programmes. The total fundraising expenditure has grown from £3.3 million in 2005-6 to £4.2 million in 2006-7, to just under £5 million in 2007-8; a 17 per cent increase in the last year. This continued increase in expenditure, although lower than the growth of investment between 2005-6 and 2006-7 (31%), promises good success for wise use of expanded resources and disciplined strategic fundraising efforts.

Figure 5.17 The UUK sponsored universities – key measures in 2007-8

Ross-CASE Survey 2007-8

£000s	2005-6	2006-7	2007-8
New funds secured	17237	13600	25136
Median	748	743	905
Cash income received	11047	11526	10366
Median	590	661	675
Cash income eligible for matched funding	7047	9835	9212
Median	408	491	544
Fundraising expenditure	3220	4232	4967
Median	204	282	313
<i>Number of UUK universities starting a fundraising programme before 2004</i>	16	16	16

5.8 Summary of key cost 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 raised has increased from 25p in 2005-6 to 27p in 2006-7 and 33p in 2007-8. However, the larger increase in fundraising expenditure by English HEIs in the last year (up by 16%) suggests that the increase in cost per pound raised may be a result of increased investment prior to the introduction of the Matched Funding scheme and that the benefits of this investment will be seen over the coming years.

As we saw in last year's report, the UUK sponsored universities are investing heavily in their fundraising programmes. These universities experienced an increase of 22 per cent in the median value of their new funds secured in the last year, suggesting that these universities will see a return for their investment in the next couple of years.

Appendix A Reporting Rules

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

Revised September 2008

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 raised, 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** as there are some differences from the 2006/7 survey as a result of questions and feedback from participants last year. These rules will now remain unchanged for the next three years, 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 raised 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 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. <i>Contract income, including income for clinical trials, is ineligible.</i>
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 <i>or potential future</i> 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 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."

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 raised'

3.1 This section provides guidance on how to count and report on 'funds raised' for the purposes of the survey. For clarity of language, it assumes that entries are for the 2007/8 year. Universities entering or amending data for previous years will need to adjust for each year accordingly.

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

3.2.1 new cash received in 07/08 that results from new (non-legacy) pledges (whether from multi-year pledges or one-off cash gifts) made in 07/08

PLUS

3.2.2 cash due to be received beyond 07/08 as a result of new pledges made during 07/08, 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 raised' **excludes**

3.3.1 cash received during 07/08 from pledges made prior to 07/08 as these should have already been counted in 'funds raised' in those previous years (whether or not the institution was actually participating in this survey).

Treatment of Shares and Financial instruments under 'funds raised'

3.4 Gifts of shares, appreciated securities, bonds and other financial instruments should be valued for the purposes of 'funds raised' 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 raised' for 07/08 as these gifts should have been recorded under 'funds raised' 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 raised'" (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 raised' 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 raised' as these gifts should have been recorded under 'funds raised' 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 raised'

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 raised'. Any monies eventually returned to the donor should be deducted from the 'funds raised' total for the relevant year. (See also 4.2.3 below).

Requirement for documentation under 'funds raised'

3.7 Only *documented, confirmed pledges* should be reported in the survey as 'funds raised'. 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 raised'

3.10 Legacy cash income received during 07/08 should be included under funds raised.

3.11 If the University received notification during 07/08 that a will has gone through probate, but the related cash was not received during 07/08, no value should be included under 'funds raised', 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 raised'

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 raised'. [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 raised' 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 07/08 as a result of philanthropic giving (as defined above).

Cash received includes:

4.1.1 the cash received during 07/08 resulting from new pledges made in 07/08 (whether from multi-year pledges or one-off cash gifts). (This will be the same figure as that calculated for 3.2.1 above).

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4.1.2 the cash received in 07/08 as a result of pledges made in previous years.

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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 07/08), 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 07/08, whether this relates to gifts received during 07/08 or in previous years. Any such returns of cash should be deducted from the 'cash received' total (and 'funds raised' 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 raised' 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 raised', 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 raised' 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 raised' 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 was included in the 2006-7 survey and is included here.

