

CASE Insights on Philanthropy (Australia and New Zealand)

Reporting Rules for Advancement

Adapted from CASE Insights on Philanthropy (United Kingdom and Ireland)
survey guidance

Updated January 2024

Glossary

Advancement	Throughout this document 'Advancement' is to be understood as "a systematic, integrated method of managing relationships in order to increase an educational institution's support from its key outside constituents, including alumni and friends, government policy makers, the media, members of the community, and philanthropic entities of all types". (Note that income from Australian government is excluded from reporting under Go8 rules.)
Development Officers	Staff members professionally engaged in the process of cultivation, soliciting and stewarding of donors to higher education institutions.
ATO	Australian Tax Office www.ato.gov.au
CASE	The Council for Advancement and Support of Education is an international association of education institutions serving more than 3,200 universities, colleges, schools and related organisations in 45 countries. www.case.org
In-year	Refers to the 12-month period for which funds are to be counted i.e. the financial reporting year. This is a calendar year; 1 January 2023 to 31 December 2023 for the current survey.
Ross Group	A network of leading development directors from research intensive universities in the United Kingdom and Ireland, working in higher education advancement that actively led the development of the CASE Insights on Philanthropy (United Kingdom and Ireland), survey formerly the CASE-Ross survey.
CASE Insights on Philanthropy (United Kingdom and Ireland)	The CASE Insights on Philanthropy (United Kingdom and Ireland) survey was designed to collect standard measures of philanthropic support to universities and higher education institutions in the United Kingdom and Ireland and ensure that there exists sector-wise data on philanthropy in higher education. https://www.case.org/research/surveys/case-insights-philanthropy-united-kingdom-and-ireland
University	Defined as: <ul style="list-style-type: none">• the university or a subsidiary (greater than 50% ownership) by the university.• a charitable foundation that is controlled by the university (e.g. The University of X Foundation).

Table of Contents

Introduction	4
Identifying philanthropic funds	5
Sources of philanthropic funds	5
Types of philanthropic funds	6
Philanthropic intent	7
Supporting documentation.....	10
Reporting guidelines	11
New funds committed	11
Funds received	14
Definitions of funds	14
Multi-institution gifts.....	16
Fundraising expenditure	16
Pledges not reported in the survey (supplementary data)	17
Worked examples	18
Appendices	21
Appendix A.....	21
Appendix B	22
Appendix C	23
Appendix D.....	26
Appendix E	27

Introduction

The higher education sector is increasingly investing in the expansion of fundraising capability. In Australia, to date, the results of these efforts have been recorded in a variety of ways; both in terms of funds pledged and received and the costs associated with raising these funds.

In 2001 the United Kingdom's Ross Group, a cluster of advancement professionals working in the higher education sector, collaborated with the Council for Advancement and Support of Education (CASE) to develop a set of measures and an accompanying survey to measure the philanthropic health of their institutions. The first CASE Insights on Philanthropy Survey (United Kingdom and Ireland), formerly the CASE-Ross survey, was carried out in 2002 (for 2001–02 data) and built on previous surveys undertaken within the Ross Group; the survey has been conducted annually since then. It is valued by many higher educational institutions working in the advancement sector in the United Kingdom and Ireland as a benchmarking tool.

In 2011 the Group of Eight adapted this survey framework (learning from the experiences of the Ross Group and CASE) to develop a basis for compiling accurate and comparable data on charitable giving across Go8 institutions and invited institutions within Australia and New Zealand. Participation in the survey has increased over the years with around 30 institutions now taking part each year.

Identifying philanthropic funds

In order for funding to be counted as philanthropic income, it is essential they meet both the following criteria:

- a. the funds are derived from an eligible source (refer to **Sources of philanthropic funds**); and
- b. the nature of the funds meets the definition of philanthropic intent (refer to **Philanthropic intent**).

Sources of philanthropic funds

For the purpose of reporting, sources of philanthropic funds are the following.¹

Individuals

- **Alumni**
This category includes all giving by former students—full- or part-time, undergraduate or graduate—who have earned some credit toward one of the degrees, certificates, or diplomas offered by the reporting institution. It is important to distinguish between undergraduate degree holders, graduate degree holders and non-degreed former students. Report current students in the ‘Students’ category.
- **Students**
These are individuals currently enrolled in a graduate or undergraduate course at the institution. If a donor has received multiple awards from an institution, classify that individual at his or her highest level, according to this list:
 - Graduate
 - Undergraduate
- **Staff**
This category includes all current academic, general and professional staff (including workplace giving programmes).
- **Friends**
This includes all persons—including governing board members, former staff and family members—who are not classifiable as ‘Alumni’, ‘Students’ or ‘Staff’ by the above definitions.

