



Universities UK

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# Strategic fundraising



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● As teaching budgets and capital spending continue to be cut and research grants become more selective, this publication demonstrates how philanthropic giving to UK universities can be fostered to sustain and widen research and teaching beyond core funding streams.'

**Professor Sir Christopher Snowden,**  
Vice-Chancellor, University of Surrey  
and President, Universities UK



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# FOREWORD

Across the sector, fundraising is expanding dramatically as more universities and colleges realise the transformative role philanthropy can play, and the benefits it affords students and academics through increased engagement between institutions and donors.

This resource, commissioned by the Higher Education Funding Council for England, builds on the landmark *Review of Philanthropy in UK Higher Education*, chaired by Professor Dame Shirley Pearce. It is designed to support vice-chancellors and higher education institutions to develop and grow their fundraising efforts.

As teaching budgets and capital spending continue to be cut and research grants become more selective, this resource demonstrates how philanthropic giving to UK universities can be fostered to sustain and widen research and teaching beyond core funding streams.

Over the following pages innovative case studies from universities across the UK illustrate how the review's recommendations can be implemented and how development departments can be supported in their activities.

I hope you find this resource a useful guide in your strategic discussions about fundraising in your institution.



A handwritten signature in black ink that reads "Christopher Snowden". The signature is written in a cursive style and is underlined.

**Professor Sir Christopher Snowden,**  
Vice-Chancellor, University of Surrey  
and President, Universities UK

# HOW TO USE THIS RESOURCE

This resource provides case studies, models and checklists to guide vice-chancellors, as well as governing bodies, senior academics and heads of professional services, in their strategic discussions when considering how to grow fundraising in higher education institutions.

The resource is in two parts:

## Part 1:

### GROWING THE DEVELOPMENT OFFICE

- How to strategically align the fundraising function
- How to establish a fundraising function and develop a fundraising strategy
- Identifying where the development office sits in the range of fundraising operations and how it can be grown to meet the evolving needs of institutions

## Part 2:

### EMBEDDING THE PEARCE REVIEW RECOMMENDATIONS

- Practical examples and checklists showing how institutions can embed the nine recommendations of the Pearce Review that institutions can act on

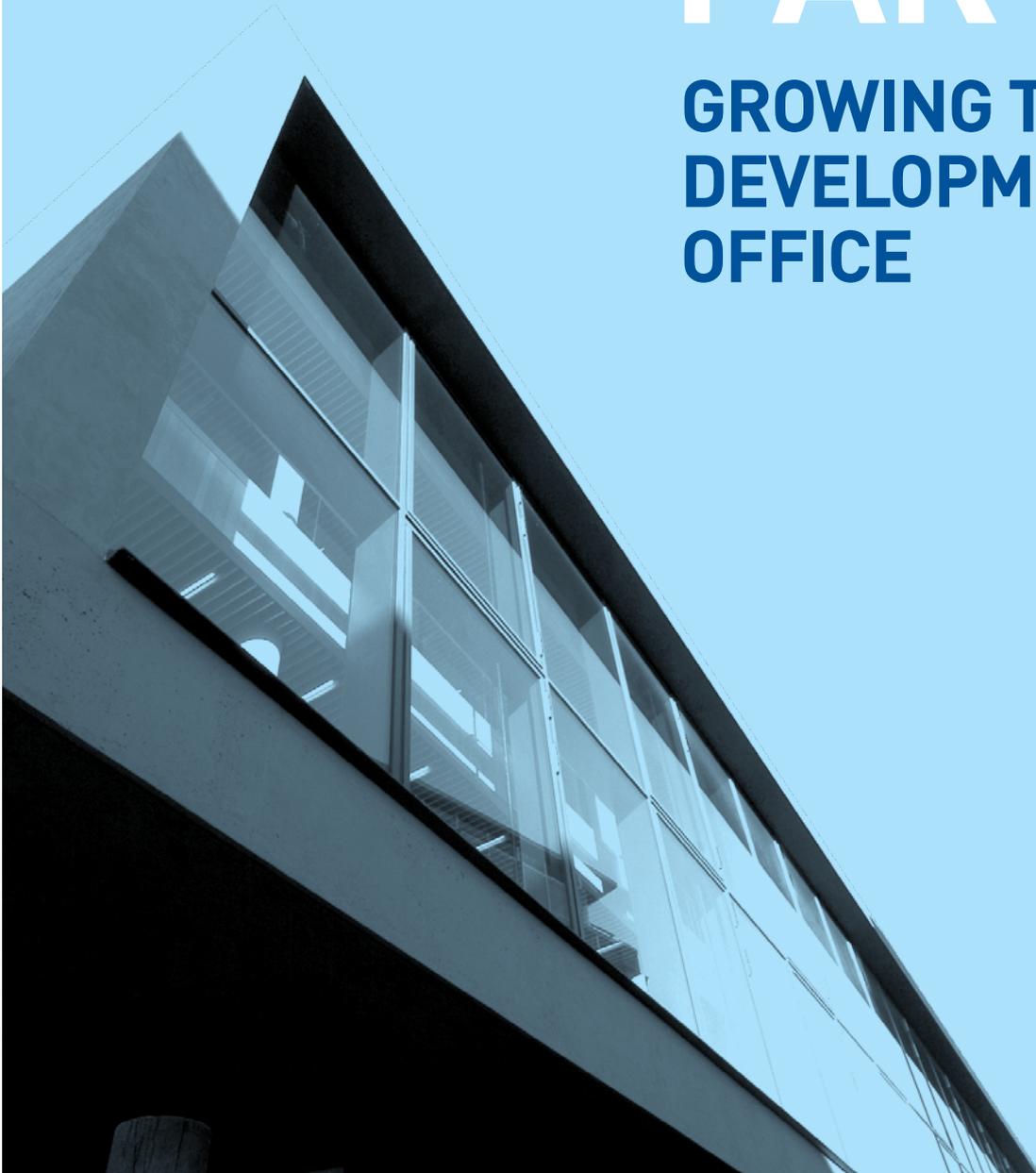
#### Note on language

There are an increasing number of terms used in reference to fundraising practice. For the purposes of this report *fundraising* refers to the practice of seeking philanthropic gifts; *development* refers to fundraising and its related activities, for example alumni relations; and *advancement* refers to the range of activities that promote an institution including fundraising, alumni relations, marketing and communications.

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# PART 1

## GROWING THE DEVELOPMENT OFFICE



A key theme running through this resource is the necessity for higher education institutions to develop integrated advancement plans – including fundraising, alumni relations and communications activities – based on a clear understanding of their own distinctiveness, goals and particular opportunities.

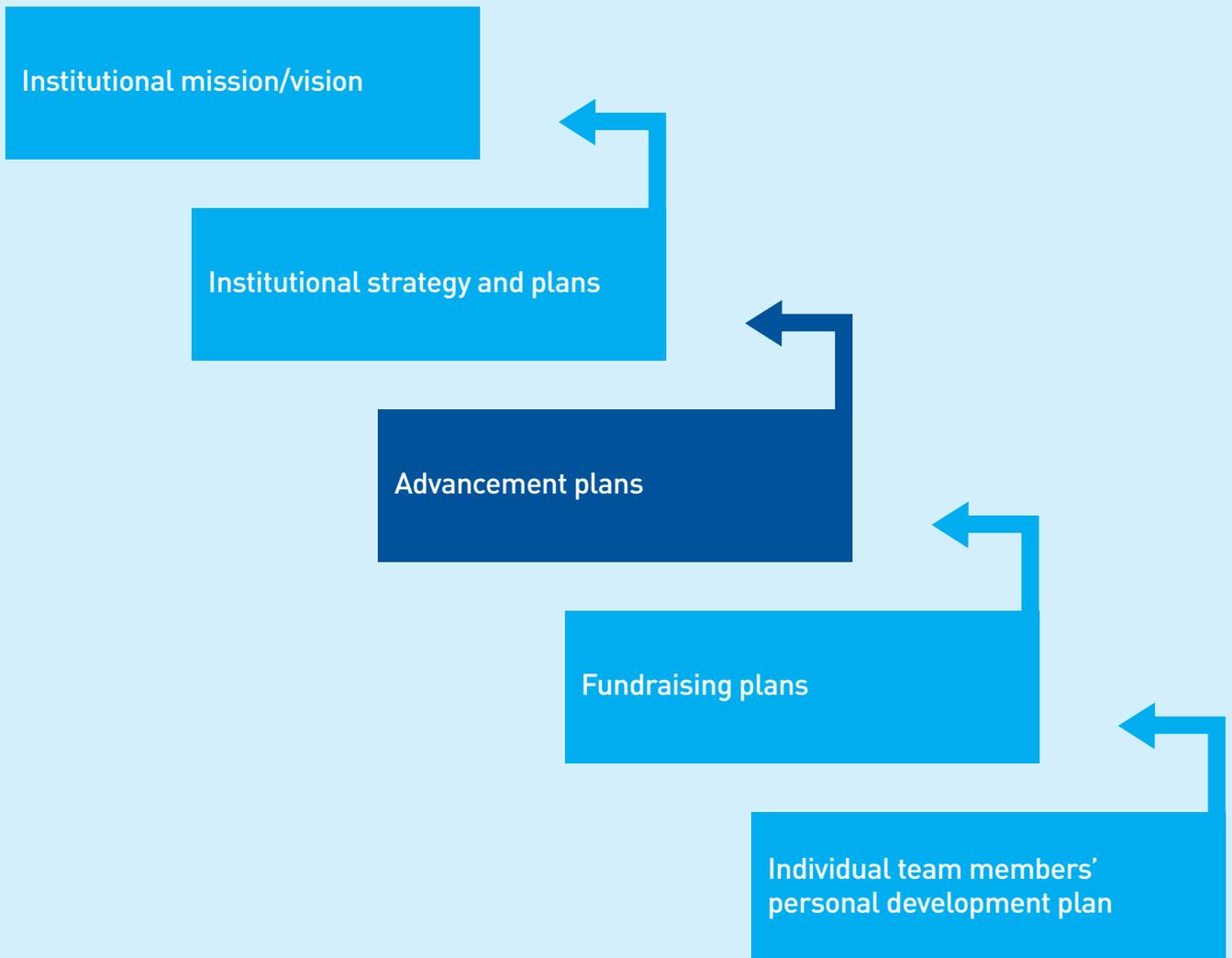
### Institutional planning

Effective development work is a team effort and the work of each individual team member should contribute to their team plan; the fundraising plan should be integrated into the overall advancement plan and this in turn should align with the institution’s wider strategy and mission.

A distinctive and compelling fundraising case for support – why and what an institution is fundraising for – derives directly from institutional priorities and mission. It is not simply a wish list of desirable projects, but a clear articulation of how philanthropy can play a critical part in delivering the institution’s strategic vision and goals.

This process is further explored in the section on institutional planning (see page 16).

Figure 1: Institutional planning process



## Fundraising strategy

This section looks at how to establish a fundraising function and develop a fundraising strategy. The Council for Advancement and Support of Education (CASE) provides a suite of materials entitled Fundraising Fundamentals for vice-chancellors and newly appointed development directors to guide them in the process.

For more information, please visit the CASE website, [www.case.org/Publications\\_and\\_Products/Fundraising\\_Fundamentals\\_Intro.html](http://www.case.org/Publications_and_Products/Fundraising_Fundamentals_Intro.html)

Universities make a significant contribution to the UK economy, some £73 billion in 2011–12 (*The impact of universities on the UK economy*, Universities UK, 2014). However, with inevitable cuts in public spending and an increased dependency on tuition fees, higher education institutions need to diversify their income streams to ensure long-term financial sustainability. This may take many forms, from developing commercial activities to increasing research contracts and, of course, philanthropy.

Philanthropy in higher education is not new. Prior to the 1963 Robbins Report, many educational institutions were founded on philanthropy, whether that was by royal patronage, civic leaders or public subscription.

In recent history, although governments have provided substantial funding to educational institutions, the income from philanthropic sources has been an increasingly significant component of the funding mix.

## What are the benefits of fundraising?

- Philanthropy provides flexible income to support the projects and activities that core funding often cannot finance.
- Philanthropy enables universities to build on their strengths, enhance student experience, extend research programmes and create the best possible environments within which people can excel.
- Philanthropy builds networks of friends and supporters who contribute to the long-term wellbeing of the university in ways beyond their financial contribution.<sup>1</sup>

## The importance of alumni relations

While the focus of this resource is fundraising, the link with alumni relations is fundamental and often precedes the development of the fundraising function. As such, it should demand attention when thinking about fundraising start-up, growth, strategy and vision.

Alumni today want to engage with, participate in and speak to their university or college. As such they have a vested interest in the welfare of their alma mater. Just as commercial companies need to listen and adapt to their customers to remain competitive, universities and colleges must actively involve their alumni in the life of the institution. When they do so, they will see a return on investment that benefits the entire institution.

