Ross–CASE Survey 2008-9

Final Report

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1 Executive summary

This report presents the results of the 2008-9 Ross–CASE Survey of Gifts and Costs of Voluntary Giving which evaluates the philanthropic health of universities in the UK and to a more limited extent a number of further education institutions. 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.

The National Centre for Social Research (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 specialises in conducting high quality social research commissioned by government and other public bodies, as well as carrying out grant-funded studies. The 2008-9 survey was the third Ross–CASE survey NatCen has conducted; the first covered the 2006-7 academic year.

The survey was managed by an Editorial Board comprising members nominated by the Ross Group of Development Directors and CASE in Europe. NatCen was contracted by the Ross Group and CASE to carry out the survey on a professional basis. The study was funded by the Higher Education Funding Council for England (HEFCE), the Ross Group, and the Higher Education Funding Council for Wales (HEFCW).

As indicated in the report, commentary at the beginning of each chapter is provided by members of the Ross Group Editorial Board and aims to provide an interpretation of the findings. The remaining commentary and data analysis is provided by NatCen.

1.1 The context for the 2008-9 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. For the 2008-9 survey, the time lag has been much shortened to around nine months after the end of the last academic year the survey covers.

Previous reports of the findings of the Ross–CASE surveys had shown that the higher education sector had been securing steady growth in philanthropic funds in recent years, across a broad range of measures. However, these surveys covered the period prior to the worst months of the recession in the UK. GDP started falling in the final quarter of the 2007-8 academic year (i.e. April – June 2008), but the worst four quarters of the deepest recession in the UK since the Second World War occurred over the 2008-9 academic year. This year's report is our first look at the full effects of the recession on the higher and further education sector's ability to raise philanthropic funds.

2008-9 was also the first academic year after 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 scheme was formally launched on 1st August 2008. The announcement of this scheme has given a strong impetus to additional fundraising efforts in English higher and further education institutions. The level of funds that could qualify for matched funding in 2008-9, as measured in the survey, provides a first assessment of the amounts institutions will be claiming under 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 both 2007-8 and 2008-9[1].

The Welsh Assembly Government has also recently decided to implement a matched funding scheme for Welsh universities[2] to increase and expand their fundraising capacity. 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, participation in the 2008-9 Ross–CASE survey was mandatory for Welsh universities wishing to apply for this funding. More information on Welsh universities has therefore been published in this report than was possible in previous reports.

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 which could be eligible for matched funding forms only a small part of this report. As in previous reports, 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 one benchmarking report. To protect confidentiality each

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[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 when making their claim to HEFCE.

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

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.

1.2 Commentary by the Ross Group Editorial Board

The Ross Group Editorial Board is providing a commentary to the Ross–CASE Survey Report for the first time in this report for 2008-9. The Editorial Board brings to this task extensive practitioner experience in Development and Alumni Relations and a broad understanding of the Higher Education context. This commentary supplements the excellent report written by NatCen, which properly focuses on the statistical and factual, by providing a more interpretive analysis. In effect we are seeking to answer an unstated question - "So what?".

The Ross–CASE Survey Report for 2008-9 is a significant analysis of both the current status and the on-going progress of Development (fundraising) and Alumni Relations in UK Higher Education. It provides detailed analysis, of interest to professionals in the field, together with high level information for institutional heads, policy makers and governing bodies.

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

1. Cash income received, generally the most consistent and reliable indicator of fundraising success (especially in terms of comparisons between institutions as in this report and longer term financial impact), continues to rise, exceeding £0.5 billion for the first time (page 5). This represents an 18.8 per cent increase, building on a 12.7 per cent increase the previous year. Fundraising is one of the few increasing income streams available to HEIs, and the growing consistency and robustness of this income source is to be welcomed.

2. Philanthropy is becoming significant to the sector, providing funds equal to about 2.3 per cent of total institutional expenditure. It should be noted that not all funds affect the income and expenditure account, with significant amounts reflected instead in the balance sheet as capital assets or endowments. Distribution remains highly skewed and 51 per cent of cash income is received by Oxford and Cambridge, and a further 24 per cent by the remaining members of the Russell Group (page 25).

3. New funds secured, the second key measure of fundraising success (used to report campaign progress and often for internal reporting as it reflects achievements of a specific period), is significantly down this year at £532 million (page 5). In part this may be due to an unusually high number and value of exceptional gifts (totalling more than £130 million) in 2007-8. The increase over two years is 4 per cent, which does suggest that 2007-8 was abnormal in some respect. The failure to secure a similar number of exceptional gifts in the most recent year may also reflect the economic climate – a view which is supported by data from the US.

4. Other positive measures in the report indicate that very important groundwork is underway and that the incentive of the matched funding scheme for English universities is leading to increased activity and results. No less than 163,547 people and organisations chose to make a gift in support of higher education, an increase of 12.4 per cent (page 49). Within this alumni giving continued to rise (12.86 per cent). This is an important indicator especially as data from the US reports that the number of alumni giving *declined* (although not necessarily the amount raised). Rising alumni participation in the UK may be a positive effect of the matched funding scheme. We are also pleased to note that the median cost per pound received fell back to £0.27, having

risen with the increased investment in the previous year. This suggests that it has been possible to generate additional income from additional investment.

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

5. Analysis by Mission Groups is significant in the report. This analysis enables institutions to undertake rudimentary benchmarking by placing their own performance in context. Figure 1.2 (page 6) illustrates the range of performances very clearly. Provision has been made for institutions to request more detailed benchmarking against a 'basket' of other participants, whilst retaining confidentiality.

6. However the overall picture on benchmarking remains somewhat frustrating. For example, no easy or logical breakdown of 'other HEI's' exists (this group is very diverse in terms of both mission and also fundraising patterns) and more detailed comparative analysis is not possible within the current agreed protocol for handling data. A case for greater disaggregation is emerging, although implementation is at least two years away.

7. We have also provided an analysis by longevity of fundraising programme (page 24 for example). It is very clear from these results that this is a long-term business and sustained investment is key to long-term success. Established development programmes produce the best results.

8. This report is not, in itself, a mechanism for the evaluation of a Development and Alumni Relations programme at institutional level. The wide range of results within otherwise quite similar groups highlights that there are many factors which will affect performance in any specific situation, and that KPIs should represent local circumstances. Nonetheless, the report does provide a crucial contextual position for institutions considering their strategy in this area.

1.3 Key data

The key data from the 2008-9 Ross–CASE survey are presented below (Figure 1.1). Data refer to the 149 participating higher education institutions, rather than the 165 participating higher and further education institutions, unless otherwise stated.

Please note that all data has been taken from the 2008-9 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 2006-7, 2007-8, and 2008-9 are compiled using the three-year self reported returns submitted by each participant in this survey (with the exception of staff numbers).** Hence some figures for 2006-7 and 2007-8 may have changed since being set out in the report covering 2007-8.

Figure 1.1 Key data

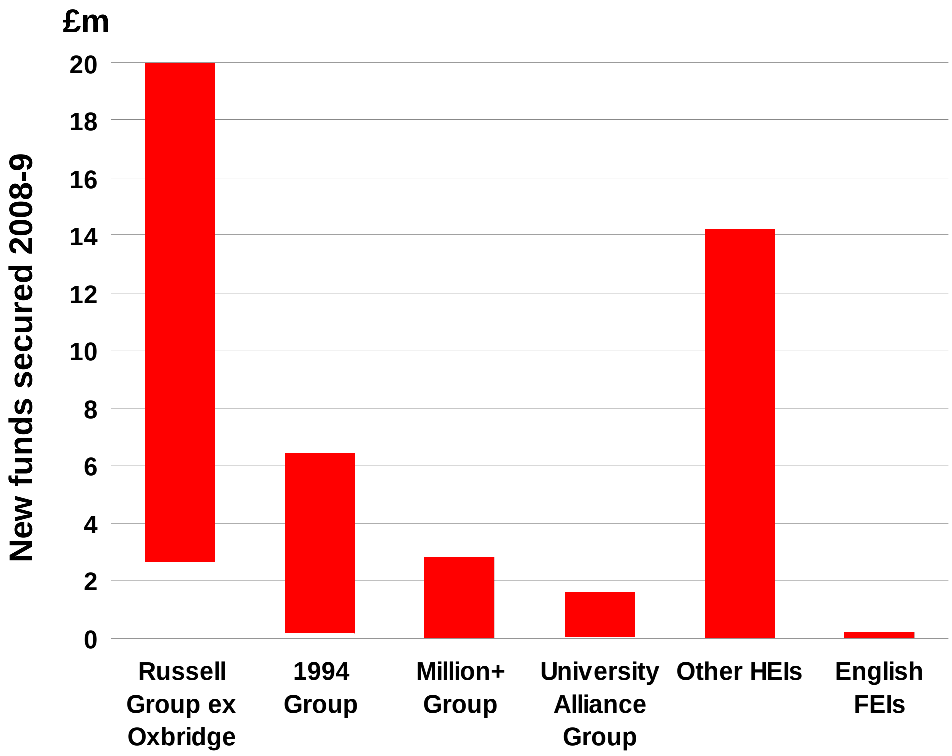
Ross-CASE Survey 2008-9

£million	2006-7	2007-8	2008-9
All HEIs			
New funds secured	513	675	532
Cash income received	382	430	511
Number			
Addressable alumni	6,147,904	6,667,251	7,570,321
Alumni making donations	108,583	116,636	131,640
All donors	132,292	145,476	163,547
Number of UK higher education institutions	*141*	*145*	*149*
£million			
English HEIs and FEIs only (excluding Oxford and Cambridge)			
Cash which could be eligible for matched funding	135	129	145
Number of English higher education and further education institutions (excluding Oxford and Cambridge)	*133*	*139*	*141*
For HEIs starting fundraising programmes pre-2005 only			
Total fundraising spend	49	56	66
Median cost per pound received	£0.27	£0.31	£0.27
Number of higher education institutions starting fundraising programmes pre-2005	*71*	*72*	*73*
Number			
Fundraising staff	734	851	913
Number of higher education institutions starting fundraising programmes more than three years previously	*59*	*67*	*73*

Participating institutions have been grouped according to their membership of one of six ‘mission groups’; the Russell Group, 1994 Group, Million+ Group, University Alliance Group, the HEIs not formally part of a mission group and all English FEIs. Each institution falls into one category of mission group only, and all institutions that are part of the Russell Group, 1994 Group, Million+ Group, and University Alliance Group are categorised as higher education institutions. A list of mission groups and the key characteristics for each group can be found at Appendix E. The key data from the 2008-9 Ross–CASE survey, broken down by mission group, are presented overleaf (Figure 1.2).

The bars below show the gap between the highest and lowest amounts of new funds secured within each mission group, excluding Oxford and Cambridge, in 2008-9.

Figure 1.2 Range of new funds secured by mission group in 2008-9 (excluding Oxford and Cambridge)



Number of institutions in each mission group	17+2	19	25	22	63	15

Key data by mission group (including Oxford and Cambridge) in 2008-9

£million	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs	English FEIs
<u>All HEIs</u>						
New funds secured	387	38	15	8	85	0
Cash income received	383	35	8	9	75	0
Number						
Addressable alumni	2,331,042	1,017,945	1,083,003	1,692,818	1,445,513	34,147
Alumni making donations	86,999	21,208	2,863	9,472	11,098	0
All donors	97,980	24,835	3,961	10,698	26,073	15
£million						
<u>English HEIs and FEIs only</u> (excluding Oxford and Cambridge)						
Cash which could be eligible for matched funding	61	23	6	8	47	0
Number of English higher education institutions and further education institutions (excluding Oxford and Cambridge)	*14*	*18*	*23*	*18*	*54*	*14*
<u>For institutions starting fundraising programmes pre-2005 only</u>						
Total fundraising spend	40	8	*	3	13	*
Median cost per pound received	£0.13	£0.28	*	£0.75	£0.27	*
Number						
Fundraising staff	545	126	*	55	175	*
Number of higher education institutions and further education institutions starting fundraising programmes pre-2005	*17*	*17*	*4*	*9*	*26*	*1*

Note: Some numbers are not shown for the Million+ Group and English FEIs due to low base sizes.

1.4 University fundraising performance in 2008-9

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 £532 million in new philanthropic funds in 2008-9, sharply down from the 2007-8 figure of £675 million. This figure is the sum of all pledges, new cash gifts and gifts-in-kind, and the most commonly used figure in counting campaign totals. It has declined £143 million since 2007-8. Universities that participated in the 2007-8 Ross–CASE survey experienced a total decline of £146 million. The median new funds secured by universities showed a more modest decline from £445,000 in 2007-8 to £433,000 in 2008-9.

  - UK universities received £511 million in philanthropic cash income in 2008-9, up from £430 million in 2007-8. Eleven per cent of the cash income received was from legacies (£55 million) in 2008-9. Of the growth in cash income of £81 million since 2007-8, just £737,000 was accounted for by universities who had not participated in the 2007-8 Ross–CASE survey. It is possible that part of the strong increase in cash income was the result of delays in 2007-8 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 4 per cent since 2006-7, and the cash income received by 34 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 received by English higher education institutions and directly funded further education colleges. The definition of matched funding eligible cash income used for the survey reflects the final rules set by HEFCE. Not all cash income received is eligible for matched funding under the HEFCE rules. In 2008-9, the first academic year after the start of the English matched funding scheme, English higher and further education institutions (excluding Oxford and Cambridge) received £145 million that could be eligible for matched funding.

  - As in previous years, for most survey measures in 2008-9 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 48 per cent of the new philanthropic funds secured by UK universities in the year, unchanged from the share for 2007-8 reported in this year's survey returns.

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

  - In 2004 a £7 million matched funding scheme sponsored by Universities UK (UUK) was launched to support the building of fundraising capacity in English universities. The median value of funds secured by those universities which took part in this scheme decreased from £888,000 in 2007-8 to £844,000 in 2008-9, a rate of decline comparable to the sector as a whole. The median cash income received increased from £487,000 in 2007-8 to £957,000 in 2008-9. This continues to suggest that an increase in return for fundraising investment will be seen.

1.5 University alumni fundraising in 2008-9

- In total, UK universities had just under 7.6 million addressable alumni in 2008-9, of whom 131,640 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 2008-9 was 1.14 per cent. Nine universities had greater than 4 per cent of alumni making a gift.

- The mean amounts for each of these indicators were generally much higher than the median amounts, which 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 secured and cash income received values, there has been significant growth in addressable alumni between 2006-7 and 2008-9. Alumni numbers grow in two distinct ways, through new graduates and through universities working to identify 'lost' alumni (i.e. those who are not in contact with the institution). Nevertheless, the proportion of alumni making a gift has increased slightly over the period (a mean proportion of 1.06% of alumni gave a donation in 2006-7, rising to 1.14% in 2008-9). Furthermore, there is anecdotal evidence that this small increase is misleading: there has been a strong increase in the percentage of older alumni who are giving, but this is 'hidden' behind growth in the absolute number of alumni (resulting from increases in the number of students graduating year on year).

- The total number of all donors who gave to universities was 163,547 in 2008-9, an increase of 12 per cent since 2007-8 and 24 per cent since 2006-7. The proportion of the total number of donations made by alumni has remained stable at around 80 per cent of all donors.

1.6 University fundraising costs in 2008-9

- The reported data for fundraising costs exclude universities that reported starting their development or fundraising programme less than three years ago, or who do not have a programme. The reason for this is that including such universities would give a misleading picture of the efficiency of universities' fundraising as there is a time lag between the start of a fundraising programme and when it starts to deliver significant benefits. Therefore, this section is based on the responses of 73 universities (compared to 67 in the 2007-8 survey report). However, it is important to note that these figures will still include a number of universities that have relatively young fundraising programmes.

- In total, these UK universities spent £66 million on fundraising in 2008-9. Two-thirds (£44 million) was accounted for by staffing costs with the remainder spent on non-staffing costs.

UK universities spent £19 million on alumni relations (excluding the cost of the alumni magazine, on which a further £8 million was spent).

- The total fundraising costs incurred by UK universities have increased by 35 per cent between 2006-7 and 2008-9, while the median fundraising cost per pound received has decreased by 2 per cent over this period.

- The ratio of a university's development office expenditure to cash income received is an established measure of performance that allows for comparisons between universities. While the Ross Group acknowledges that not all related development expenditure and philanthropic gifts within a university are necessarily managed by the development office this ratio is the stable and reliable basis for comparisons (for more details please see section 5.4).

- Overall, the median value of HEIs' fundraising expenditure per pound received in 2008-9 was 27p, lower than the median expenditure in 2007-8 (31p), but the same as 2006-7.

1.7 University fundraising staffing in 2008-9

- 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 2005 or later) or who do not have a programme.

- In total, those UK universities that had fundraising programmes employed 913 full-time equivalent (FTE) staff who worked mainly on fundraising in 2008-9; and an additional 412 staff who worked mainly on alumni relations.

- These UK universities employed a median of 7 FTE staff on fundraising and a median of 3 FTE staff on alumni relations.

2 Introduction

2.1 Survey management

Survey methodology

The methodology of the 2008-9 survey was very similar to that of its predecessors. The main features are summarised below.

- The questionnaire for the 2008-9 survey was almost the same questionnaire used for the 2006-7 and 2007-8 surveys. One small change this year is that institutions were asked to give full numbers in answer to every question demanding a numerical answer, when in previous years we had asked for figures for most questions to be provided in thousands only. 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 Rules for the survey (Appendix A) were thoroughly revised and updated by the Ross Group for the 2008-9 survey from those used in the 2007-8 survey. The principal changes were further clarity on the definition of “cash” and “pledges” at section 3.1, the use of the term ”funds secured” rather than “funds raised”, a change to the list of exclusions of sources of cash eligible for matched funding (section 6.6), and further clarity on what should be included in staffing costs (section 7.4).

- This year detailed question-by-question guidance was also provided by the Ross Group and was available for download on the survey website.

- HEFCE and HEFCW provided NatCen with a list of 287 institutions from across the UK that should be approached for the study. The list comprised 132 English higher education institutions, 30 other UK higher education institutions and 125 English further education institutions. The list was very similar in size to that used for the 2007-8 survey.

- Institutions on the list were sent an advance letter signed by Professor Sir C. Duncan Rice, the Chair of CASE Europe and Professor Eric Thomas, a CASE Trustee, inviting them to participate. Those individuals who had responded on behalf of their institution for the 2007-8 survey were also emailed directly by NatCen to draw their attention to the survey. Both the letter and the emails provided the address of the Ross–CASE Survey website (www.rosscasesurvey.org.uk) from which the questionnaire could be downloaded. The website also included background information about the survey, reporting rules for questionnaire completion, question by question guidance notes and a data release protocol.