6.2 It is important to note that this part of the survey will not be used to claim matched funding from HEFCE, either this year or in future years. The actual claims for matched funding income relating to gift income for 2008/9 (the first year of the scheme) will be made during 2009/10 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 must complete the Ross-CASE survey, including this section, for the year 2007-08, and for the three subsequent years. It 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 07/08 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 raised by an institution, sections 6.6.4 and 6.6.5 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 6.6.5 is new and will reduce 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 five 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

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

6.6.5 Funding for research

Funding for research from the commercial sectors and from charitable foundations for a defined piece of work to generate new knowledge in specified areas of intellectual interest, where formal peer review scrutiny is normally involved, is excluded from the Government programme. Generally, these research grants are most frequently initiated by academics through the research office, not the development office.

As a guideline, if the grant is dictated by the grant making institution (linked, for example, to a call for proposals or made as a direct offer at a set amount to a particular institution), it should be excluded from matching. If the budget is a point of negotiation, or the grant results from an approach to the Trust by the institution, then it probably should be included, as long as it meets all of the Ross-CASE survey qualifying criteria.

Gifts from individual donors for research, and from their associated family trusts, where there has been negotiation between the individual and the university, are eligible for government matched funding.

6.6.6 To summarise re. the eligibility of Trust and Foundation income for Government matched funding, cash gifts from UK and international trusts and foundations, including grant income from 501(c)(3) registered foundations in North America, are only eligible if:

- a) the Trust itself is not listed under 6.6.4, and
- b) the nature of the specific grant is not excluded under the terms of 6.6.5, and
- c) the nature of the specific grant meets all of the definitions for philanthropic income for the Ross Case Survey under section 2 'identifying philanthropic funds' above.

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). 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% 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.

Table 8.3: Worked example

		£000s				
Description of support						
	Q5 Funds secured	Q6 Cash income	Q7 Matched- funding eligible cash	Q8 Gifts in kind	Q11 Annual Fund	
A	Several one-off gifts from trusts and large donors 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).	150	150	110	-	-
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. <i>This type of legacy pledge cannot be recorded in the survey.</i>	-	-	-	-	-
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 raised’ 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. <i>As the standing orders have been set up, a further 4</i>	500	100	100	-	100

	<i>years of instalments, worth £400,000, can be recorded as confirmed pledges under 'funds raised'.</i>					
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. <i>These oral pledges cannot be recorded anywhere on the questionnaire.</i>	-	-	-	-	-
	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 the requirement for a share in any resulting IPR but there is	INELIGIBLE	Research funding – one exclusion: No. 5 – IP rights. Post funding – excluded as

	no specific provision for a share of IPR on the funding of the post.		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.	<p>element funded by the charity - ELIGIBLE;</p> <p>MRC element INELIGIBLE (Government funding).</p>	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.	<p>Research contract funding INELIGIBLE</p> <p>Philanthropic donations ELIGIBLE (as long as the institution owns the new facility – e.g. building or laboratory).</p>	<p>Research Contract Funding – One exclusion: No. 1 – contractual Relationship</p> <p>Philanthropic elements – None</p>

