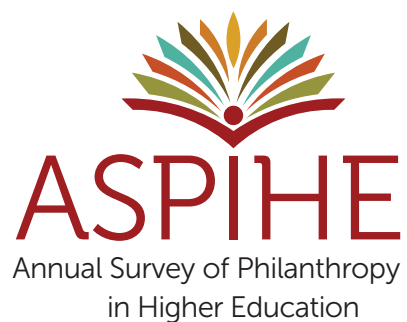




Main report of the
2014 Annual Survey of
Philanthropy in Higher Education

Sean Jones

Sean Jones
December 2014

2015 © Inyathelo – The South African Institute for Advancement

2nd Floor, The Armoury, Buchanan Square
160 Sir Lowry Road, Woodstock, 7925
Cape Town, South Africa
Tel: +27 21 465 6981/2
Fax: +27 21 465 6953
Email: info@inyathelo.org.za
www.inyathelo.org.za

First published | March 2015
ISBN: 978-0-9922383-6-0

Acknowledgements

The author and Inyathelo are grateful to the following individuals and organisations:

- Shelagh Gastrow for her incisive understanding and support throughout
- Khairoonisa Foflonker for her collegiality and intellectual support
- Jocelyn Collins for assisting with various logistical arrangements
- Gaby Ritchie and Nazli Abrahams for their substantive inputs at various junctures
- Advancement staff at the University of the Western Cape (UWC), Cape Peninsula University of Technology (CPUT), University of Pretoria (UP), University of the Witwatersrand (Wits), University of Johannesburg (UJ), and Tshwane University of Technology for input in the formative stages of the questionnaire and guidelines
- Heidi Mayes and Kate Hunter of the European office of the Council for the Advancement and Support of Education (CASE) for their encouragement and dialogue about possible alignment with the Ross-CASE survey in the future
- Corinne Jones for her assistance with capturing data and generating some of the figures and tables for this report
- The staff of the 10 participating universities who gave their time to sourcing information and completing the questionnaire
- The Kresge Foundation for its financial support of ASPIHE

Contents

Acknowledgements	1
List of figures and tables	4
1. Introduction	5
1.1 Background and purpose	5
1.2 Matters of definition and scope	6
1.3 Participating institutions	7
1.4 Reporting	7
1.5 Confidentiality and non-disclosure	8
1.6 Survey methods	8
2. Philanthropic support for higher education	10
2.1 Defining the parameters	10
2.2 Total philanthropic income	10
2.3 Income by geographic source	11
2.4 Income by donor sector	12
2.4.1 Overview and international comparisons	12
2.4.2 Detailed sector perspectives	14
2.5 Focus on private philanthropy	16
2.5.1 Overview and international comparisons	16
2.5.2 National and international distribution of private income and private donors	16
2.5.3 Local private support	18
2.6 Donation characteristics	19
3. Comparative university fundraising performance	22
3.1 Philanthropic income levels	22
3.2 Donor numbers	23
3.3 Annual funds	24
3.4 Alumni/individual participation rates	25

4. Direct university investment in securing philanthropic support	26
4.1 Staffing	26
4.2 Expenditure	29
4.3 Return on investment	30
 5. Summary of key findings and performance indicators	 31
5.1 Philanthropic income and donors	31
5.2 Donor sectors	31
5.3 Private philanthropy	31
5.4 Donation characteristics	32
5.5 Staffing	32
5.6 Expenditure and return on investment	32
5.7 Key performance indicators	33
5.8 Future plans	34
 Addendum	
A. Survey guidelines	35
B. Questionnaire	41

List of figures and tables

Figures

1	Distribution of income	11
2	Distribution of donors	11
3	Income by donor sector	12
4	Donor sectors – comparison with USA and UK	13
5	Income by philanthropic sector	14
6	Proportion of donors by philanthropic sector	15
7	Private philanthropy – comparison with USA and UK	16
8	Distribution of private funding	17
9	Distribution of private donors	17
10	Local versus international private funding	18
11	Local versus international private donors	18
12	Distribution of local private income	19
13	Distribution of local private donors	19
14	Distribution of donations by value	19
15	Mean value of donations by sector and geographic source	20
16	Largest single donation per university	21
17	Philanthropic income of participating universities	22
18	Donor income correlated with overall university expenditure	23
19	Philanthropic donors to participating universities	24
20	Alumni/individual participation rates	25
21	Number of staff in the sample	26
22	Number of staff correlated with philanthropic income	27
23	Expenditure on fundraising and alumni relations by participating universities	28
24	Expenditure on fundraising and alumni relations correlated with donor income	28
25	Expenditure ratios of participating universities	30

Tables

1	Summary of information per philanthropic sector	15
2	Annual Fund information	24
3	Key indicators	33

1. Introduction

1.1 Background and purpose

This report presents the findings of the 2013 Annual Survey of Philanthropy in Higher Education (ASPIHE) in South Africa. The survey, which is the first in what we hope will become a regular annual series, was conducted by EduActive Solutions Ltd on behalf of Inyathelo: The South African Institute for Advancement with financial support from the Kresge Foundation.

Owing to a number of factors, not least the direct stimulus provided by grant-makers such as the Kresge Foundation and The Atlantic Philanthropies¹, the Advancement industry in South Africa's higher education (HE) sector is expanding, both in terms of its uptake by universities and an increase of Advancement practitioners demanded by them.