Organisations

- **Business**
This category includes corporations, businesses, partnerships and cooperatives organised for profit-making purposes, including corporations owned by individuals and families and other closely held companies. This category includes company-sponsored foundations—that is, those created by business corporations and funded exclusively by their companies—as well

¹ Category definitions for ‘individuals’ and ‘organisations’ have been adapted from: CASE (2021), CASE Global Reporting Standards. USA. p.48-51.

as industry trade associations.

- **Foundations**

This category includes personal and family foundations and other foundations and trusts that are private tax-exempt entities operated exclusively for charitable purposes; this includes Australian philanthropic foundations and private ancillary funds.

- **Overseas organisations**

This category includes overseas governments, business and philanthropic organisations.

- **Other organisations**

This category includes all organisations not defined herein as 'Foundation', 'Corporations', or 'Fundraising consortia' other than governmental agencies. This category includes organisations operating donor-advised funds (other than those coming through community foundations).

Types of philanthropic funds

Philanthropic funds **include**:

- Gifts from private donors, in Australia and overseas, of cash and other instruments of wealth, including financial securities (shares), bonds and life insurance policies.
- Gifts in-kind of physical items e.g. property, art and equipment.
- Bequest income received in-year from deceased individuals. (Bequest pledges from living donors are excluded from reporting due to the level of uncertainty as to when the funds may be received.)
- Donations/grants from charitable trusts, private ancillary funds and foundations in Australia and overseas.
- Donations/grants from international affiliated support foundations (e.g. organisations with 501(c)(3) tax exempt status in the United States; those registered for charitable status in the United Kingdom; and like organisations in other countries). The value of the gift/grant received in-year by the institution from the foundation should be counted; not the value of individual gifts made to the foundation.
- Gifts/grants from business and industry in Australia and overseas.
- Gifts/grants from overseas governments, business and philanthropic organisations.

Philanthropic funds **do not include**:

- a. All funding from Australian federal, state and local government and their agencies including the Australian Research Council (ARC), the National Health and Medical Research Council (NHMRC). Government funds are very important to helping institutions achieve their

strategic goals. They are often secured competitively and help leverage private funds. Fundraising staff often are integral to securing government support. Securing government funds does not fall under the definition of philanthropy as a private act. For this reason, government funds should not be included in reporting, but institutions should work to raise visibility and recognition for the value of government funding in accomplishing institutional goals.²

- b. Royalties and other funds generated by the exploitation of an institution’s intellectual property.
- c. Internal transfers within the institution. (Note that this does not refer to the internal transfer of philanthropic income from one part of an institution to another for the purposes of gift processing, investment or fund management.)

Please note that qualifying as an eligible source of funding as outlined above is not sufficient. The gift must also be made with *philanthropic intent*.

Philanthropic intent

Giving to an institution with philanthropic intent is defined as: all giving/granting which does not confer full or partial ownership of a deliverable on the donor in return for the funding i.e. there must be no material benefit to the donor. The gift/grant must be owned and controlled absolutely by the receiving institution once it is received.

The rules defined in this document are designed to reflect the concept of a gift as outlined by Australian taxation law. Details on requirements for a gift to be tax deductible have been included at **Appendix A** for information purposes.

Exclusions from philanthropic intent

If any of the seven exclusion criteria outlined below apply (refer to **Table 1**) the whole of the funding associated with an agreement becomes ineligible for reporting as philanthropic income. Institutions may not deduct the known or estimated value of any such exclusion from the overall value of the funding associated with an agreement and report the net remaining balance.

Table 1. Exclusion criteria

Exclusion criteria	Description
1. Contractual relationships/ sponsorship	A contract exists between the two parties which commits the recipient institution to provide a material benefit for compensation where the agreement is binding and creates a quid pro quo relationship between the recipient institution and the donor.
2. Exclusive information	The donor is entitled to receive exclusive information or other privileged access to data or results emerging from the programme of

² CASE (2021), *CASE Global Reporting Standards*. USA. p.51.

- activity e.g. copy of thesis or research report. Note that the mere provision of a report as to the outcomes of the research will not constitute exclusive information. See donor stewardship below.
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.). Donors highlighting the gift to the institution via their website/annual report is however acceptable. See donor stewardship below.
 4. Consultancy included The agreement includes the provision of consultancy services for the donor or a linked organisation.
 5. Intellectual property 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 licences (whether exclusive or not 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, the gift must be excluded.
 6. Other forms of financial benefit Any other direct financial benefits required by the donor as a condition of the donation (e.g. discounted courses, training, use of facilities, invitations to social functions 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.