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 2006-7 survey

Higher Education Institutions

Anglia Ruskin University*	London School of Economics and Political Science*
Arts Institute at Bournemouth*	London School of Hygiene & Tropical Medicine
Aston University*	London South Bank University*
Bath Spa University	Loughborough University*
Birkbeck College*	Manchester Metropolitan University*
Birmingham City University*	Middlesex University*
Bishop Grosseteste University College, Lincoln*	Napier University
Bournemouth University*	Newman University College*
Brunel University*	Norwich University College of the Arts
Buckinghamshire New University	Nottingham Trent University*
Canterbury Christ Church University*	Open University*
Central School of Speech and Drama	Oxford Brookes University*
City University, London*	Queen Mary, University of London*
Conservatoire for Dance and Drama	Queen's University Belfast*
Courtauld Institute of Art*	Ravensbourne College of Design and Communication*
Coventry University*	Robert Gordon University*
Cranfield University*	Roehampton University*
De Montfort University*	Rose Bruford College
Edge Hill University*	Royal Academy of Music*
Glasgow Caledonian University*	Royal Agricultural College*
Goldsmiths College, University of London*	Royal College of Art*
Guildhall School of Music & Drama*	Royal College of Music
Harper Adams University College*	Royal Holloway, University of London*
Heriot-Watt University*	Royal Northern College of Music*
Heythrop College	
Imperial College London*	Royal Scottish Academy of Music and Drama
Institute of Cancer Research*	Royal Veterinary College*
Institute of Education*	St George's University of London
Keele University*	St Mary's University College*
King's College London*	School of Oriental and African Studies*
Kingston University*	School of Pharmacy*
Lancaster University*	Sheffield Hallam University*
Leeds College of Music*	Southampton Solent University
Leeds Metropolitan University*	Staffordshire University
Leeds Trinity & All Saints	Swansea University*
Liverpool Hope University*	Thames Valley University*
Liverpool Institute for Performing Arts	University of Liverpool*
Liverpool John Moores University*	University of London and its Institutes*
London Business School*	University of Manchester*
London Metropolitan University*	University of Newcastle upon Tyne*
Trinity Laban Conservatoire of Music and Dance*	University of Northampton*
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 Aberdeen*
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 Durham*
University of East Anglia*
University of East London*
University of Edinburgh*
University of Essex*
University of Exeter*
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*

FE Institutions*

Askham Bryan College
Bedford College
Blackburn College*
Bradford College*
Calderdale College
Craven College
Doncaster College
Filton College
Havering College of Further and Higher Education*
Highbury College, Portsmouth
Joseph Priestley College
Kingston College*
Leeds College of Technology
Warwickshire College*

University of Northumbria at Newcastle*
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 Strathclyde*
University of Sunderland*
University of Surrey*
University of Sussex*
University of Teesside*
University of the Arts London*
University of the West of England, Bristol
University of Wales Institute, Cardiff*
University of Wales, Lampeter
University of Wales, Newport*
University of Warwick*
University of Westminster*
University of Winchester*
University of Wolverhampton*
University of Worcester*
University of York*
Writtle College*

York St John University*

Leicester College
Moulton College
Newbury College*
North East Surrey College of Technology*
North Warwickshire and Hinckley College*
Northbrook College, Sussex
Park Lane College*
Plymouth College of Art and Design
Ruskin College
South Downs College
St Helens College
Stockport College*
Walsall College*
West Nottinghamshire College

Appendix D List of checks undertaken by NatCen for Ross-CASE survey 2007-8

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 funds secured in philanthropic gifts (5) must be greater than or equal to the number of confirmed pledges over £500,000 (10.1) 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 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% of it should begin to arrive in cash (6.1) in the subsequent year.

2. Value checks

This stage of checking compared the key responses for each institution with high responses (Tables 1 and 2) and key ratios (Table 3) to these questions from the 2006-7 Survey. 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 begins. Please note that, for both columns, the highest responses and ratios used exclude Oxbridge and any large outliers.

Table 1 looks at the largest answer (excluding Oxbridge 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 2006-7 Survey