Several institutions have relatively mature Advancement offices that have been in place for some time, and a growing number of universities are in the process of establishing operations to attract philanthropic resources. A few institutions have still yet to formalise Advancement or some form of it, although even in these cases individual academics and others engage in efforts to galvanise philanthropic support.

Despite this flourish in Advancement thinking and practice, precious little information is available about the state of philanthropic support to Higher Education institutions in South Africa. With this in mind, the ASPIHE initiative is intended to:

- introduce a robust mechanism for collecting reliable and consistent information about philanthropic support for the HE sector
- enable ongoing assessment of the overall impact of philanthropy on the sector
- provide the basis for benchmarking and development of best practice indicators for those in the sector who are responsible for attracting, generating and administering philanthropic income
- stimulate the development of a body of scholarship on Advancement in South Africa
- prompt similarly comprehensive work on other forms of third-stream income in the HE sector

It is also hoped that participation in the survey will have developmental benefits by encouraging institutions to improve data collection and management practises and by helping to standardise definitions used across the sector.

Feedback from several universities indicates that participation in the first round of the survey is already having this effect. In fact, some institutions are using the survey guidelines as a foundation for internal policy formulation or revision.

¹ Both of these Foundations have provided extensive funding to select universities for the development of Advancement operations over the past two decades. The Kresge Foundation has an ongoing programme with this aim.

1.2 Matters of definition and scope

According to the Council for the Advancement and Support of Education (CASE), institutional Advancement is an integrated method of managing relationships with key stakeholders to improve understanding of an institution and generate support for it. The core disciplines associated with this method are alumni relations, communications, marketing and fundraising.²

In the South African context, Advancement has taken on added vivacity owing to Inyathelo's insightful and integrated approach to engage strategically with the external environment in a way that positions an institution to *attract* private investment rather than chase money by knocking on doors, as was the case in the old fundraising paradigm.³

The current study addresses several facets of Advancement, but does not deal with it in its totality. Rather, the survey has the narrower and more modest purpose of recording and analysing *philanthropic income* to South African universities, as well as the *direct costs* to universities of attracting this income.

These costs are limited to the staffing and operating expenditure of the fundraising, development, and alumni relations functions⁴ and specifically *exclude* expenditure associated with other disciplines and components of the Advancement constellation such as marketing, media relations, public relations, events and communications. In adopting this more focused approach, the study endeavours to ensure consistency of data across institutions and permits some measure of international comparison following the example of the path-breaking Ross-CASE survey in the United Kingdom (UK), which also limits its scope to the key Advancement functions of fundraising and alumni relations.⁵ Similar surveys elsewhere in the world, such as the annual CASE-sponsored survey of giving to education in the United States (USA) conducted by the Council for the Aid of Education (CAE), follow similar conventions.⁶

2 See http://www.case.org/About_CASE/About_Advancement.html

3 Gastrow, S., "Advancement in the South African non-profit sector", pp. 43-45 in Judge M. and Jones, S. (eds.), 2012, *Striking the Rights Chords*. Cape Town, Inyathelo: The South African Institute for Advancement.

4 One of the lessons of the current round has been that future surveys will have to be much clearer and more precise about data requested on expenditure. Appendix A contains the guidelines for the 2013 survey.

5 The Ross-CASE survey is carried out annually by NatCen Social Research on behalf of the Ross Group and the Council for the Advancement and Support of Education (CASE) in Europe. It collects detailed information about gift revenue and fundraising costs to measure the philanthropic performance of higher education institutions and has been conducted annually for twelve years. The findings of the survey enable institutions to compare themselves with their peers and provide an estimate of the impact of philanthropy on higher education in the UK. For further information, see <https://www.rosscasesurvey.org.uk>.

6 *Voluntary Support of Education, 2013*, Council for the Aid of Education (CAE): <https://shop.cae.org>.

1.3 Participating institutions

Ten of South Africa's 25 universities participated in this first round of the survey. As it was treated as somewhat of a pilot, participation was by invitation to ensure a reasonable spread of institutions by type, historical background and geographical location. Unfortunately one institution withdrew at the last moment and another was unable to submit sufficiently comprehensive data. This slightly affected the spread of institutions and reduced to 10 the intended total number of 12 participating universities. Half of the institutions were so-called traditional universities, three were universities of technology, and two were comprehensive universities. The 10 institutions were:

- University of Cape Town (UCT)
- University of the Western Cape (UWC)
- Cape Peninsula University of Technology (CPUT)
- University of KwaZulu-Natal (UKZN)
- Durban University of Technology (DUT)
- University of Zululand (UniZulu)
- University of Pretoria (UP)
- Tshwane University of Technology (TUT)
- University of the Witwatersrand (Wits)
- University of Johannesburg (UJ)

1.4 Reporting

Overall results from each annual survey are to be presented in a Main Report and published annually. The current report, which records and analyses aggregated data for 2013, is the first of these. Although it is limited to a snapshot of 2013, the Main Report will in future begin to record and identify change over time, thereby introducing an analysis of temporal trends in the relationship between philanthropy and South African higher education.

In addition to the Main Report, each participating university is to be supplied with a Confidential Institutional Benchmarking Report showing disaggregated data for the institution itself and comparing this with the aggregated data. These short individual institutional reports will provide participating higher education institutions with a basis for benchmarking and comparative performance assessment.