- The questionnaire was in an Excel format. Completed questionnaires were returned to NatCen by email. Reminder calls and emails were used to encourage participation. Fieldwork took place between September 2009 and January 2010.

- A total of 165 questionnaires were returned in time to be included in the analysis (more than double the number participating three 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 in thousands where figures as whole numbers were requested. An additional stage of checking was performed as agreed with the Ross Group (see Appendix D). Where possible, missing or inconsistent data were queried with the institutions to check that they were correct before analysis was performed.

- Analysis was carried out by NatCen using 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 three years of the survey, NatCen made calls to institutions whose data raised some issues and in many cases the data were improved.

For the 2008-9 survey, the systematic checking process agreed with the Ross Group for the 2007-8 was used. The checks used are detailed at Appendix D. It is important to note that all comparative figures between 2006-7, 2007-8 and 2008-9 presented in this report were compiled using the three-year returns submitted by each participant in this recent survey (with the exception of staff numbers) – making the year-on-year comparisons consistent in standard for each participating institution.

Who responded to the survey?

The response rate to the Ross–CASE survey among English higher education institutions increased from 96 per cent in 2007-8 to 98 per cent in 2008-9. This in part reflects the mandatory requirement to complete the survey for those participating in the matched funding scheme in England. Welsh universities all engaged with the survey in 2008-9; this no doubt reflects the mandatory requirement to complete the survey for those wishing to participate in the matched funding scheme in Wales. The response rate among Scottish and Irish institutions was disappointing. This fell to 42 per cent in 2008-9, down from 58 per cent in 2007-8 and 78 per cent in 2006-7.

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

The response rate among English further education institutions has dropped back to near its 2006-7 level. The response rate in 2008-9 was 13 per cent, a fall from 23 per cent in 2007-8 but marginally higher than 2006-7 (12%). However, many of the further education institutions that do respond give “nil” returns and complete the survey because they wish to participate in the matched funding scheme. Hence we believe that the total proportion of philanthropic giving to further education institutions covered by the Ross–CASE survey is also very near 100 per cent.

Figure 2.1 Response rates by institution type for 2006-7 to 2008-9

Ross-CASE Survey 2008-9

Number	2006-7	2007-8	2008-9
English higher education institutions			
Invited to participate	134	134	132
Number participating	110	129	130
Response rate	82%	96%	98%
Welsh higher education institutions			
Invited to participate	12	12	11
Number participating	4	4	11
Response rate	33%	33%	100%
Scottish and Irish higher education institutions			
Invited to participate	18	19	19
Number participating	14	11	8
Response rate	78%	58%	42%
Further education institutions			
Invited to participate	135	124	125
Number participating	16	28	16
Response rate	12%	23%	13%

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

2.2 Conventions

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

Where we refer to universities or institutions we mean those UK universities and/or institutions which participated in the 2008-9 survey.

Many figures are broken down by the length of fundraising programme. Where this occurs, programmes described as “established” began before 1998, those described as “developing” were established between 1998 and 2004, and those described as “newer” were established in 2005 or later.

Where figures from previous years are used, these are derived from the returns to the 2008-9 Ross–CASE survey only (the 2008-9 survey asked respondents for information relating to the 2008-9 and two previous financial years). On occasion these figures are slightly different to those published in our previous reports on the 2006-7 and 2007-8 surveys. Some institutions have made improvements to their record keeping since the survey began, and have supplied us with corrections to returns from previous years. Hence we believe the historical data supplied in the 2008-9 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 and 2007-8 surveys, with some institutions participating for the first time.

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

We acknowledge the possibility that the change in the mix of institutions responding could have affected our total estimates. Therefore, we have analysed the totals for all the key measures over the three years both by all those responding, and also by excluding those who did not participate in the Ross–CASE survey in 2008-9. 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.

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

2.3 Acknowledgements

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

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

For the report of the findings of the 2007-8 survey, the Ross Group appointed a dedicated Editorial Board. The Editorial Board will work with NatCen on all future reports of the Ross–CASE survey. Members of the Board currently 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, Sophie Melton-Bradley and Tracy Allan at HEFCE, and Celia Hunt and Dr Ewen Brierley at HEFCW, provided valuable input, particularly in helping us ensure all the institutions participating in the matched funding schemes had been given adequate opportunity to respond. We are also grateful to Kate Hunter 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 cash income received that could be eligible for matched funding.

3.1 Commentary by the Ross Group Editorial Board

1. The report contains details of both income measures used for fundraising. These are 'new funds secured' which may include pledges for up to five years, and 'cash income received' which is restricted to actual cash receipts in the year. There is, of course, a relationship between the two figures and rising new funds will lead to rising cash income in subsequent years. There is not an exact correlation as some items will never appear in cash income (for example gifts in kind or those few pledges that are not fulfilled). As noted in section 1.2, new funds secured is generally used for counting progress towards campaign targets.

2. Overall the sector experienced continuing strong growth in cash income, alongside a decline in new funds secured. We think that there are a range of factors at work here including:
    - A slowing of commitment to large pledges arising from the economic situation, with donors concerned about making large multi-year pledges given growing uncertainty;
    - A single gift-in-kind in 2007-08 that was substantial enough to distort figures on its own;
    - Several other unusually large (exceptional) gifts in 2007-08;
    - Cash gifts were encouraged by the incentive of the matched funding scheme which only matches cash received and not pledges;
    - There may be some under-reporting of new gifts secured from institutions completing the survey for the first time, as pledges are excluded from the matched funding scheme, and new institutions may have applied a single set of 'rules' not realising that the survey uses two distinct income measures.

3. The greater success of established fundraising activities is apparent. Figure 3.14 (page 24) illustrates this starkly, with universities having a track record of more than 10 years have median cash income of £3.6 million compared to those in the 4 years to 10 years range with £1 million and those newer to fundraising (last 3 years) at just £120,000. More detailed analysis of gift trends is given in the next chapter, where our commentary will highlight excellent progress in developing donor numbers and other measures which illustrate the benefits enjoyed by more established programmes.

3.2 New funds secured

The reports[3] containing the findings of the previous two Ross-CASE surveys described the strong growth in new philanthropic funds secured in recent years by the higher education sector. Over these years, new funds secured grew by around 20 per cent year-on-year. The academic year 2008-9, however, marked a break from this pattern, with the level of new funds secured falling 21 per cent from the total achieved in 2007-8.

All those responding to the survey were asked to report new funds secured in 2008-9 and the two preceding years. For the purposes of the survey this is defined as new cash (including legacy cash and gifts-in-kind) and confirmed non-legacy payments raised in the year, excluding pledged payments from previous years. Only documented pledges up to the first five years' duration of the pledges are counted.

The academic year 2008-9 spanned the worst quarters of the deepest recession in the UK since the Second World War. In this climate, the higher education sector could not maintain the level of new funds secured in the previous year. In 2008-9 UK universities reported raising £532 million in new funds (Figure 3.1). This represented a sharp drop from the total of £675 million in 2007-8, and a return to near the level achieved in 2006-7 (£513 million).

However, the median new funds secured by universities did not decline as sharply. The median new funds secured fell from £445,000 in 2007-8 to £433,000 in 2008-9, a figure still considerably above that achieved in 2006-7 (£280,000). This suggests that the overall decline in new funds secured was due to a fall in new funds secured among the largest fundraising programmes.

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

Ross–CASE Survey 2008-9

£million	2006-7	2007-8	2008-9
New funds secured	513	675	532
Median new funds secured	0.280	0.445	0.433
Cash income received	382	430	511
Median cash income received	0.246	0.278	0.420
Number of HEIs	*141*	*145*	*148*

[3] Gilby N., Lloyd C., and Finch, S. (2009) *Ross-CASE Survey 2007-8 Final Report.* National Centre for Social Research, and Finch S., Gilby N., and Lloyd C. (2008) *Ross-CASE Survey 2006-7 Final Report.* National Centre for Social Research.

Scottish and Welsh universities (no Irish universities participated in 2008-9) secured just over £55 million in new funds in 2008-9 (Figure 3.2). This represents around 10 per cent of the new funds secured by UK universities in 2008-9. This was higher than their share of new funds secured in both 2007-8 and 2006-7 (8%). However, please note that due to a disappointing response rate among Scottish universities these figures should be treated with some caution.

English HEIs secured a mean of just under £3.7 million and a median of £429,000. The large discrepancy between the mean and median is due to the skewed nature of the distribution of funds secured across the higher education sector. The larger and more established institutions reported very high figures that had a strong effect on the mean.

English FEIs secured a total of £261,000 in new funds in 2008-9, securing a mean of £17,000.

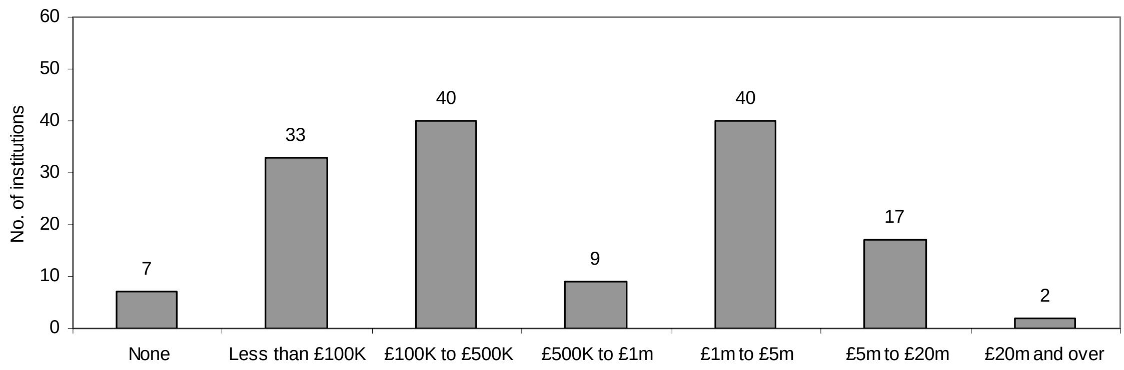
Figure 3.2 New funds secured in 2008-9, by type of institution

Ross–CASE Survey 2008-9

	HEIs			FEIs
£000s	English	Other UK	Total	Total (English)
Mean	3,695	2,910	3,594	17
Median	429	503	433	0
Total	476,670	55,282	531,952	261
Number of institutions	*129*	*19*	*148*	*15*

In 2008-9, there was a wide distribution in the value of new funds secured amongst HEIs. At the top end of the distribution two 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, seven HEIs reported securing no new funds while 33 secured less than £100,000 in new funds (Figure 3.3).

Figure 3.3 – New funds secured in 2008-9 for HEIs



Number of HEIs: 148

The breakdown of the distribution in the value of new funds secured by mission group shows a lot of variation between mission groups (Figure 3.4). All of the Russell Group universities secured new funds in 2008-9 worth at least £1 million, with most securing £5 million or more. The majority of 1994 Group members also secured new funds worth £1 million or more, but only two secured £5 million or more, and none more than £20 million. The majority of the universities in the Million+ Group and University Alliance Group secured less than £1 million in new funds. Among universities not formally part of a mission group, five secured between £5 million and £20 million in 2008-9.

Figure 3.4 New funds secured (banded) in 2008-9 by mission group

Ross–CASE Survey 2008-9

Number	None	Less than £100k	£100k to £500k	£500k to £1m	£1m to £5m	£5m to £20m	£20m and over
Russell Group	0	0	0	0	7	10	2
1994 Group	0	0	4	2	11	2	0
Million+ Group	1	8	9	2	5	0	0
University Alliance Group	0	5	12	3	2	0	0
Other HEIs	6	20	15	2	15	5	0
Number of HEIs	*7*	*33*	*40*	*9*	*40*	*17*	*2*

Looking at the new funds secured by HEIs in 2008-9 by the year of establishment of fundraising programmes, the median value of new funds secured increases with length of fundraising programme (Figure 3.5). HEIs with established fundraising programmes, that is those which were established before 1998, secured a median of £2.9 million in 2008-9, compared to a median of £1 million amongst those with developing programmes (i.e. established between 1998 and 2004).

HEIs in the Russell Group reported securing a median of £6.9 million in new funds, much higher than the average for universities in all other mission groups. Members of the 1994 Group secured a median of £1.7 million, and those in the Million+ and University Alliance Groups secured a median of £218,500 and £278,000 respectively.

Figure 3.5 New funds secured in 2008-9, by length of fundraising programme and mission group for HEIs

Ross–CASE Survey 2008-9

	Establishment of fundraising				Mission groups				
£million	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Mean	11.6	2.0	0.6	0.3	20.4	2.0	0.6	0.4	1.3
Median	2.9	1.0	0.1	0.0	6.9	1.7	0.2	0.3	0.2
Total	418.2	74.3	36.2	3.2	386.8	37.5	14.5	8.4	84.6
Number of HEIs	*36*	*37*	*65*	*10*	*19*	*19*	*25*	*22*	*63*

Over the three years covered by the survey, all the mission groups with the exception of the Russell Group achieved an increase in new funds secured. However, most of the mission groups experienced a decline in new funds secured in 2008-9 from 2007-8 (Figure 3.6).

Universities in the Russell Group secured a total of £387 million in new funds in 2008-9, down from £480 million in 2007-8 and £408 million in 2006-7. This represents a fall in the funds secured since last year of 19 per cent for this group, and a 5 per cent drop over the three years.

Sharper falls from 2007-8 to 2008-9 were recorded by the 1994 Group and University Alliance Group. In 2008-9, the total funds secured by the 1994 Group was £38 million, lower than the £48 million total reported for 2007-8 (a fall of 21 per cent) but more than the £29 million secured in 2006-7. The University Alliance Group experienced a fall of 35 per cent in new funds secured, but in 2008-9 still secured more new funds (£8.4 million) than two years previously (£7 million). English FEIs secured new funds worth £261,000 in 2008-9, down from £316,000 in 2007-8.

The Million+ Group were able to buck the overall trend for the sector and maintain the level of new funds secured in 2008-9 at around the level achieved in 2007-8. The Million+ Group universities secured new funds worth £14.1 million in 2007-8, rising slightly to £14.5 million in 2008-9.

Figure 3.6 New funds secured in last three years, by mission group

Ross–CASE Survey 2008-9

£million	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs	English FEIs
2006-7	407.7	29.4	5.9	7.0	63.4	0.2
2007-8	480.0	47.5	14.1	13.0	120.1	0.3
2008-9	386.8	37.5	14.5	8.4	84.6	0.3
	%	%	%	%	%	%
Growth between 2006-7 and 2008-9	-5	28	145	20	33	57
Growth between 2007-8 and 2008-9	-19	-21	3	-35	-29	-17
Number of institutions	*19*	*19*	*25*	*22*	*63*	*15*

The decline in new funds secured in 2008-9 from 2007-8 has not altered the distribution of new funds secured within the sector (Figure 3.7). Oxford and Cambridge continue to dominate, with these two universities securing almost half (48%) of the sector's philanthropic new funds in 2008-9. The remaining Russell Group universities secured a quarter of the sector's new funds in 2008-9. The three other mission groups – the 1994 Group, Million+ Group, and University Alliance Group – secured 11 per cent of new funds, with the HEIs not formally part of a mission group securing 16 per cent. FEIs secured less than one per cent of the sector's philanthropic funds.

Figure 3.7 Distribution of new funds secured in last three years by mission group

Ross–CASE Survey 2008-9

Percentage	2006-7	2007-8	2008-9
Oxford and Cambridge	53	48	48
Russell Group (excluding Oxford and Cambridge)	26	23	25
1994 Group	6	7	7
Million+ Group	1	2	3
University Alliance Group	1	2	2
Other HEIs	12	18	16
English FEIs	0	0	0
Number of institutions	*153*	*159*	*163*

3.3 Changes in new funds secured

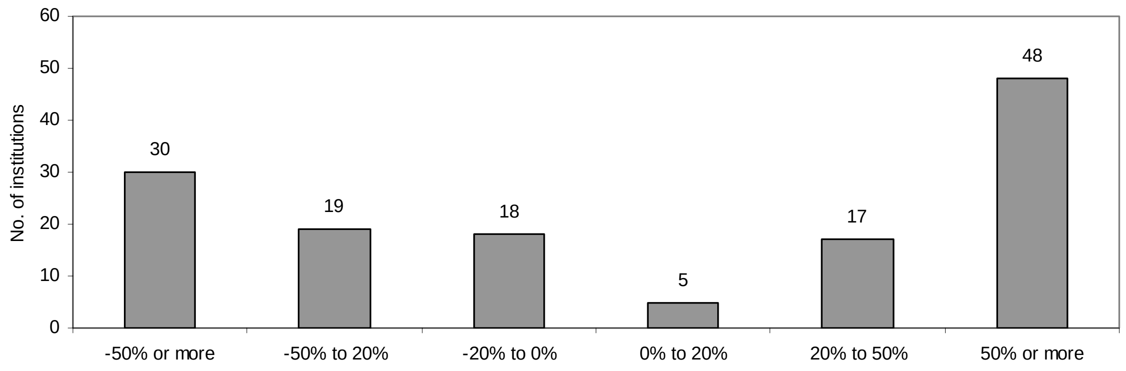
Although the new funds secured by the higher education sector as a whole decreased over the last year, there was a wide range in the trends for individual universities. Some substantial decreases as well as increases were reported.

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

In 2008-9, seventy (51%) of the responding universities reported an increase in new funds secured (Figure 3.8). Forty-eight universities (35%) reported a growth of new funds secured at or exceeding 50 per cent. However, there was considerable variation in performance over the past year, with thirty (22%) universities reporting a fall in the amount of new funds secured by 50 per cent or more.

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

Figure 3.8 – Growth of new funds secured over one year (between 2007-8 and 2008-9) for HEIs



Number of HEIs: 137

Figure 3.9 shows the breakdown of increases and decreases by mission group. In general within each mission group there was considerable variation in performance. The Russell Group was evenly split, with just over half reporting a fall in new funds secured in 2008-9, and just under half reporting a rise. However, the majority of universities from the Million+ Group and University Alliance Group secured more new funds in 2008-9 than they did the previous year. Although ten (53%) 1994 Group universities saw a fall in new funds secured, seven (37%) secured over 50 per cent more in new funds in 2008-9 than in the previous year. While thirty-two (57%) universities not formally part of a mission group saw a fall in new funds secured in 2008-9, eighteen (32%) secured more than 50 per cent more new funds in 2008-9 than they did the previous year.