### What can alumni relations offer?

Often alumni relations is treated as a stand-alone activity, divorced from other institutional advancement endeavours. Whereas an integrated, strategic approach can reap significant financial and non-financial dividends:

#### Financial

- Sustaining an institution through donations and volunteering
- Sponsoring research, student projects or courses
- Commissioning consultancy
- Leaving legacies
- Participating in peer-to-peer fundraising

#### Partnerships

- Brokering introductions to create new partnerships for the university with their employers, governments and other affiliated organisations
- Guidance and support when entering new markets or territories
- Supporting student recruitment both at home and overseas

## ● You can do alumni relations without fundraising but you can't do fundraising without alumni relations.'

**Megan Bruns**, Head of Alumni & Supporter Relations, King's College London



#### Expertise

- Providing expert advice and guidance to the university's leadership
- Providing case study material or guest lectures to enhance teaching
- Providing careers advice, mentoring or internships to current students
- Playing a key role in governance structures
- Taking part in focus groups for new communications materials, fundraising activities or alumni services

#### Brand awareness

- Helping to build and shape an institution's brand
- Contributing to the positive international public profile of the university
- Contributing to the positive online profile of the university

Many alumni offices wait until students are in their final year before they begin to engage them. But awareness should be built from the moment the student arrives on campus – students remain for a few years, but being an alumnus is lifelong. Keeping in close contact with alumni is an effective means for institutions to cultivate their alumni community and continue to receive their support.

If a college or university wants to connect with its alumni, it has to engage with them actively and genuinely. An academic degree is a transformative experience, and not purely from an intellectual perspective; it can impact on many aspects of an individual's life. Therefore it is important to harness enthusiasm among alumni, to establish a sense of belonging, and to nurture a lifelong relationship.

See page 49 for guidance on creating a culture of philanthropy with students and alumni.

## Key drivers of fundraising success

### There are five main drivers critical to the long-term success of fundraising in any institution:

- 1 Involvement of the senior leadership is crucial, as is engagement with the wider academic community.
- 2 Fundraising is an organisational commitment.
- 3 Every institution is different and one size does not fit all. Accordingly fundraising should be based on a distinctive identity, mission and history.
- 4 Fundraising is fundamentally about relationships and for donors to keep giving they need be actively engaged.
- 5 Fundraising should be sustained and consistent – it is for the long run.

#### 1 Involvement of the senior leadership is crucial, as is engagement with the wider academic community.

Development needs the vision, endorsement and involvement of the institution's leadership in order to be successful. Without it, the effort will lack credibility and will fail. Fundraisers also need the support of the wider academic community to generate project ideas, inspire and engage potential donors and steward those who have given.<sup>2</sup>

#### 2 Fundraising is an organisational commitment.

Development activities are not confined to the development office but demand the expertise and commitment of staff across the institution. These activities should be in line with institutional strategy, with clear priorities and KPIs.

#### 3 Every institution is different and one size does not fit all. Accordingly fundraising should be based on a distinctive identity, mission and strategy.

Fundraising is not an exact science. What works at one institution may fail at another. Practice will need to be modified and adapted to suit the individual characteristics, resources and audiences of an institution. The scale of activities should also be proportionate to the size of the institution and the market it is operating in. A recently established institution will have a younger alumni profile, less able to give large gifts, whereas a college offering vocational courses may have excellent relationships with local industry. Therefore, activities should be rolled out in a considered manner, constantly evaluating and refining activity.<sup>3</sup>

#### 4 Fundraising is fundamentally about relationships and for donors to keep giving they need be actively engaged.

Fundraising approaches vary from type to type (corporate, individual or trusts and foundations) and from culture to culture, but the basic tenets of approaching and asking for support remain the same: research, plan, cultivate, solicit, thank and steward.

#### 5 Fundraising should be sustained and consistent – it is for the long run.

Philanthropic income will not flow into the institution from the start. It takes a considerable length of time to identify, cultivate and solicit donors, whether they are giving small amounts on a regular basis or making major donations. Like many fledgling businesses, a new development office may take up to three years to generate a return on investment.

## Developing the strategy

The initial point for any successful fundraising programme is an awareness of the institution’s starting position. A vice-chancellor needs to know what they have to work with to achieve their goals and where the gaps are:

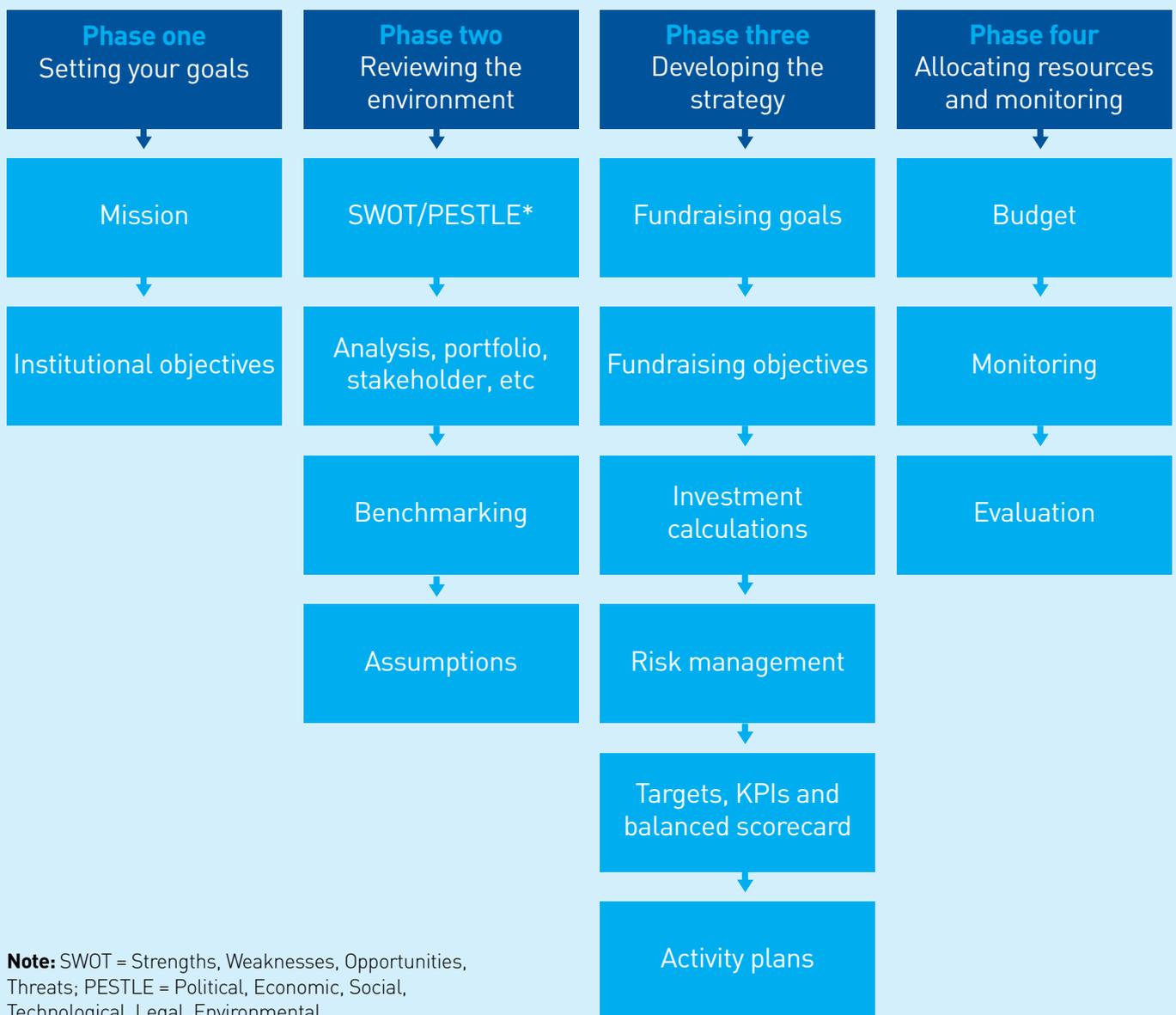
- Do you know what you will be fundraising for and why?
- Where do you need to target your investment?
- Do you have the procedures and policies in place to provide a stable backdrop for fundraising?<sup>4</sup>

Figure 2 below is a standard planning cycle that can be used in most business contexts and which has been adapted for fundraising planning.

### Keep investing

As development activity gains momentum, wise and timely investment is required. Insufficient or inconsistent investment can create a stop-start effect that stifles progress by stalling momentum. This is particularly frustrating for donors, who will take longer to become engaged at the next attempt. Investment should be proportionate and reflect the success and relative size of the institution.

**Figure 2: Fundraising planning process**



## Stages of development

A fundamental challenge facing vice-chancellors is deciding where, when and how to invest in their development function. Where to invest will depend on the type of funding required; this in turn is driven by the institutional priorities that require development support. This is explored more fully in the section on institutional planning (see page 16). When to invest will be driven by an institution's own distinctiveness – for example, its history, particular opportunities, supporter profile and development office experience. Benchmarking and data analysis will provide the empirical rigour on which to base these decisions and this is discussed in the section on data and benchmarking (see page 42). How to invest will depend on the resources available; again the evidence base for those decisions is discussed in the section on data and benchmarking.

However, there are broad trends in the evolution of development offices and these are described here, along with tactical questions to be asked when considering resourcing the development function.

Building a team of qualified fundraisers has been challenging for many higher education institutions due to reduced budgets and market demand for experienced development officers. A shifting landscape of institutional funding requirements and changing donor trends can mean activity is reactive and lacks focus. Understanding the potential trajectory for a development office can help guide some of those decisions.

### A note on classification of institutions

When classifying institutions and their philanthropic programmes, a number of approaches have been taken from the methodology used in the Pearce Review (pre-1960, 1960s, 1990s etc), the Ross-CASE Survey (mission groups) and latterly the latent class analysis approach developed in the 2011–12 Ross-CASE Survey (Fragile, Emerging, Moderate, Established and Elite). As with any statistical grouping exercise, the various approaches raise issues of classification, consistency and the ability to measure the development of fundraising operations in the longer term.

For the purposes of this resource, the methodology used is the latent class analysis approach developed in the 2011–12 Ross-CASE Survey. This was selected because:

- The survey collects detailed information about gift revenue and fundraising costs on an annual basis and is set to continue. Therefore, it will provide a useful source of comparative data that can be used to track institutions year on year.
- The categorisation of development offices (Emerging, Moderate, Developed etc) can be loosely viewed as a continuum that institutions can move along regardless of mission, date of establishment and so on. This is helpful when encouraging institutions to invest in the next stage of development.
- In our interviews with vice-chancellors they were keen to know what they needed to do next to grow fundraising. This gives a useful tool to demonstrate progression.

As with all approaches to classification, it is a blunt tool and there are some anomalies and inconsistencies. Therefore it should be seen as a guide rather than a definitive model. The groupings' characteristics here are drawn from the 2012–13 Ross-CASE Survey.<sup>5</sup>

## Fragile

### Characteristics

Institutions in this fundraising group tend to have a minimal return on investment, often spending more on fundraising activities than they receive as funds. Income is low compared to the other groups and they have few donors and alumni that make donations. The number of fundraising staff is also the lowest of all the groupings.

### Challenges and opportunities to develop

Fundraising in this cluster tends to be reactive and is usually not strategic. The issue is not that these institutions do not have enough potential donors but that they do not know who they are or how to engage them. To meet their philanthropic goals they need to install systems, processes and people to involve donors in the life of their institution.

What would this look like and what is the minimum structure to actively engage supporters in development? An institution's chosen model will depend on factors such as the organisation's management structure, its culture and strategic goals. However, there are some basic principles for institutions to implement in order to grow to the next level:

- The new office will require a leader to set strategy, direct activity, manage resources, and ensure targets are met. The development leader should have regular, direct communication routes to the institution's leader and fully understand the vision and priorities set by the vice-chancellor.

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- Prospect research and data management are cornerstones of the office structure. You cannot fundraise without good data that is effectively managed and continually improved.

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- The development office's administration and financial accounting activities need to be exemplary in order to ensure legal and financial obligations are met. While this function may not require a dedicated post at first, assigning responsibility for this area should be a priority.

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- Alumni are top donor prospects. Therefore, any development office will need a function that links alumni and fundraising.

- Finally, these people and systems are there to support development officers who are raising funds in line with the fundraising strategy for institutional priorities.

The following groupings – Emerging, Moderate and Established fundraising programmes – can be seen as forming a continuum, with the universities having less developed fundraising programmes falling into Emerging and those with a more developed programme into Established.

## Emerging

### Characteristics

The majority of higher education institutions fall into this category. They have less developed programmes but good returns on investment, a small number of donors and only a small proportion of alumni-made donations. These universities have only a small number of staff engaged in fundraising.

### Challenges and opportunities to develop

Higher education institutions may have a wealth of constituents, their alumni, but their large number is meaningless unless they are being cultivated through face-to-face meetings. To develop to the next stage requires investment in development officers who can go out and meet alumni and prospects.

At the same time, as institutions involve more people in the fundraising process, it is critical to have a comprehensive system for managing prospects as well as the systems in place to coordinate the institution's fundraising efforts. Therefore, attention should be paid to improving the pipeline of prospects, from individuals giving small monthly amounts through to qualified prospects who can make larger annual gifts of, for example, £1,000. It is this latter tier of prospects who often represent potential relationships that will mature into major gifts.

### Moderate

#### Characteristics

This grouping accounts for the second largest tranche of institutions. They have a healthy ratio of fundraising investment per pound received, moderate levels of funds secured and cash received, and a higher number of alumni making donations than in Emerging fundraising programmes. This group has a substantially higher number of staff involved in fundraising than in the lower groupings.

#### Challenges and opportunities to develop

Once the basic functions are in position, the office structure can expand to embrace specialists in the different donor categories. These may include:

- Events
- Annual fund
- Trusts and foundations
- Corporations
- Major gifts
- Statutory or government and lottery funding
- Legacies
- Volunteer programmes

Which categories are focused on will depend on the particular profile and priorities of the institution. For example, a specialist institution, such as a conservatoire, may want to focus investment on building a trust and foundation programme rather than an alumni giving programme.