1.5 Confidentiality and non-disclosure

Inyathelo has entered into non-disclosure agreements with the participating institutions to ensure that all information is treated in confidence. Data in this Main Report, as well as the aggregated data used for comparative and benchmarking purposes in the Confidential Institutional Benchmarking Reports, is therefore anonymous. EduActive Solutions is contractually bound to honour the non-disclosure agreements between Inyathelo and the participating institutions. Where information is provided in this report about individual institutions, which occurs in some graphs, each is labelled with a letter (e.g. A, B, C) rather than the university's name.

1.6 Survey methods

The drafting and designing of the survey questionnaire and associated guidelines was undertaken in close consultation with six of the 10 participating institutions. Draft questionnaires and guidelines were circulated to the relevant personnel at each of these institutions for internal perusal and discussion. Short workshops were later conducted at each institution where critical input was provided. The questionnaire and guidelines were then updated on the basis of these inputs and circulated a second time for further scrutiny and feedback. Final versions of the survey guidelines and questionnaire are included as Addenda A and B. These were devised in close reference to materials utilised by the Ross-CASE survey in the UK⁷, but the final version differs substantially from that used in the UK.

The questionnaire was distributed electronically to participating institutions for completion and all returns were received accordingly. To ensure that any financial figures supplied were based on institutions' externally audited and approved Annual Financial Statements, participating universities were asked to return the completed questionnaires by the end of August 2014. This allowed sufficient time for all institutions to complete their external auditing processes. Data capture occurred during September and analysis took place in October and November.

The researcher was available to answer queries throughout the process of data collection. Several respondents who were allocated responsibility for the survey by their universities were guided through sections of the questionnaire and a few were

7 We are indebted to the Ross-CASE survey for providing a platform for thinking about how to frame the ASPIHE questionnaire and guidelines. To fit our local context, it has been deemed preferable to develop our own rules and criteria, and to devise a somewhat less sophisticated and less onerous instrument for use in the early stages of the initiative. It might be beneficial to collaborate formally with Ross-CASE at a later point and ultimately to adjust the survey instruments so that the South African and Ross-CASE findings are more closely comparable. Nonetheless, formulation of the ASPIHE guidelines was informed to some extent by the Ross-CASE rules.

assisted with last-minute issues. Although a few problem areas in the questionnaire remain and will be addressed in the next round, and while there can never be absolute certainty of the accuracy of data provided by third parties, the hands-on support and coaching provided to the participating universities certainly helped to ensure high-quality data.

To further reinforce this, a requirement of participation was that the survey returns had to be signed off by either the Chief Financial Officer of each institution or his or her authorised representative. Where possible within the timeframe permitted, the total philanthropic income reported in the survey by some institutions was also checked against figures contained in these institutions' published audited annual financial statements. Where this check occurred, the figures matched exactly or extremely closely.⁸

⁸ This was not possible in all cases as some universities had yet to publish their audited Annual Financial Statements for 2013 at the time of data capture or had done so but embedded philanthropic income within a larger category such as "Third Stream Income" without noting the proportion that emanated from philanthropic sources.

2. Philanthropic support for higher education

2.1 Defining the parameters

Unless otherwise specified, all donor funds reported and analysed here refer to income *received* during the period 1 January 2013 to 31 December 2013. It must be emphasised that pledges have not been included. For purposes of this project, pledges are only recorded as philanthropic income in the year in which the funds are actually received. Pledges include promised and contracted future philanthropic income, such as multi-year grants and stop-orders. For example, a foundation may award a three-year grant which is paid in annual tranches. For purposes of this survey, each tranche is recorded as philanthropic income only in the year in which it is received. The balance is pledged income and is not recorded as income received until the year in which the tranche is transferred to the institution. The same applies to stop-orders; these are only included once they have been received, not when they are promised.

A detailed definition of what has been counted as philanthropic income for purposes of this study, and what has been excluded, is contained in the survey guidelines in Addendum A.

2.2 Total philanthropic income

The 10 participating universities reported a collective total of more than R659 million in receipted philanthropic income during 2013. As may be expected given the institutional variations within the sample, the range of total philanthropic income per institution among the 10 universities was significant. The university with the highest amount of philanthropic support reported R181 million in donor income and the lowest total among the participating universities – an institution with a new Advancement operation – was R2.7 million for the year. Mean philanthropic income was R66 million and the median R22.8 million.

The overall amount of R659 million was attributed to a total of 4 355 donors across the 10 institutions. The university with the lowest number of philanthropic contributors had nine donors and the university with the highest number reported 1 873 donors. There was a median of 102 donors across the sample. As figures provided below indicate, there were other large disparities within the sample. For example, more than half of the total of R659 million in philanthropic support was reported by only two universities, while five of the 10 accounted for less than R23 million between them. Half the institutions in the sample shared more than 96 percent of the income reported.

2.3 Income by geographic source

Just over half (53 percent) of the reported total philanthropic income emanated from local South African sources, yet local donors accounted for 87 percent of the total number of donors who supported the 10 institutions. The median number of local donors per institution was 100 and the highest number of South African contributors to a single institution during the year was approximately 1 850 donors.