Figure 3.9 New funds secured (banded) in 2008-9 by mission group

Ross–CASE Survey 2008-9

Number	-50% or more	-50% to 20%	-20% to 0%	0% to 20%	20% to 50%	50% or more
Russell Group	3	4	3	2	4	3
1994 Group	5	5	0	1	1	7
Million+ Group	4	0	3	1	5	9
University Alliance Group	4	2	2	0	2	11
Other HEIs	14	8	10	1	5	18
Number of HEIs	*30*	*19*	*18*	*5*	*17*	*48*

3.4 Cash income received

Unlike new funds secured, the level of philanthropic cash income received by UK universities continued to grow in 2008-9 (Figure 3.10). The higher education sector received £511 million in cash income in 2008-9, up from £430 million in 2007-8 (growth of 19 per cent over the year) and £382 million in 2006-7 (growth of 13 per cent over the year).

The median cash income received also grew sharply over the three years. The median cash income received by universities was £420,000 in 2008-9, up from £278,000 in 2007-8 (growth of 51 per cent over the year) and £246,000 in 2006-7 (growth of 13 per cent over the year).

Figure 3.10 New funds secured and cash income received in last three years for HEIs

Ross–CASE Survey 2008-9

£million	2006-7	2007-8	2008-9
New funds secured	513	675	532
Median new funds secured	0.280	0.445	0.433
Cash income received	382	430	511
Median cash income received	0.246	0.278	0.420
Number of HEIs	*141*	*145*	*148*

Scottish and Welsh universities received £35 million (due to a disappointing response rate among Scottish universities this figure should be treated with some caution) out of the £511 million UK universities received in cash income in 2008-9 (Figure 3.11).

The median cash income received by English HEIs in 2008-9 was £425,000 while this was £327,000 for other UK universities. English FEIs received a total of £377,000 in cash income. The median value was zero for English FEIs as only 5 of the 12 FEIs that responded to the question reported receiving any philanthropic cash income.

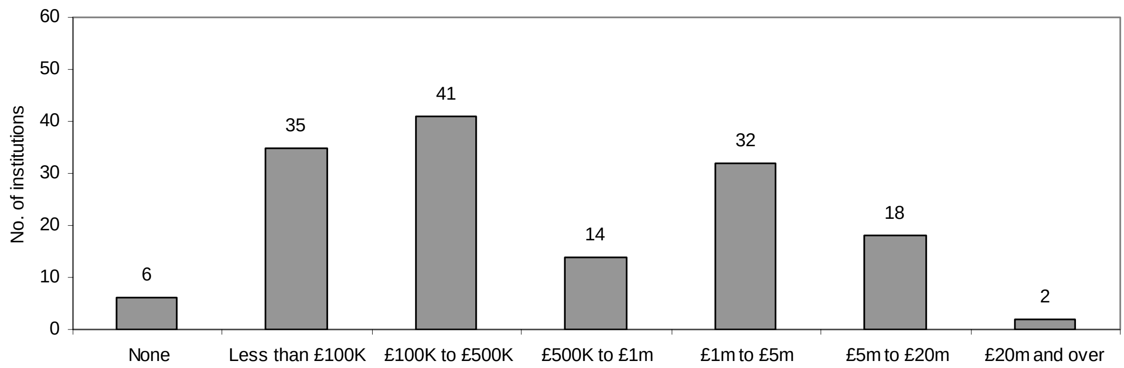
Figure 3.11 Cash income received in 2008-9, by type of institution

Ross–CASE Survey 2008-9

	HEIs			FEIs
£000s	English	Other UK	Total	Total (English)
Mean	3,687	1,865	3,453	31
Median	425	327	420	0
Total	475,672	35,430	511,102	377
Number of institutions	*129*	*19*	*148*	*12*

As with new funds secured, there was considerable variation in the cash income received by individual universities (Figure 3.12). Forty-one HEIs received less than £100,000 in cash income in 2008-9 with six reporting receiving no cash income. Thirty-two HEIs received cash income of between £1 million and £5 million while 20 reported receiving £5 million or more.

Figure 3.12 – Cash income received in 2008-9 for HEIs



Number of HEIs: 148

As with new funds secured, the breakdown of the distribution of philanthropic cash income received by mission group shows a lot of variation within and between groups (Figure 3.13). Almost all of the Russell Group universities received at least £1 million in cash income in 2008-9, with most securing £5 million or more. The majority of 1994 Group members also received £1 million or more in cash income, but only one received £5 million or more. Among universities not formally part of a mission group, six received £5 million or more in cash income in 2008-9. The majority of the Million+ Group and University Alliance Group members received less than £1 million in cash income.

Figure 3.13 Cash income received (banded) in 2008-9 by mission group

Ross–CASE Survey 2008-9

Number	None	Less than £100k	£100k to £500k	£500k to £1m	£1m to £5m	£5m to £20m	£20m and over
Russell Group	0	0	0	1	5	11	2
1994 Group	0	0	3	3	12	1	0
Million+ Group	1	8	10	3	3	0	0
University Alliance Group	0	6	12	1	3	0	0
Other HEIs	5	21	16	6	9	6	0
Number of HEIs	*6*	*35*	*41*	*14*	*32*	*18*	*2*

The median amount of cash income received by HEIs increased with the length of fundraising programmes (Figure 3.14). HEIs with established fundraising programmes received a median income of £3.6 million in 2008-9, compared to a median of around £1 million amongst those who have developing fundraising programmes and around £120,000 for those with newer programmes (established in 2005 or more recently). As with new funds secured, the mission groups where member universities often have more established programmes tended to receive higher values of cash income. For example, members of the Russell Group received a median of £6.8 million in cash income in 2008-9 while those in the Million+ Group received a median of around £163,000.

Figure 3.14 Cash income received in 2008-9, by length of fundraising programme and mission group for HEIs

Ross–CASE Survey 2008-9

	Establishment of fundraising				Mission groups				
£million	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Mean	11.4	1.9	0.4	0.3	20.1	1.9	0.3	0.4	1.2
Median	3.6	1.0	0.1	0.0	6.8	1.4	0.2	0.2	0.2
Total	410.4	71.3	26.6	2.9	382.8	35.3	8.4	9.4	75.1
Number of HEIs	*36*	*37*	*65*	*10*	*19*	*19*	*25*	*22*	*63*

The cash income received over the last three years has grown for all mission groups. Members of the Russell Group have experienced significant growth (Figure 3.15). The total value of cash income received by this group has gone up by just over a quarter since 2006-7, from £303 million in 2006-7, to £328 million in 2007-8 and £383 million in 2008-9. The cash income received by 1994 Group members and the HEIs not formally part of a mission group has also grown steadily over the last three years. Although the total cash income received by FEIs is much smaller than that received by universities, it too has grown over the three years.

The total cash income received by the Million+ Group and University Alliance Group members has fluctuated over the three years, but was higher in 2008-9 than it was in 2006-7.

Figure 3.15 Cash income received in last three years, by mission group

Ross–CASE Survey 2008-9

£million	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs	English FEIs
2006-7	303.3	25.9	4.3	6.9	41.5	0.1
2007-8	328.4	29.7	11.2	4.0	57.2	0.2
2008-9	382.8	35.3	8.4	9.4	75.1	0.4
	%	%	%	%	%	%
Growth between 2006-7 and 2008-9	26	37	97	36	81	158
Number of institutions	*19*	*19*	*25*	*22*	*63*	*12*

As with new funds secured, the distribution of cash income received across the mission groups has not changed greatly over the three years (Figure 3.16). Oxford and Cambridge continue to receive around half of the philanthropic cash income for the higher education sector. The proportion of cash income received by the remaining Russell Group members has declined from 29 per cent in 2006-7 to 24 per cent in 2008-9, while the share received by HEIs who are not formally part of a mission group has increased from 11 per cent in 2006-7 to 15 per cent in 2008-9. The shares received by other mission groups and FEIs is largely unchanged.

Figure 3.16 Distribution of cash income received in last three years by mission group

Ross–CASE Survey 2008-9

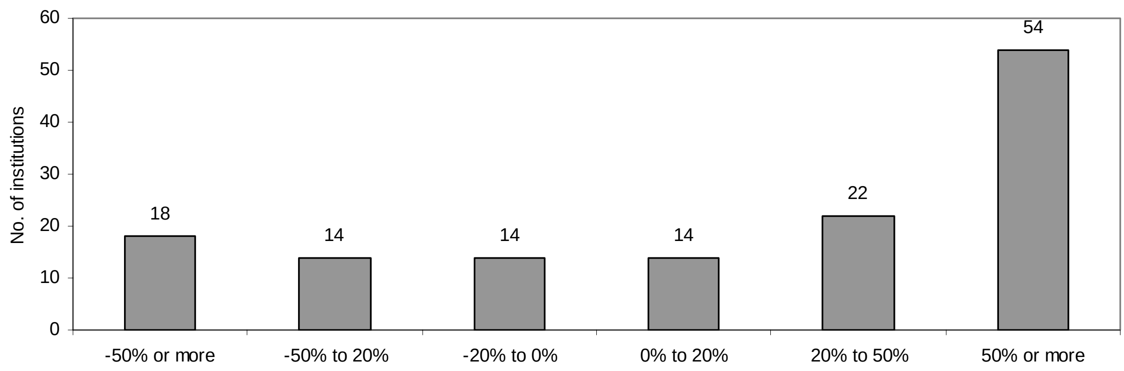
Percentage	2006-7	2007-8	2008-9
Oxford and Cambridge	50	49	51
Russell Group (excluding Oxford and Cambridge)	29	28	24
1994 Group	7	7	7
Million+ Group	1	3	2
University Alliance Group	2	1	2
Other HEIs	11	13	15
English FEIs	0	0	0
Number of institutions	*152*	*156*	*160*

3.5 Changes in cash income received

As with the new funds secured, there was a wide range in the trend for cash income received for individual universities (Figure 3.17). Overall, the picture was different to new funds secured, with more universities reporting large increases and fewer reporting large decreases.

Overall, 90 HEIs (66%) reported receiving a higher level of philanthropic cash income in 2008-9 than they did in 2007-8. Fifty-four HEIs (40%) reported an increase in their cash income in 2008-9 of 50 per cent or more, compared to 2007-8. Eighteen (13%) reported a fall in cash income of 50 per cent or more in 2008-9 compared with their 2007-8 figure. 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 3.17 – Growth of cash income received over one year (between 2007-8 and 2008-9) for HEIs



Number of HEIs: 136

3.6 Cash income received by English institutions which could be eligible for matched funding[4]

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, both in numbers of donors and in cash received. The definition of cash income eligible for matched funding was set out in sections 6.5 to 6.7 of the Reporting Rules (see Appendix A) and reflects the final rules set by HEFCE for the scheme. The returns to the Ross-CASE survey this year therefore cover the amounts received in the first year of the scheme.

On 1st March 2010 HEFCE announced that they had now made the first year payments as a proportion of the approved claims for the first year of the matched funding scheme[5]. The aggregate levels of matched funding over the three years of the scheme are as follows:

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

The matched funding scheme currently operates only in England, and hence the figures produced in this section of the report analyse English HEIs and FEIs only (a separate matched funding scheme exists in Wales and this is looked at in Chapter 6). Please note that not all cash that institutions report as cash income eligible for matched funding will necessarily end up being matched. 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 Ross–CASE survey does not track the claims or payments for individual institutions but it does provide the big picture of the progress and success of the scheme in engaging more donors.

[4] Data for Wales can be found in Chapter 6.

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

For cash eligible for matched funding, because no figures are available for Oxford and Cambridge for the previous two years, we have excluded them so we are able to look at the underlying overall trend over recent years (Figure 3.18). By this measure there was an increase from the £135 million received in 2006-7 and £129 million received in 2007-8 to £145 million in 2008-9.

Figure 3.18 Cash income which could be eligible for matched funding in last three years

Ross–CASE Survey 2008-9

£million	2006-7	2007-8	2008-9
Total	135	129	145
Number of English institutions (excluding Oxford and Cambridge)	*133*	*139*	*141*

Almost all the cash income which could be eligible for matched funding in 2008-9 was received by English HEIs. The median cash income which could be eligible for matched funding received by English HEIs in 2008-9 was £335,000 (Figure 3.19). In total, FEIs secured £378,000 in cash income which could be eligible for matched funding; while the median value secured for these institutions was zero (only five of the 14 FEIs responding had any eligible cash income), the mean was £27,000.

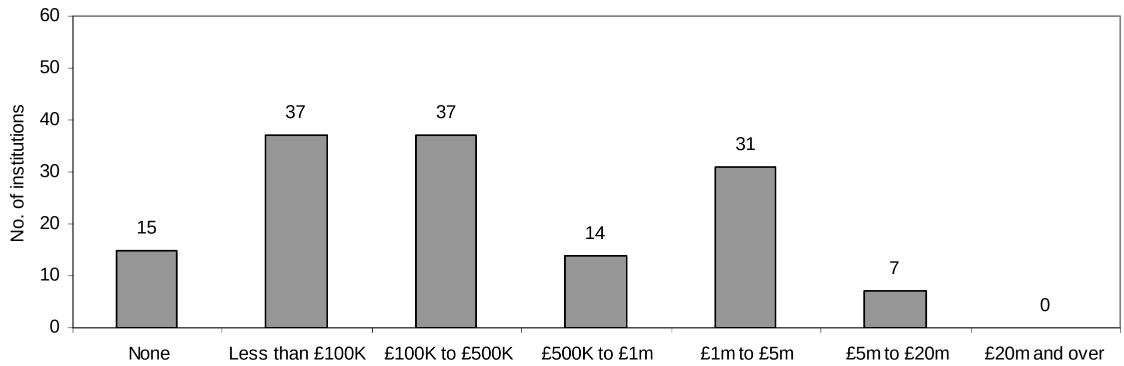
Figure 3.19 Cash income which could be eligible for matched funding in 2008-9, by type of institution

Ross–CASE Survey 2008-9

£000s	English HEIs	English FEIs
Mean	1,142	27
Median	335	0
Total	145,050	378
Number of English institutions (excluding Oxford and Cambridge)	*127*	*14*

As may be expected due to the wide range in cash income received by individual institutions, there is also a large range in the cash income which could be eligible for matched funding across English institutions. Fifteen institutions received no cash income which could be eligible for matched funding in 2008-9 while just over a quarter of all institutions (37 institutions) received under £100,000 in eligible cash (Figure 3.20). Seven institutions received between £5 million and £20 million, while a further 31 received between £1 million and £5 million in cash income which could be eligible for matched funding. In total 27 per cent of institutions (38 institutions) reported receiving £1 million or more in cash income which could be eligible for matched funding.

Figure 3.20 – Cash income which could be eligible for matched funding in 2008-9



Number of English institutions (excluding Oxford and Cambridge): 141

Looking at the distribution by mission group, the pattern for cash eligible for matched funding is similar to that for total cash income received (Figure 3.21). The Russell Group, 1994 Group and HEIs which are not formally part of a mission group made up the bulk of institutions receiving £1 million or more in cash which could be eligible for matched funding in 2008-9. The majority of universities in the Million+ Group and the University Alliance Group received less than £500,000 in cash which could be eligible for matched funding.

Figure 3.21 Cash income which could be eligible for matched funding (banded) in 2008-9 by mission group

Ross–CASE Survey 2008-9

Number	None	Less than £100k	£100k to £500k	£500k to £1m	£1m to £5m	£5m to £20m	£20m and over
Russell Group	0	0	0	1	9	4	0
1994 Group	0	0	5	4	9	0	0
Million+ Group	2	9	8	2	2	0	0
University Alliance Group	0	4	10	1	3	0	0
Other HEIs	4	21	12	6	8	3	0
English FEIs	9	3	2	0	0	0	0
Number of English institutions (excluding Oxford and Cambridge)	*15*	*37*	*37*	*14*	*31*	*7*	*0*

As with new funds secured and cash income received, the median amount of cash income received by institutions which could be eligible for matched funding increased with the length of fundraising programme (Figure 3.22). Institutions with established fundraising programmes received a median income of £2.6 million in 2008-9, this is compared to a median of around £589,000 amongst those who have developing fundraising programmes and around £83,000 for those with newer programmes (established in 2005 or more recently).

As with new funds secured and cash income received, the mission groups where member universities often have more established programmes tended to receive higher values of cash income which could be eligible for matched funding. For example, members of the Russell Group received a median of £3.7 million in cash income in 2008-9 while those in the 1994 Group received a median of £1 million.

Figure 3.22 Cash income which could be eligible for matched funding in 2008-9, by length of fundraising programme and mission group

Ross–CASE Survey 2008-9

£million	Establishment of fundraising				Mission groups					
	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None / not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs	English FEIs
Mean	2.8	1.4	0.3	0.1	4.3	1.3	0.3	0.5	0.9	0.0
Median	2.6	0.6	0.0	0.0	3.7	1.0	0.1	0.3	0.1	0.0
Total	73.1	49.3	20.3	2.7	60.8	23.2	6.1	8.4	46.6	0.4
Number of English institutions (excluding Oxford and Cambridge)	*26*	*36*	*61*	*18*	*14*	*18*	*23*	*18*	*54*	*14*

3.7 Summary of total funds trends

The recession in the UK appears to have had a significant impact on the UK higher education sector's ability to secure new philanthropic funds in 2008-9. In contrast to the strong growth in recent years, new funds secured fell by over 20 per cent last year.

Cash income for the sector, however, continued the strong growth in previous years, and cash income which could be eligible for matched funding also grew in 2008-9. As has been the case for many years, on every measure the headline figures disguise a considerable variation in outcomes reported. Generally, universities with longer running fundraising programmes reported raising more funds in 2008-9, compared with less well established programmes.

4 Analysis of gifts

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

Figure 4.1 breaks down some of these measures by mission group for 2008-9. For all mission groups except the Million+ Group, the cash income received almost met or exceeded the value of new funds secured. For the Million+ Group the cash income received only amounted to 58 per cent of the value of new funds secured.

Gifts-in-kind made up a small proportion of new funds secured in 2008-9 for all mission groups. However, they made up around five per cent of new funds secured in 2008-9 for the University Alliance Group and universities which did not formally belong to any mission group. For the Russell Group, 1994 Group and Million+ Group gifts-in-kind made up around one per cent of new funds secured in 2008-9.

The significance of legacy income as a proportion of total cash income received in 2008-9 varied by mission group. In HEIs which were not formally part of any mission group, legacy income made up 17 per cent of cash income received. In the Russell Group 10 per cent of cash income received came from legacies compared with seven per cent for the 1994 Group. For the Million+ Group, University Alliance Group and FEIs, legacies made up two per cent or less of cash income received.