This list is not comprehensive. There may be other instances where supply or material benefit means that funding cannot be regarded as having philanthropic intent. In some circumstances it may be appropriate for philanthropic and non-philanthropic 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 inclusion, as long as none of the seven exclusions listed above or similar control provisions apply, and the income associated with the gift/grant agreement is not contingent on delivery of any activities included within the separate contractual agreement.

Donor stewardship

Donor stewardship strategies such as reports and updates on projects, publications and honour boards, do not in themselves represent a benefit to the donor. Stewardship of this kind is considered good practice and actively encouraged.

- **Approaches from donors**

Some companies, trusts or individuals approach a single institution about a potential gift or invite specific institutions to apply for funding; this has no bearing on the philanthropic intent involved, and any gifts gained on that basis should be included, if none of the seven exclusion criteria listed above or similar conditions apply.

- **Reporting back to the donor**

A donor may request or require an account of the use of funds and of the impact of the programme or project undertaken. Any such request/requirement from the donor for regular status or other reports does not negate the philanthropic intent underlying a specific gift—agreements with reporting requirements are still eligible if none of the exclusion criteria listed above apply.

Corporate sponsorship

Gift funding that represents corporate sponsorship must be excluded from reporting as the funds are subject to a quid pro quo relationship i.e. funding received by an institution in exchange for a material benefit to the donor.

In the context of higher education, a material benefit might include any of the following:

- naming an event after a sponsor;
- exclusive display of a sponsor's name and/or logo;
- participating in a sponsor's promotional activities;
- allowing a sponsor use of an institution's name and/or logo;
- provision of free or reduced-price services, e.g. free tickets to events;
- allowing free or subsidised access to special events, i.e. gala evenings;
- provision of entertainment or hospitality benefits or free/discounted attendance at a fundraising event; and
- granting of exclusive rights or priority booking rights.

Examples of benefits which would be regarded as minor or non-material are as follows:

- recognition via participation in an institution's/vice-chancellor's donor circle;
- giving of a small gift i.e. calendar, pen, bookmark;
- invitations to the institution's outreach events;
- naming the donor in a list of supporters;
- naming of a building or academic chair, lectureship etc. after the donor (without the use of a logo); and
- attaching the donor's name to an item in the institution i.e. chair in a lecture theatre or musical instrument.

In compliance with ATO guidelines, if a sponsor receives something of value in return for funds the funds are not deemed 'a gift' and the receiving institution must pay GST on the money received. For the purpose of reporting, any received funds subject to GST must be excluded as this clearly indicates the donor is receiving a material benefit.³

The only instance the ATO considers corporate support not subject to GST (therefore eligible for reporting providing none of the exclusion criteria above apply) is where the advantage or acknowledgement is considered to be minor or non-material.

The ATO has indicated that the value of the right or the goods or services (the benefit) must not exceed the lesser of \$150 and 20 per cent of the value of the contribution or it will be considered to be material. Where the benefit is determined to be material it is excluded from reporting.

³ ATO (2007). GiftPack: Tax basics for non-profit organisations. p. 21.

Institutional priorities and activities typically funded by philanthropy

Philanthropic funds can take the form of funding for buildings and land, staff appointments, equipment and other assets, scholarships and bursaries, teaching and learning activities and research programmes. (Note: none of the seven exclusion criteria listed above may apply, irrespective of the activity funded; also refer to **Appendix C**).

- Funding for **buildings, land and equipment** will typically be eligible as long as facilities funded remain the property of the institution.
- 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 above e.g. consultancy or work on research contracts) then the funding should be excluded in full. **Exclusion 7. Donor control** will need careful assessment (also refer to **Appendix B**).
- Funding for **scholarships and bursaries** is eligible, as long as the student recipient is not required to undertake specific activities of material benefit to the funder (e.g. research projects, work placements, copies of theses and research reports), in which case the funding should be excluded in full. **Exclusion 7. Donor control** will need careful assessment (also refer to **Appendix B**).
- In the instance where **gifts and grants specifically for research** are eligible, these should be assessed closely against the exclusion criteria on a case-by-case basis in order to consider the difference in grant making criteria amongst different bodies (refer to **Appendix C** for worked examples which are intended to help guide case-by-case assessment of specific grant/research programmes).

Supporting documentation

It is essential that reporting includes only pledges and gifts which are documented in writing (typically in the form of a gift agreement or a written acknowledgment of the gift). Development Officers need to check whether other individuals across the institution have assessed income as being eligible, and if so that appropriate paperwork/documentation exists even if the Advancement Office is not in possession of it.