Along with greater specialism and complexity comes the need for increased back-office support. This may include further investment in:

- Prospect research
- Stewardship
- Operations such as finance and data management

Many institutions in this group are starting to prepare for their first campaign. This will require significant levels of resourcing in feasibility studies, database screening, prospect research, campaign coordination, and communications. The bulk of gift income for most successful campaigns derives from a small number of large gifts. It is important to recognise that identifying, qualifying, cultivating, soliciting and stewarding prospects with that level of giving capacity and propensity can be time consuming and resource intensive.

### Established

#### Characteristics

Institutions in this cluster secure substantial levels of new funds and cash income; they invest little in relation to the amount of money they secure; they tend to receive large gifts and have a higher number of donors and a higher number of alumni that make donations. The number of staff dedicated to fundraising activities is higher than in the preceding groupings.

#### Challenges and opportunities to develop

As complexity and scale increase, common challenges for this group are issues relating to diversification, notably hub and spoke models, income generating units, and health or partner fundraising.

### Elite

#### Characteristics

The Elite group currently consists of two universities (the University of Oxford and the University of Cambridge) which have fundraising programmes that are performing very well, albeit across the institution as a whole; there may be some variations at college level. They represent a step-change in fundraising with a much better ratio of fundraising investment per pound, substantial levels of new funds secured and cash income received. They also have by far the largest number of staff involved in fundraising activities.

#### What conclusions can be drawn?

- Fundraising is a contact sport – it requires people and resources.
- The more you invest, the more you get out.
- Fundraising requires consistent investment over time: all institutions in the Established and Elite groupings have had development offices from the late 1980s to mid-90s onwards.

## Resourcing the development office

The higher education reforms in England have resulted in an increase in tuition fee income to institutions, combined with reductions in teaching grant. Alongside this change have been cuts to capital grants and, across the UK, increased cost pressures. Therefore, many institutions may find it difficult to increase investment in activities to raise philanthropic support. Below are suggestions for institutions to consider when looking to expand or build on their existing development function.

Before looking at resourcing options, institutions need to ask:

- What are the institutional priorities? This will dictate the type of philanthropy required and therefore the level, type and return on investment.
- What is the investment strategy?
- What are the costs, risks and payback periods?

These questions are explored further in the section on data and benchmarking (page 42). The resourcing models suggested below cannot and should not replace the core funding of development operations but are vehicles for supplementing essential activity.

Resourcing opportunities:

- Gift management fees
- Gift holding
- Gift Aid

### Gift management fees

Most public and private universities in North America levy a type of gift fee as a percentage of the gift. Gift fee revenue either goes into a 'central fund' that funds core costs or is spent only to help support the costs of fundraising and alumni relations operations. Fees can be levied by:

- deducting the fee from the gift
- deducting the fee from funds supplied from the donor specifically for the purposes of paying the fee
- depositing the gift in an interest-earning account until sufficient funds have accrued to pay the fee (see 'Gift holding')

In all cases, the fee should be clearly disclosed to the donor in solicitation materials along with the rationale for charging a fee. In North America, fees range from 1% up to 25% (the highest we found). Queen's University in Canada introduced its fee over a number of years in gradual increments; other institutions use a sliding scale (for example 8% on gifts up to \$500,000, 5% on gifts from \$500,000 to \$1 million, and 2.5% on gifts from \$1 million upwards). It should be noted that as gift fees go up, so gift income may go down due to the natural resistance of donors.

### Gift holding

Gifts, both endowed and un-endowed, are held in an interest-earning account until sufficient funds have accrued to pay the fee.

### Gift Aid

Gift Aid is a UK tax incentive that enables tax-effective giving by individuals to charities in the UK. A similar policy applies to charitable donations by companies that are subject to UK corporation tax. Gift Aid increases the value of donations to charities by allowing them to reclaim basic rate tax on the donor's gift from HMRC. For a basic rate taxpayer, this adds approximately 25% to the value of any gift made under Gift Aid.

Charities are able to direct the funding they receive from Gift Aid to wherever they see greatest need. Higher education institutions may wish to direct Gift Aid to a central fund and thereby support their fundraising offices.

For more information on Gift Aid, please refer to the HMRC website: [www.hmrc.gov.uk/charities/gift\\_aid/basics.htm](http://www.hmrc.gov.uk/charities/gift_aid/basics.htm)

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# PART 2

## EMBEDDING THE PEARCE REVIEW RECOMMENDATIONS



The 2012 Review of Philanthropy in UK Higher Education made 14 recommendations to the higher education sector and government.

The second part of this resource focuses on the nine recommendations that individual institutions can act on. These are paraphrased on this page.

Higher education institutions:

- should develop institutional advancement plans based on a clear understanding of their own distinctiveness, goals and particular opportunities

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- have a responsibility to engage actively with external supporters

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- should work with donors to create imaginative local opportunities for challenge funding

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- should have clear processes and governance mechanisms for acceptance of gifts as part of their normal ethical and risk management frameworks

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- should identify champions of advancement

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- should strengthen their governing bodies' competence and understanding of institutional advancement

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- should consider how best to embed fundraising within their infrastructure

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- should make better use of data and benchmarking analysis

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- should take active steps to grow a culture of philanthropy in their communities

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The remainder of this resource expands on each of these nine recommendations with a brief explanation of its contribution to institutional advancement, a case study that demonstrates best practice or innovation, and a checklist to aid vice-chancellors in their discussions.

## Case studies

All the case studies have been selected from UK higher education institutions and require minimal resource to implement. On the Strategic Fundraising website ([www.universitiesuk.ac.uk/Strategic-Fundraising](http://www.universitiesuk.ac.uk/Strategic-Fundraising)) there are examples of case studies from the UK and North America that are more complex or require greater support.



## RECOMMENDATION

## HIGHER EDUCATION INSTITUTIONS SHOULD DEVELOP INSTITUTIONAL ADVANCEMENT PLANS BASED ON A CLEAR UNDERSTANDING OF THEIR OWN DISTINCTIVENESS, GOALS AND PARTICULAR OPPORTUNITIES



Traditional advancement programmes focus on mass participation and engagement: encouraging graduates to do something for their institution.

Similarly, development programmes have tended to raise funds for a pick and mix of academic projects, with institutions not knowing how much money they want to raise or why they need philanthropic investment at all. However, increasingly university leaders are asking, 'What role will development play in our strategy?'

Development should not be an exception to strategic planning. The purpose of a strategic plan is to respond effectively to the forces, challenges, and opportunities higher education institutions face; it is an articulation of core values; it prescribes the direction of travel; and is a means of setting priorities. Therefore, the development plan will depend on the type of fundraising an institution needs to fulfil its strategic objectives. The strategic planning process should bring this to the fore and will ensure that the advancement plans are aligned with the institution's strategic plan.

● **Large views always triumph over small ideas.'**

**Winston Churchill**

For example, the structure, goal and activities of the development office will look very different depending on if an institution's goal is unrestricted income, capital funding priorities, or mass engagement. This assumes that the institution has an established development office, which can flex its muscles in different directions, depending on the institutional goals and the expertise of the development office. It is worth noting that a nascent fundraising office, which will still need to align its direction with the institutional strategy, will have less experience and knowledge and therefore should be mindful of setting realistic expectations.

Accordingly, the first step is to define institutional priorities. As part of the planning discussion, an institution needs to identify what role the development office should play in achieving these goals. This should be tempered with an understanding of the realistic capabilities of the development office and the potential of its prospective donor base.

Before implementing the strategic plan, performance measures should be identified to hold the development office to account and to demonstrate that the plan is being accomplished. These are explored further in the section on data and benchmarking (page 42).

● **Strategic planning is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it.'**

**JM Bryson** in *Strategic Planning for Public and Nonprofit Organizations*

Fundraisers need to know what they are fundraising for. Aligning fundraising outcomes to the institution's priorities helps set the office's goals and guides the allocation and management of financial and human resources. In addition, this linking of outcomes to priorities makes it easier for faculty, administrators, governing bodies, and other constituents to see how development can contribute to the strength and direction of the university.

## CASE STUDY

## UNIVERSITY OF NOTTINGHAM: EMBEDDING DEVELOPMENT INTO THE STRATEGIC PLAN



**The University of Nottingham's 2010–2015 strategic plan includes an ambitious vision, underpinned by a set of guiding principles, which in turn drive eight thematic agendas relating to research, teaching, business etc.**

While developing the new strategic plan, Professor David Greenaway, Vice-Chancellor and his senior team instinctively knew that for the institution's development efforts to be successful they must reflect institutional goals and priorities. That meant integrating development goals into the institution's plans and building a suite of key performance indicators.

An authoritative institutional plan does not necessarily guarantee success; it requires the active engagement of all staff each and every day. As part of the annual planning round, each academic and professional services department, including fundraising, builds a yearly activity plan. This includes performance plans, metrics, outputs and outcomes, all of which draw from the strategic plan's thematic aims and objectives as well the overarching vision and mission.

● **One of the key lessons we have learned from the 2010–15 strategy process is that integrated planning works. We constructed an ambitious institutional plan that dovetailed with a rigorous development plan to produce a clarity of purpose and approach, which in turn has yielded excellent results.'**

**Professor David Greenaway,**  
Vice-Chancellor, University  
of Nottingham

### Campaign

Professor Greenaway often talks about the value of fundraising beyond the gift – in terms of the value leveraged, research income, and the impact that a gift may have. Therefore, it is no coincidence that the Nottingham campaign is called Impact. The strategic plan was developed one year before the public launch of the campaign and it made sense to include it in the strategic plan. A key aim of the campaign was to embed a culture of philanthropy at Nottingham. Including fundraising in the strategic plan was a fundamental tenet in creating the culture and a clear demonstration of the importance of fundraising.

### Embedding day to day

Key to embedding fundraising was time spent with colleagues. The campaigns and alumni relations director had regular one-to-ones with senior officers. In addition a Campaign Ambassadors Group was formed, which has around 60 academic and professional service colleagues signed up as internal champions of the campaign.

## CASE STUDY

The plan has also provided clarity on strategic priorities. This in turn has driven a flow of targeted proposals and initiatives to present to potential donors. In return, the Development Department has refined its service provision, ensuring its programmes and activities significantly elevate the quality and scale of relationships in support of Nottingham's strategic priorities.

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## Metrics

To measure how well the plan was working, the university included specific, measurable indicators. These were broad metrics that sat above much more specific targets for each strand of the campaign's activity. These included:

- Income – the most basic measure of fundraising success.
- Alumni data. Included in the strategic plan was the desire to expand the university's presence in North America and Asia. Often data from overseas can be varied in quality; by setting a target for data, the university hoped to improve the fundraising programme in these territories.
- Alumni giving. The university recognised that its donor profile was changing, becoming younger and increasing in numbers. There was a need to identify how to engage alumni in a different way, particularly when thinking about the long-term sustainability of the programme. Therefore targets were given with the intention of increasing focus on this area and thus driving innovation.

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● **The aim is to engage fundraising – now seen as core business – ever deeper into the plan.'**

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## Impact

Including fundraising in the strategic plan has given much greater clarity to the university's development efforts; everyone knows what the department is trying to achieve. This is true internally within the department and externally across the university. The focus on metrics has ensured that the Development Department can request investment based on rigorous, transparent and public data. For example, return on investment figures are costed and included in the planning process. Finally, it has increased the credibility and visibility of fundraising and alumni relations.

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## Future development

Given the broad support for fundraising and the success that followed its inclusion in the strategic plan, the process for developing the next plan (2015–2020) has begun. The aim is to engage fundraising – now seen as core business – ever deeper into the plan. The current process is led by Karen Cox, Deputy Vice-Chancellor, who has formed a strategy task group to articulate vision, objectives and activities in order to maintain the university's world leading position.

The University of Nottingham took the unusual step of embedding its development activity within a bold institutional initiative. This has meant it has weathered the financial turbulence of recent years, delivering steady incremental growth through disciplined planning and execution.

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## CHECKLIST

## INSTITUTIONAL PLANNING

Strategic planning in higher education institutions is particularly complex given the divergent stakeholder groups involved. Therefore, the following checklist is not intended as a planning aide memoire, but rather as a prompt to discussion when seeking to align advancement plans with institutional plans.

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### Vision and mission

- Can the institution articulate its mission, vision and distinctive identity?
- What role can development play in achieving the vision?
- Does the development plan link to other business plans?
- Were all stakeholders, including alumni and donors, included in the development of the strategic plan?

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### Reviewing the environment

- Do you know who your stakeholders are, including students, alumni and donors?
- What are the key uncertainties in the philanthropic market?
- Is the institution ready to integrate development into the strategic plan?
- Have you laid a foundation of objective analysis, for example using the Ross-CASE Survey to benchmark your development function against national trends and peers?

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### Developing the strategy

- Do the development plans reflect your institution's distinctive identity?
- Are the development plans sustainable, consistent and designed for the long term?
- Do the investment calculations contain rigorous risk analysis and measurable return on investment indicators?
- Do the plans contain SMART metrics that feed into your institution's balanced business scorecard?

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### Allocating resources and monitoring

- Has the plan been communicated across the institution as well as to alumni and donors?
  - Does everyone know what they are responsible for?
  - Is there synchronisation between advancement plans?
  - Can you assess progress in implementing the strategic plan and, where objectives are not being met, how your programme proposes to proceed?
-

## RECOMMENDATION

## HIGHER EDUCATION INSTITUTIONS HAVE A RESPONSIBILITY TO ENGAGE ACTIVELY WITH EXTERNAL SUPPORTERS



Higher education institutions need to have good external relationships that will give them a competitive edge as well as carry them through the challenging times.