Figure 4.1 Gifts by mission group, 2008-9

Ross–CASE Survey 2008-9

	Russell Group		1994 Group		Million+ Group		University Alliance Group		Other HEIs		English FEIs	
£million and percentage	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%
New funds secured	387	100	38	100	15	100	8	100	85	100	0	100
Including:												
Gifts-in-kind	3	1	0	1	0	1	0	5	5	6	0	0
Cash income received	383	99	35	94	8	58	9	112	75	89	0	144
Including:		%		%		%		%		%		%
Legacy income received	40	10	3	7	0	0	0	2	13	17	0	0
Number of institutions	*19*		*19*		*25*		*22*		*63*		*15*	

4.1 Commentary by the Ross Group Editorial Board

1. The number and value of gifts received are, of course, crucial to the success of a University fundraising programme. This seems obvious but it is good to focus on the most basic ‘transaction’ behind the success of this report. Through the efforts and energy of academic leaders, volunteers and staff across the sector, presenting the case for giving to higher education, more than 163,000 people and organisations (and this is mostly individual giving) chose to make a gift – nearly 18,000 more than in the previous year.

2. Whilst cause and effect are always problematic, it is highly likely that this represents a clear success for the matched funding scheme, whether as a result of changing donor behaviour or because institutions have been more willing to 'ask' than before or because there has been investment in the process of asking for support.

3. Continuing this analysis of the donors who make fundraising programmes a success and their patterns of giving, it is clear that established programmes are most successful *on every measure*. It is possible to characterise the features of a successful or high quality HE Development Programme as follows:
   - It will have large numbers of donors (page 50);
   - A large proportion of donors will be alumni – often around 80 per cent by *number*, although the figures by *value* may differ;
   - Established programmes will have large numbers of alumni donors (certainly thousands) and participation (the percentage of alumni giving) will ideally be rising;
   - These qualities allow the programme to have a strong 'pipeline' to build on;
   - One effect of this will be revealed in legacy giving which, whilst it may remain unpredictable, can be nurtured and developed to reduce year-on-year variability (page 35);
   - There will be a lower dependence on one (or a few) large gifts and the largest gift will form a lower proportion of total income (page 39);
   - It will have multiple large gifts, meaning that performance is less affected by the success or otherwise of individual solicitations – creating a more robust and steady income stream;
   - It will have a successful Annual Fund programme (page 45), usually supported by effective alumni relations activity.

4. Institutions newer to fundraising may ask if there can be a different model – for example one focused exclusively on major gifts. Whilst ensuring that there is sufficient emphasis on securing significant gifts is important (and making sure that this activity is not overwhelmed by the sheer volume of the small/many transactions) there is no evidence in this report that suggests such 'short cuts' can produce sustained success.

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

4.2 Legacy income received

Legacy cash income is counted in the survey as both new funds secured and cash income received. The total value of legacy cash income has fluctuated over the last three years (Figure 4.2). Legacy cash income received rose in 2008-9 to £55 million, compared with £48 million in 2007-8, but was still slightly lower than the 2006-7 level of £56 million.

Figure 4.2 Legacy cash income received in last three years for HEIs

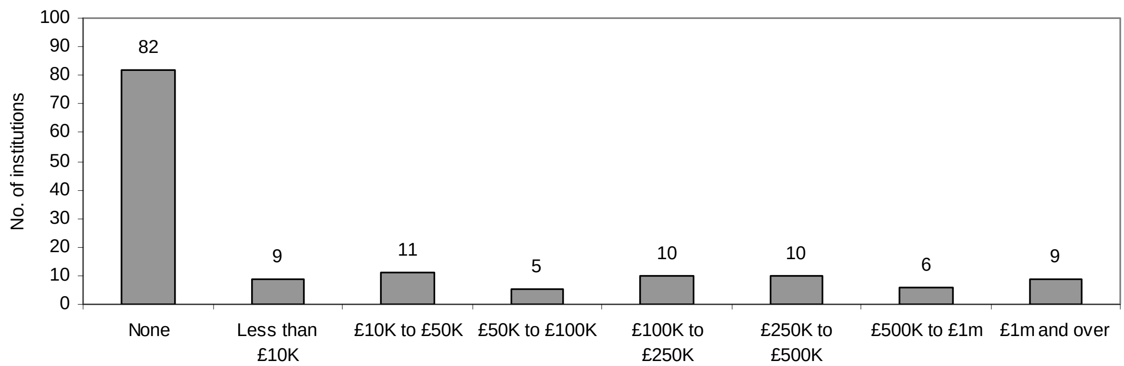
Ross–CASE Survey 2008-9

£million	2006-7	2007-8	2008-9
Legacy cash income received	56	48	55
Number of HEIs	*137*	*140*	*142*

The significance of legacy cash income for UK universities was the same in 2008-9 as it was in 2007-8. In both years legacy cash income received made up 11 per cent of universities' philanthropic cash income, compared with 15 per cent in 2006-7.

Most (58%) universities received no legacy cash income in 2008-9, while the levels of legacy cash income received by the other universities varied considerably (Figure 4.3). Nine universities (6%) received £1 million or more in legacy cash income in 2008-9, while twenty-five (18%) received more than zero but less than £100,000.

Figure 4.3 – Legacy cash income received over one year (2008-9) for HEIs



Number of HEIs: 142

High levels of legacy cash income were largely the preserve of the Russell Group in 2008-9 (Figure 4.4). Fourteen Russell Group universities (74% of the Russell Group) received £250,000 or more in legacy cash income in 2008-9. Among all other mission groups only four universities received £250,000 or more in legacy cash income. Only one Million+ Group university and six University Alliance Group universities received any legacy cash income at all. Of the universities not formally part of a mission group, seven (11%) received legacy cash income of £250,000 or more, but just under two-thirds received none.

Figure 4.4 Legacy cash income received (banded) in 2008-9 by mission group

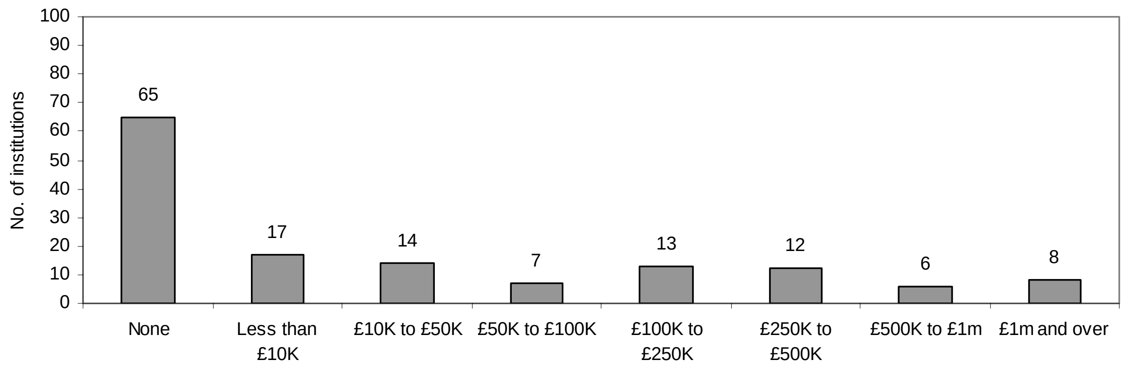
Ross–CASE Survey 2008-9

Number	None	Less than £10k	£10k to £50k	£50k to £100k	£100k to £250k	£250k to £500k	£500k to £1m	£1m and over
Russell Group	1	0	1	1	2	5	4	5
1994 Group	5	2	5	1	2	3	0	1
Million+ Group	22	1	0	0	0	0	0	0
University Alliance Group	14	2	3	1	0	0	0	0
Other HEIs	40	4	2	2	6	2	2	3
Number of HEIs	*82*	*9*	*11*	*5*	*10*	*10*	*6*	*9*

Legacy cash income is, however, inherently unpredictable. Although most universities did not receive any legacy cash income in 2008-9, most had received some over the last three years. While 42 per cent had received legacy income in 2008-9, the proportion who had received some legacy cash income over the three year period was 54 per cent.

The distribution of legacy cash income in 2008-9 (Figure 4.3) is largely the same as in the last three years (Figure 4.5).

Figure 4.5 – Legacy cash income received in year for HEIs (average of three years)



Number of HEIs: 142

Looking at the legacy cash income received in 2008-9 by length of fundraising programme and mission group shows that legacy cash income is concentrated among universities with a longstanding fundraising programme who are typically Russell Group universities (Figure 4.6). HEIs with established fundraising programmes received a median of £192,000 in legacy cash income, a much greater amount than those with developing (£1,000) or newer (zero) programmes. Similarly, the Russell Group universities received a much larger legacy cash income (a median of £446,000) than other mission groups.

Figure 4.6 Legacy cash income received in 2008-9, by length of fundraising programme and mission group for HEIs

Ross–CASE Survey 2008-9

	Establishment of fundraising				Mission groups				
£000s	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Mean	1,342	135	51	10	2,081	138	0	8	207
Median	192	1	0	0	446	30	0	0	0
Total	46,952	4,704	3,212	86	39,537	2,615	1	164	12,637
Number of HEIs	*35*	*35*	*63*	*9*	*19*	*19*	*23*	*20*	*61*

4.3 Gifts-in-kind

The equivalent cash value of gifts-in-kind received by the higher education sector was £8 million in 2008-9, a fall from £10 million in 2006-7 (Figure 4.7). The 2007-8 figure of £56 million is an outlier, largely accounted for by one gift-in-kind reported by one university in that year of around £40 million.

Figure 4.7 Total equivalent cash value of gifts-in-kind received in last three years for HEIs

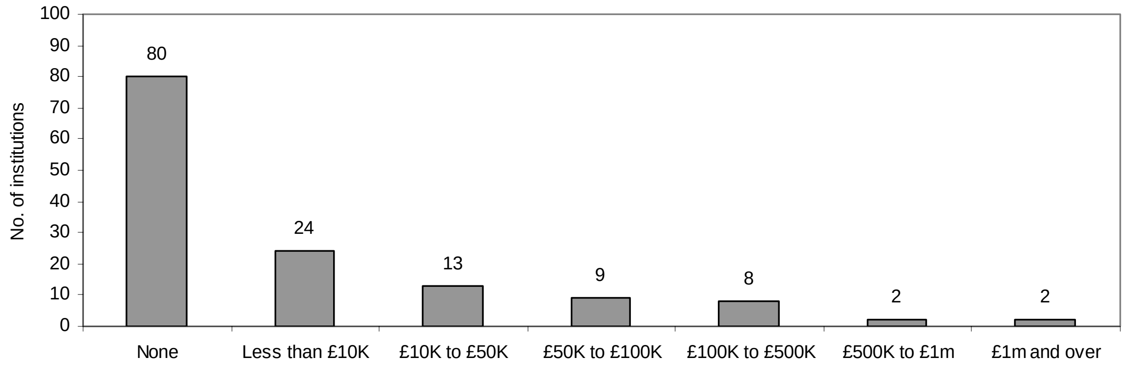
Ross–CASE Survey 2008-9

£million	2006-7	2007-8	2008-9
Equivalent cash value of gifts	10	56	8
Number of HEIs	*133*	*137*	*138*

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 2008-9 (Figure 4.8). Of those that did there was a large variation in the cash value of those gifts.

Eighty universities (58%) did not receive any gifts-in-kind in 2008-9. While four universities (3%) received gifts-in-kind worth £500,000 or more in 2008-9, thirty-seven universities (27%) received gifts-in-kind worth £50,000 or less.

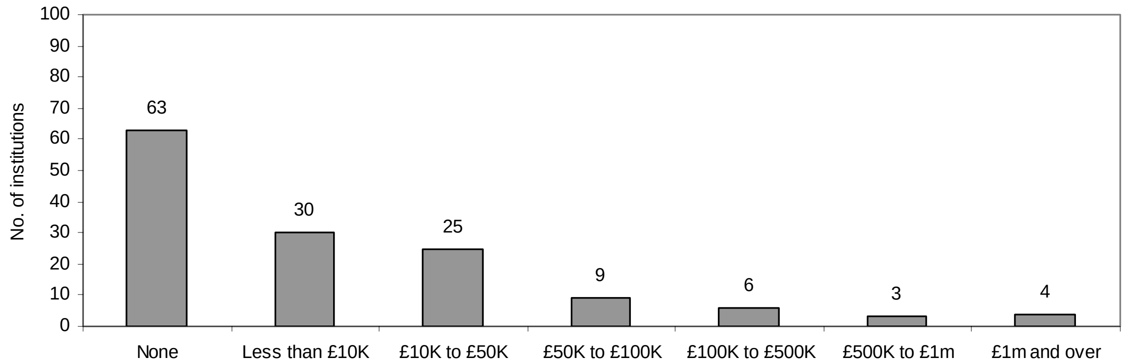
Figure 4.8 – Total equivalent cash value of gifts-in-kind over one year (2008-9) for HEIs



Number of HEIs: 138

Looking at gifts-in-kind over a three year period, a similar pattern to that for legacy income is evident (Figure 4.9). While only a minority (42%) of universities received gifts-in-kind in 2008-9, most (55%) received at least one over the three year period.

Figure 4.9 – Total equivalent cash value of gifts-in-kind in year for HEIs (average of three years)



Number of HEIs: 140

4.4 Campaigns

Twenty-three per cent of universities reported being in a capital campaign in 2008-9. Universities with longer established fundraising programmes were more likely to report being in one. Thirty-nine per cent of universities with programmes established before 1998 were in a campaign, with a smaller proportion (32%) of those with programmes established between 1998 and 2004 in one, falling to 14 per cent of those with programmes beginning in 2005 or more recently.

The 35 universities in a capital campaign in 2008-9 aimed to raise £4,342 million between them. The public phases of the campaigns were expected to last a mean of just over three years. The mean proportion of the capital campaign target the universities expected to achieve before the campaign went public was 39 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 32 universities with capital campaigns aimed to raise £2,092 million, of which other Russell Group member universities aimed to raise £1,617 million. The mean amount the non-Oxbridge HEIs were trying to raise was £63.4 million with a median of £10 million.

4.5 Largest pledges

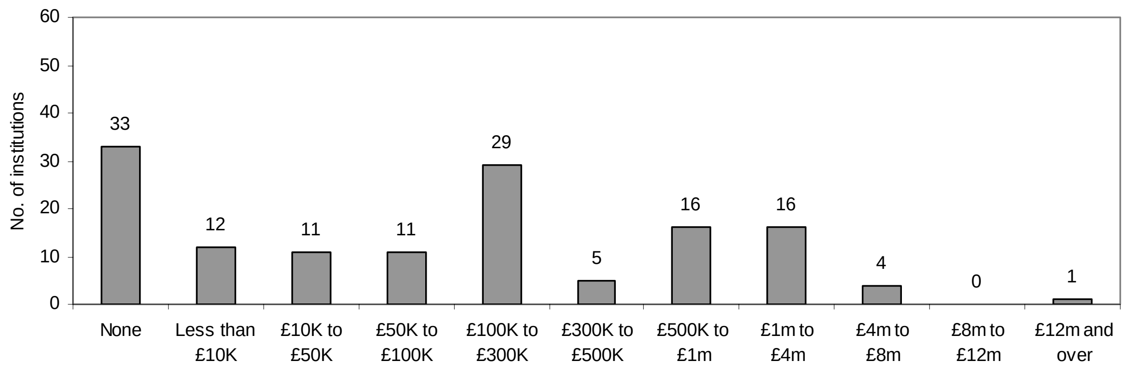
This section excludes three universities where their largest reported pledge in 2008-9 was greater than the total value of their new funds secured. We were unable to resolve why this was the case; these three universities have thus been excluded from the analysis of the largest pledges.

The total value of the largest non-legacy confirmed pledges raised by the higher education sector declined sharply in 2008-9, in line with the fall in the total value of new funds secured by universities. The proportion that the largest pledges contributed to the total new funds secured was 19 per cent in 2008-9, which is comparable to the 21 per cent recorded last year. However, the total value of the largest non-legacy confirmed pledges has fallen to £103 million in 2008-9, below its 2006-7 level of £123 million (the total value of new funds secured was higher in 2008-9 than it was in 2006-7 notwithstanding its decline this year).

The number of gifts of £500,000 or more received by universities has fluctuated over the last three years. In 2006-7 the higher education sector as a whole received 132 gifts of £500,000 or more, rising to 148 in 2007-8. In 2008-9 however, the sector received 136 such gifts, with Scottish and Welsh universities accounting for 13 (due to a disappointing response rate among Scottish universities this figure should be treated with some caution).

As with new funds secured and cash income received, the distribution of the value of the largest non-legacy confirmed pledges is very wide (Figure 4.10). Thirty-three (24%) universities had no pledges in 2008-9 and a further thirty-four (25%) had no pledge over £100,000. However, twenty-one universities (15%) had largest pledges worth £1 million or more, with five universities having a largest pledge worth £4 million or more.

Figure 4.10 – Largest non-legacy confirmed pledge over one year (2008-9) for HEIs



Number of HEIs: 138

Most (58%) of the Russell Group universities received £1 million or more as their largest non-legacy confirmed pledge in 2008-9 (Figure 4.11). Only three universities in the other mission groups (all from the 1994 Group) received £1 million or more as their largest pledges. The University Alliance Group did not receive a largest pledge worth over £300,000. There was more variation among the universities who are not formally part of mission group, with seven receiving £1 million or more as their largest pledge, and seven receiving less than £10,000 (nineteen received nothing).

Figure 4.11 Largest non-legacy confirmed pledge (banded) in 2008-9 by mission group

Ross–CASE Survey 2008-9

Number	None	Less than £10k	£10k to £50k	£50k to £100k	£100k to £300k	£300k to £500k	£500k to £1m	£1m to £4m	£4m to £8m	£8m to £12m	£12m and over
Russell Group	0	0	0	0	3	2	3	8	2	0	1
1994 Group	2	1	1	2	5	1	4	2	1	0	0
Million+ Group	6	3	1	1	6	1	4	0	0	0	0
University Alliance Group	6	1	4	2	8	0	0	0	0	0	0
Other HEIs	19	7	5	6	7	1	5	6	1	0	0
Number of HEIs	*33*	*12*	*11*	*11*	*29*	*5*	*16*	*16*	*4*	*0*	*1*

There was no clear pattern in the median contribution the largest pledge made to the total funds secured at individual universities by the length of the fundraising programmes (Figure 4.12). For example, the median percentage for institutions with established programmes was 15 per cent, compared to 20 per cent for those with developing programmes and 11 per cent for newer programmes. The mean percentage was relatively consistent by length of fundraising programme.