Reporting guidelines

For the survey conducted in 2023 (data from 1 January to 31 December 2022) there were changes to terminology, with *new funds secured* being amended to *new funds committed*, and *cash income received* being amended to *funds received*. However, the actual definitions remained unchanged for that survey.

This section provides guidance on how to report *new funds committed* (formerly *new funds secured*) and *funds received* (formerly *cash income received*). 'In-year' refers to the 12-month period for which funds are to be counted i.e. the financial reporting year, most often 1 January to 31 December for higher education institutions.

Please note the definition of new funds committed in the CASE Insights on Philanthropy, (Australia and New Zealand) differs to that used in the CASE Global Reporting Standards. Bequest intentions are excluded from this Survey but realised bequests are included. CASE Global Reporting Standards count documented bequest intentions for donors aged 65 or older instead of realised bequests.

New funds committed

New funds committed includes:

- a. New single cash gifts received in-year; plus
- b. New non-bequest pledges received in-year counted at their total value, regardless of duration; plus
- c. New recurring gifts received in-year, counted at five years' value; plus
- d. The documented value (provided by the receiving institution's broker on the day that the gifts were received) of financial instruments and gifts in-kind received in-year; plus
- e. Cash, the documented value (provided by the receiving institution's broker on the day that the gifts were received) of financial instruments and gifts in-kind received in-year from bequests.

New funds committed excludes:

- a. Cash received in-year from pledges and recurring gifts.
- b. Bequest pledges

Treatment of shares and financial instruments under new funds committed

Gifts of shares, appreciated securities, bonds and other financial instruments should be valued for the purpose of *new funds committed* at the listed market price or documented value provided by the receiving institution's broker on the day that they were received.

Any income received from these financial instruments (e.g. dividends, interest etc.) should be

excluded. Income derived prior to the receipt of the gift is included e.g. where an institution receives a gift of shares from an estate as well as a cash distribution as a result of dividends on the shares received by the estate; the *new funds committed* by the institution is considered the value of the shares at the date of transfer and the cash transfer arising from estate dividend income on the shares.

Sales receipts in respect of gifts of shares and financial instruments made in previous years should not be recorded in *new funds committed* in the current year as these gifts should have been recorded under *new funds committed* in previous years at their imputed value at the time they were given.

Although ATO guidelines specify that gifts of shares are considered deductible gifts only if the conditions detailed at **Appendix D** are met, institutions should bring to account any gifts of shares or other property, at market value on the date the gift was made, irrespective of whether the shares or property had been held by the donor for more than 12 months. (**Appendix D** is included for information only.)

Treatment of gifts of real estate and gifts in-kind under *new funds committed*

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 *new funds committed* 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.

- Any income received from donated real estate (e.g. rent) and other gifts in-kind should be excluded from reporting.
- Sales receipts in respect of real estate and other gifts in-kind made in previous years should not be recorded in *new funds committed* as these gifts should have been recorded under *new funds committed* in previous years at their imputed value at the time they were given.
- Gifts in-kind of services rendered (e.g. providing event facilities, consulting services and volunteer time) are excluded entirely from reporting unless:
 - the fair value of those services can be reliably determined; and
 - the services would have been purchased if they had not been donated.

The ATO provides guidelines on the valuation of property in respect of tax deductibility however these rules apply more to the donor rather than the institution. The institution will be required, for the purposes of preparing its financial accounts, to obtain an independent valuation of property that has been donated. It will be up to the institution to determine a valuation methodology suitable for the type of gift received and obtain a subsequent independent valuation.

For the purpose of advancement reporting, institutions should bring to account any gifts of property, at market value on the date the gift was made, irrespective of whether the property is valued at greater than \$5,000 or had been held by the donor for more or less than 12 months.

This process will apply to:

- all types of property received;
- cultural gifts;
- heritage gifts; and
- trading stock.

Return of unspent monies under new funds committed

If donors making gifts/grants for restricted purposes stipulate that any unspent monies should be returned to the donor, the full amount pledged can still be counted under *new funds committed*. Any monies eventually returned to the donor should be deducted from the *new funds committed* total for the relevant year in which the funds are returned. Where conditions in addition to the 'return of unspent funds' are included in an agreement the gift may be excluded (per exclusions discussion).

Requirement for documentation under *new funds committed*

Only documented, confirmed pledges should be reported as *new funds committed*. These are direct debit mandates, documented gift agreements or other signed documents from the donor which confirms the size of the donation and a timetable for the transfer of funds.

- Oral pledges should not be included.
- For the avoidance of doubt, any unspecified or undocumented pledges should not be included.

Bequests and new funds committed

Bequest cash income, the documented value (provided by the receiving institution's broker on the day that the gifts were received) of financial instruments and the value of in-kind bequests (property, artwork etc.) received in-year should be included under *new funds committed*.