The reality is that business relationships and donor relationships are just like any other partnership: they require effort to maintain and they must be mutually beneficial. This process is often referred to as the 'donor cultivation cycle'. The process has four fundamental phases:

- **Identification and research:** who will you ask and what will you ask for?
- **Cultivation:** building relationships and preparing to make the 'ask'
- **Solicitation:** making the 'ask'
- **Stewardship:** recognition and continuing to engage donors

### Identification and research

This stage is about gathering and analysing information on prospective donors and funding priorities. As noted previously, fundraisers can only raise money if they know what they are fundraising for. Institutions need to identify the projects for which they wish to raise funds and to assess how they might appeal to donors. Fundraising is most effective when it aligns with the institution's distinct mission, identity and strategy.

The institution will also need to identify who it wants to ask for support. Prospect research is an essential component of the cultivation cycle. It provides fundraisers with the information and tools they need to build relationships with donors. The more you know about a prospect, the easier it is to match the potential donor to the right project, successfully solicit a gift and increase the chances of building a longstanding relationship.

It is important to note that a donor is not always an individual. It will be a person that is cultivated, asked and stewarded but their motivation for giving might be their business interests rather than personal passions. Sometimes the company is the giving mechanism but it is the fact that the company's strategy overlaps with that of the institution that is the driver.

● **Institutions need to identify the projects for which they wish to raise funds and to assess how they might appeal to donors.'**

### Cultivation

Cultivation strategies are based on the information that is gathered in the identification phase. Cultivation refers to the methods used to build a relationship with a donor, from initial contact through to their active engagement with the institution. A rough rule of thumb is that the more senior the prospect and the larger the gift, the greater the amount of one-to-one time a prospect will expect from the senior leadership of the institution.

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## Solicitation

In this phase the 'ask' is made. There are a number of ways to achieve this: direct mail, telephone fundraising, face-to-face solicitations, peer asking, as part of a legacies campaign or through online communication. For major gifts, this can be an involved process with a need for due diligence and gift agreements, so it is important to have the appropriate mechanisms already in place. For smaller and regular gifts, it is important to have robust financial systems that can cope with peaks in giving and provide donors with reassurance that their donations are being handled in a professional manner.

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## Stewardship

It is far more likely that an existing donor will give again than a non-donor will begin giving. Therefore, good stewardship is essential and makes sound financial sense. Stewardship is about maintaining and evolving long-term relationships with donors and it is a shared responsibility of everyone involved in the process. Effective stewardship will ensure that the donor knows their gift is valued and put to good use, creating a feeling of positivity and warmth toward the institution. By investing wisely in stewardship an institution can keep donors engaged in a donating cycle and encourage them toward regular repeat giving.<sup>6</sup>

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● Stewardship is about maintaining and evolving long-term relationships with donors and it is a shared responsibility of everyone involved in the process.'



## CASE STUDY

## UNIVERSITY OF THE WEST OF ENGLAND, BRISTOL: USING THE STRATEGIC PLAN TO ENGAGE SUPPORTERS

**Professor Steve West,**  
Vice-Chancellor of the University  
of the West of England, Bristol



**Professor Steve West, Vice-Chancellor of the University of the West of England, Bristol, was faced with a series of challenges when he began to assemble the fundraising department.**

The university had been doing limited fundraising for a few years, but he was keen to build long-term strategic relationships. He realised he needed to do two things: to distil the institution's mission and values into a compelling case, and to understand what philanthropists want.

At the same time, Professor West was about to embark on a strategic review and he was struck by how this process could be used to answer the development questions he was wrestling with while also engaging the university's stakeholders in proactive conversations.

In preparing the strategy, the senior management team asked 'what is the university's ambition?' Staff from across the university also met to look at what was important to them and to share their aspirations for UWE Bristol's future. These were brought together and summarised as: 'a university that adds real value to the regional economy and communities, has a global outlook, is technologically agile and is recognised for its practice-oriented learning opportunities and real world approach'. This top-down, bottom-up approach was important in creating a sense of direction, unity and connection. However, while it revealed the institution's priorities, crucially it did not reveal those of the university's supporters.

Professor West took the bold step of testing what would become the Transforming Futures strategy with the university's stakeholders and sought their feedback through consultations, focus group sessions and town-hall-style assemblies. This included local businesses, for example Rolls-Royce and Aardman Animations, as well as regional foundations and senior alumni.

Professor West says:

'UWE Bristol is a civic university with a global outlook – we are very much woven into the fabric of the Bristol city region. Any strategy for us has to be externally facing; it has to co-identify, with employers and communities, the opportunities and solutions that will drive forward regional economic growth and social development, and maximise the talent in our region. How else are we to really make a difference and ensure our students are prepared to realise their potential in the global knowledge-based economy?

Part of our strategy is about building the networks, bringing together key individuals and organisations, to tackle the complex issues we all face – in education, environmental planning, or health and the challenges of an aging population – clearly these cannot be addressed by one organisation acting alone. Bristol is a hugely creative city with a thriving economy – as a university, we are uniquely placed to contribute to its future success. To me, talking to our stakeholders about our strategy as it develops, giving them the opportunity to shape our priorities, is absolutely critical. It is a key part of what makes us UWE Bristol.'

The new strategy raised the profile of the institution and its mission, goals, research, teaching, facilities and knowledge exchange capacity. Further, it created a sense of buy-in from industry, local communities, alumni and philanthropists. This was fundamentally important as it gave the newly created fundraising department a cadre of interested prospects with which to begin the cultivation cycle.

Internally, the consultation and resulting strategy was warmly received. It provided staff with a document that they were committed to because they had contributed to it, and that was also consistent, inclusive and authentic – a potent mix for engaging support internally and externally.

Although the strategy has only been in circulation for a year, monthly enquiries from businesses seeking to engage with the university are significantly up; the fundraising team has built excellent relationships with potential donors, securing gifts in-kind, internships, placements and financial donations.

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● **Any strategy for us has to be externally facing... How else are we to really make a difference and ensure our students are prepared to realise their potential in the global knowledge-based economy?**

**Professor Steve West**

## CHECKLIST

## BUILDING RELATIONSHIPS

Institutions need to ensure they are communicating, engaging and building lasting relationships with their external supporters. The following checklist will help vice-chancellors and their institutions reach out to their stakeholder communities.

- Has the institution identified the programmes, projects and types of philanthropic support it requires?

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- Do these reflect the institution's mission, identity and strategy?

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- Does the institution understand how and why these programmes will appeal to donors?

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- Does the development department have the skills, knowledge and experience to engage donors?

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- Does the development department know who the right donors are, what motivates them and what their expectations are?

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- Is the leadership of the institution committed to engaging with donors, including face-to-face?

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- Is this commitment reflected in the wider academic and student community?

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- Does the development department have support across professional and academic departments?

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- Does the development department have a database able to segment and target donors, record interactions and provide monitoring reports in an effective manner?

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- Is the institution able to engage donors beyond just asking for money, for example mentoring, internships or career advice?

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- Are there opportunities for using gifts to leverage other funds from philanthropy, government funds, research funds or the institution's own reserves?

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- Does the development department have a stewardship programme with appropriate activity to the level of gifts?

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- Does the institution have a robust gift acceptance policy and process as well as gift agreements?

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- Does the institution have rigorous systems for processing gifts efficiently and promptly?

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- Does the institution have a policy for naming opportunities?

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- Does the institution communicate, recognise and celebrate the generosity of its donors?

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- Does the development plan contain SMART metrics for external engagement that can feed into the institution's balanced business scorecard?

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## RECOMMENDATION

## HIGHER EDUCATION INSTITUTIONS SHOULD WORK WITH DONORS TO CREATE IMAGINATIVE LOCAL OPPORTUNITIES FOR CHALLENGE FUNDING



Matched funding schemes have proved to be effective for capacity-building to raise income, incentivise giving, contribute to the development of a philanthropic culture and provide an innovative funding model for higher education institutions to consider as part of their fundraising repertoire.

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● **These types of partnerships serve as powerful incentives for institutions to leverage funds.'**

Although there are no plans to introduce a second government-led matched funding scheme for higher education, this should not stop institutions from seeking out local opportunities for challenge funding. The history of philanthropy suggests that donors will make private gifts to higher education without the incentive of a matched funding programme. However, an opportunity to increase the value of a gift, coupled with the advantages of Gift Aid, provides donors with a potent enticement to support an institution.

The concept of matched funding is not new or unique and schemes have been successfully run throughout the world. Research consistently shows that these types of partnerships serve as powerful incentives for institutions to leverage funds from private sources, and those institutions that utilise matching funds maintain a competitive advantage over their peers. Also matched funding schemes usually show an excellent return on investment.

Matched funding programmes vary depending on the funder mix, sector, beneficiaries and aims of each initiative. However, the underlying principle remains the same: the scheme offers to match private gifts made to an institution – at varying ratios – from one or a combination of the state, business, private individuals or the institution itself.

Along with opening up private support, such schemes can also be used to build strategic links between institutions and their constituencies; embed a culture of giving among alumni, staff and students, which in turn will help strengthen the pipeline of potential future donors; stimulate donors and development offices to raise their sights; and finally add clarity and robustness to an institution's donor stewardship processes.

## CASE STUDY

## RADA: THE BIG GIVE CHRISTMAS CHALLENGE

In December 2013 RADA took part in the national challenge campaign The Big Give Christmas Challenge, a way for philanthropists to support charities and projects of interest, and for charities to engage with donors new and old. The Big Give provides matched funding to charities as well as encouraging other philanthropists to donate to good causes.

**The 2013 Christmas Challenge ran over three days with staff and students at RADA calling alumni, friends and supporters asking them to donate and significantly increase the value of their gift through the matched funding scheme. RADA's public campaign was spearheaded by the actor Michael Sheen OBE.**

Gifts were channelled to the Training Excellence Fund, designed to discover and nurture the talents of remarkable students, helping them to develop the skills they need to forge a career in the creative industries as actors, technicians, directors and designers.

The Christmas Challenge was a great success, raising £88,000 against a target of £80,000. In addition:

- It inspired new donors and encouraged lapsed donors to give and give more.
- It galvanised donors at all levels.
- Ninety-seven percent of the donors who gave in the previous 2012 appeal gave again.
- In the 2013 appeal there were as many new donors as there were repeat donors, clearly demonstrating the wide appeal.
- It built on RADA's social media presence, drawing people to its Facebook pages and trending on Twitter.
- It facilitated the growth of a culture of philanthropy by engaging staff and students in a focused, successful fundraising campaign.
- It helped to source corporate, foundation and individual support.
- It encouraged *all* the trustees to give.
- It helped move donors toward online giving, which also increased the number of Gift Aid claims.

The challenge was a highly accessible way for people to engage with fundraising internally in the various stages; it was a shared experience, generating friendly competition. More generally, the challenge helped raise the profile of RADA as a charitable cause with alumni, many of whom got back in touch after the event to donate.

Edward Kemp, Artistic Director of RADA said:

*'In a society that faces regular conflict and social unbalance, performance on stage and screen enables us to see our lives and the lives of others reflected back to us through drama. Stories reveal who we are as people and help us to understand our relationship to each other and the world we live in. The changing funding landscape within higher education has significantly increased RADA's need to raise funds from private philanthropic support to maintain our internationally renowned training. The Christmas Challenge helped provide crucial funding to enable the very best students to develop their skills.'*

**Edward Kemp,**  
Artistic Director,  
RADA



## CHECKLIST

## CHALLENGE FUND

The following checklist will help institutions assess their capacity to take part in a matched funding scheme.

- Can the institution articulate its mission, vision and distinctive identity?

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- Has the institution identified a programme or initiative that is appealing to donors?

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- Is the programme fully costed (ie what is the target?), is it achievable and will it be seen to be achievable by potential donors?

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- Has the institution identified a challenge fund partner, what are they expecting to get out of the partnership and can the institution satisfy their expectations?

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- Has the institution done the necessary due diligence on the matched funder?

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- Does the institution know who its potential matching donors are?

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- Do the investment calculations contain rigorous risk analysis and measurable return on investment indicators?

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- Do the plans contain SMART metrics that feed into the institution's balanced business scorecard?

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- Will the challenge be communicated across the institution as well as to donors?

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RECOMMENDATION

## HIGHER EDUCATION INSTITUTIONS SHOULD HAVE CLEAR PROCESSES AND GOVERNANCE MECHANISMS FOR ACCEPTANCE OF GIFTS AS PART OF THEIR NORMAL ETHICAL AND RISK MANAGEMENT FRAMEWORKS



Philanthropy plays a vital role in supporting the work of universities in opening doors to education; fostering just, sustainable and civil societies; and seeking solutions to many of the world's most pressing problems.

This support also plays an increasingly important part in helping to maintain the UK higher education sector's global reputation for excellence.

The development of philanthropy must be guided by clear policies and procedures to protect all concerned: institution, donor and beneficiaries. To help vice-chancellors in this work, CASE has produced guidelines on the development of a gift acceptance policy, provided here.

On the website to accompany this resource is a selection of gift acceptance policies ([www.universitiesuk.ac.uk/Strategic-Fundraising](http://www.universitiesuk.ac.uk/Strategic-Fundraising)).