Question	Description	2006-7 Largest answer (excl. Oxbridge & any large outliers)	Query if answer is above
5	Funds secured	19,999	25,000
6.1	Cash income	15,141	20,000
6.2	Cash income from legacies	4,638	6,000
7	Match funding eligible cash income	13,930	17,000
8	Equivalent cash value of gifts-in-kind	829	900
9.1	Largest non-legacy, confirmed pledge	6,062	8,000
9.3	Largest cash gift	6,062	8,000
10.1	Number of gifts of £500,000 or over received as confirmed pledges	11	13
10.2	Number of gifts of £500,000 or over received as cash income	5	7
11.1	Annual fund income raised	1,741	2,000
11.2	Annual fund cash received	1,481	2,000
12	Number of alumni	215,693	230,000
13	Number of alumni making a gift	5,774	Flag if <i>below</i> 10,000. 7,000
14	Number of donors making a gift	5,786	7,000
16	Capital campaign target	350	400 (if exceeded check time campaign expected to last prior to querying)
17	Length of public phase of campaign (years)	10	10
18	Percentage of target achieved/expected before going public	75	75
<i>Fundraising expenditure</i>			
19.1	Staff costs	1,447	2,000
19.2	Non-staff costs	1,186	2,000
19.3	Total costs	2,389	3,000
20	Total spent on alumni relations (excl. magazine)	4,500	5,000
21	Total cost of alumni magazine	532	600
22.1	FTE fundraising staff	27	30
22.2	FTE alumni relations staff	12	15
23	Total university expenditure	665,000	1,000,000 Flag if <i>below</i> 1,000.

Table 2 adopted a slightly different approach. For each question we looked to see if there were any clear “jumps” in the figures in the 2006/7 survey. 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 upper (and in some cases lower) percentiles in the 2007/8 data to identify any that seemed out of the ordinary.

Table AD2. Non-Ross Group checks using the aggregated highest response from 2006-7 Survey

Question	Description	Query if answer is above
5	Funds secured	7,000
6.1	Cash income	8,000
6.2	Cash income from legacies	700
7	Match funding eligible cash income	3,000
8	Equivalent cash value of gifts-in-kind	200
9.1	Largest non-legacy, confirmed pledge	2,000
9.3	Largest cash gift	2,000
10.1	Number of gifts of £500,000 or over received as confirmed pledges	3
10.2	Number of gifts of £500,000 or over received as cash income	Look at upper quartile.
11.1	Annual fund income raised	300
11.2	Annual fund cash received	300
12	Number of alumni	Look at upper quartile. Flag if <i>below</i> 10,000.
13	Number of alumni making a gift	Look at upper quartile.
14	Number of donors making a gift	Look at upper quartile.
16	Capital campaign target	Look at upper quartile.
17	Length of public phase of campaign (years)	Look at upper quartile.
18	Percentage of target achieved/expected before going public	50
<i>Fundraising expenditure</i>		
19.1	Staff costs	Look at upper quartile
19.2	Non-staff costs	Look at upper quartile
19.3	Total costs	700
20	Total spent on alumni relations (excl. magazine)	300
21	Total cost of alumni magazine	200
22.1	FTE fundraising staff	Look at upper quartile
22.2	FTE alumni relations staff	5
23	Total university expenditure	Look at upper quartile. Flag if <i>below</i> 1,000.

Examination of the 2006/7 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 2006-7 Survey

Ratio	Query if
Funds secured (5) / number of donors (14)	>20
Total Cash (6.1) / number of donors (14)	>20

Total Cash (6.1) / cash gift over £500,000 (10.2)	>4000
Total Cash (6.1) / cash gift over £500,000 (10.2)	<500
Largest cash gift (9.3) / total cash (6.1)	>1
Annual fund raised (11.1) / number of donors (14)	>0.5
Annual fund cash (11.2) / number of donors (14)	>0.5
Total fundraising costs (19.3) / number of donors (14)	>8

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 Survey measures excluding those not participating in 2006-7 Ross-CASE survey

Owing to the advent of the matched-funding scheme in England making participation in the Ross-CASE survey mandatory for institutions wishing to access it, and measures put in place to improve the response rate, the number of institutions responding to the Ross-CASE survey has increased from 80 in 2005-6 to 172 in 2007-8.

We have analysed the results by those participating in the 2006-7 Ross-CASE survey. This allows us to check that the growth in the aggregate figures for key measures for the sector is not distorted by universities completing the survey for the first time. As Figure E.1 shows, the results for the sector are not greatly affected by the inclusion of universities completing the survey for the first time.