The largest non-legacy confirmed pledge received by Russell Group universities accounted for a median of ten per cent of these universities' total funds secured. The largest non-legacy confirmed pledges tended to contribute more to the new funds secured of universities in the Million+ Group and University Alliance Group.

Figure 4.12 Largest non-legacy confirmed pledge as percentage of funds secured in 2008-9, by length of fundraising programme and mission group for HEIs

Ross–CASE Survey 2008-9

	Establishment of fundraising				Mission groups				
Percentage	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Mean	21.7	24.3	22.9	46.3	18.3	24.3	22.4	29.9	24.4
Median	15.3	19.6	11.1	54.6	10.3	16.5	29.4	21.0	12.3
Number of HEIs	*34*	*36*	*56*	*6*	*19*	*19*	*21*	*21*	*52*

In 2008-9, most (62%) of the largest non-legacy confirmed pledges received by universities came from trusts and foundations (Figure 4.13). The proportion receiving their largest pledge from a trust or foundation increased eleven percentage points over the last three years, while the proportion receiving their largest pledge from a living individual has declined by eight 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.

There has been some fluctuation in the proportion of largest pledges which come from the corporate sector. This rose to 14 per cent in 2007-8 from 8 per cent in 2006-7, but fell back to 12 per cent in 2008-9. Trusts and foundations, living individuals and corporate donations are increasingly the source of all the largest non-legacy confirmed pledges received. These three sources accounted for 91 per cent of the largest pledges in 2006-7, rising to 97 per cent in 2008-9.

Figure 4.13 Source of largest non-legacy confirmed pledges in last three years for HEIs

Ross–CASE Survey 2008-9

Percentage	2006-7	2007-8	2008-9
Trusts and foundations	51	55	62
Individual in lifetime	32	25	24
Corporate	8	14	12
Lottery	1	1	-
Other	8	5	3
Number of HEIs with pledges	*99*	*99*	*104*

The sources of the largest non-legacy pledge in 2008-9 differed by length of fundraising programme and mission group (Figure 4.14).

Newer fundraising programmes received a larger proportion of their largest non-legacy pledges in 2008-9 from trusts and foundations (69%) compared with established (61%) and developing programmes (59%). Around a third of developing programmes received their largest non-legacy pledge from living individuals compared with between 20 per cent and 23 per cent for established and newer programmes. Developing programmes were least reliant on the corporate sector for their largest non-legacy pledge.

The majority of largest non-legacy pledges received by the Russell Group and 1994 Group universities were from trusts and foundations (74% and 76% respectively). The source of the largest non-legacy pledges was more varied among the other mission groups. For example, pledges from trusts and foundations were the source of more than half of the largest pledges for the Million+ (63%) and University Alliance (57%) Groups, with living individuals pledging 25 and 29 per cent of the largest gifts respectively.

Figure 4.14 Source of largest non-legacy confirmed pledges in 2008-9, by length of fundraising programme and mission group for HEIs

Ross–CASE Survey 2008-9

	Establishment of fundraising				Mission groups				
Percentage	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Trusts and foundations	61	59	69	*	74	76	63	57	50
Individual in lifetime	23	32	20	*	16	18	25	29	29
Corporate	16	6	9	*	11	6	13	14	13
Lottery	-	-	-	*	-	-	-	-	-
Other	-	3	3	*	-	-	-	-	8
Number of HEIs	*31*	*34*	*35*	*4*	*19*	*17*	*16*	*14*	*38*

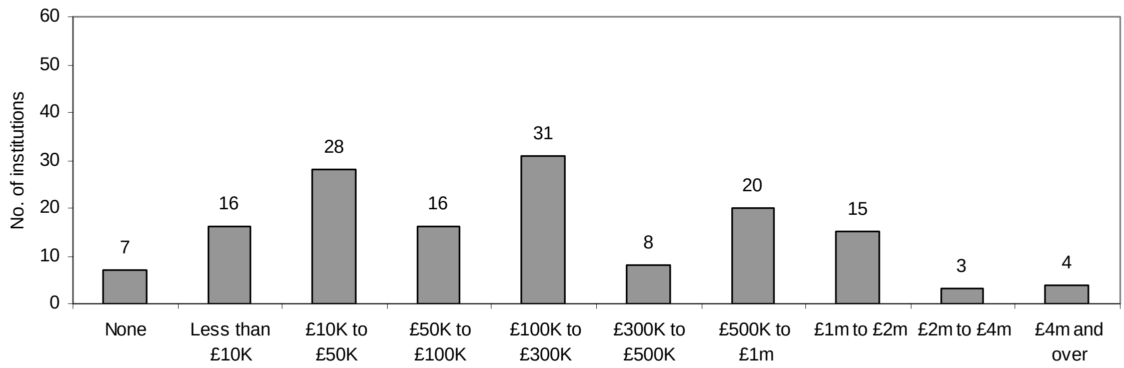
Note: Numbers are not shown for universities not giving a start date for their programme or with no fundraising programme due to low base sizes.

4.6 Largest cash gifts

The number of philanthropic cash gifts received by the higher education sector worth £500,000 or more has increased sharply, from 119 in 2006-7 to 165 in 2008-9. However, their contribution to the cash income received over the three years covered by the survey has declined. The mean contribution of largest cash gifts to total cash income received was 38 per cent in 2008-9, lower than 2007-8 (44%) and 2006-7 (45%).

As with non-legacy confirmed pledges, the distribution of the value of the largest cash gifts is very wide (Figure 4.15). One hundred and forty-one (95%) universities received a cash gift in 2008-9, but for forty-four (30%) the largest such gift was worth less than £50,000. Twenty-two 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 4.15 – Largest cash gift over one year (2008-9) for HEIs



Number of HEIs: 148

The largest cash gifts received by HEIs with established fundraising programmes contributed a median of 19 per cent to their total cash income while the corresponding figure for developing programmes was 23 per cent (Figure 4.16).

The largest cash gifts received by HEIs with newer programmes and those without a programme tended to contribute much more to their total cash income (medians of 41% and 52% respectively) than older programmes. The largest cash gifts contributed least to the total cash income of the Russell Group and 1994 Group which are the mission groups with the longest established programmes.

Figure 4.16 Largest cash gift as percentage of cash income received in 2008-9, by length of fundraising programme and mission group for HEIs

Ross–CASE Survey 2008-9

	Establishment of fundraising				Mission groups				
Percentage	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994	Million+	University Alliance	Other HEIs
Mean	27.4	27.0	47.8	56.7	15.8	31.2	47.7	43.7	40.5
Median	19.3	22.7	41.3	52.1	15.9	27.8	43.4	40.7	33.5
Number of HEIs	*36*	*37*	*62*	*7*	*19*	*19*	*24*	*22*	*58*

In 2008-9 universities were more reliant on trusts and foundations for their largest cash gifts than they had been in the previous two years (Figure 4.17). Over half (52%) of universities secured their largest cash gift from a trust or foundation in 2008-9, compared with 35 per cent in 2006-7. The relative importance of living individuals as sources of the largest cash gifts has declined over the last three years. Thirty per cent of HEIs received their largest cash gifts from living individuals in 2006-7, but this fell to 22 per cent in 2008-9. 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 of largest cash gifts made up of legacy cash has declined from 14 per cent in 2006-7 to 6 per cent in 2008-9. The proportion relying on other sources for their largest cash gifts has remained largely unchanged over the three years.

Figure 4.17 Source of largest cash gifts in last three years for HEIs

Ross–CASE Survey 2008-9

Percentage	2006-7	2007-8	2008-9
Trusts and foundations	35	48	52
Individual in lifetime	30	23	22
Legacy cash received	14	11	6
Corporate	12	10	13
Lottery	1	-	1
Other	9	7	6
Number of HEIs with cash gifts	*130*	*132*	*141*

The most common source of largest cash gifts were trusts and foundations for all mission groups (Figure 4.18). This was highest amongst Russell Group, 1994 Group and Million+ Group universities (58%) and lowest amongst University Alliance Group universities (50%).

Figure 4.18 Source of largest cash gift in 2008-9, by length of fundraising programme and mission group for HEIs

Ross–CASE Survey 2008-9

	Establishment of fundraising				Mission groups				
Percentage	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Trusts and foundations	67	38	54	29	58	58	58	50	46
Individual in lifetime	17	35	18	14	16	21	17	23	26
Legacy cash received	11	8	3	-	11	11	-	-	9
Corporate	6	11	15	43	11	5	17	23	11
Lottery	-	-	-	14	-	-	4	-	-
Other	-	8	10	-	5	5	4	5	9
Number of HEIs	*36*	*37*	*61*	*7*	*19*	*19*	*24*	*22*	*57*

4.7 Annual Fund cash income

Annual Fund cash income is defined as the total cash income received by the Annual Fund in a given year. The income reported for this measure has grown steadily since 2006-7.

Universities received £32 million in Annual Fund income in 2008-9 compared with £27 million in 2007-8 and £24 million in 2006-7 (Figure 4.19). Of the £32 million received by UK universities in Annual Fund income in 2008-9, just under £3 million was received by Scottish and Welsh universities (due to a disappointing response rate among Scottish universities this figure should be treated with some caution).

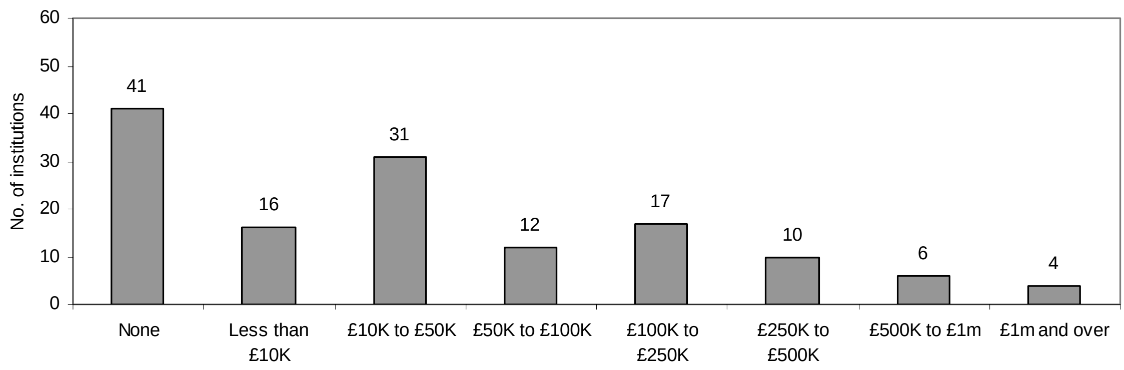
Figure 4.19 Cash income received, by Annual Funds in last three years for HEIs

Ross–CASE Survey 2008-9

£million	2006-7	2007-8	2008-9
Total value	24	27	32
Number of HEIs	*126*	*133*	*137*

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 4.20). In 2008-9, forty-one universities (30%) reported receiving no Annual Fund cash income. Forty-seven (34%) received less than £50,000 in Annual Fund income. On the other hand ten universities had Annual Funds which received £500,000 or more in cash income in 2008-9.

Figure 4.20 – Total cash income received by Annual Fund over one year (2008-9) for HEIs



Number of HEIs: 137

Universities with longer established fundraising programmes received higher Annual Fund cash income (Figure 4.21). Universities with the longest established fundraising programmes reported a median cash income of £223,000 from this source, compared to £56,000 amongst those with developing programmes and around £500 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 £465,000 in cash from this source, compared to £90,000 amongst the 1994 Group, and £13,000 amongst the University Alliance Group.

Figure 4.21 Cash received by Annual Fund in 2008-9, by length of fundraising programme and mission group for HEIs

Ross–CASE Survey 2008-9

£000s	Establishment of fundraising				Mission groups				
	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Mean	755	89	39	3	1,306	133	21	46	54
Median	223	56	1	0	465	90	5	13	2
Total	26,419	3,193	2,198	24	24,805	2,525	431	873	3,201
Number of HEIs	*35*	*36*	*57*	*9*	*19*	*19*	*21*	*19*	*59*

4.8 Alumni donors

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

The steady upward trend in the numbers of addressable alumni noted in the reports of the 2006-7 and 2007-8 findings is still evident. The total number of addressable alumni reported in this survey was just under 7.6 million in 2008-9, compared with just under 6.7 million in 2007-8 and just over 6.1 million in 2006-7 (Figure 4.22). Of UK universities' 7.6 million addressable alumni, 870,000 were alumni of Scottish and Welsh universities (due to a disappointing response rate among Scottish universities this figure should be treated with some caution).

Figure 4.22 Number of addressable alumni in the last three years for HEIs

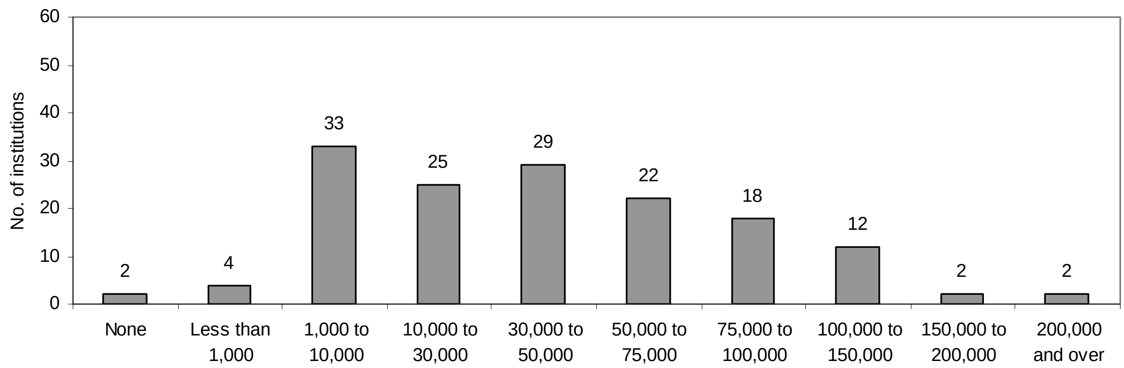
Ross–CASE Survey 2008-9

Number	2006-7	2007-8	2008-9
Addressable alumni	6,147,904	6,667,251	7,570,321
Median	34,550	35,684	40,000
Number of HEIs	*137*	*143*	*149*

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

As with other measures, there is a great deal of variation within the higher education sector in the number of addressable alumni universities have (Figure 4.23). Six 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 35,382.

Figure 4.23 – Addressable alumni in year for HEIs (average of three years)



Number of HEIs: 149

Universities with longer established fundraising programmes tended to have higher numbers of addressable alumni (Figure 4.24). Universities with the longest established fundraising programmes reported a median three-year average of 68,861, compared to 53,099 amongst those with developing programmes and 15,101 for those with more recently established programmes.

There was also variation by mission group membership. Russell Group universities had a median three-year average of 104,390 addressable alumni, compared to 58,500 for the University Alliance Group, 51,084 for the 1994 Group, and 38,219 for the Million+ Group.

Figure 4.24 Addressable alumni in year (average of three years), by length of fundraising programme and mission group for HEIs

Ross–CASE Survey 2008-9

	Establishment of fundraising				Mission groups				
Number	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Addressable alumni	2,926,465	2,057,591	1,753,741	220,625	2,229,827	954,601	976,416	1,515,804	1,281,775
Median	68,861	53,099	15,101	2,750	104,390	51,084	38,219	58,500	7,948
Number of HEIs	*36*	*37*	*65*	*11*	*19*	*19*	*26*	*22*	*63*

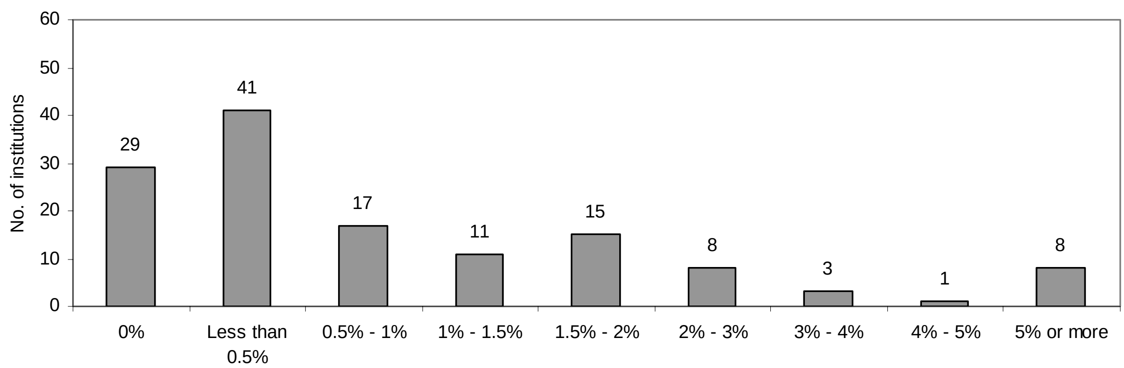
The caveats around the number of addressable alumni which are expressed above are important to note when considering the proportion of alumni who are making a donation. A large university that is very efficient in keeping track of its alumni may struggle to increase its ratio of donors to addressable 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 2008-9 the mean proportion of addressable alumni who made a donation was 1.14 per cent, compared with 1.16 per cent in 2007-8 and 1.06 per cent in 2006-7. The median figure for 2008-9 was 0.38 per cent, for 2007-8 it was 0.35 per cent, and in 2006-7 the median figure was 0.28 per cent.

The mean proportion of addressable alumni of Scottish and Welsh universities who made a donation in 2008-9 was 0.95 per cent, while the median figure was 0.17 per cent (due to a disappointing response rate among Scottish universities these figures should be treated with some caution).

Twenty-nine universities (22%) received no donations from their alumni in 2008-9, while, at the other end of the range, 12 (9%) received donations from three per cent or more of their alumni (Figure 4.25).

Figure 4.25 – Percentage of addressable alumni making a donation in year for HEIs (2008-9)



Number of HEIs: 133

There was a large degree of variation in the number of addressable alumni making a donation in 2008-9, by length of fundraising programme and mission group (Figure 4.26). The median number of alumni making a donation was 1,410 among established programmes, 359 among developing programmes and just 9 for newer programmes.

Generally, the mission groups with member institutions that had longer established fundraising programmes achieved a higher median of alumni donors, although there was a great deal of variation within mission groups. The median in the Russell Group was 2,403, over twice that of the 1994 Group (1,045), while the Million+ and University Alliance Groups had very low medians (14 and 26 respectively).