FIGURE 1: **Distribution of income (ZAR)**

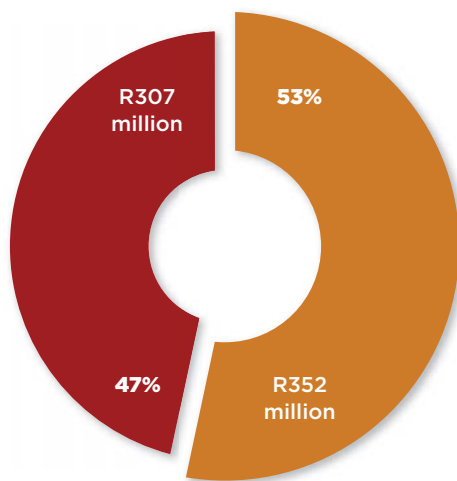
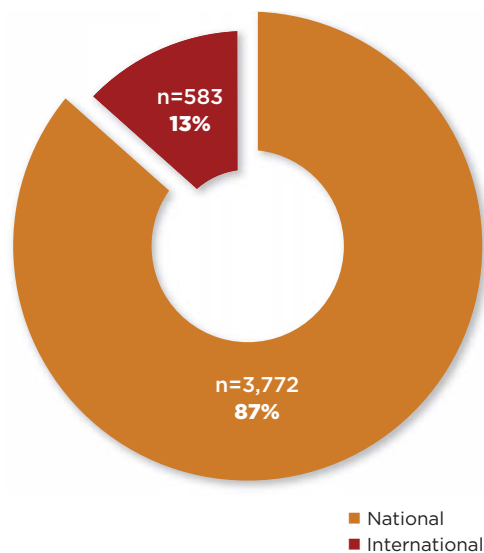


FIGURE 2: **Distribution of donors**



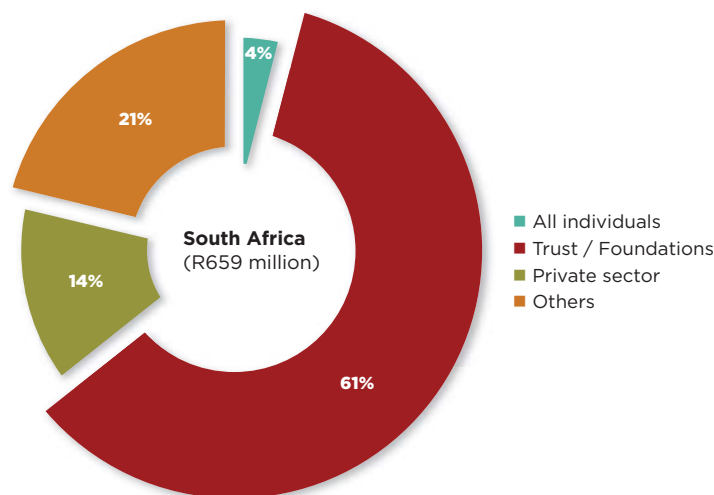
While it is gratifying that 87 percent of donors to these universities were local, the balance of 13 percent of donors – all of whom were international – accounted for nearly half (47 percent) of all philanthropic income to South African universities. The median number of international donors per institution was only four, although one institution had 444 international donors and several had no donors at all. This suggests that international donations were considerably larger than local ones, which will be borne out by the figures provided later. It also means that, in respect of philanthropic income at least, the South African higher education sector is highly vulnerable to vicissitudes in the priorities, moods and other uncontrollable variables of foreign donors.

2.4 Income by donor sector

2.4.1 Overview and international comparisons

Figure 3 below shows the proportion of philanthropic income to the ten universities from different donor sectors. It is evident that by far the largest proportion of philanthropic support derived from Trusts and Foundations which contributed 61 percent of all donor income in 2013. The private sector contributed 14 percent and individual donors, including bequests, provided just 4 percent of philanthropic income. The balance of 21 percent emanated from a mix of bilateral and multilateral agencies and civil society and religious organisations. Gifts in kind comprised 6 percent.⁹ The category of other donors is fully disaggregated later.

FIGURE 3: **Income by donor sector**



Although the quantum is different in each case, it is helpful to consider the South African situation illustrated in Figure 3 alongside the proportional support for higher education institutions from donor sectors in two other countries where comparable figures are available, namely the UK and the USA.¹⁰ As Figure 4 below indicates, South Africa, the UK and the USA appear broadly similar. However, several important differences are worth noting:

- Universities in South Africa, or at least in this sample, are far more reliant on Trusts and Foundations than in the UK and the USA: 61 percent of donor income in South