If the institution received notification in-year that a will has received probate, yet the related cash was not received in-year, no value should be included under *new funds committed*, even if specified sums are included in the probate documentation.

Bequest pledges from living donors are excluded from reporting due to the level of uncertainty as to when the funds may be received.

Pledge duration under *new funds committed*

The value of the duration of confirmed pledges, from the date of the pledge, should be counted within *new funds committed*. (If a donor makes a pledge for a period exceeding five years, for the purpose of reporting, this can be treated as one pledge.)

Funds received

Funds received records the value of all cash received by the institution in-year as a result of philanthropic giving (as defined above).

Funds received includes:

- a. New single cash gifts; plus
- b. Payments towards pledges and recurring gifts; plus
- c. The documented value of gifts of shares, appreciated securities, bonds and other financial instruments provided by the receiving institution's broker on the day they were received i.e. the value at the time of the gift. Financial instruments should be treated as cash.

Funds received excludes:

- a. The actual net cash received from the sale of the financial instruments donated in previous years because this income should have been included under *funds received* in the year in which it was received;
- b. The income received (e.g. investment returns or rent) from any retained donated financial instruments or real estate;
- c. The value of gifts in-kind and income received from any gifts in-kind realised for cash; and
- d. Any cash returned to donors during the year whether this relates to gifts received in-year or in previous years. Any such returns of cash should be deducted from the *funds received* total (and *new funds committed* returns) for the appropriate year(s).

Definitions of funds

This note describes algebraically the components of *new funds committed* and *funds received*.

$$\text{New funds committed in-year} = C + F + K + PT + RT + DC + DO$$

$$\text{Funds received in-year} = C + F + PP + RP + DC$$

$$\text{Funds received in-year from commitments and promises} = PP + RP$$

Sources of funds

- C** Cash gifts (one-off) without pledging involved.
- F** Documented value of gifts of shares, appreciated securities, bonds and other financial instruments.
(This value may differ from the amount received when the item is sold.)
- K** Documented value of gifts in-kind, including art works, real estate, etc.
(This value may differ from the amount received when the item is sold.)
- P** Documented pledge
 - PT** Total amount to be paid over the duration of the pledge.
 - PP** Amount of payment(s) received in-year towards a pledge
- R** Documented recurring gift
 - RT** Amount of recurring gift to be paid over 5 years
 - RP** Amount of payment(s) received in-year towards a recurring gift
- B** Bequest notifications
(This item is included for completeness—it is not counted in any Advancement fundraising measures.)
- D** Bequest received in current year from previous bequest notifications, (including anywhere death occurred in current year and bequeathed funds have been received from the estate in-year).
 - DC** Bequest cash and the documented value of gifts of shares, appreciated securities, bonds and other financial instruments. (This value may differ from the amount received when the item is sold.)
 - DO** The document value of bequest gifts in kind (property, artwork etc.)
- I** Interest earned on gifts, donations, etc.
(This item is included for completeness—it is not counted in any Advancement fundraising measures.)

Multi-institution gifts

Donors may give funds, eligible under the above rules for reporting, to one institution on the basis that a portion of the gift may be allocated to another institution or institutions.

- If there is an agreement in place that describes a notional distribution of income between institutions, nominated institutions should report the amount allocated to them in the agreement.
- If such an agreement is not in place, institutions should only report the portion of a shared gift that it retains.

Example

University A receives a gift of \$50,000 of which \$20,000 is transferred to University B. In the absence of an agreement that describes a notional distribution of income from the gift, University A should report \$30,000 and University B \$20,000.

Fundraising expenditure

The measurement of fundraising expenditure should, for comparison purposes, only include the direct costs involved in fundraising activities.

For the purpose of reporting, the following proportions are considered direct costs. Please refer to Appendix E for allocation of costs across Fundraising and Alumni Relations Activities.

Philanthropic expenditure excludes the indirect costs associated with philanthropic support for the institution such as: the cost of academic and administrative staff; the costs associated with the recruitment of students; and the cost of promoting the research activities of the institution.

Some institutions employ students to make fundraising calls at certain times of the year on a temporary employment basis. Although these temporary employment costs are sometimes budgeted as 'non payroll' they should be counted as staff costs.