Figure 4.26 Number of addressable alumni making a donation in 2008-9, by length of fundraising programme and mission group for HEIs

Ross–CASE Survey 2008-9

	Establishment of fundraising				Mission groups				
Number	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Minimum	0	0	0	0	177	56	0	0	0
Mean	2,879	567	108	31	4,579	1,116	115	431	185
Median	1,410	359	9	0	2,403	1,045	14	26	31
Maximum	27,423	2,403	2,402	298	27,423	4,530	954	7,190	2,181
Number of HEIs	*36*	*37*	*62*	*10*	*19*	*19*	*25*	*22*	*60*

4.9 Donors

In 2008-9, 163,547 donors made a gift to the higher education sector for any purpose. This figure has risen from 145,476 in 2007-8 and 132,292 in 2006-7 (Figure 4.27). Scottish and Welsh universities had 14,879 donors in 2008-9 (due to a disappointing response rate among Scottish universities this figure should be treated with some caution).

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

Figure 4.27 Number of alumni donors and total donors in the last three years for HEIs

Ross–CASE Survey 2008-9

Number	2006-7	2007-8	2008-9
Alumni donors	108,583	116,636	131,640
All donors	132,292	145,476	163,547
	%	%	%
Percentage of alumni donors	82	80	80
Number of HEIs	*138*	*141*	*145*

Eighty-three per cent of all donors to HEIs with established fundraising programmes were alumni donors, compared with 75 per cent for developing fundraising programmes and 65 per cent for newer fundraising programmes (Figure 4.28). Between 85 per cent and 89 per cent of all donors to the Russell Group, 1994 Group and University Alliance Group universities were alumni donors. A much lower proportion of all donors to the Million+ Group (72%) were alumni.

Figure 4.28 Number of alumni donors and total donors in 2008-9, by length of fundraising programme and mission group for all HEIs

Ross–CASE Survey 2008-9

	Establishment of fundraising				Mission groups				
Number	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Alumni donors	103,627	20,995	6,707	311	86,999	21,208	2,863	9,472	11,098
All donors	124,601	28,062	10,385	499	97,980	24,835	3,961	10,698	26,073
	%	%	%	%	%	%	%	%	%
Percentage of alumni donors	83	75	65	62	89	85	72	89	43
Number of HEIs	*36*	*37*	*64*	*10*	*19*	*19*	*25*	*22*	*60*

4.10 Summary of trends in analysis of gifts

The picture for specific sources of income in the higher education sectors' philanthropic fundraising is a mixed one. Measures such as legacy cash income received and equivalent value of gifts-in-kind received have fluctuated over the last three years, but have not grown appreciably. Annual Fund cash income has grown steadily, but the total value of largest non-legacy confirmed pledges has fallen in 2008-9.

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

5 Key cost trends

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 2007-8 and 2006-7 survey reports. All the data reported in this chapter, unlike the other chapters, exclude universities that reported starting their development or fundraising programme less than three years ago (i.e. in 2005 or later), or who do not have a programme. The reason for this is that including such universities would give a misleading picture of the efficiency of universities' fundraising. Universities which start a fundraising programme will inevitably commit significant sums in investment in staff and associated overheads such as databases at the start of the programme, while there will be a time lag between this and when it starts to bear fruit in terms of income and pledges received. Hence we believe that it is most meaningful to look at universities which have had a fundraising programme in place for at least three full financial years. However, it is important to note that these figures will still include a number of universities that have relatively young fundraising programmes. Thirty universities included in this section of the analysis began their programmes in 2000 or more recently (compared to 26 in the 2007-8 survey report).

In last year's report those universities which participated in the £7 million UUK sponsored matched funding scheme for fundraising programmes which began in 2004 and who participated in the survey 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 2008-9, this group have experienced a decrease in median new funds secured, comparable to the sector as a whole. However, the cash income received for this group has increased sharply in 2008-9. The median value of new funds secured by UUK sponsored universities decreased slightly from £888,000 in 2007-8 to £844,000 in 2008-9, but the median cash income increased from £487,000 to £957,000.

5.1 Commentary by the Ross Group Editorial Board

1. Further investment in fundraising activities in universities is reflected in the fundraising expenditure reported in the survey. The figures for increased investment in the last two years (14.4% and 17.5%) are very close to the increases in cash income received for the same period (12.7% and 18.8%). Whilst it is unlikely that there is a direct causal relationship between the figures, as it normally takes 2 to 3 years for additional investment to have its full impact, the underlying message is that additional investment improves performance.

2. This pattern should be noted as relating to universities that have been fundraising for more than 3 years. For universities with more recent start-ups, figures appear to be affected by significant start up costs and by the lead time in developing income from a programme of activity.

3. Overall, investment in fundraising represents a small percentage of the total institutional expenditure – typically around 0.25 per cent (one quarter of one percent – page 55).

4. The section relating to the universities that benefited from the UUK capacity building programme (page 64) reveals significant progress in funds raised and in investment. The large growth in new funds secured last year has translated effectively into a 100 per cent growth in the median for cash income received during 2008-9. The results suggest that there is a strong case for repeating this capacity building approach as it would enhance the chances of success of the many new fundraising programmes being reported.

5. The sector as a whole benefits greatly from its fundraising activities, with cash income received exceeding costs by £437 million, highlighting the importance of philanthropy to the sector. However, as noted in the introduction, the distribution of income and costs are highly variable and a disaggregation of the whole is revealing. Charting cash income against costs (page 57) makes it clear that larger programmes deliver better returns in total cash received and in the cost per pound. A group of universities appear to be making very good progress at a cost of circa 15p in the £, although evidence elsewhere suggests that this or even less may represent a degree of underinvestment or that they are benefiting from the higher returns that can develop during a campaign.

6. The section on cost trends uses 'cash income received' in all analysis costs set against income, including the classic 'pence in the pound' measure. This remains the most robust standard for reporting, and will continue to be the primary benchmark for the report.

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

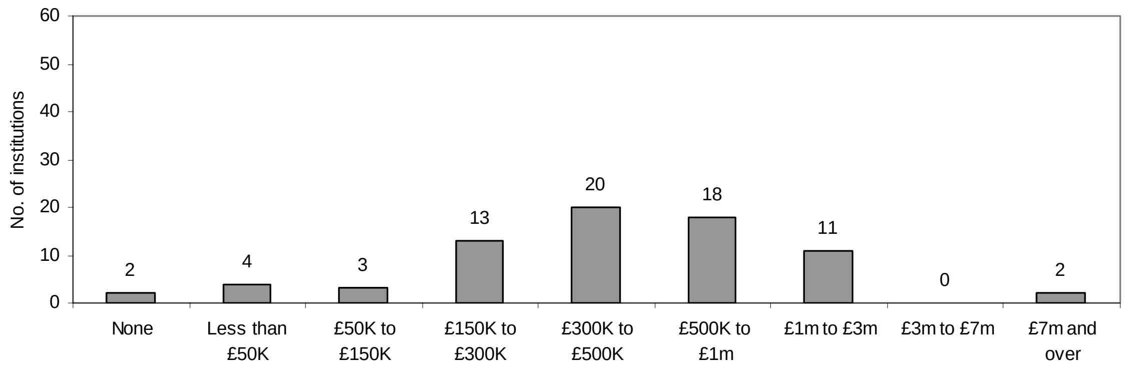
5.2 Total fundraising expenditure

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 per cent of the costs of operations and databases, including operational heads, and database managers and officers. (NB it does NOT include alumni relations and non-staff expenditure, as outlined below).

Continuing the trend observed in the previous two reports, fundraising expenditure has risen steadily over the past three years. Total expenditure across the selected participating universities rose from £49 million in 2006-7 to £56 million in 2007-8 and £66 million in 2008-9. This represents an increase of between 14 and 18 per cent year-on-year.

There was considerable variation in the total fundraising expenditure among the selected 73 universities in 2008-9 (Figure 5.1). The distribution is a wide one. Just over half (58%) 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 spending more than £7 million.

Figure 5.1 – Total fundraising expenditure in year for HEIs (2008-9)



Number of HEIs starting a fundraising programme before 2005: 73

5.3 Structure of fundraising costs

In line with the findings of previous reports, just over two-thirds of the fundraising costs were staffing costs in 2008-9 (Figure 5.2). Total fundraising costs rose 35 per cent over the three years covered by the survey. Staff costs increased slightly faster (38%) than the total fundraising costs; the rate of increase for non-staff costs over the three years was lower (27%).

Figure 5.2 Breakdown of fundraising costs over last three years

Ross–CASE Survey 2008-9

£million	2006-7	2007-8	2008-9
Total fundraising costs	49	56	66
Staff costs	32	37	44
Non-staff costs	17	18	21
Number of HEIs starting a fundraising programme before 2005	*71*	*72*	*73*

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 £663,000 on fundraising with a median of £488,000 on staff costs. This is compared to a median total cost of £347,000 and median staff costs of £260,000 for institutions with developing programmes (established between 1998 and 2004).

The Russell Group universities reported considerably higher costs than other mission groups. This group reported median total fundraising costs of just under £1.2 million and median staff costs of £741,000. Universities from the 1994 Group spent a median of £446,000 on fundraising, compared to £346,000 reported by the University Alliance Group.

Figure 5.3 Breakdown of fundraising costs in 2008-9, by length of fundraising programme and mission group

Ross–CASE Survey 2008-9

	Establishment of fundraising		Mission groups				
£million	Established (11+ years)	Developing (4-10 years)	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
Total fundraising expenditure							
Mean	1.4	0.4	2.4	0.5	*	0.4	0.5
Median	0.7	0.3	1.2	0.4	*	0.3	0.3
Total	51.5	14.0	40.1	8.2	*	3.4	13.3
Staff costs							
Mean	1.0	0.3	1.6	0.3	*	0.3	0.3
Median	0.5	0.3	0.7	0.3	*	0.3	0.2
Total	34.3	10.1	26.9	5.8	*	2.6	8.8
Non-staff costs							
Mean	0.5	0.1	0.8	0.1	*	0.1	0.2
Median	0.2	0.1	0.3	0.1	*	0.1	0.1
Total	17.2	3.9	13.2	2.4	*	0.8	4.5
Number of HEIs starting a fundraising programme before 2005	*36*	*37*	*17*	*17*	*4*	*9*	*26*

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

Universities' expenditure on fundraising is only a tiny fraction of universities' total expenditure (Figure 5.4). In 2008-9, median expenditure on fundraising among the Russell Group, 1994 Group, the University Alliance Group and the remaining HEIs who do not belong to a formal mission group represented between 0.20 per cent and 0.30 per cent of their total expenditure.

Over the three years covered by the survey, for most mission groups the proportion of total expenditure accounted for by fundraising expenditure was stable or increased.

Figure 5.4 Fundraising expenditure in year in the last three years as proportion of total expenditure, by mission group

Ross–CASE Survey 2008-9

Median fundraising expenditure as proportion of total expenditure	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
2006-7	0.23	0.24	*	0.16	0.22
2007-8	0.25	0.25	*	0.17	0.25
2008-9	0.22	0.30	*	0.23	0.29
Number of HEIs starting a fundraising programme before 2005	*17*	*17*	*4*	*9*	*26*

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

5.4 Fundraising expenditure per pound received

Using our preferred measure of fundraising efficacy – median cost per pound received – the ratio has fluctuated over the three years, but returned to its 2006-7 level of 27p in 2008-9.

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

Overall, the median value of selected participating HEIs' fundraising expenditure per pound received in 2008-9 was 27p (Figure 5.5). This was lower than the median expenditure in 2007-8 (31p) and the same as 2006-7. The cost per pound ratio was higher and rising among HEIs with the newest fundraising programmes.

Figure 5.5 Fundraising expenditure per pound secured in the last three years

Ross–CASE Survey 2008-9

£	2006-7	2007-8	2008-9
Median	0.27	0.31	0.27
Number of HEIs starting a fundraising programme before 2005	*71*	*72*	*73*

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.

Figure 5.6 shows that there is a broad correlation between the amount spent on fundraising and the cash income received. However, it also shows some interesting variation. For instance among the four universities with the highest cash income (to the right of the chart) there is a £2 million difference in the amount spent on fundraising to generate that level of return. Similarly for universities receiving just over £6 million in cash income (towards the middle of the chart) there is a large variation in fundraising costs.

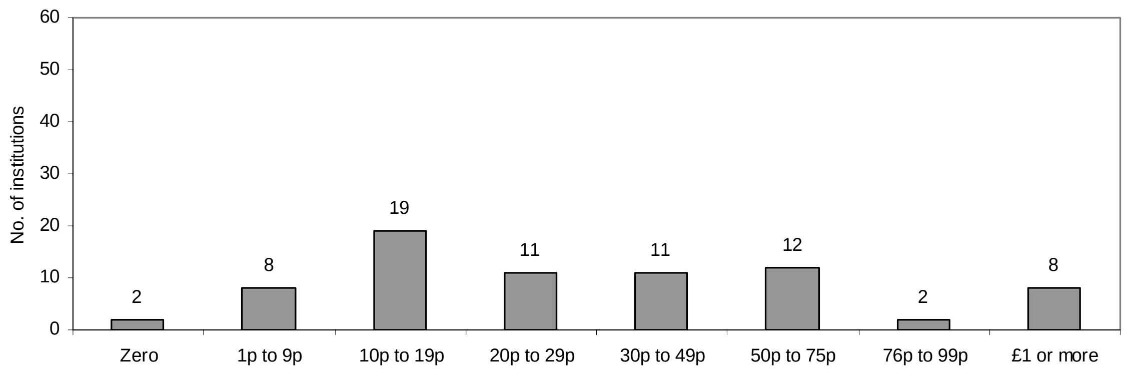
Figure 5.6 – Fundraising expenditure compared with cash income received in year for HEIs excluding Oxford and Cambridge (2008-9)

Number of HEIs starting a fundraising programme before 2005: 71

There was considerable variation in the median fundraising expenditure per pound received between universities (Figure 5.7). At the top end of the distribution eight universities reported spending at least one pound to receive a pound in 2008-9, and a further twenty-five between 30p and £1. Eight programmes reported very lean figures – spending between 1p and 9p to receive a pound.

Care should be taken in interpreting the variation. Greater investment in a fundraising programme is often required to produce more philanthropic income. However, a consistently high cost per pound ratio is, naturally, a flag for concern. In many fields a low ratio, that is a high yield of cash from a low investment, would be regarded as a good result. But it is possible to take this too far in fundraising: high cash yields from low investments may in fact indicate an underfunded programme, rather than good efficiency. The Ross Group Editorial Board regard the ideal ratio being 10 - 30 pence spent for every pound received. Thirty (41%) universities had achieved this ideal ratio in 2008-9.

Figure 5.7 – Median fundraising expenditure per pound received in year for HEIs (2008-9)

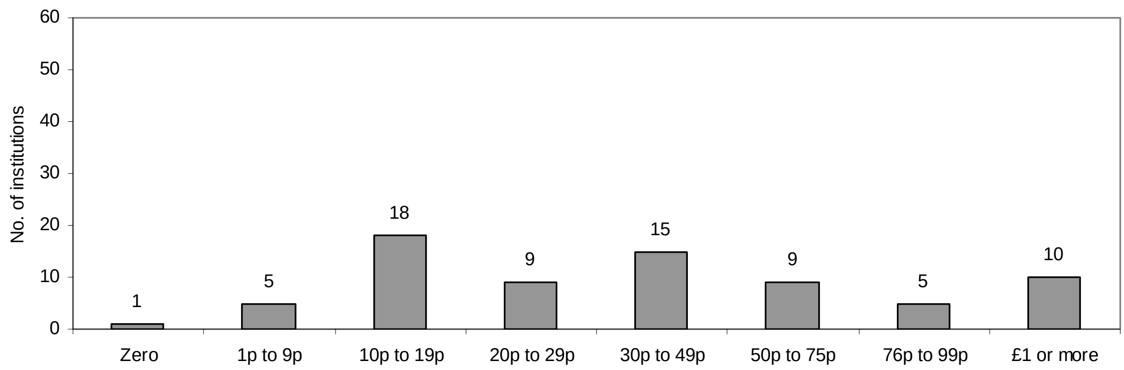


Number of HEIs starting a fundraising programme before 2005: 73

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 5.8).

The distribution of the figures for the last three years is similar to those for 2008-9. Over the three years, a slightly lower proportion (38%) achieved the “ideal” ratio of between 10 and 30 pence in the pound, than did in 2008-9 (41%).

Figure 5.8 – Fundraising expenditure per pound received in year for HEIs (average of three years)



Number of HEIs starting a fundraising programme before 2005: 72

Looking at fundraising expenditure per pound received over the three years covered by the survey, there was a large degree of variation both within and between mission groups on this measure (Figure 5.9). While for the Russell Group the median cost per pound received has been stable over the three years, and now stands at 13p, for other groups this measure has fluctuated. Like the Russell Group, the 1994 Group and the HEIs which are not part of any formal mission group also achieved the ideal ratio of between 10 and 30 pence in the pound in 2008-9, although their ratios (28p and 27p respectively) were much higher than the Russell Group (13p).

Figure 5.9 Fundraising expenditure per pound secured in year in the last three years, by mission group

Ross–CASE Survey 2008-9

£median	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
2006-7	0.12	0.27	*	0.86	0.27
2007-8	0.12	0.38	*	1.11	0.19
2008-9	0.13	0.28	*	0.75	0.27
Number of HEIs starting a fundraising programme before 2005	*17*	*17*	*4*	*9*	*26*

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

5.5 Expenditure on alumni relations

There was a positive correlation in 2008-9 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 high quality fundraising programme.

Expenditure on alumni relations has continued to increase in 2008-9. In 2008-9 UK universities spent £19 million on alumni relations, excluding the cost of the alumni magazine, up from £16 million in 2007-8 and £15 million in 2006-7 (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 per cent of the costs of operations and databases, including operational heads, and database managers and officers. (It does not include the costs of printing or posting the alumni magazine, which are accounted for separately).

There has also been an increase in the level of expenditure on alumni magazines in the higher education sector over the last three years. Expenditure on alumni magazines for the sector was just under £7 million in 2006-7, and just under £8 million in both 2007-8 and 2008-9.