## CASE STUDY

## CASE: ETHICAL PRINCIPLES BEHIND THE ACCEPTANCE OF GIFTS, GUIDELINES FOR UK HIGHER EDUCATION INSTITUTIONS<sup>7</sup>

Developed by CASE Europe with the Ross and 1994 groups of development directors

**The development of philanthropy as a vital income stream needs to be guided by clear policies and procedures with regard to the criteria that determine whether any particular gift or donor should be accepted. As independent institutions, it is right that each university makes its own decisions in this area in the light of its own circumstances.**

With the growth in the scale of, importance of, and public interest in philanthropy across the UK university sector in recent years, CASE Europe, the Ross Group and the 1994 Group of development directors came together to review practice in gift acceptance. As a result, a set of core principles were identified which all universities might helpfully consider as they develop, or fine tune, criteria and processes to reflect their particular structures and priorities.

The 10 principles are:

- 1 Universities should seek philanthropic support which is aligned with their values, strategic goals and financial needs, as a legitimate, sustained and vital component of their income.

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- 2 Ethical guidelines for the acceptance of such gifts in any institution should be available in the public domain.

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- 3 Impartial, independent research, scholarship and teaching are the basis for the furtherance of knowledge. Universities should not accept philanthropic gifts if this is not clearly understood and accepted by all parties.

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- 4 Universities are charitable bodies and must observe the requirements of charity law and other relevant legislation in relation to the receipt and expenditure of funds. Ultimate responsibility regarding the acceptance and refusal of donations rests with the governing body of each university.

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- 5 Where the authority for the acceptance of donations is delegated to the vice-chancellor and other senior academics or officers, that authority should be explicit and the responsibility of those accepting gifts to implement the institution's detailed ethical policies and procedures on donations must be clearly understood and consistently applied.

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- 6 Universities should take all reasonable steps to ensure that they are aware of the source of funding for each gift, and have processes in place to satisfy themselves that the funds do not derive from activity that was or is illegal, or runs counter to the core values of impartial, independent research, scholarship and teaching.

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- 7 Discussions with potential donors that are likely to give rise to significant public interest, or which raise complex questions with regard to acceptability, should be considered at the earliest stage possible by the appropriate decision makers who should be fully informed of the purpose and the background to the donation and the source of funds.

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## CASE STUDY

- 8 The legal and reputational rights of potential donors should also be considered as part of any due diligence undertaken in assessing the acceptability of a proposed donation. In this regard, a clear distinction should be drawn between rumour or speculation and matters of confirmed fact or legal finding, whilst also accepting that institutions may wish to consider the reputational risks that could be incurred through public perception of any particular donor.

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- 9 Donors must accept and, for significant gifts (as determined by individual institutions), sign appropriate gift agreements to confirm that the management and governance of programmes funded through benefaction rest solely with the university. Individual institutions typically choose, without undermining this core principle, to offer donors opportunities for continuing engagement with the activities that they have funded. Universities should employ their standard procedures relating to recruitment, admissions, hiring, promotion, procurement, management and governance for all research, teaching, outreach, capital development, or student scholarship programmes funded by gifts.

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- 10 Universities should have procedures in place for reviewing and reconsidering previous decisions taken in good faith relating to the acceptance of particular gifts if subsequent events or the subsequent availability of additional information require it. The response to such circumstances should be transparent and proportionate to the particular circumstances that have arisen.

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## CHECKLIST

## ACCEPTANCE OF GIFTS

Higher education institutions have a responsibility to ensure that the processes of securing and receiving funds to support teaching and research do not compromise their integrity, the trust of supporters or their commitment to students, staff and the communities they serve.

Institutions must also ensure they comply with Higher Education Funding Council for England (HEFCE) procedures on serious incident reporting concerning philanthropic donations. The following checklist will guide vice-chancellors as they review their gift acceptance and ethical fundraising procedures.

- Is fundraising included in the institution's normal risk assessment procedures (for example on the risk register)?

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- Does the institution have ethical guidelines for the acceptance of gifts and are these available in the public domain?

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- Does the institution have a code of ethical fundraising practice and is this available in the public domain?

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- Do the ethical guidelines include guidance on:
  - impartial, independent research, scholarship and teaching
  - corporate philanthropy (for example on corporate social responsibility, sponsorship or the ethical nature of the business)
  - gifts from students or, where the institution is attached to a medical school, gifts from patients and their families
  - legal and reputational rights of potential donors including anonymity and recognition?

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- Does the development office have a sound understanding and observe the requirements of charity law and other relevant legislation? For example:
  - Data Protection Act (1998)
  - Freedom of Information Act (2000)
  - Privacy and Electronic Communications Regulations (2003) and data protection principles
  - Statement of Recommended Practice: Accounting for Further and Higher Education (2007)
  - Bribery Act (2010)
  - Charities Act (2011)

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- Is the institution's status as an 'exempt' charity under Schedule 3 of the Charities Act 2011 for the purposes of UK charity legislation, accountable to HEFCE as the Principal Regulator, clearly stated? Are the institution's objects as a charity also clearly stated?

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- Where does the ultimate responsibility rest for the acceptance and refusal of donations (for example, with the governing body, vice-chancellor or senior academics or officers)?

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- Is that authority explicit, clearly understood and consistently applied?

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## CHECKLIST

- Does the institution have a Gift Acceptance Committee, with clear terms of reference, senior representation and authority to make decisions on gift policy, risk and acceptance?

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- Does the institution only accept gifts that support projects which are aligned with its mission, values, strategic goals and financial needs?

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- Are the gifts legitimate and vital components of its income?

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- Does the institution have a due diligence process in place to satisfy itself that funds do not derive from activity that is illegal, or runs counter to the core values of impartial, independent research, scholarship and teaching?

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- Does the institution have a gift agreement (to clarify the purpose of a gift and any expected outcomes from that gift) which has been reviewed by the appropriate departments (for example governance, legal compliance, HR or by an external consultant such as a lawyer)?

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- Is there a process in place to deal with any variations in the agreement template or any unusual circumstances?

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- Does the institution have a clear procedure for escalating gifts for review and authorisation by a Gift Acceptance Committee or senior officer (for example gifts that have significant public interest, raise complex questions or are for significant amounts)?

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RECOMMENDATION

# HIGHER EDUCATION INSTITUTIONS SHOULD IDENTIFY CHAMPIONS OF ADVANCEMENT



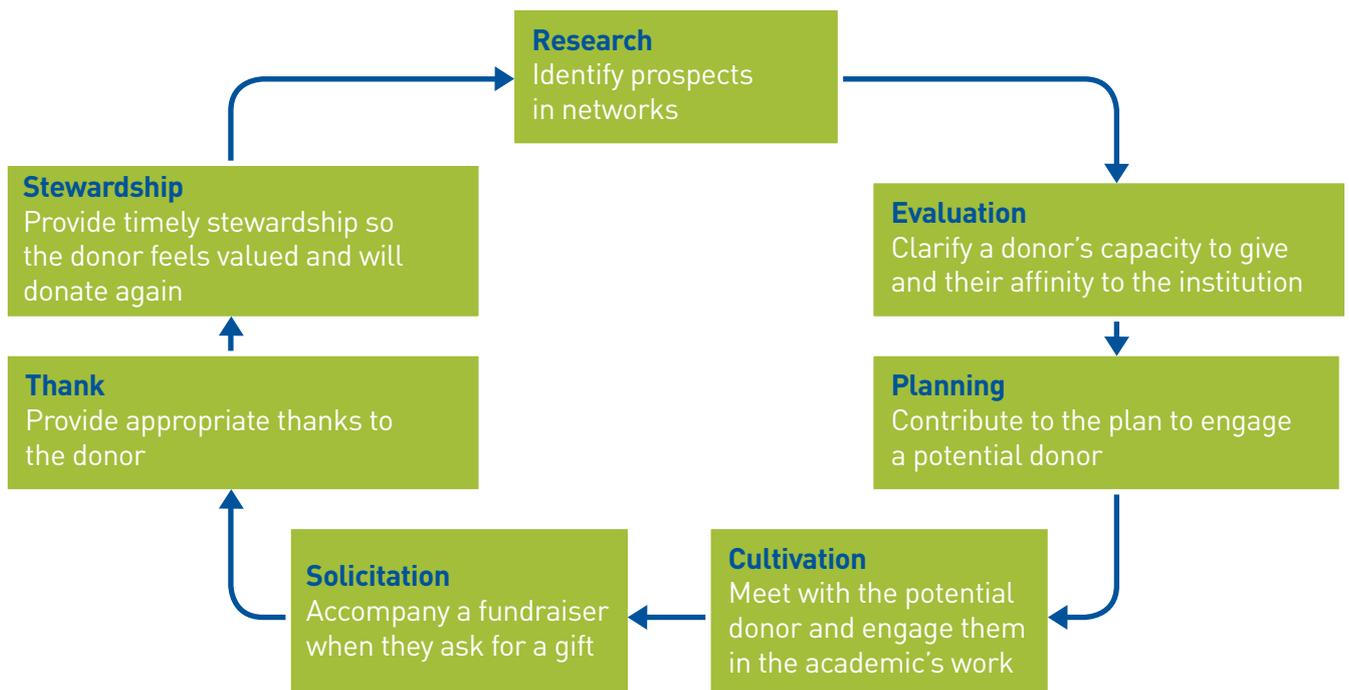
The original Pearce Review recommendation advocated the identification of champions of advancement from across the sector. This recommendation should also be extended to individual institutions to more deeply embed philanthropic activity in institutional practice.

Vice-chancellors, deans and faculty members have a crucial role to play in developing philanthropic support for an institution and the current financial climate requires the skills of both the academic and the fundraiser. Philanthropy can never be a quick fix for a department’s funding gap, but if developed in a focused, strategic manner with the active participation of the faculty and its leadership, fundraising can strengthen research and teaching programmes, increase the profile of a faculty, encourage greater participation by alumni and enlarge the pool of donors.

Donors are increasingly knowledgeable and involved in their giving and this has affected what they expect to see in return. They are looking for impact, greater accountability and results. Academics can best articulate the vision for their research programme, project or faculty with passion, authenticity and clarity; they have greater credibility with the donor; and they are best placed to track, evaluate and report on the results of the donor’s support.

Accordingly, academics are an essential link between the institution and the donor, illuminating what makes a university special and what a gift could achieve. Development departments and institutional leadership need to be able to articulate the importance of the academic champion and the role they can play throughout the fundraising process. Figure 3 shows the seven steps in securing a donation and the function an academic can play in its success.

**Figure 3: The seven steps in securing a donation**



## CASE STUDY

## UNIVERSITY OF MANCHESTER: ACADEMIC LEADS FOR FUNDRAISING PROGRAMME

The Division of Development and Alumni Relations at the University of Manchester wanted to create a structured approach to engaging academics that went beyond simple information sharing and training.

● **‘Fundraising for health in the higher education sector is complex and Manchester is no different. Many of the academics are based off campus in hospitals and they have joint roles with the University and the NHS.**

**Professor Ian Jacobs**, Vice-President and Dean of the Faculty of Medical and Human Sciences, University of Manchester

**Their experience had shown that significant gifts were often the result of proactive engagement with the academic community and were linked to strategic investment in a faculty. Further, there was a strong drive to increase philanthropic income for health-related programmes within the institution.**

Kate White, the newly recruited Head of Philanthropy for Medical & Human Sciences, recognised that the most persuasive advocates would be the academics themselves. Kate set about crafting an Academic Leads for Fundraising programme that used academics as catalysts to drive a transformation in understanding of and engagement with fundraising. The aim of the programme was to create a network of academic champions who could:

- promote philanthropy in research and teaching within departments
- identify academics and projects suitable for funding
- act as advisors
- shape priorities
- promote an understanding of what motivates donors
- meet with prospects and donors
- drive a culture change within the faculty

The endorsement and involvement of senior leadership was crucial to ensure credibility with the wider academic community. Therefore, the Development Division was delighted to have Professor Ian Jacobs, Vice-President and Dean of Faculty launch the programme at a special faculty event. To lend further credibility to the academic champion positions, formal role descriptions were developed and applications sought; this was followed by an interview with the dean.

The programme is now established in the medical faculty and has evolved to include regular e-bulletins; bi-annual summits for information sharing; and one-to-one meetings between fundraisers and academics. In addition, the Head of Philanthropy is invited to the monthly senior management team meetings and the quarterly strategic planning/away days.

The Academic Leads for Fundraising programme has strengthened the relationship between the Development Division and schools across the medical and health disciplines. This has resulted in greater clarity on faculty priorities; speeded up information flows; and ensured deeper buy-in on key projects, and greater understanding of the fundraising process, particularly interactions and visits with prospects and donors. The latter has been crucial in terms of stewardship and ensuring a high quality experience for donors, who continue to give and become involved in the life of the institution. An evaluation of the pilot programme showed it to be a great success, so much so that it was extended to the Faculty of Life Science. The university is now in the process of rolling out the programme across the remaining two faculties.

## CHECKLIST

## IDENTIFYING CHAMPIONS OF ADVANCEMENT

Faculty members can be vital in mobilising support for their students, research and the institution as a whole. They are ideally placed to convey the values and substance of education with passion and authenticity.

Successful fundraising is therefore a partnership between development professionals and academics where each needs the other to help meet their goals. The following checklist will help institutions identify, nurture and develop academic champions of advancement.

- Is fundraising included in the institutional strategy – will it give development credibility and value?

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- Can senior leadership articulate the role and importance of fundraising in that strategy, inspiring the wider academic community to make it part of their department's activities?

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- Does the institution have a mechanism for identifying fundable projects and academics who are willing to engage with donors?