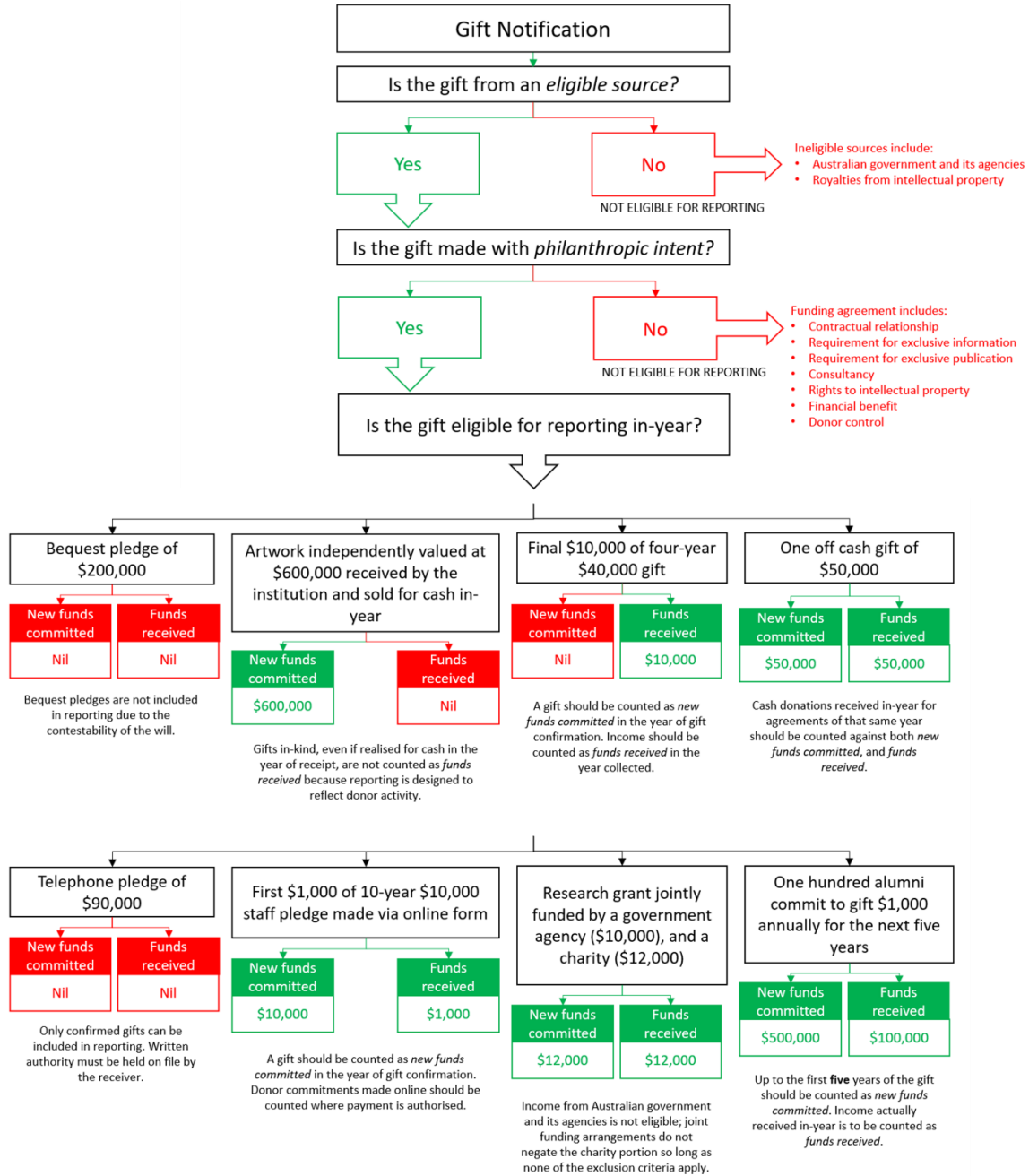
Pledges not reported in the survey (supplementary data)

Although the following gift pledges are not eligible for reporting under the rules they could be documented for internal purposes, as well as to highlight additional factors contributing to the success of an institution's campaign effort and providing an indication of future income from these pledges.

- Oral pledges e.g. those as a result of a telephone campaign
- Unconfirmed online pledges
- Bequest pledges (from living donors)

Worked examples

This section provides worked examples to illustrate the reporting principles set out in these rules. The following diagram shows the decision process required to determine eligible philanthropic income.



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.