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

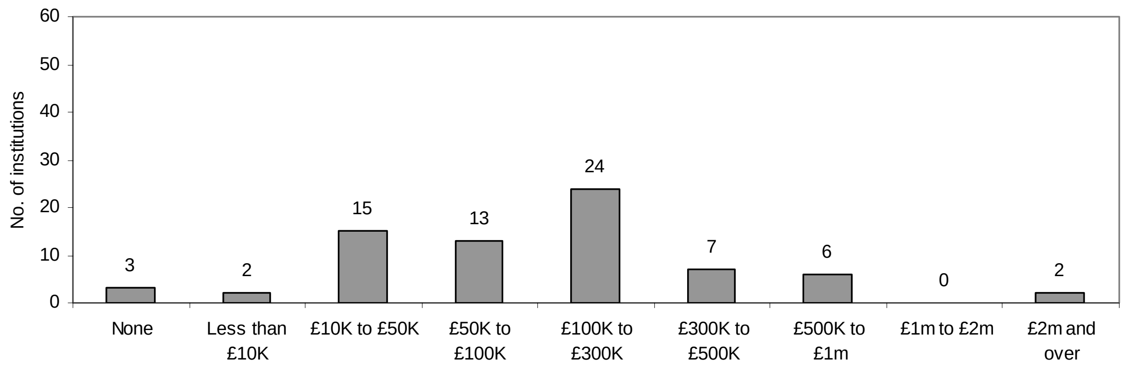
Ross–CASE Survey 2008-9

£million	2006-7	2007-8	2008-9
Total fundraising costs	49	56	66
Expenditure on alumni relations (excluding the cost of the alumni magazine)	15	16	19
Cost of the alumni magazine	7	8	8
Number of HEIs starting a fundraising programme before 2005	*71*	*72*	*73*

The median ratio of expenditure on alumni relations to total fundraising expenditure as an average over the three years covered by the survey was 30 per cent. The ratio has decreased slightly over the period covered by the surveys. It was 31 per cent in 2006-7, and 29 per cent in both 2007-8 and 2008-9.

There was considerable variation between the expenditure of HEIs on alumni relations in 2008-9 (Figure 5.11). Thirty-three universities (46%) reported expenditure below £100,000, thirty-one (43%) reported expenditure between £100,000 and £500,000 and eight reported expenditure above this level.

Figure 5.11 – Expenditure on alumni relations (excluding the cost of the alumni magazine) in year for HEIs (2008-9)



Number of HEIs starting a fundraising programme before 2005: 72

5.6 Fundraising and alumni staffing

The number of full-time equivalent fundraising and alumni relations staff employed in higher education institutions which have been fundraising for over three years has grown over the last year (Figure 5.12). The number employed in fundraising in 2008-9 was 7 per cent higher than the previous year, with the number employed on alumni relations increasing at the more rapid rate of 13 per cent.

The median number of FTE fundraising staff per selected participating HEI in 2008-9 was 7 and the median number of alumni relations staff was 3.

These figures are derived from the returns from the surveys for 2006-7, 2007-8 and 2008-9.

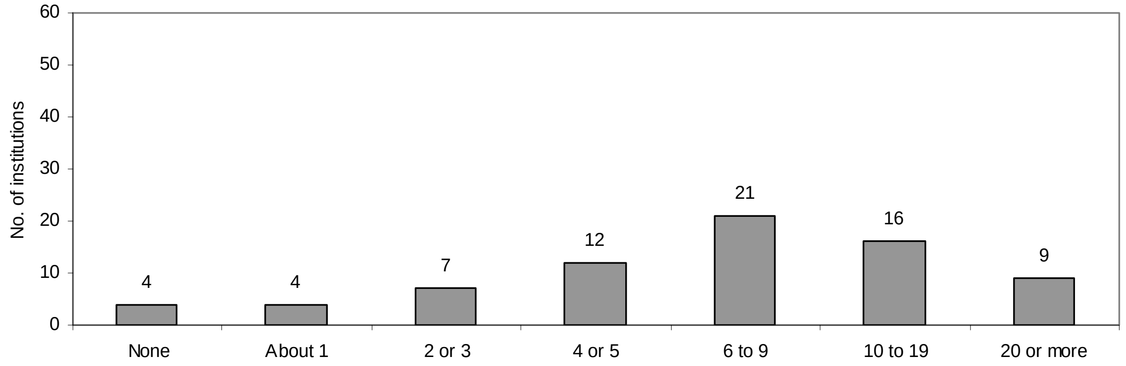
Figure 5.12 Breakdown of fundraising and alumni staffing over last three years

Ross–CASE Survey 2006-7, 2007-8, 2008-9

Number	2006-7	2007-8	2008-9
Total FTE Fundraising staff	734	851	913
Total FTE Alumni relations staff	313	366	412
Median FTE Fundraising staff	6.0	6.5	7.0
Median FTE Alumni relations staff	3.0	3.0	3.0
Number of HEIs starting a fundraising programme more than three years previously	*59*	*67*	*73*

In 2008-9, nine (12%) universities employed 20 or more fundraising staff, 16 (22%) employed between 10 and 19, and 21 (29%) employed between six and nine (Figure 5.13). Overall 46 (63%) HEIs had six or more fundraising staff, while 15 (21%) had three or fewer.

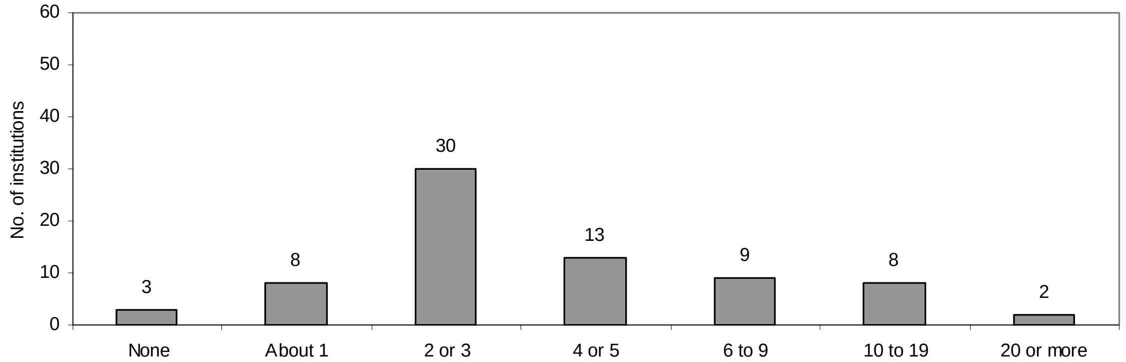
Figure 5.13 – FTE staff working mainly on fundraising in year for HEIs (2008-9)



Number of HEIs starting a fundraising programme before 2005: 73

The picture is different for alumni relations staff (Figure 5.14). Nineteen universities (26%) employed more than five alumni relations staff, compared with 63 per cent who employed more than five fundraising staff. Forty-one universities (56%) had three or fewer alumni relations staff.

Figure 5.14 – FTE staff working mainly on alumni relations in year for HEIs (2008-9)



Number of HEIs starting a fundraising programme before 2005: 73

5.7 Cost of alumni magazine

Universities who had begun a fundraising programme before 2005 spent almost £8 million on alumni magazines in 2008-9. The mean spend was £1.60 and the median spend was £1.05 per addressable alumni.

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 in 2008-9 between alumni magazine costs and the number of addressable alumni reported in this survey.

The mean cost of alumni magazines per addressable alumni has declined over the last three years (Figure 5.15). The mean was £1.70 in 2006-7, £1.62 in 2007-8 and £1.60 in 2008-9. The median figure has also declined, although most of the decline has been in the last year. The median was £1.05 in 2008-9, compared with £1.26 in 2006-7 and £1.23 in 2007-8.

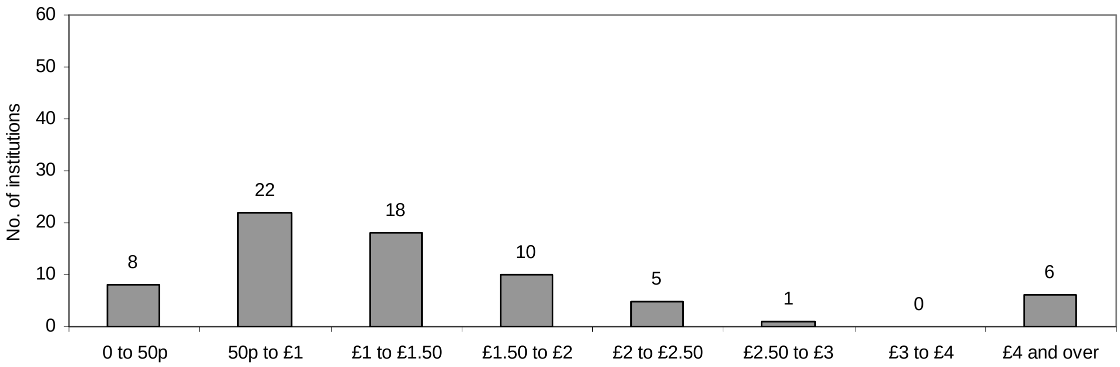
Figure 5.15 Breakdown of expenditure on alumni magazines per addressable alumni over last three years

Ross–CASE Survey 2008-9

£	2006-7	2007-8	2008-9
Mean	£1.70	£1.62	£1.60
Median	£1.26	£1.23	£1.05
Number of HEIs starting a fundraising programme before 2005	*63*	*66*	*70*

There was considerable variation in the cost of alumni magazines per addressable alumni among the selected HEIs, ranging from 9p to £10.59 (Figure 5.16). Twenty-two universities (31%) had a cost per alumni of between 50p and £1 while another eighteen (26%) had a cost of between £1 and £1.50 per alumni.

Figure 5.16 – Cost of alumni magazine per addressable alumni for HEIs (2008-9)



Number of HEIs starting a fundraising programme before 2005: 70

5.8 Fundraising capacity building scheme managed by UUK

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

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

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

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

Some of these universities had only just started a fundraising programme in 2004. However, a small minority (24%) are now established fundraisers, just under two percentage points higher than the figure for the higher education sector overall. The remainder of the UUK scheme participants started a programme between 1998 and 2004.

The median value of funds secured by UUK sponsored institutions decreased from £888,000 in 2007-8 to £844,000 in 2008-9, a decrease of 5 per cent over the last year (Figure 5.17). However, the 2008-9 median is still well above the 2006-7 median of £503,000. The rate of decrease in total new funds secured is also lower than the sector as a whole (21%).

Median cash income received experienced sharp growth, from £487,000 in 2007-8 to £957,000 in 2008-9.

These universities have continued to invest heavily in their fundraising programmes. The total fundraising expenditure has grown from £4.5 million in 2006-7 to £5.2 million in 2007-8, and to just over £6 million in 2008-9; a 19 per cent increase in the last year. This continued increase in expenditure promises good success for wise use of expanded resources and disciplined strategic fundraising efforts.

Figure 5.17 The UUK sponsored universities – key measures in 2008-9

Ross-CASE Survey 2008-9

£000s	2006-7	2007-8	2008-9
New funds secured	13583	25155	23174
Median	503	888	844
Cash income received	11430	10253	16002
Median	539	487	957
Cash income which could be eligible for matched funding	9730	9075	12144
Median	459	347	636
Fundraising expenditure	4460	5153	6114
Median	279	299	349
Number of UUK universities starting a fundraising programme before 2005	*17*	*17*	*17*

5.9 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 received returned in 2008-9 to its 2006-7 level of 27p. However, the larger increase in fundraising expenditure by English HEIs in the last year suggests that this 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. Though these universities experienced a drop in the median value of their new funds secured in the last year, their median value of cash income received increased strongly.

6 Findings from Wales

6.1 Fundraising

The key fundraising data from the 2008-9 Ross–CASE survey for Wales are presented below (Figure 6.1).

- Welsh universities secured £4.5 million in new funds in 2008-9, up from just under £1.3 million in 2007-8 (growth of 245 per cent over the year) and around £1.25 million in 2006-7 (growth of 3 per cent over the year).

- Welsh universities received £1.9 million in philanthropic cash income in 2008-9. This is an increase from £1.4 million in 2007-8 (growth of 39 per cent over the year) and £804,000 in 2006-7 (growth of 69 per cent over the year). Fourteen per cent of the cash income received in 2008-9 was from legacies (£255,000).

- The total amount of new funds secured by Welsh universities has increased by 256 per cent since 2006-7, and the cash income received by 134 per cent.

- The Welsh Assembly Government has recently decided to implement a matched funding scheme for Welsh institutions[6] to increase and expand the fundraising capacity of Welsh universities. This £10 million matched funding scheme will run for three years starting in the academic year 2009-10. In 2008-9, the last year before the introduction of the scheme, Welsh universities received £1.5 million in cash income which could be eligible for matched funding.

- Gifts-in-kind as a source of new funds for Welsh universities have fluctuated over the three years, and were worth £183,000 in 2008-9. Cash income from Annual Funds grew from £32,000 in 2006-7 to £46,000 in 2007-8 (growth of 44 per cent over the year) but more than doubled the next year to £101,000 in 2008-9.

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

Figure 6.1 Key fundraising data from Wales

Ross-CASE Survey 2008-9

£000s	2006-7	2007-8	2008-9
All HEIs			
New funds secured	1251	1293	4459
Cash income received	804	1355	1884
Cash income which could be eligible for matched funding	421	772	1554
Legacies cash income received	443	578	255
Gifts-in-kind	207	6	183
Annual Fund cash income	32	46	101
Number of Welsh higher education institutions	*11*	*11*	*11*

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

- As with the sector as a whole, Welsh universities experienced mixed fortunes in 2008-9. Five universities saw their new funds received fall and four saw their new funds received decline by 50 per cent or more. Four saw their new funds secured increase, with three seeing them increase by 50 per cent or more.

- Four universities experienced a fall of 50 per cent or more in their cash income received. Five saw their cash income received increase, with three seeing this increase by 50 per cent or more.

- The largest non-legacy confirmed pledges were worth just under £2.2 million in 2008-9, up from £80,000 in 2007-8 and £228,000 in 2006-7. Of those responding, four out of five said their largest pledge in 2008-9 was from a trust or foundation.

- The largest cash gifts were worth £661,000 to Welsh universities in 2008-9, up from £386,000 in 2007-8 and £513,000 in 2006-7. Of those responding, just over half (56%) said their largest cash gift in 2008-9 was from a trust or foundation.

6.2 Alumni fundraising

The key alumni fundraising data from the 2008-9 Ross–CASE survey for Wales are presented below (Figure 6.2).

- In total, Welsh universities had just over 277,000 addressable alumni in 2008-9. This is nearly double the 2007-8 figure of just under 150,000. The larger increase in addressable alumni in 2008-9 (95 per cent growth from 2007-8) compared with 2007-8 (7 per cent growth from 2006-7) suggests Welsh universities have made intensive efforts in the last year to update their alumni records.

- The number of alumni giving to Welsh universities was 854 in 2008-9, an increase from 303 in 2007-8 and 161 in 2006-7. The proportion of the total number of donations made by alumni reached 68 per cent in 2008-9, up from around 60 per cent in both 2007-8 and 2006-7.

- The total number of donors to Welsh universities was 1,248 in 2008-9, up from 518 in 2007-8 (growth of 141 per cent over the year) and 263 in 2006-7 (growth of 97 per cent over the year).

- The mean proportion of addressable alumni making a gift for any purpose in 2008-9 was 0.18 per cent.

Figure 6.2 Key alumni fundraising data from Wales

Ross-CASE Survey 2008-9

Number	2006-7	2007-8	2008-9
All HEIs			
Addressable alumni	133,489	142387	277366
Alumni making donations	161	303	854
Donors	263	518	1248
Number of Welsh higher education institutions	*10*	*10*	*11*

6.3 Fundraising costs and staffing

University fundraising is not well established in Wales. Of the eleven Welsh universities, only three reported starting their development or fundraising programme before 2005. We are unable to provide further analysis in this report of the fundraising costs and staffing of these universities, as to do so would potentially be disclosive of the results of the individual universities concerned.

Appendix A Reporting Rules

ROSS-CASE GROUP SURVEY SUB-GROUP

FINAL ACCOMPANYING TEXT FOR 2008/9 SURVEY.

ROSS-CASE SURVEY

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

Reporting Rules for questionnaire completion

Developed by the Ross Group of Development Directors

Revised September 2009

1 Introduction

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

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

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

1.4 **Please read the rules below with care** 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 secured as gifts or donations can only be counted within this survey as philanthropic funds if they meet ***both*** of the following two criteria:

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

and

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

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

Eligible sources of philanthropic funds

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

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

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

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

2.3.4 Donations from charitable trusts and foundations in the UK and overseas.

This includes donations from independent charities associated with NHS Trusts (but not direct from NHS Trusts).

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

2.3.6 Gifts from companies in the UK and overseas.

2.3.7 Gifts from overseas governments or their agencies and foundations.

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

2.3.9 Funding through the Land Fill Scheme.

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

Ineligible sources of philanthropic funds

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

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

2.5.2 Funding from NHS Trusts.

2.5.3 All funding from the EU or its agencies.

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

2.5.5 Internal transfers within the institution.

Definition of philanthropic intent

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

Exclusions from philanthropic intent

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

2.7.1 Table of Exclusion criteria

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

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

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

Donor Stewardship

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

Corporate Sponsorship

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

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

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

- naming an event after the sponsor;
- displaying the sponsor's company logo or trading name;
- participating in the 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 secured'

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

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

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

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

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

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

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

The remainder of this section provides guidance on how to count and report on 'funds secured' for the purposes of the survey. For clarity of language, it assumes that entries are for the 2008/9 year. Universities entering or amending data for previous years will need to adjust for each year accordingly.

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

3.2.1 new cash received in 08/09 that results from new (non-legacy) pledges (whether from multi-year pledges or one-off cash gifts) made in 08/09

PLUS

3.2.2 cash due to be received beyond 08/09 as a result of new pledges made during 08/09, counting up to five years' worth of funding for each pledge (the five years includes the year in which the pledge is made).

PLUS

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

3.3 'Funds secured' **excludes**

3.3.1 Cash received during 08/09 from pledges made prior to 08/09 as these should have already been counted in 'funds secured' in those previous years (whether or not the institution was actually participating in this survey).

Treatment of Shares and Financial instruments under 'funds secured'

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

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

3.4.2 Sales receipts in respect of gifts of shares and financial instruments made in previous years should not be recorded in 'funds secured' for 08/09 as these gifts should have been recorded under 'funds secured' in previous years at their imputed value at the time they were given.

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

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

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

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

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

Return of unspent monies under 'funds secured'

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

Requirement for documentation under 'funds secured'

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

3.8 Oral pledges should not be included in the survey.

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

Legacies and 'funds secured'

3.10 Legacy cash income received during 08/09 should be included under funds secured.

3.11 If the University received notification during 08/09 that a will has gone through probate, but the related cash was not received during 08/09, no value should be included under 'funds secured', even if specified sums are included in the probate documentation.