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- Is fundraising included in a range of communications to promote the value of development and to dispel some of the myths about philanthropy?

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- Is there a forum for development and academic staff to discuss faculty goals, plans and projects and the role fundraising can play in delivering them?

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- Do academics have a voice in deciding those fundraising priorities?

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- Are academic and professional staff empowered to act and become involved in fundraising? For example, institutions should:
  - create an environment where staff can bring creative, innovative ideas or news of funding opportunities
  - encourage faculty to pass on contact details of potential donors they have met through their networks and engage them in their cultivation
  - ask staff who travel to visit alumni and donors
  - encourage faculty members to lend authority to proposals by supplying quotes and endorsement, particularly on impact
  - ask academics to advocate on behalf of fundraising at events, in communications or with one another
  - contribute the latest research news or achievements for use in communications

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- Do staff receive fundraising training? It is important to train anyone who will represent an institution; this is also true of development. An introductory training module can be found on the Strategic Fundraising website, [www.universitiesuk.ac.uk/Strategic-Fundraising](http://www.universitiesuk.ac.uk/Strategic-Fundraising)

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- Does the institution recognise and celebrate philanthropy and academic and professional staff's involvement in it?

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## RECOMMENDATION

## HIGHER EDUCATION INSTITUTIONS' GOVERNING BODIES SHOULD STRENGTHEN THEIR OWN COMPETENCE AND UNDERSTANDING OF INSTITUTIONAL ADVANCEMENT



Increasingly, vice-chancellors are looking to their governing bodies to take a more substantial leadership role in their complex institutions as they face unprecedented change. Virtually every higher education institution board is looking at the sustainability of its financial model. The effort to continue fulfilling their missions in the face of decreased funding has led many universities' boards to make fundraising a priority.

Members of governing bodies are chosen for their diverse skills and backgrounds. In North America this is referred to as 'work, wisdom and wealth'. Does your potential board member have the time to devote to the demands of board membership (work); do they have the necessary skills or fill a specific skills gap (wisdom); and can they make a gift or leverage support from elsewhere (wealth)? In the UK, board members have not traditionally been asked to give. However, any thoughtful trustee should see their role as an evolving one, and in the current economic climate, this will include fundraising.

Not all board members are wealthy, but they can set an example in personal giving, commensurate with their capacity. Ideally, they can also help the development department make introductions to potential donors; endorse development plans and goals; and, ideally, assist with solicitations. These board members can connect development professionals with their peers, facilitating the process of establishing new relationships with prospective donors.

Many institutions expect their development team to play a major role in recruitment as they are in an ideal position to meet influential alumni and donors and recommend them as possible board members. Full disclosure of all responsibilities and expectations of trustees in growing the financial base and deepening the foundation of support are critical when appointing trustees.

The development team can also contribute to trustee training. Although members may know they have fundraising responsibilities, this does not mean they are necessarily comfortable with fundraising or are familiar with fundraising in the context of their institution. Board members should be brought along slowly, allowing them to work within their comfort zones.

As part of the familiarisation process, institutions might enhance the agendas of their boards by reserving time to discuss the strategic issues on the horizon for philanthropy in general and their institution specifically. This is an excellent opportunity to educate board members on the complexity and nuances of development as well as to stimulate their engagement with fundraising beyond receiving metrics and KPI reports.

Along with being ambassadors for the institution, board members can also donate and provide contacts and introductions to others who could support the institution, for example asking board members to host events for potential donors. An excellent introduction to the development process is to have board members call donors to thank them for their gifts.

Both the theory and the research suggest that board members give: on average volunteers are three times more likely to give than non volunteers. While everyone's giving capacity is different, trustees should see their institution as one of their top giving priorities.

## CASE STUDY



## UNIVERSITY OF BATH: INVOLVING GOVERNANCE AND LEADERSHIP IN FUNDRAISING

Fundraising needs the endorsement and involvement of an institution's leadership to be successful. With this in mind, the University of Bath has actively sought to engage its governing council in its development efforts.

**Although lay members of the council are recruited based on their skills, for example their knowledge of the law or accountancy, individuals with additional experience of fundraising or philanthropy have also been sought.**

All members are recruited with the expectation that they will play a role in fundraising on behalf of the university. This is included in their role descriptions. Council members are asked to make a donation commensurate with their ability to give, and more than half are now donors.

Similarly, experience of or willingness to engage in fundraising is now an expectation for the vice-chancellor and senior academics. Training in fundraising is available for all council members as well as senior academics.

The director of development presents a report to the council twice a year on fundraising progress. Further, key performance indicators for fundraising are also included in the standard reports that the council receives and fundraising is included on the university's risk register.

## CHECKLIST

## GOVERNING BODY

The governing bodies of higher education institutions are established to hold the vice-chancellor and the senior management team to account.

Board members are necessarily recruited for their specific skills. These skills do not preclude knowledge of fundraising and many board members may well be philanthropists in their own right. Therefore, fundraising can and should feature in board discussions. The following checklist will be useful for boards and their individuals members to review and audit their own competence and understanding of institutional fundraising.

- Is an active engagement in fundraising and alumni relations included in selection criteria for vice-chancellors and preferably senior members of staff?

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- Does the board seek to recruit members of the governing body with experience of philanthropy or fundraising?

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- Does the institution have an advancement plan that includes fundraising, alumni relations and communications? Does this complement and reflect the organisational plan?

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- Does the governing body receive regular updates on fundraising activity based on this plan? For example, are fundraising metrics included in the KPIs reported to the governing body?

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- Is development included in recruiting, training, supervision, evaluation and acknowledgement systems for board members?

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- Does the governing body understand how it can be involved in the development efforts of the institution?

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- Do trustees make an annual contribution according to their means?

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- Do trustees give access to their networks where appropriate?

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- Do trustees help to cultivate, solicit and steward potential donors?

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## RECOMMENDATION

## HIGHER EDUCATION INSTITUTIONS SHOULD CONSIDER HOW BEST TO EMBED FUNDRAISING WITHIN THEIR INFRASTRUCTURE



For fundraising to be successful, it must be embedded across the institution.

As noted throughout this resource, fundraising should be included in the institution's overall strategic plan; it is a shared responsibility and should appear in department plans.

Academic champions can help identify and exploit new opportunities that might otherwise go unrecognised, and governing bodies and vice-chancellors can provide senior level endorsement so crucial to the success of any initiative. This section highlights additional ways to embed fundraising in the day-to-day life of an institution.

### **Provide training**

This can include training days or presentations by the development team. CASE runs bespoke CASE on Campus seminars as well as Study Tours and training days for academics. A basic training module for inclusion in staff inductions has been developed for this project and is available on the Strategic Fundraising website, [www.universitiesuk.ac.uk/Strategic-Fundraising](http://www.universitiesuk.ac.uk/Strategic-Fundraising).

### **Reward involvement**

When gifts come in, all those involved in the fundraising process should be acknowledged. Institutions should consider including fundraising as part of their recognition schemes such as annual staff awards.

### **Highlight impact**

Ensure staff can see their support of development activities has value not just to the institution but to their own working lives.

### **Talk often and proudly**

Leave no-one in any doubt that this is a priority for the institution's leadership by discussing philanthropy regularly. For example, through features in staff newsletters and on the intranet, in staff meetings, or by using displays in public areas.

### **Identify change agents**

Identify a few key institutional leaders or academics who are supportive. Encourage the development office to work closely with them on projects that will create momentum. Seeing the success of others can have a powerful influence and change the views of less supportive colleagues.

## CASE STUDY

## EMBEDDING FUNDRAISING IN THE INFRASTRUCTURE

These recommendations from leading development directors and philanthropic consultants suggest some of the ways fundraising can be embedded within an institution.

*Gemma Peters, Executive Director of Fundraising & Supporter Development, King's Health Partners* **on the reporting lines for the director of development**

'The Development Director should sit on the senior management team of an institution or at least have a direct line into the vice-chancellor. It is essential to have that contact in order to understand institutional priorities, to embed strategy and plans into development activity, and to have a forum to tie down the important ideas that are generated by donors or by faculty. Also, if we are to actively and successfully involve academic leadership in fundraising, we need the proximity and credibility that senior management representation brings.'

*Fiona Kirk, Managing Director and Senior Consultant, Marts & Lundy UK* **on developing KPIs**

'Institutions must be accountable but they also need room to learn. For start ups or emerging development functions there should be a greater focus on monitoring activity than on purely income driven metrics. This balance should change as the development department evolves in complexity. Therefore, monitoring should be proportionate. It should be a tool for learning and evaluating what works in a programme as well as assessing performance.'

*Kate Hunter, Executive Director, CASE Europe* **on opportunities for academics to learn about fundraising**

'The UK higher education sector has experienced ten years of investment and growth in fundraising, and it is an increasingly mainstream activity. Effective fundraising sees professional staff and academics working together to generate gifts and build long-term relationships with supporters. CASE has been part of this evolution and our programmes, such as the vice-chancellors' fundraising study tour of Canada and our Development for Deans seminar, provide knowledge and a network for academics to explore their role in the process.'

*Kirsty MacDonald, Director, Development & Alumni Engagement, University of Edinburgh* **on the need for clear vision and strategy**

'Both institutions and donors need to see a clear ambition and vision, something they can buy into literally and figuratively. Fundraising works best when it is framed within an inspiring vision, and when it contributes directly to the university's strategy.'

*Graeme Byrne, Director of Development, University of East Anglia* **on consistency and best practice**

'A culture of philanthropy can't be created instantly, it must be earned through consistent, focused fundraising for projects that the institution could not otherwise do and which generate goodwill from the institution's stakeholder community. It is only through an incremental process, where all those involved – academics and donors alike – are exposed to careful and considered cultivation and stewardship that they will return again and in greater numbers.'

## CHECKLIST

## EMBEDDING FUNDRAISING

Embedding fundraising requires activity across a number of areas including governance, strategy, communications and training. This checklist can help identify areas and programmes for development.

- Are advancement (fundraising, alumni relations and communications) plans included in the institution's overall strategic plan?

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- Is there a long-term commitment to fundraising by the institution?

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- Does development appear in faculty and department plans?

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- Is development a priority for the senior leadership of the institution?

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- Does the governing body receive reports on development activity?

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- Is the governing body engaged in development activities?

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- Does the development director sit on the senior management team or report to the vice-chancellor?

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- Does the institution have a programme of academic champions?

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- Are there processes in place to identify fundraising opportunities or for interested academics and staff to become involved in fundraising?

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- Is fundraising included in staff inductions?

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- Is there a dedicated module for fundraising in academic staff training?

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- Does the institution have an award scheme for staff and does this include non-academic staff and awards for fundraising?

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- Does fundraising and the support provided by philanthropy feature in institutional communications (eg the annual report, staff newsletter, vice-chancellor's blog or on the website)?

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## RECOMMENDATION

## HIGHER EDUCATION INSTITUTIONS SHOULD MAKE BETTER USE OF THE DATA AND BENCHMARKING ANALYSIS



Fundraising needs to move beyond a value-added function to form an integral part of the financial planning of higher education institutions. With this move comes greater rigour, accountability and transparency.

This section focuses on the projections, analysis and reporting vice-chancellors will need to have in place to ensure their development offices are operating as productively as possible.

This will include:

- Benchmarking

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- Return on investment (ROI)

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- Case for investment – the questions vice-chancellors should ask

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- Metrics and KPIs – what should be measured and why

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- Balanced business scorecards – how and why development metrics should feed into the balanced business scorecard monitoring process

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### ● 'What gets measured gets done.'

Attributed variously to Peter Drucker, W Edwards Deming, Lord Kelvin and others

#### **Benchmarking**

Benchmarking one institution's business processes and standards against that of industry leaders can provide an invaluable data set with which to observe and create new and improved processes to enable individual institutions to enhance their performance. For UK higher education, the annual Ross-CASE Survey goes some way toward providing such a yardstick.

Benchmarking can be used to: help identify market share; demonstrate trends; justify new investments; compare an institution to national and regional peers; show the return on investment; and demonstrate relative performance. More specifically, benchmarking can help set fundraising goals, and develop fundraising strategy and delivery.

There will always be uncontrollable factors that are unique to each institution. Accordingly, progress toward the desired performance benchmark should be the objective, rather than the benchmark itself. This is worth bearing in mind as vice-chancellors consider the following questions:

- Is your development office using its budget and resources wisely?

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- Is your development office securing the best return on investment?

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● **In the last survey to be published, from 2012–13, 119 UK universities secured £681million in new philanthropic funds (new cash gifts, pledges and gifts in-kind) from 223,000 donors against an investment of £80million.'**

Ross-CASE Survey

### **ROI: the level of returns that can be expected<sup>8</sup>**

Most institutional leaders want to know about the return on investment (ROI) for fundraising – how much it costs to raise each pound. Each year, for the past 10 years, the Ross-CASE Survey has been collecting data from UK institutions about the scale of their advancement activities and the income those activities generate.

In the last survey to be published, from 2012–13, 119 UK universities secured £681million in new philanthropic funds (new cash gifts, pledges and gifts in-kind) from 223,000 donors against an investment of £80million. Therefore, the median value of universities' fundraising investment per pound received in 2012–13 was 27p, a decrease from the median investment in 2011–12 (36p) but an increase from 2010–11 (22p). This figure has fluctuated between 22p and 36p since the 2006–07 Ross-CASE Survey.

Since it began in 2001, the survey has consistently shown an increase in both the number of donors and the value of their gifts. Fundraising has costs associated with it, and an effective development office needs to be properly resourced. However, the median cost per pound of funds raised represents good value and a sound investment as higher education institutions successfully demonstrate to donors that they are a worthwhile cause.