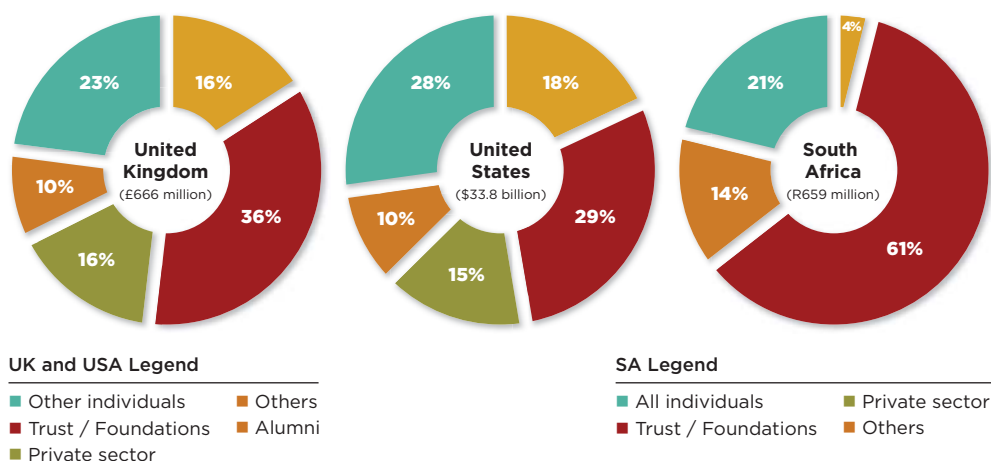
⁹ The survey questionnaire was unfortunately not geared towards determining the donor sectors from which gifts in kind emanated. This will be corrected in future surveys.

¹⁰ Use of comparable studies in other countries, particularly from the Global South, would have been informative. Unfortunately, none has yet been identified.

Africa emanates from these sources in contrast to 36 percent and 29 percent in the UK and USA respectively.

- Total individual giving in South Africa is comparatively miniscule: 4 percent of donor income in South Africa comes from individuals or bequests by individuals. In contrast, 39 percent of philanthropic support in the UK, and 46 percent in the USA, comes from a combination of alumni and other individuals.¹¹
- While individual donations account for 4 percent of philanthropic support for South African universities, donations by individuals in the UK and USA who are not alumni comprised 16 percent and 18 percent of philanthropic support respectively. In other words, non-alumni give significantly to universities in the UK and USA.¹²
- South Africa's miscellaneous or 'other' category (21 percent) is larger than in the UK (10 percent) and USA (10 percent) because it includes two categories of funding which universities in these other contexts do not appear to access to nearly the same extent as their South African counterparts. These are bilateral and multilateral development and aid funding. A detailed breakdown of this category is provided later.

FIGURE 4: **Donor sectors - comparison with USA and UK**¹³



- ¹¹ Most South African universities do not distinguish between different categories of individual when recording donor income. For this reason, figures which disaggregated individual donors into alumni, staff and other categories were not provided.
- ¹² In fact, the bulk of the 4% of individual donors to South African universities are likely to have been alumni; it is not possible to determine precisely what proportion because disaggregated figures are unavailable. In this case, the differential between non-alumni individual giving to South African universities versus that to UK and USA universities is even larger than the Figure 4 indicates.
- ¹³ Figures for the UK are drawn from NatCen, 2014, *Giving to Excellence: Generating Philanthropic Support for UK Higher Education 2012-13* - Ross-CASE Survey Report: The Ross Group and CASE Europe. Figures for the USA come from the Council for Aid to Education, 2014, *Voluntary Support of Education*, 2013.

2.4.2 Detailed sector perspectives

The figures stated above provide a sense of the distribution of philanthropic support for the 10 sample universities across the donor sectors.

Figures 5 and 6 provide more detailed perspectives. Figure 5 shows that 75 percent of all philanthropic income is derived from Trusts, Foundations and the private sector, and 25 percent spread between individuals, bequests, foreign governments and associated agencies, international and multinational aid and development agencies, civil society and religious organisations, and an open category of 'other' sources which universities felt unable to classify.

Perhaps unsurprisingly, individuals made up by far the largest category of donors, comprising of 75% of the 4 355 donors who provided philanthropic support to the 10 universities in 2013.

The private sector provided 11 percent of donors and Trusts and Foundations comprised 9 percent, with the balance of 5 percent spread between other donor categories. Further details about each donor sector are contained in Figures 5 and 6 and Table 1.