Figure AE.1 Key fundraising measures in last three years

Ross-CASE Survey 2007-8

£million	All			Those participating in 2006-7 Ross-CASE Survey		
	2005-6	2006-7	2007-8	2005-6	2006-7	2007-8
New funds raised	442	531	682	433	525	670
Cash income received	323	410	438	319	405	427
Legacy income	40	57	48	40	57	47
Equivalent cash value of gifts-in-kind	5	11	56	5	11	56
Total value of largest non-legacy confirmed pledges	80	125	141	76	121	137
Total value of largest cash gifts	46	58	74	44	55	70
Cash income received by Annual Funds	19	23	28	19	23	28
Number						
Number of addressable alumni	5,787,574	6,282,840	6,903,066	5,479,983	5,958,266	6,515,892
Donors making a gift for any purpose	109,672	128,786	144,282	107,831	126,792	139,851
<i>Number of universities</i>	<i>136</i>	<i>137</i>	<i>142</i>	<i>119</i>	<i>120</i>	<i>121</i>

Figure AE.2 Cash income eligible for matched funding in last three years

Ross-CASE Survey 2007-8

£million	All HEIs and FEIs			Those participating in 2006-7 Ross-CASE Survey		
	2005-6	2006-7	2007-8	2005-6	2006-7	2007-8
Total	87	144	143	83	140	135
<i>Number of English institutions (excluding Oxford and Cambridge)</i>	<i>132</i>	<i>142</i>	<i>155</i>	<i>103</i>	<i>113</i>	<i>119</i>

Figure AE.3 Key cost measures in last three years

Ross-CASE Survey 2007-8

	All			Those participating in 2006-7 Ross-CASE Survey		
	2005-6	2006-7	2007-8	2005-6	2006-7	2007-8
£million						
Total fundraising costs	41	48	55	41	47	54
Staff costs	27	32	37	26	31	36
Non-staff costs	15	16	18	15	16	18
Expenditure on alumni relations (excluding the cost of the alumni magazine)	12	14	15	12	14	15
Cost of the alumni magazine	5	6	8	5	6	8
£						
Mean expenditure on alumni magazine per addressable alumni	£1.63	£1.65	£1.71	£1.65	£1.67	£1.75
Median expenditure on alumni magazine per addressable alumni	£1.23	£1.20	£1.23	£1.23	£1.20	£1.28
<i>Number of universities starting a fundraising programme before 2004</i>	67	67	67	64	64	64

Appendix F Mission Group members

Figure AF.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.

Figure AF.1 Mission group membership by establishment of fundraising programme

Ross-CASE Survey 2007-8

Number	Total Members	Participated in survey	Establishment of fundraising				Included in fundraising costs chapter
			Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	
Russell Group	20	19	10	6	3	0	16
1994 Group	19	19	8	8	2	1	16
Million+ Group	28	26	1	3	14	8	4
University Alliance Group	22	20	4	4	8	4	8
Other HEIs		60	8	15	24	13	23
English FEIs		28	0	1	3	24	
UUK sponsored universities	27	27	4	12	11	0	16

The Russell Group

Institutions that are members of the Russell Group and participated in the 2007-8 Ross-CASE Survey are as follows;

University of Birmingham

[University of Bristol](#)

[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](#)

[Queen's University Belfast](#)

[University of Oxford](#)

[University of Sheffield](#)

[University of Southampton](#)

[University College London](#)

[University of Warwick](#)

The Russell Group is an Association of twenty research-intensive universities in the UK (<http://www.russellgroup.ac.uk/>), 19 of these institutions participated in the 2007-8 survey.

Most of the participating institutions from this mission group are English HEIs (84%) while the others are from Scotland and Northern Ireland. Just over half (53%) of the universities have fundraising programmes which were established before 1996 and around a quarter (26%) established their programmes between 1996 and 2002. The remaining four universities (21%)

began their programmes in 2003 or more recently. Most of these universities (84%) are members of the Ross Group and 89 per cent are engaged in clinical medicine. All of these institutions participated in the 2006-7 survey.