#### Notes of caution

Philanthropic income will not flow into an institution immediately. It takes time to identify, cultivate and solicit donors, and like many fledgling businesses, a young institution or a new development office may take a number of years before it begins to generate a return on investment. For example, the start-up phase cost per pound raised is likely to be much higher than in a more mature phase of fundraising as donor acquisition is generally six times more expensive than donor retention. Therefore, while the specific minimum ROIs for various categories of fundraising activity can be appropriate, overall bottom-line minimums may not be.

Also, the high ROI on major gifts activity should support lower ROI on direct marketing fundraising, which will deliver the bulk of the donors and in turn provide future potential high value and major gift prospects.

#### **Case for investment – the questions vice-chancellors should ask**

Vice-chancellors are frequently presented with requests to commit funds to fundraising initiatives, but cannot do so because the plans are too vague or lack the financial rigour needed to adequately assess the risk profile. Below are the areas that vice-chancellors should seek to understand before committing resources to development initiatives.

#### What is the return?

As noted, simple cost:income projections are unlikely to provide a true picture of performance. This emphasis can lead to short-term target setting or to cutting investment in fundraising that could deliver benefit in the longer term. These problems could be avoided if institutions measured the performance of fundraising by examining the absolute ROI, or the ROI (the ratio of the net income to the costs) over a period of time. The ROI percentage can be compared to other activities that the institution might undertake.

## RECOMMENDATION

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● **The benefits of a common set of metrics for fundraising are the same for all business areas.'**

#### What is the pay back period?

The financial forecasting process should also consider the time period over which the investment should be made, and when the return will start to be achieved.

#### What is the risk profile?

In making the case for investment, obvious areas of risk should be addressed: unrealistic forecasts; unforeseen costs; changes in timing of both income and expenditure.

In presenting the case for investment all the foreseeable financial risks and possible consequences should be covered to demonstrate that the planned investment is worthwhile. For large investments, the results of pilot studies and ongoing monitoring should be included. So too should the overall level of cash investment required, and its source.

#### Making the decision

Along with sound financial projections, vice-chancellors also need an appropriate framework to guide their decision making. This will form part of the strategic planning process but may include the following questions:

- What is the funding strategy for the institution and does the proposal support its objectives?
- What additional resources (cash and other) does the institution need to implement the changes?
- Does it require additional financing or borrowing?
- What return does the institution expect from its investment in fundraising?
- Is there a comparison between different investment options?

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#### KPIs and metrics

What is measured and reported largely depends on how well advanced the development office is. Start-up and early stage offices will probably place more emphasis on measuring activity levels; mature offices might have a greater range of metrics to reflect the complexity of operation.

The benefits of a common set of metrics for fundraising are the same for all business areas: it standardises language, processes and indicators within the development office and other departments; it fosters credibility with the senior management team; it aids decision making; it identifies strengths and weaknesses; it enables managers to look beyond simple cost:income metrics; and it improves tracking and reporting of results.

Examples of the range of metrics development offices should measure can be found on the Strategic Fundraising website, [www.universitiesuk.ac.uk/Strategic-Fundraising](http://www.universitiesuk.ac.uk/Strategic-Fundraising).

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● **Measurement is a key aspect of the balanced scorecard, but it is also a means of setting, tracking and achieving the institution's strategic goals and objectives.'**

### Balanced scorecard?

'The balanced scorecard is a strategic planning and management system used to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organizational performance against strategic goals.'

*The Balanced Scorecard Institute*

Many companies manage their businesses based solely on financial measures. Although financial measures are crucial, they only report what has happened in the past. The pace of business today requires more comprehensive measures in order to make better decisions.

The balanced scorecard was developed to meet this management need. Measurement is a key aspect of the balanced scorecard, but it is also a means of setting, tracking and achieving the institution's strategic goals and objectives. If the fundraising plans support the institution's strategy, the balanced scorecard approach can provide a useful tool for measuring and managing the performance of the development office.

Business strategies are developed, deployed and tracked through the four sections of the balanced scorecard. These four sections comprise four distinct business perspectives: The Customer (for our purposes, this can be replaced by alumni or donor), Financial, Internal Processes, and Organisational Development. Below are some example measures:

- **Customer (or donor)** – Assesses how we provide value to our customers and can be measured by:
  - increasing donor retention
  - increasing number of donors

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- **Financial** – Tracks financial requirements and performance, for example:
  - revenue generation: to increase philanthropic revenue by 10% annually
  - productivity improvement: to decrease expenses by 5%

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- **Internal Processes** – What processes must we excel in to satisfy our customers? For example:
  - acquire enhanced data mining capabilities
  - improve internal communications between development office and academics

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- **Organisational Development** – Focuses on how employees are trained, and how knowledge is captured and used to maintain a competitive edge; for example:
  - percentage reduction in staff turnover
  - number of appraisals conducted

## CASE STUDY

Miles Stevenson, Director of Alumni & Donor Relations; and Peter Agar, Director of Campaigns, The University of Sheffield



## UNIVERSITY OF SHEFFIELD: MEASURING SUCCESS

The University of Sheffield established its alumni office in 1984. Although it closed in 1994, it was reopened in 2002 when Miles Stevenson joined as Director of Alumni & Donor Relations to establish an Alumni and Development Office, with six staff.

**Miles could see the fundraising potential but needed to demonstrate that if you want to move beyond alumni relations, greater investment is required. Furthermore, understanding how one's fundraising function performs is critical to long-term strategic planning.**

In 2012, Miles, along with colleague Peter Agar, Director of Campaigns, undertook a benchmarking exercise to inform their plan to increase the size and scale of the development operation. They grounded their case for additional resources in hard empirical evidence by using benchmarking data from the annual Ross-CASE Survey to:

- identify market share
- demonstrate multi-year trends
- compare the university to national and peer institutions
- demonstrate relative performance

Miles and Peter were able to use this data to make a case for investment and begin to build their fundraising programme. The exercise enabled them to begin to answer a number of key questions. For example:

- What does the data show about the fundraising programme and its future?
- Where and how much investment needs to take place?
- Will we meet the university's requirements now and in the future?

- How do we compare to our peers and to the high performers in the sector?
- What changes need to be made to have the greatest impact on gift income?
- How can we use this data to demonstrate that the department contributes to the university's strategic plan?
- How should we use this data when planning for the next stage of development?

The benefits of rigorous and sustained benchmarking at the University of Sheffield have had a notable effect:

- The Development and Alumni Relations Office has become more credible with the vice-chancellor and the senior team.
- Decision making on resourcing is now enhanced and based on evidence, allowing the team to grow from an initial 6 to 30 over the last 12 years.
- It has helped identify strengths and weaknesses in programmes and processes, which in turn has led to greater efficiencies.
- It has enabled the institution to look beyond simple cost:income ratios to build a more comprehensive picture of what can be achieved with targeted and timely investment in all areas of the office, including alumni engagement.

The process has fostered a 'learning organisation' approach by using data to ensure management quality control. It clearly demonstrated the need to invest to raise more money.

● **The benchmarking process helped us move beyond simple cost:income analyses. It prompted us to understand what new practices and changes could be implemented based on our distinctive mission, history, structure, and resources and to ask what can benchmarking teach us that we don't already know?**

**Miles Stevenson**, Director of Alumni & Donor Relations,  
University of Sheffield

## CHECKLIST

## DATA AND BENCHMARKING

The following checklist suggests some questions that should be asked when gathering evidence to develop strategy.

- Does the institution take part in the annual Ross-CASE Survey and the data sharing exercise?

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- Who and what do you benchmark against, and why?

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- What does the development department do with that information once collated and how is it interpreted?

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- Can the institution assess: if the development programme will meet institutional needs in the future; is using its budget resources wisely; and is securing the best return on budgeted investment?

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- Can the development department demonstrate its ROI over time and by fundraising programme?

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- Do resourcing requests contain ROI and pay back projections, risk profiles and comparison between different investment options, and do they fulfil the institutional funding strategy?

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- Does the development department report a common, consistent suite of metrics to the senior management team? Do these KPIs reflect the department's current state of development?

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- Is an abridged version of the report provided to the governing body?

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- Does the institution include development measurements in its financial dashboard or balanced business scorecard approach?

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- Are the financial dashboard or balanced business scorecard used to measure and manage on a day-to-day basis and then to inform and refine strategy development or resourcing decisions?

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## RECOMMENDATION

## HIGHER EDUCATION INSTITUTIONS SHOULD TAKE ACTIVE STEPS TO GROW A CULTURE OF PHILANTHROPY IN THEIR COMMUNITIES



In 2012 the CASE Commission on Philanthropy created a project to identify the key characteristics of a culture of philanthropy and to begin to look at the barriers to achieving this.

Their definition was as follows: 'A culture of philanthropy fosters relationships that share a common understanding, appreciation, and responsibility for the importance of the joy of giving and receiving for the enhancement of the institution.'

The commission validated and ranked 28 distinct characteristics thought to make up a culture of philanthropy. CASE then invited advancement leaders to assess the commission's definition as well as the individual characteristics thought to contribute to the culture.

Their responses showed that growing a culture requires many ingredients, and the process is often frustrating. However, there was a collective endorsement of the major factors. Ninety per cent or more of the respondents endorsed half the characteristics. The top five rankings received support from at least 98% of respondents. These were:

- Leadership of the organisation
- Fundraising goals clearly aligned with mission
- Commitment to stewarding gifts
- Engaged volunteers and donors
- Clear and concise mission and vision statements<sup>10</sup>

● **A culture of philanthropy brings people together to foster a shared responsibility for the quality of life in our community and sets about transforming an institution's culture from the inside out.'**

**WK Kellogg Foundation,**  
2008 report on philanthropy

### How do you build a culture of philanthropy?

Every institution will build this culture in a slightly different way, depending on its vision, strategic plan, leadership and the fundraising structure it already has in place. What follows are headline examples of how to begin to build that culture as well as more detailed case studies.

- Advocate the concept to academic leadership and governing bodies. Junior academics can help create or nurture a culture of philanthropy, but leadership from the top is essential.
- Communicate the value of philanthropy both internally and externally as a key component of your institution's mission.
- Create a sense of urgency. Change is difficult but if people see the need to make a change, they will come on board.
- Establish ways to acknowledge philanthropic efforts at all levels of the institution.
- Measure your institution's effectiveness in developing philanthropy, for example evaluating the five attributes listed above.<sup>11</sup>

## CASE STUDY

## GROWING A CULTURE OF PHILANTHROPY WITH STUDENTS

Activity with students can have a number of objectives. These may include engaging students in the life of the institution and their local community; highlighting what it means to be an alumnus and how important philanthropy is while they're still on campus; and raising funds to support charitable activity. The universities of Brighton and Glasgow have active programmes to engage students.



## A Day of Thanks at the University of Brighton

Each February, CASE Affiliated Student Advancement Programs coordinate a Student Engagement and Philanthropy Day. This year nearly 100 educational institutions worldwide participated in the event.

The initiative is designed to increase student understanding of philanthropy and grow engagement on campuses. UK participants included University College London, University of Birmingham, University of Kent, University of Surrey, University of Warwick and University of Brighton.

University of Brighton students took part in a mass 'thank you' day to mark the work of philanthropists around the world who donate to benefit their learning experience. The first ever University of Brighton Student Engagement and Philanthropy Day in 2013 involved students covering a wall with messages of gratitude and good wishes, a Twitter campaign to get #brightonthanks trending, and video interviews with beneficiaries and staff on what giving means to them. Students also telephoned donors and supporters to personally thank them. The university organised similar activities for the 2014 Student Engagement and Philanthropy Day.

Mrs Sam Davies, Director of Philanthropy and Alumni Engagement, University of Brighton said:

'Philanthropic support has become vital for the smooth running of universities worldwide. We spend a lot of time and effort appropriately thanking donors on behalf of the university, but today it was the students' and other beneficiaries' chance to say thank you. Through the act of saying thank you, we were able to raise awareness amongst the student body about philanthropy and hopefully they will remember how they were helped once they are alumni themselves.'

A University of Brighton student who was recently awarded a travel grant said:

'I was on top of the world when I was awarded the travel fund bursary. The bursary meant that I could make my trip a reality. The act of looking is the basis of my practise and being given the opportunity to go out into the world and experience new sights and sounds was so exciting. This trip was of immense benefit to my work and development as an artist and that would not have happened without your donations. Thank you for your support!'



● **While the programme is still in its early stages, the Development Department believes that the levels of student engagement they are seeking in comparison to other subjects will mean that a culture of philanthropy is firmly embedded within the school.'**

## Vets programme at the University of Glasgow

**The Development Department at the University of Glasgow identified certain trends in giving among subject specific alumni groups. Those alumni who tended to give at higher levels were from subjects with a number of traits in common.**

These were: subject areas that required group work or significant amounts of time spent doing bench research together; vocational subjects; and science based subjects. One group stood out from the others - the veterinarians.

The Development Team are piloting a programme focused on the School of Veterinary Medicine. Along with a strong tradition of philanthropy, the school had a structured student body in place, which the Development Department could work with rather than creating a new structure. The aim was to test whether creating a greater sense of community from the very first days on campus would translate into more engaged and therefore more philanthropic alumni post-graduation.

The school was assigned a dedicated alumni officer, who meets frequently with class presidents and students, starting with a regular slot in the induction schedule for first year students. The role aims to raise awareness of philanthropy by maintaining contact between the school, students, the beneficiaries of scholarships and donors through organised stewardship activities.