FIGURE 5: **Income by philanthropic sector**

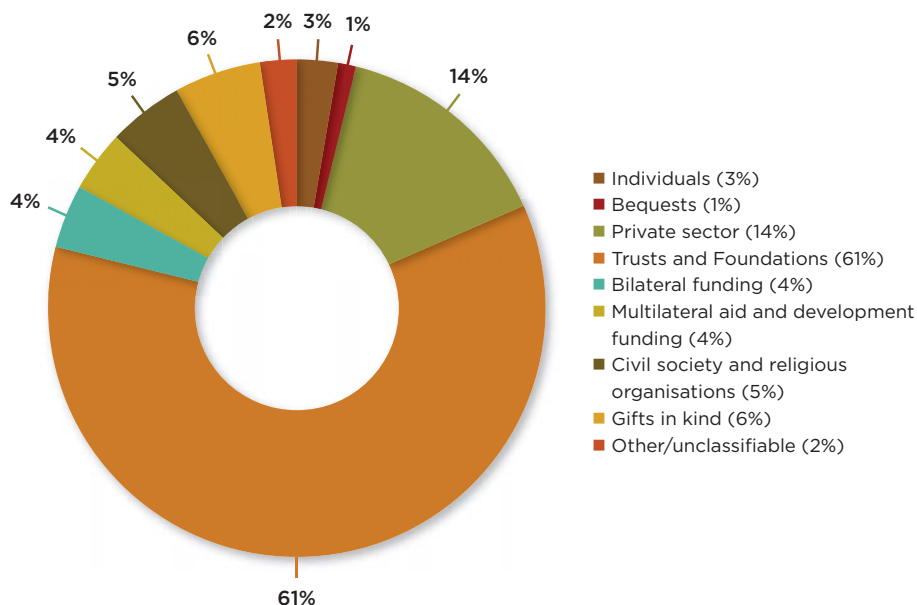


FIGURE 6: **Proportion of donors by philanthropic sector**

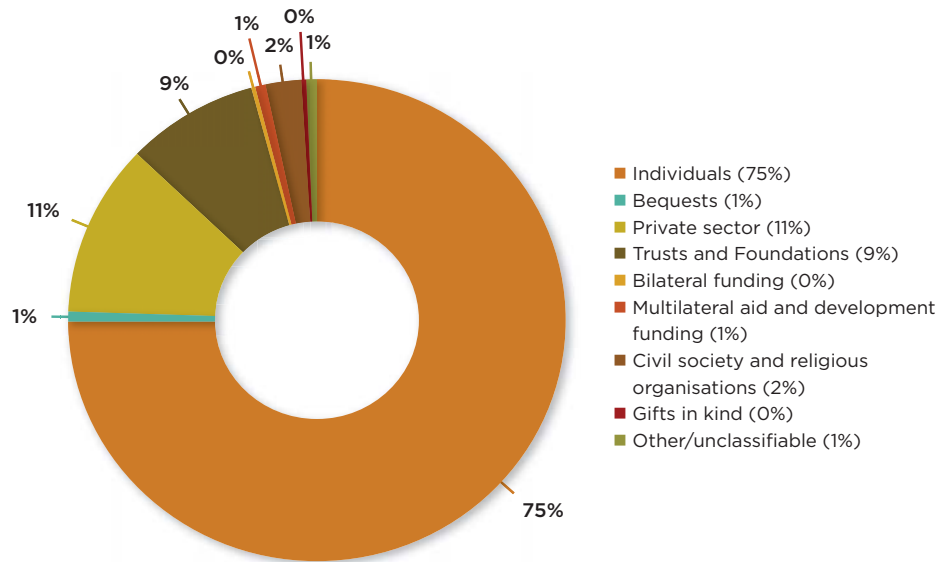


TABLE 1: **Summary of information per philanthropic sector**

SECTOR	Median income per institution per donor sector	Highest total income received by one institution per donor sector	Income from local sources	Income from foreign sources	Proportion of total donors in sample	Contribution to total philanthropic income of sample
Individuals	R158,031	R13,022,203	56%	44%	75%	3%
Bequests	0	R 3,130,903	100%	—	1%	1%
Private sector	R5,557,466	R34,052,158	95%	5%	11%	14%
Trusts and Foundations	R12,948,272	R144,117,515	56%	44%	9%	61%
Bilateral funding	R132,500	R22,884,554	—	100%	<1%	4%
Multilateral funding	0	R26,031,296	—	100%	1%	4%
Civil society and religious	R1,858,399	R17,659,942	87%	13%	2%	5%
Gifts in kind	0	R28,755,037	100%	—	<1%	6%
Other	R6,755	R10,243,050	33%	67%	1%	2%

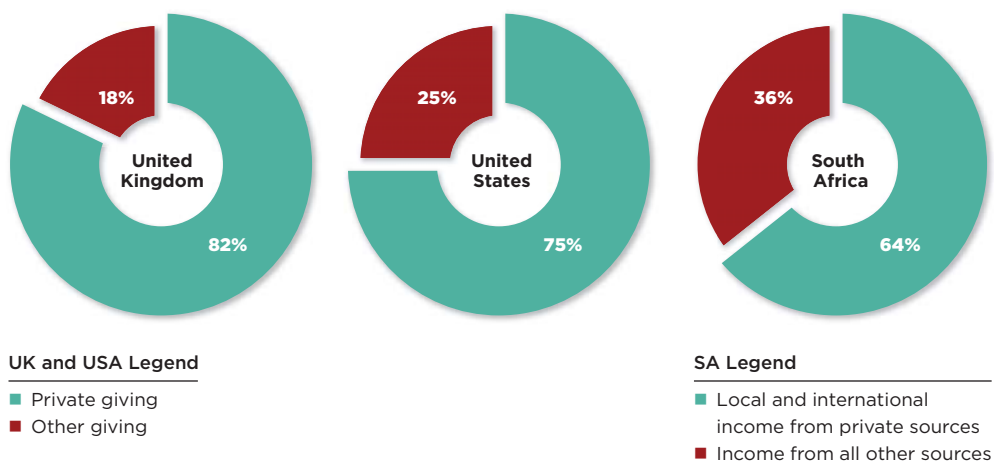
2.5 Focus on private philanthropy

2.5.1 Overview and international comparisons

Private philanthropic support for universities in the UK, the USA and the South African sample used in this study are reflected in Figure 7. On the face of it, the three appear relatively similar: in the UK, private philanthropy made up 82 percent of philanthropic support for universities, in the USA it comprised of 75 percent, and in South Africa it accounted for 64 percent – a slightly lower, but still fairly healthy, proportion when compared with the UK and USA.

What made up the difference is South African universities' receipt of bilateral and multilateral funding, which bloated the proportion of 'other' philanthropic income. The absence of this would increase the proportion of private giving to South African universities to approximately the same levels as UK and USA institutions. Other details are discernible in Figure 7.