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

Pledge duration under 'funds secured'

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

<u>4. Reporting Cash Received</u>

4.1 **"Cash received"** (survey question 6.1) records the value of all cash received by the institution in 08/09 as a result of philanthropic giving (as defined above).

Cash received **includes**:

4.1.1 the cash received during 08/09 resulting from new pledges made in 08/09 (whether from multi-year pledges or one-off cash gifts). (This will be the same figure as that calculated for 3.2.1 above).

PLUS

4.1.2 the cash received in 08/09 as a result of pledges made in previous years.

PLUS

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

PLUS

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

4.2 Cash received **excludes**:

4.2.1 the actual net cash received from the sale of financial instruments donated in previous years (i.e. before 08/09), 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 08/09, whether this relates to gifts received during 08/09 or in previous years. Any such returns of cash should be deducted from the 'cash received' total (and 'funds secured' returns) for the appropriate year(s) - see also 3.6 above.

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

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

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

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

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

6.1 This section of the survey is included at the request of HEFCE which is administering the £200M matched funding scheme in support of English Higher Education Institutions. It 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 2008-09, 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 08/09 income.

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

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

Please note: section 6.6.4 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 four sources:

6.6.1 Legacy gifts (i.e. legacy cash income received in year from deceased individuals)
6.6.2 Lottery grants
6.6.3 Funds from foreign governments (grants and gifts)
6.6.4 Income from the following Trusts and Foundations must be excluded from the return, due to their size:

UK trusts and foundations

- Arts Council England
- Wellcome Trust

- Co-operative Action
- National Lottery

International trusts and foundations (all in the US)

- Gates Foundation
- Ford Foundation
- Lilly Endowment
- Robert Wood Johnson Foundation
- William and Flora Hewlett Foundation
- W.K. Kellogg Foundation
- Gordon and Betty Moore
- Jewish Communal Foundation
- Andrew W. Mellon Foundation
- John T. and Catherine McArthur Foundation
- Annie E. Casey Foundation
- Walton Family Foundation
- David and Lucile Packard Foundation
- Pew Memorial Foundation
- Kresge Foundation
- United Jewish Appeal

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

UK trusts and foundations:

- Wolfson-Wellcome Capital Wards in Biomedical Science

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

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

7 Fundraising expenditure (survey questions 19-22)

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

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

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

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

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

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

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

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

8 Worked examples

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

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

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

		£000s				
	Description of support	**Q5 Funds secured**	**Q6 Cash receive d**	**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. *This type of legacy pledge cannot be recorded in the survey.*	-	-	-	-	-
I	Two alumni have died leaving legacy gifts totalling £92,000. The University receives notification during the year that both wills have gone through probate, but no cheques were received during the year.	-	-	-	-	-
J	One alumna has died and the University received notification during the year that the will had gone through probate. A total of £140,000 is due to the university and the first instalment of £80,000 was received during the year. [Note: in this example if the remaining £60,000 is received the following year, that £60,000 would be included under both 'funds secured' and 'cash received' in that year. See also K below]	80	80	-	-	-
K	The final instalment of a legacy of £100,000 has been received, worth £25,000. The previous instalments were received last year.	25	25	-	-	-
L	Two hundred donors have made one-off Annual Fund cash gifts (cheque / credit cards) – all received	55.5	55.5	55.5	-	55.5

	– worth £55,500.					
M	One hundred Annual Fund donors have taken out open ended standing orders of £1000/p.a. and the first instalments worth £100,000 have been received. *As the standing orders have been set up, a further 4 years of instalments, worth £400,000, can be recorded as confirmed pledges under 'funds secured'.*	500	100	100	-	100
N	£66,000 has been received from previous Annual Fund standing orders set up in previous years	-	66	66	-	66
O	In your telephone campaign, 25 alumni made oral pledges totalling £20,000 over four years, but no paper work has been received. *These oral pledges cannot be recorded anywhere on the questionnaire.*	-	-	-	-	-
	Totals to be reported at each question	**1290.5**	**531.5**	**386.5**	**35.0**	**221.5**

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

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

			contact could be made with the donor to seek to have this clause removed. It is the wording of the agreement that counts.
G	A charitable foundation awards a project grant to the University. The grant has a defined multi-year timeline and payment schedule; milestones to deliver along the way; and a specific purpose. An annual report and three quarterly updates must be submitted by the University each year. The Foundation may request additional reports. The Foundation "is making the grant in furtherance of its charitable purposes" and requires that any knowledge gained during the project "be promptly and broadly disseminated to the scientific and international development community. None of the 7 exclusion criteria under 2.7.1 apply.	**ELIGIBLE**	**None.** Neither the inclusion of detailed reporting requirements, nor agreed milestone targets along the way, undermine the philanthropic intent of the grant.
H	A professional institute provides a donation to fund a Principal Researcher researching a niche area of research. The results of this research are relevant to the interests of the members of the funding institute. The funded person is required to provide the funder with a quarterly report on the progress of the research. The funder has the exclusive rights to publicise the results on their website, thereby putting them in the public domain. The University grants the funder a non-exclusive license to use the results and copyright materials generated in the course of the project.	**INELIGIBLE**	**Two exclusions: No. 3 – exclusive publication; and No. 5 – IP rights.**
I	A funder funds both a piece of research and also a post for a three-year period. The agreement states that the post holder will work both across the research as well as on other projects. The agreement for the research funding includes the requirement for a share in any resulting IPR but there is no specific provision for a share of IPR on the funding of the post.	**INELIGIBLE**	**Research funding – one exclusion: No. 5 – IP rights.** **Post funding – excluded as part of the agreement relates to non-philanthropic activity (see 2.7 and 2.9.2)**
J	A fellowship is jointly funded by the MRC and a charity. The overall agreement meets all of the criteria for a philanthropic gift according to the **Ross-CASE** rules.	element funded by the charity - **ELIGIBLE**; MRC element **INELIGIBLE** (Government funding).	**None**

K	A major trust (e.g. Wellcome) funds both research contracts through their funding programmes, as well as making philanthropic donations to institutions for buildings and equipment.	Research contract funding **INELIGIBLE** Philanthropic donations **ELIGIBLE** (as long as the institution owns the new facility – e.g. building or laboratory).	Research Contract Funding – **One exclusion:** **No. 1 – contractual Relationship** Philanthropic elements **– None**

Appendix B Rules and examples relating to donor control of funds

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

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

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

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

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

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

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

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

January 2008

Company gifts that can be included

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

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

(source: HMRC Reference: Notice 701/41)

Company sponsorship that must be excluded

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

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

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

Appendix C List of Institutions responding to the survey

Participating Institutions

*indicates institution participated in 2007-8 survey

Higher Education Institutions

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

Trinity University College Carmarthen
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 Cardiff
University of Central Lancashire*
University of Chester*
University of Chichester*
University of Cumbria
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 Glamorgan
University of Glasgow*
University of Gloucestershire*
University of Greenwich*
University of Hertfordshire*
University of Huddersfield*
University of Hull*
University of Kent*
University of Leeds*
University of Leicester*
University of Lincoln*
University of Liverpool*
University of London and its Institutes*
University of Manchester*
University of Newcastle upon Tyne*
University of Northampton*
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*

FE Institutions*

Askham Bryan College*
Blackburn College*
Doncaster College*
Filton College*
Highbury College, Portsmouth*
Kingston College*
Leeds City College
Leicester College*
Moulton College*
Newbury College*
North Warwickshire and Hinckley College*
Northbrook College, Sussex*
Ruskin College*
South Downs College*
St Helens College*
Warwickshire College*

Appendix D List of checks undertaken by NatCen for Ross-CASE survey 2008-9

1. Logic checks

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

a) Total Funds secured in philanthropic gifts (5) must be greater than or equal to:

- Legacies (6.2)
- Equivalent cash value of gifts-in-kind (8)
- Largest pledge (9.1)
- Largest cash gift (9.3)
- Annual fund (11.1).

b) Total Funds secured in philanthropic gifts (5) must be greater than or equal to the sum of:

- Largest pledge (9.1)
- Equivalent cash value of gifts-in-kind (8)
- Legacies (6.2).

c) Total philanthropic cash income (6.1) must be greater than or equal to the sum of:

- Annual fund (11.1)
- Legacies (6.2)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. Value checks

This stage of checking compared the key responses for each institution with high responses (Tables AD1 and AD2) and key ratios (Table AD3) to these questions from the 2007-8 and 2006-7 surveys. We analysed responses from the Ross Group members and non-Ross Group members separately, as the Ross Group members typically had well established fundraising programmes and thus tended to have much higher values than other institutions.

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

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

Table AD1. Ross Group checks using the aggregated highest response from 2007-8 survey

Question	Description	2007-8 Largest answer (excl. Oxford and Cambridge & any large outliers)	Query if answer is above
5	Funds secured	20,725,000	25,000,000
6.1	Cash income	14,759,000	20,000,000
6.2	Cash income from legacies	4,742,000	6,000,000
7	Match funding eligible cash income	11,134,000	17,000,000
8	Equivalent cash value of gifts-in-kind	1,031,000	900,000
9.1	Largest non-legacy, confirmed pledge	8,000,000	8,000,000
9.3	Largest cash gift	5,000,000	8,000,000
10.1	Number of gifts of £500,000 or over received as confirmed pledges	6	13
10.2	Number of gifts of £500,000 or over received as cash income	7	7
11.1	Annual fund income raised	2,726,000	2,000,000
11.2	Annual fund cash received	653,000	2,000,000
12	Number of alumni	215,350	230,000 Flag if *below* 10,000.
13	Number of alumni making a gift	4,491	7,000
14	Number of donors making a gift	5,011	7,000
16	Capital campaign target	100,000,000	400,000 (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	50	75
Fundraising expenditure			
19.1	Staff costs	1,571,000	2,000,000
19.2	Non-staff costs	528,000	2,000,000
19.3	Total costs	1,917,000	3,000,000
20	Total spent on alumni relations (excl. magazine)	685,000	5,000,000
21	Total cost of alumni magazine	315,000	600,000
22.1	FTE fundraising staff	29	30
22.2	FTE alumni relations staff	14	15
23	Total university	684,000,000	1,000,000,000

	expenditure	Flag if *below* 1,000,000.

Table AD2 adopted a slightly different approach. For each question we looked to see if there were any clear "jumps" in the figures in the 2007-8 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 2008-9 data to identify any that seemed out of the ordinary.

Table AD2. Non-Ross Group checks using the aggregated highest response from 2006-7 and 2007-8 surveys

Question	Description	Query if answer is above
5	Funds secured	7,000,000
6.1	Cash income	8,000,000
6.2	Cash income from legacies	700,000
7	Match funding eligible cash income	3,000,000
8	Equivalent cash value of gifts-in-kind	200,000
9.1	Largest non-legacy, confirmed pledge	2,000,000
9.3	Largest cash gift	2,000,000
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	300,000
11.2	Annual fund cash received	300,000
12	Number of alumni	Look at upper quartile. Flag if *below* 10,000,000.
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
Fundraising expenditure		
19.1	Staff costs	Look at upper quartile
19.2	Non-staff costs	Look at upper quartile
19.3	Total costs	700,000
20	Total spent on alumni relations (excl. magazine)	300,000
21	Total cost of alumni magazine	200,000

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 *below* 1,000,000.

As in the 2007-8 survey, examination of the data suggested that producing different ratios to check responses against, depending on Ross Group membership would not help us to identify further reporting errors.

Table AD3. Checks using key ratios from previous surveys

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

3. Year on year changes

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

Appendix E Mission Group members

Figure AE.1 provides a summary of the number of institutions in each mission group, the number that participated in the survey and the length of fundraising programmes of group members.

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

Ross–CASE Survey 2008-9

			Establishment of fundraising				
Number	Total Members	Participated in survey	Established (11+ years)	Developing (4-10 years)	Newer (Last 3 years)	None/ not given	Included in fundraising costs chapter
Russell Group	20	19	12	5	2	0	17
1994 Group	19	19	8	9	1	1	17
Million+ Group	28	26	1	3	19	3	4
University Alliance Group	22	22	4	5	11	2	9
Other HEIs	73	63	11	15	32	5	26
English FEIs	125	16	0	1	6	9	0
UUK sponsored universities	27	27	4	13	10	0	17

The Russell Group

Universities that are members of the Russell Group and participated in the 2008-9 Ross–CASE Survey are as follows:

University of Birmingham
University of Bristol
University of Cardiff
University of Cambridge
University of Edinburgh
University of Glasgow
Imperial College London
King's College London
University of Leeds
University of Liverpool
London School of Economics & Political Science
University of Manchester
Newcastle University
University of Nottingham
University of Oxford
University of Sheffield
University of Southampton
University College London
University of Warwick

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

Most of the participating universities from this mission group are English HEIs (84%) while the others are from Scotland and Wales. Just under two-thirds (63%) of the universities have fundraising programmes which were established before 1998 and around a quarter (26%) established their programmes between 1998 and 2004. The remaining two universities (11%) began their programmes in 2005 or more recently. All of these universities except the University of Cardiff participated in the 2007-8 survey.

The 1994 Group

All universities that are members of the 1994 Group participated in the 2008-9 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 1998. Just over half established their programmes between 1998 and 2004 (47%) and in 2005 or more recently (5%). All of these universities participated in the 2007-8 survey.

The Million+ Group

Institutions that are members of the Million+ Group and participated in the 2008-9 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).

Those responding from the Million+ Group comprised mostly English HEIs (92%). Twelve per cent of member universities began their fundraising programmes between 1998 and 2004 while almost three-quarters (73%) the universities have fundraising programmes which were established in 2005 or more recently. Just over ten per cent of participating members did not have a fundraising programme or did not provide the year they begun fundraising. All of these universities participated in the 2007-8 survey.

The University Alliance Group

Institutions that are members of the University Alliance Group and participated in the 2008-9 Ross–CASE Survey are as follows:

Aberystwyth University
Bournemouth University
University of Bradford
De Montfort University
University of Glamorgan
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.

Eighty-two per cent of participating University Alliance Group members are English HEIs. Eighteen per cent of universities began their fundraising programmes before 1998 and half established their programmes in 2005 or more recently. Nine per cent of universities did not have an established fundraising programme or did not provide the year their programme began. Nearly all (91%) of these universities participated in the 2007-8 survey.

Other HEIs

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

The Arts University College at Bournemouth
Aston University
Bangor University
Bishop Grosseteste University College, Lincoln
Brunel University
Canterbury Christ Church University
Central School of Speech and Drama
City University, London
Conservatoire for Dance and Drama
Courtauld Institute of Art
Cranfield University
Edge Hill University
Glyndwr 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 University College
Liverpool Hope University
Liverpool Institute for Performing Arts
London Business School
London School of Hygiene & Tropical Medicine
Newman University College
Norwich University College of the Arts
Ravensbourne College of Design and Communication
Rose Bruford College
Royal Academy of Music
Royal Agricultural College
Royal College of Art
Royal College of Music
Royal Northern College of Music
Royal Veterinary College
St George's University of London
St Mary's University College
School of Pharmacy
Swansea University
Swansea Metropolitan University
Trinity Laban Conservatoire of Music and Dance
Trinity University College Carmarthen
University Campus Suffolk
University College Birmingham
University College Falmouth

University College Plymouth St Mark & St John
University for the Creative Arts
University of Aberdeen
University of Brighton
University of Chester
University of Chichester
University of Cumbria
University of 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
Blackburn College
Doncaster College
Filton College
Highbury College, Portsmouth
Kingston College
Leeds City College
Leicester College
Moulton College
Newbury College
North Warwickshire and Hinckley College
Northbrook College, Sussex
Ruskin College
South Downs College
St Helens College
Warwickshire College

Appendix F Alternative fundraising expenditure per pound secured measure

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

Overall, using this alternative measure, the median funds secured per pound spent on fundraising in 2008-9 was 25p, higher than in 2007-8 (21p) and 2006-7 (21p). The breakdown for these figures by mission group is below (Figure AF1).

Figure AF.1 Alternative measure of fundraising expenditure per pound funds secured in the last three years for HEIs that began fundraising programmes before 2005, by mission group

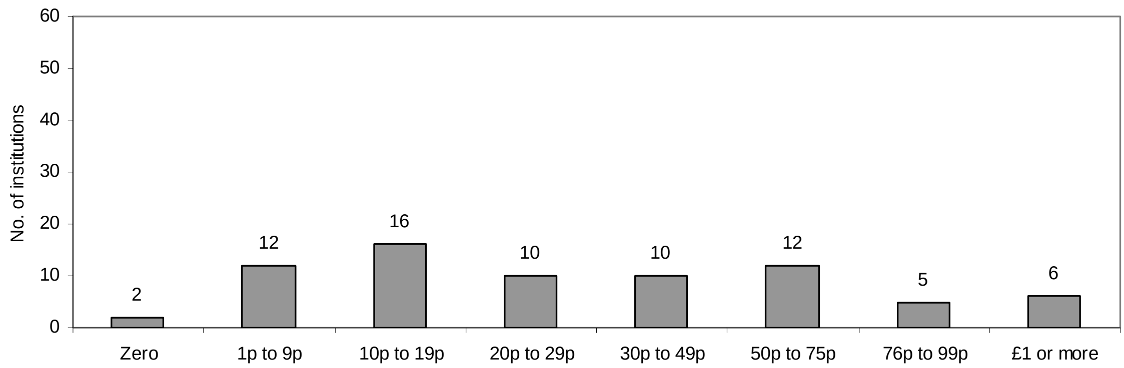
Ross–CASE Survey 2008-9

£median	Russell Group	1994 Group	Million+ Group	University Alliance Group	Other HEIs
2006-7	0.10	0.21	*	0.91	0.17
2007-8	0.10	0.28	*	1.30	0.16
2008-9	0.13	0.31	*	0.73	0.24
Number of HEIs starting fundraising programme before 2005	*17*	*17*	*4*	*9*	*26*

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

There was considerable variation in the median fundraising expenditure per pound secured between universities (Figure AF.2). At the top end of the distribution six universities reported spending at least one pound to secure a pound in 2008-9, and a further twenty-seven between 30p and £1. Twelve programmes reported very lean figures – spending between 1p and 9p to secure a pound.

Figure AF.2 – Median fundraising expenditure per pound funds secured in year for HEIs (2008-9)



Number of HEIs starting a fundraising programme before 2005: 73