During the year (1 January to 31 December) the University of X received a selection of cash gifts, confirmed pledges, bequests and gifts in-kind. These are described in **Table 3** along with an indication of how they should be reported (or not).⁴

Table 3. Worked examples for entries under *new funds committed* and *funds received*

Description of support	New funds committed (\$'000)	Funds received (\$'000)	Gifts in- kind (\$'000)
A. Several one-off gifts from trusts and large donors totalling \$200,000. All have been received.	200	200	0
B. Several confirmed pledges from trusts and other large donors totalling \$250,000. They have not yet been received but will come in over the next five years.	250	0	0
C. A final \$10,000 instalment of a \$40,000 gift from an individual donor made over four years.	0	10	0
D. A gift of a painting received in year, which was independently valued at \$10,000. It was subsequently sold, and the cash received raising \$12,000.	10	0	10
E. A gift in-kind of computer equipment valued at \$20,000, not yet sold.	20	0	20
F. Historic book given six years ago was sold within the year for \$1,000.	0	0	0
G. Five alumni have written to say that they have each left \$10,000 in their wills. This type of bequest pledge cannot be included in reporting.	0	0	0
H. Two alumni have died leaving legacy gifts totalling \$55,000. The university receives notification during the year that both wills have gone through probate, but no cheques were received during the year.	0	0	0
I. One alumna has died, and the university has received notification during the year that the will has gone through probate. A total of \$150,000 is due to the university and the first instalment \$100,000 was received during the year. (Note: in this example if the remaining \$50,000 is received the following year, that \$50,000 would be included under both <i>new funds committed</i> and <i>funds received</i> in that year. Also see J below.)	100	100	0

⁴ Any gain/loss incurred between fair value at date of receipt and sales proceeds at the time of sale would not be considered part of the original *funds secured* or gift in-kind. The gain/loss would be recognised separately as income of the institution in a manner similar to investment income on gifts.

CASE Insights on Philanthropy (Australia and New Zealand)
 - Reporting Rules for Advancement (updated January 2024)

J.	The final instalment of a bequest of \$200,000 has been received, worth \$50,000. The previous instalments were received last year.	50	50	0
K.	Two hundred donors have made one-off cash gifts (cheques/credit cards) all of which have been received totalling \$65,000.	65	65	0
L.	One hundred donors have enacted open-ended direct debit mandates of \$1,000 p.a. and the first instalment of \$100,000 has been received. As the direct debit mandates have been set up, a further four years of instalments, can be recorded as confirmed pledges under <i>new funds committed</i> .	500	100	0
M.	\$35,000 has been received from standing orders set up in previous years.	0	35	0
N.	25 Alumni have made oral pledges via a telephone campaign totalling \$50,000 over four years, but no paperwork has been received. These oral pledges cannot be included in reporting.	0	0	0

Appendices

Appendix A

Requirements for a gift to be tax deductible

For a donor to claim a deduction for a gift, there are several requirements:

- the gift must be made to a deductible gift recipient (DGR)⁵;
- the payment must really be a gift;
- the gift must be of money or property that is covered by one of the gift types⁶; and
- any gift conditions must be satisfied.⁷

What is a gift?

Gifts have the following characteristics:

- there is a transfer of money or property;
- the transfer is made voluntarily;
- the transfer arises by way of benefaction; and
- no material benefit or advantage is received by the donor.

Not all payments to DGRs are gifts. For example, the following payments are not gifts:

- purchases of raffle or art union tickets;
- purchases of chocolates, pens etc.;
- the cost of attending fundraising dinners, even if the cost exceeds the value of the dinner;
- membership fees;
- payments to school building funds as an alternative to an increase in school fees; and
- payments where the person has an understanding with the recipient that the payments will be used to provide a benefit for the 'donor'.⁸

⁵ All Go8 universities are endorsed by the ATO as DGRs.

⁶ The ATO defines the following gift types: property, shares, trading stock, cultural gifts, cultural bequests and heritage gifts. For detailed explanations refer to ATO (2007). *GiftPack: Tax basics for non-profit organisations*. pp. 85-94

⁷ ATO (2007). *GiftPack: Tax basics for non-profit organisations*. p. 78

⁸ *ibid.* p. 79

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 discussions of shared aims as part of a programme of activity funded by the donor, and recipient institutions may also 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 in reporting.

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 she/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 C

Research funding scenarios

The following scenarios of research funding are included as examples of funds **eligible** and **ineligible** for reporting.

Example scenario	Eligibility for reporting	Relevant 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 the donor’s husband. The gift agreement is clear that all resulting research outputs, including any intellectual property, which emanate from the research of the funded positions or their team, will remain the property of the university	Eligible	No exclusions
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 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 the company will follow the university’s appointment procedures (the company does not have a casting vote, or the power of veto in the process).	Eligible	No exclusions
C. Identical to case B but ten days’ consultancy a year is built into the agreement.	Ineligible	One exclusion: <i>No. 4: Consultancy</i>
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	None of the funding is eligible. One exclusion: <i>No. 5: IP rights</i> 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 license” to the charity.	Ineligible	One exclusion: <i>No. 5: IP rights</i> Even though the IP related rights are non-exclusive, any