FIGURE 7: **Private philanthropy - comparison with USA and UK**¹⁴



2.5.2 National and international distribution of private income and private donors

Figure 7 indicates that the largest proportion of philanthropic income to the sample of universities emanated from local and international private sources. As Figures 8

¹⁴ Figures for the UK are drawn from NatCen, 2014, *Giving to Excellence: Generating Philanthropic Support for UK Higher Education 2012-13 - Ross-CASE Survey Report*: The Ross Group and CASE Europe. Figures for the USA come from the Council for Aid to Education, 2014, *Voluntary Support of Education*, 2013.

and 9 indicate, this equates with receipt of almost R425 million from 3 672 private philanthropic sources during 2013. The balance of approximately R235 million was provided by 683 non-private donors, such as private sector organisations, foreign government agencies, and local and international civil society organisations.

FIGURE 8: **Distribution of private funding (ZAR)**

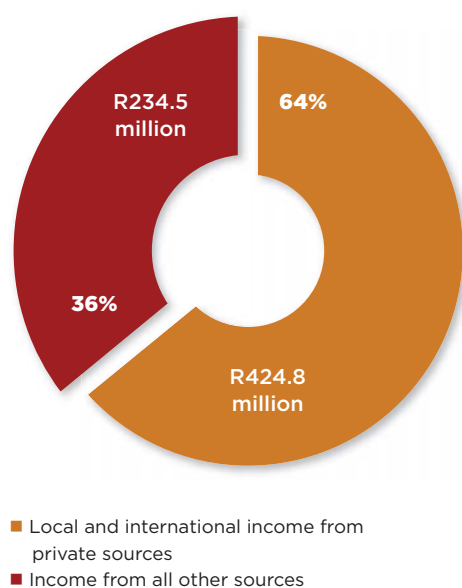
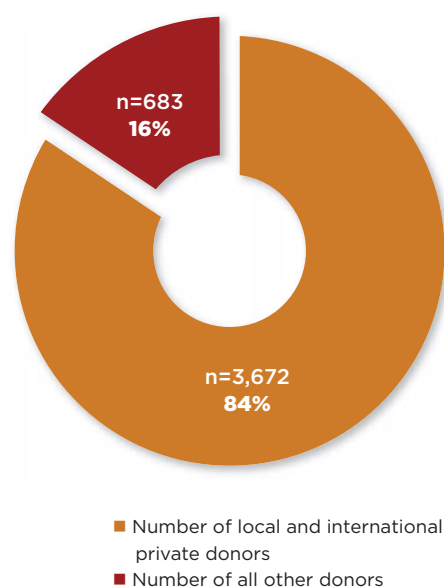


FIGURE 9: **Distribution of private donors**



In summary, then, 64 percent (R425 million) of philanthropic income to the 10 South African higher education institutions sampled came from local and international donors who comprised of 84 percent (3 672 donors) of the entire donor pool of these universities. It would therefore appear that private philanthropy is heavily engaged with the South African higher education sector.

Without in anyway dismissing the significant commitment of local and international private philanthropy to the 10 universities, close analysis of the data does indicate that by far the largest proportion of philanthropic support from private donors came from *outside* the country.

The corollary, of course, is that local private philanthropists did not contribute to these universities, at least in monetary terms, to anything like the extent of their foreign counterparts. Figures 10 and 11 present further details of these findings.

FIGURE 10: **Local versus international private funding**

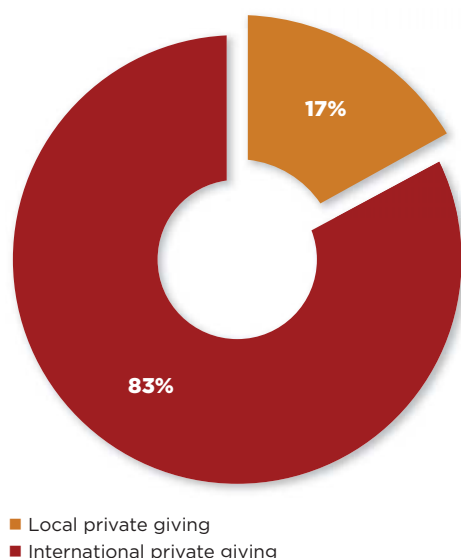


FIGURE 11: **Local versus international private donors**

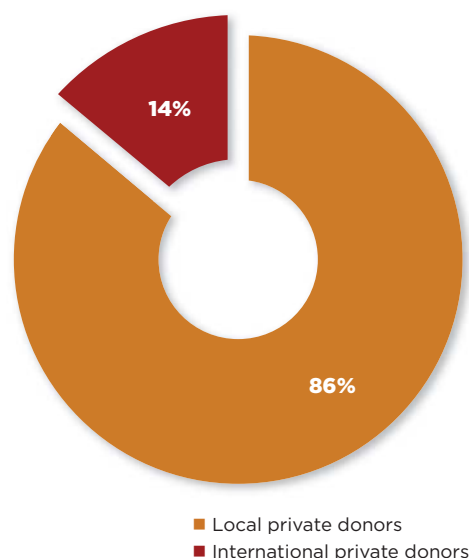


Figure 8 shows that of the R452 million received in private philanthropic support, 83 percent emanated from international private donors and only 17 percent from local private donors. The situation is reversed in respect of donor numbers, with 86 percent of the 3 672 private donors in 2013 being local and only 14 international. Again, the inference to be drawn – which is confirmed later – is that international private donors generally gave far larger sums of money than local private philanthropists.