The alumni officer also contributes to a programme of activity, designed to reinforce the school's unique identity. For example, the student body hold an annual rodeo with a variety of animal related events such as a dog show and falconry display. The alumni officer meets with the organising committee to explain her role, how the funds raised as part of the rodeo support the school and to offer Development's support to promote the rodeo. The event is now firmly fixed in the alumni and university's event calendar. This year the event raised over £16,000 for a selection of animal welfare charities including the school's Vet Fund. The rodeo is an excellent example of a student-led activity that can be used to promote the concept of philanthropy both to the student body and the alumni.

This student-alumni continuum is further reinforced by the use of veterinary students in the annual Vet School Reunion. The reunion includes tours of the Vet School by students, and a dinner and ceilidh in the evening. Finally, a telephone campaign for the Vet School was piloted using Vet School students as their callers. The campaign was highly successful, particularly as the client base enjoyed speaking with a veterinary student.

While the programme is still in its early stages, the Development Department believes that the levels of student engagement it is seeking in comparison to other subjects will mean that a culture of philanthropy is firmly embedded within the school.

## CASE STUDY

## GROWING A CULTURE OF PHILANTHROPY WITH STAFF



‘Before we could begin to target alumni, everyone needed to understand and embrace their part in creating an atmosphere where philanthropy could thrive.’

**Professor Christina Slade,**  
Vice-Chancellor, Bath Spa  
University

### Bath Spa University Amphitheatre

**When Professor Christina Slade took up the Vice-Chancellorship at Bath Spa University, little development activity had taken place. Professor Slade’s fundraising priority was to start to embed the concept of philanthropy within the institution.**

Professor Slade started with one of the university’s strengths: culture generally and performance specifically. She felt this was written through the DNA of the institution and was something staff, students and alumni could all engage with. A consultant was hired to look at opportunities across the campus and a proposal to develop a campaign for the university’s new outdoor amphitheatre was identified. The proposal fitted Professor Slade’s criteria well: it was a small, discrete project, yet highly visible; it was aligned closely with the university’s vision and mission; it allowed for a wide cross section of people to be involved; and finally, it was achievable. This last point was important. Professor Slade wanted the institution’s first foray into fundraising to be a resounding success. She reasoned that for the university’s constituents to champion philanthropy effectively in the future, they had to have a good first experience.

The newly formed Development Office conducted comparative research on giving options for naming seats, setting a giving level that was comfortable for most members of staff. They then set about creating a case for support that focused on the contribution to the creative and cultural development of the students and the city.

Professor Slade launched the campaign, and encouraged her senior management team and board of governors to each buy a seat. A flexible payment structure ensured staff at all levels quickly followed suit. This proactive leadership and grassroots nurturing swiftly raised the profile of the project and soon local businesses were also looking to buy seats. The amphitheatre opened in 2014, providing 150 seats for a variety of performances, including outdoor theatre, acoustic gigs, orchestral concerts and opera.

The amphitheatre campaign was important because it engaged senior administrators such as the directors of estates and marketing in the fundraising process. It demonstrated to the institution the value of fundraising and the contribution it can make to the fabric and life of an institution. Similarly, the involvement of faculty was important because they are key components in future relationship building between donors, students and alumni. Lastly, the campaign was an exciting project for students to take part in, laying the foundation for future alumni and fundraising activity.

## CASE STUDY

## GROWING A CULTURE OF PHILANTHROPY WITH ALUMNI



● **The campaign is great. It's nice to see lots of people getting involved and not just students – staff and alumni as well. It is something everyone can be a part of and everyone is being really positive about it.'**

**Declan Carey, 19,**  
English student

### Keele University: #nutsaboutkeele

**As noted throughout this resource, fundraising must be based on an institution's distinctive identity and mission and is far from a quick fix. Usually, it is built on a foundation of community and alumni engagement, inspiring feelings of warmth and generosity toward their alma mater that will ultimately lead to giving.**

This is the approach that Keele University is trying to exploit. Keele is the original campus university and was designed as a community of staff and students who all live on campus. The development team is trying to build on this shared, community experience to create a 'tribal' culture, with a mythology and stories that alumni, students and staff can buy into. The aim being that if you can encourage your community to behave like a tribe, this will become a powerful tool for promoting volunteering, marketing, fundraising etc. The team has developed an oral history project, filmed mini documentaries and created heritage guides and tours.

However, it was a campaign for prospective students that showed that a little bit of quirkiness can go a very long way. A video of dancing grey squirrels, which populate the campus, has received 200,000 views on YouTube, while the accompanying 'I'm #NutsAboutKeele because...' campaign encouraged students, alumni and faculty members to have their say about why they love Keele, engaging more than 100,000 users on Twitter and Facebook.

A campaign like this one proves the value of originality, creativity and what can come from daring to be a little different when it comes to demonstrating your distinctiveness. Crucially, it caught the imagination of alumni, prompting them to make contact with the university through social media. This has provided the team with a rich source of quantitative and qualitative information with which to begin their next stage of alumni engagement. As John Easom, Development Manager observes, 'You can't ask until you've given and what we can give is space for alumni to tell their stories. That's a very empowering, creative and self-affirming approach. It can only bode well for future support.'

Declan Carey, 19, studying English, feels the campaign has brought everyone together and has raised the profile of the university:

**'The campaign is great. It's nice to see lots of people getting involved and not just students – staff and alumni as well. It is something everyone can be a part of and everyone is being really positive about it. I'm surprised at how popular it has become – it just shows how big the Keele family really is.'**

## CASE STUDY

## GROWING A CULTURE OF PHILANTHROPY WITH THE LOCAL COMMUNITY



● **Key to our success was identifying a priority cause that would inspire all communities across our city to want to help.'**

**Steve O'Connor,**  
Director of Development

### University of Leicester: an appeal close to the heart

**Universities are rooted in their communities. This is very much part of the University of Leicester's identity, which is inclusive, accessible and supportive (the university's strapline is 'Elite without being elitist'). In 2010, when it came to developing the scope of the university's fundraising – and specifically raising £4million for the new Cardiovascular Research Centre appeal – it was natural to include a strong local focus.**

Leicester is one of the most ethnically diverse cities in the UK. Therefore, any fundraising appeal would need to engage and inspire donors from a range of cultural backgrounds. The Cardiovascular Research Centre was ideal: not only was it a strategic priority for the university, but also cardiovascular disease is a particular issue for the city, being about 50% higher than the national average.

Steve O'Connor, Director of Development, met with key influencers from the major faith groups and cultural communities in the city. He then convened a small fundraising support group of community advocates, including influential individuals who understood fundraising, with the aim of raising £1million through community fundraising. Each member cascaded the campaign down and throughout their community and networks, encouraging individuals, families, groups, temples, mosques, churches, businesses and organisations to support the project. The *Leicester Mercury* agreed to be a media partner to help raise public awareness of the campaign and to publicise fundraising initiatives. Activities included a ticketed Indian folk dance performance, street collections, a sponsored Santa fun-run, a sky dive, temple and church collections, and a concert by chart-toppers Basement Jaxx.

The fundraising culminated in the Heartbeat Ball 2012, a milestone event which raised over £75,000 to reach the £1million community fundraising target and generated awareness through Star TV, a popular Hindi TV channel. Such was the success of the ball in raising the university's profile and in securing funds that it has now become a bi-annual event.

The Cardiovascular Research Centre is now open, made possible by the generosity and support of local communities who responded magnificently by helping to raise more than £5 million for the appeal. The appeal also led to an unprecedented £7 million gift from The John and Lucille van Geest Foundation, which has enabled the university to build a new Biomarker Facility and establish an endowment fund for heart research.

Steve O'Connor, Director of Development says:

'Key to our success was identifying a priority cause that would inspire all communities across our city to want to help; we then sought to involve those community leaders who were the most influential, passionate about the cause and could make things happen; and then we engaged them in a meaningful way, creating a sense of mission and ownership of the fundraising process. It was really inspiring to see the enthusiasm and commitment of our volunteers. Their dedication to the institution has meant that we have retained their support.'

## CHECKLIST

## GROWING A CULTURE OF PHILANTHROPY

Many higher education institutions recognise there is room to increase their fundraising efforts but question what a philanthropic culture would look like. The following checklist will help vice-chancellors and senior officers to review and audit their institution's philanthropic culture, based on the five key drivers of fundraising.

- Is the leadership of the institution as well as the wider academic community involved?

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- Does the senior team, including the governing body, support the institution's key fundraising activities through their personal giving or by using their networks?

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- Is the senior team actively engaged in the development process (identification, cultivation, solicitation, and stewardship of prospects)?

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- Are there mechanisms in place to engage the academic community in fundraising?

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- Is there an institutional commitment that crosses departments and faculties?

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- Does everyone understand the need to raise money and are they willing to support the effort? Can staff articulate the case for support or relate a specific story about the institution's impact?

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- Are there clear, transparent and widely reported metrics for fundraising?

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- Are staff and volunteers publicly acknowledged and recognised for their support?

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- Is the institution actively involved with its alumni, delivering a programme of activity supporting them post graduation?

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- Is fundraising based on the distinctive identity, mission and history of the institution?

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- Are fundraising goals based on prior experience, realistic donor relationships, and assessments of the resources available to execute efforts and reach goals?

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- Are donors proactively engaged, with a commitment to stewarding their gifts across the institution?

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- Does the institution publicly thank donors for their generosity and recognise the impact of their support?

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- Is there sustained and consistent investment in fundraising with a view to the long term?

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- Are there sufficient resources to employ development professionals and to provide the equipment, tools and space to support the development function? (For example, the industry standard would be a department of a minimum of six people.)

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- Are there multi-year advancement plans, endorsed by the governing body?

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- Is development represented on the senior management team?

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# CONCLUSION

Philanthropy can play a transformative role in our higher education institutions, enhancing facilities, supporting research and enriching the student experience.

The latest data from the Ross-CASE Survey shows that alumni as well as non-alumni are willing to support institutions, particularly where they have been engaged in and inspired by the university's mission.

Successful fundraising follows an established formula: a combination of strong leadership and an acceptance of the value of fundraising throughout the institution; alignment with strategic priorities; practice that reflects an institution's distinctiveness; proactive external relations; and a well-resourced, professional fundraising office.

These principles were articulated in two landmark reports, first in the 2004 Thomas Report, then reiterated and expanded in the 2012 Pearce Review of Philanthropy in Higher Education in England – and now echoed throughout this vice-chancellors' resource.

We have the tools, knowledge and skills. All that remains is to go out and engage supporters in our work.

## Acknowledgements

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Particularly, we are indebted to CASE for its help and support in providing the materials and research that underpins much of this resource, particularly their excellent Fundraising Fundamentals series.

## Endnotes

### Part 1

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<sup>1</sup> 'The Value of Fundraising in an Educational Context', *Fundraising Fundamentals*, section 1.1. Council for Advancement and Support of Education, 2012 [http://www.case.org/Publications\\_and\\_Products/Fundraising\\_Fundamentals\\_Intro/Fundraising\\_Fundamentals\\_section\\_1/Fundraising\\_Fundamentals\\_section\\_1.1.html](http://www.case.org/Publications_and_Products/Fundraising_Fundamentals_Intro/Fundraising_Fundamentals_section_1/Fundraising_Fundamentals_section_1.1.html)

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<sup>5</sup> Giving to Excellence: Generating Philanthropic Support for UK Higher Education 2012-13 Ross-CASE Survey Report <https://rosscasesurvey.org.uk/page/Findings.aspx>

### Part 2

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<sup>6</sup> 'The Cultivation Process', *Fundraising Fundamentals*, section 7.1. Council for Advancement and Support of Education, 2012 [http://www.case.org/Publications\\_and\\_Products/Fundraising\\_Fundamentals\\_Intro/Fundraising\\_Fundamentals\\_section\\_7/Fundraising\\_Fundamentals\\_section\\_7.1.html](http://www.case.org/Publications_and_Products/Fundraising_Fundamentals_Intro/Fundraising_Fundamentals_section_7/Fundraising_Fundamentals_section_7.1.html)

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<sup>7</sup> 'CASE Europe Ethical Principles Behind the Acceptance of Gifts', Council for Advancement and Support of Education, last update 20 September 2011 [http://www.case.org/Samples\\_Research\\_and\\_Tools/Principles\\_of\\_Practice/CASE\\_Europe\\_Guidelines\\_Ethical\\_Principles\\_Behind\\_the\\_Acceptance\\_of\\_Gifts.html](http://www.case.org/Samples_Research_and_Tools/Principles_of_Practice/CASE_Europe_Guidelines_Ethical_Principles_Behind_the_Acceptance_of_Gifts.html)

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<sup>9</sup> Balanced Scorecard Institute, <http://balancedscorecard.org>

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<sup>10</sup> Smits PN, Paradise A, 'Material Interest', *CURRENTS* 39, no.4 (April 2013): 25–27 [http://www.case.org/Publications\\_and\\_Products/2013/April\\_2013/Material\\_Interest.html](http://www.case.org/Publications_and_Products/2013/April_2013/Material_Interest.html) (accessible to CASE Premier Members)

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Woburn House 20 Tavistock Square London WC1H 9HQ

**Tel:** +44 (0)20 7419 4111

**Email:** [info@universitiesuk.ac.uk](mailto:info@universitiesuk.ac.uk)

**Website:** [www.universitiesuk.ac.uk](http://www.universitiesuk.ac.uk)

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