<p>F. A funder uses blanket terms for their research grant agreements. These include the requirements for a share of any resulting intellectual property rights even where this is clearly not relevant to the research programme in hand.</p>	<p>Ineligible</p>	<p>such inclusion means exclusion. One exclusion: <i>No. 5: IP rights</i></p> <p>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. No exclusions</p>
<p>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.</p> <p>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”.</p> <p>None of the seven exclusion criteria (listed in Table 1) apply.</p>	<p>Eligible</p>	<p>Neither the inclusion of detailed reporting requirements, nor agreed milestones targets along the way, undermine the philanthropic intent of the grant.</p>
<p>H. A professional institute provides a donation to fund a principal researcher researching a niche area. 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 quarterly reports on 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 licence to use the results and copyright material generated in the course of the project.</p>	<p>Ineligible</p>	<p>Two exclusions: <i>No. 3: Exclusive publication</i> <i>No. 5: IP Rights</i></p>
<p>I. A donor funds both a piece of research and a post for a three-year period. The agreement states that the post holder will work across the research as well as on other projects.</p> <p>The agreement for the research funding includes the requirement for a share in any resulting intellectual property rights but there is no specific provision for a share of the rights on the funding of the post.</p>	<p>Ineligible</p>	<p>Research funding; one exclusion: <i>No. 5: IP rights</i></p> <p>Post funding excluded as part of the agreement relates to non-philanthropic activity.</p>
<p>J. A grant is jointly funded by a government agency and a charity. The overall agreement meets all of</p>	<p>The element funded by the charity is</p>	<p>No exclusions</p>

the criteria for a philanthropic gift according to these reporting rules.

- K. A major trust funds research contracts through their funding programme as well as making philanthropic donations to institutions for buildings and equipment.

eligible.

Government agency portion **ineligible.**

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; no exclusions

Appendix D

Shares as deductible gifts

ATO guidelines specify that gifts of shares are acceptable as deductible gifts if the following conditions are met:

- the shares were acquired in a listed public company; and
- when the shares were gifted, they were listed for quotation on the official list of an Australian stock exchange.⁹

The amount that can be deducted for shares acquired more than 12 months ago is the market value of the shares on the day the gift was made, as listed on an Australian stock exchange.

For shares purchased in the last 12 months, the amount that can be deducted is the lesser of:

- the market value of the shares on the day the gift was made; and
- the amount paid for the shares.¹⁰

⁹ ATO (2007). *GiftPack: Tax basics for non-profit organisations*. p. 90

¹⁰ *ibid.*

Appendix E

Allocation of Development & Alumni staff costs

This serves as a guide only, based on common team structures. Where a staff member has both fundraising and alumni relations responsibilities, staff costs should be allocated appropriately according to the percentage of time spent on each.

1. Staff involved **only** in fundraising should be included in 100% in fundraising.
E.g., Fundraising officer = 100% Fundraising
2. Staff involved **only** in alumni relations should be included 100% in alumni relations.
E.g., Alumni relations officer = 100% Alumni relations
3. Staff involved **only** in both alumni relations and fundraising (this will apply to most advancement services staff too) should be allocated to either fundraising or alumni relations depending on which area comprises the majority of their role.
E.g., Prospect Researcher (focus mainly on fundraising 60% but also work on alumni relations 40%) = 100% fundraising as majority role is allocated to fundraising

Communication Officer (focus mainly on alumni relations 52% but also works on fundraising 48%) = 100% alumni relations as majority is allocated to alumni relations

4. Staff involved in **only** alumni relations and fundraising staff with equally split roles should be attributed 50:50 between the two categories.
E.g., Head of Data (with 50% of time given to fundraising and 50% given to alumni relations) = 50% fundraising and 50% alumni relations

Note: It is debatable what constitutes a majority and if the split is around 50%-50%, as in the second example in 3. above, but not exactly half, the institution should decide whether they want to use the rule of majority from 3. above or whether the institution wishes to split the cost and staff as per 4. above.

5. Staff involved in fundraising and alumni relations **and any other tasks** should be split at the discretion of the institution depending on how much time is allocated to the two categories in the survey, leaving out time allocated to other tasks.
6. Staff involved in any other activities not related to fundraising and alumni relations should not be counted in the survey.
7. Questions H-9 and H-11 are intended to identify those staff whose role is predominantly to engage proactively with alumni, donors and prospects, whether that contact is through email, phone or face to face meetings.

CASE Insights on Philanthropy (Australia and New Zealand)
 - Reporting Rules for Advancement (updated January 2024)

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/Events Officer		100%

Non-staff costs (survey question E-2) relating to fundraising should be included under fundraising expenditure, including 50 per cent of the operational costs relating to the database (licenses, etc.).