The 1994 Group

All institutions that are members of the 1994 Group participated in the 2007-8 Ross-CASE Survey, the member institutions are as follows;

[University of Bath](#)
[Birkbeck, 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%). Forty-two per cent of the universities have fundraising programmes which were established before 1996. Around a quarter established their programmes between 1996 and 2002 (26%) and in 2003 or more recently (26%). Most of these universities (95%) participated in the 2006-7 survey.

The Million+ Group

Institutions that are members of the Million+ Group and participated in the 2007-8 Ross-CASE Survey are as follows;

Anglia Ruskin University
Bath Spa University
University of Bedfordshire
Birmingham City University
The University of Bolton
Buckinghamshire New University
University of Central Lancashire
Coventry University
University of Derby
University of East London

Edinburgh Napier University
Glasgow Caledonian University
University of Greenwich
Kingston University
Leeds Metropolitan University
London Metropolitan University
London South Bank University
Middlesex University
The University of Northampton
Roehampton University
Southampton Solent University
Staffordshire University
University of Sunderland
Teesside University
Thames Valley University
The 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).

The Million+ Group is comprised of mostly English HEIs (92%). Fifteen per cent of member universities began their fundraising programmes between 1996 and 2002 while just over half (54%) the universities have fundraising programmes which were established in 2003 or more recently. Nearly a third (31%) of participating members did not have a fundraising programme or did not provide the year they begun fundraising. Seventy-seven per cent of these universities participated in the 2006-7 survey.

The University Alliance Group

Institutions that are members of the University Alliance Group and participated in the 2007-8 Ross-CASE Survey are as follows;

[Bournemouth University](#)

[University of Bradford](#)

[De Montfort University](#)

[University of Gloucestershire](#)

[University of Hertfordshire](#)

[University of Huddersfield](#)

[University of Lincoln](#)

[Liverpool John Moores University](#)

[Manchester Metropolitan University](#)

[Northumbria University](#)

[Nottingham Trent University](#)

[Open University](#)

[Oxford Brookes University](#)

[University of Plymouth](#)

[University of Portsmouth](#)

[University of Salford](#)

[Sheffield Hallam University](#)

[University of Wales Institute, Cardiff](#)

[University of Wales, Newport](#)
[University of the West of England](#)

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.

Ninety per cent of participating University Alliance Group members are English HEIs. Twenty per cent of universities began their fundraising programmes before 1996 and 45 per cent established their programmes in 2003 or more recently. Twenty per cent of universities did not have an established fundraising programme or did not provide the year their programme began. Nearly all (95%) of these universities participated in the 2006-7 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;

Arts Institute at Bournemouth
Aston 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
Guildhall School of Music & Drama
Harper Adams University College
Heriot-Watt University
Heythrop College
Institute of Cancer Research
Keele University
Leeds College of Music
Leeds Trinity & All Saints
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 of Design and Communication
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 Scottish Academy of Music and Drama
Royal Veterinary College
St George's University of London
St Mary's University College
School of Pharmacy
Swansea University
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 Hull
University of Kent
University of London and its Institutes
University of Strathclyde
University of the Arts London
University of Wales, Lampeter
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
Bedford College
Blackburn College
Bradford College
Calderdale College
Craven College
Doncaster College
Filton College
Havering College of Further and Higher Education
Highbury College, Portsmouth
Joseph Priestley College
Kingston College
Leeds College of Technology
Leicester College
Moulton College
Newbury College
North East Surrey College of Technology
North Warwickshire and Hinckley College
Northbrook College, Sussex

Park Lane College
Plymouth College of Art and Design
Ruskin College
South Downs College
St Helens College
Stockport College
Walsall College
Warwickshire College
West Nottinghamshire College