2.5.3 Local private support

Excluding international support, funds from private donors comprised just over half (54 percent) of all *local* philanthropic income, with the balance primarily from the corporate sector (see Figures 12 and 13). This 54 percent of local philanthropic income was provided by 84 percent of the overall donor population linked with the sample, suggesting that corporate donations tend to be of a significantly higher Rand value than most private gifts. This is entirely consistent with a situation where the largest proportion of local private donors comprises individuals, many of whom give relatively small sums.

FIGURE 12: **Distribution of local private income**

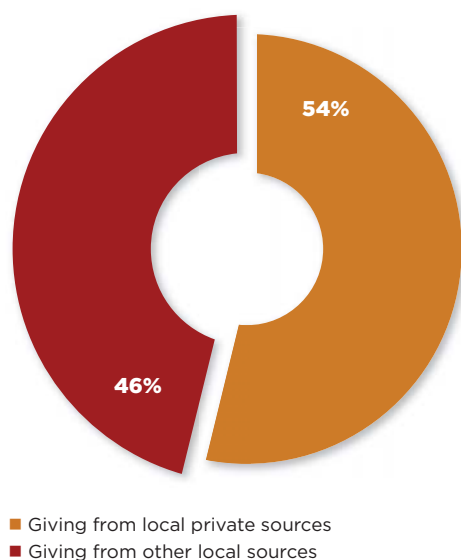
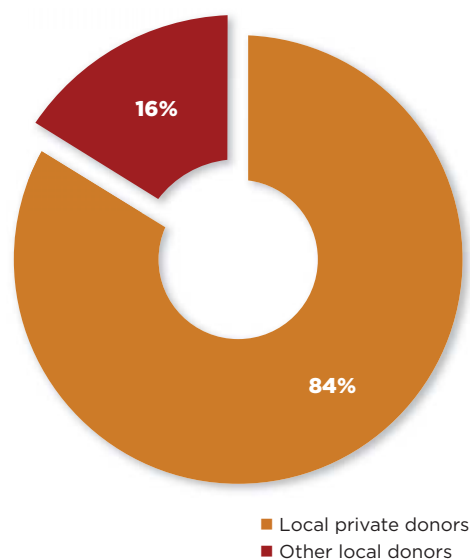


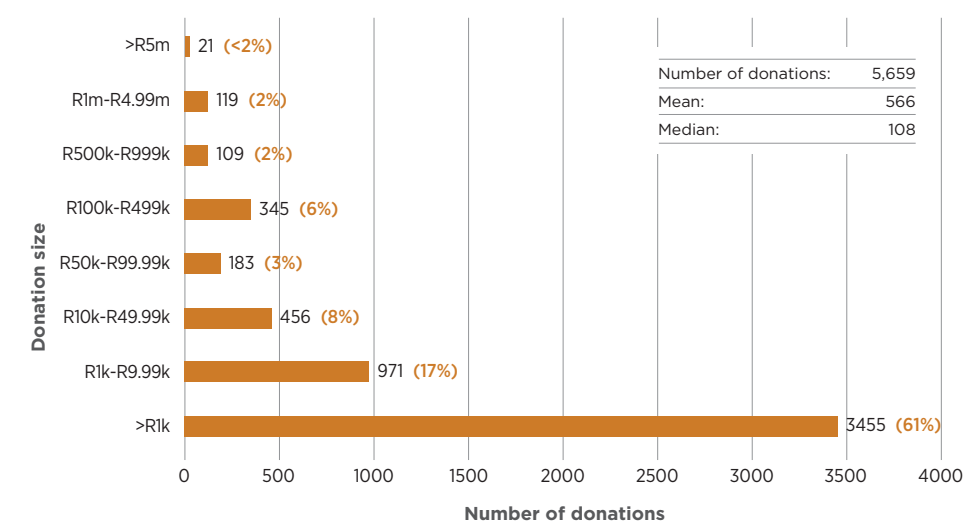
FIGURE 13: **Distribution of local private donors**



2.6 Donation characteristics

As may be expected in a situation where most donors were individuals but the majority of philanthropic support emanated from organisations, most donations – 3 455 or 61% – were under R1000 in value.

FIGURE 14: **Distribution of donations by value**



At the other end of the spectrum, less than 6 percent of donations were worth R1 million or more and less than 2 percent exceeded R5 million. The remaining 22 percent of philanthropic contributions were spread between R1000 and R999 999 in value. Figure 14 contains further details.

It was previously noted that, although most donations came from within South Africa, the largest proportion of philanthropic support in Rand terms came from donors outside the country. The inference to be drawn from this is clearly that donations from foreign sources appear to be larger than those from local ones. This is borne out by the data presented in Figure 15, which shows that mean donation sizes were, for the most part, far higher among foreign supporters. This is of course expected, by definition, in the categories of multinational and bilateral funding. Where it is perhaps a little more pronounced than may have been expected, however, is in the Trusts and Foundations funding stream, where the local mean gift size was about R600 000 versus R2.6 million among Trusts and Foundations based outside the country. Also noteworthy is that foreign companies and foreign individuals also tended to make larger donations than local counterparts.

FIGURE 15: **Mean value of donations by sector and geographic source**

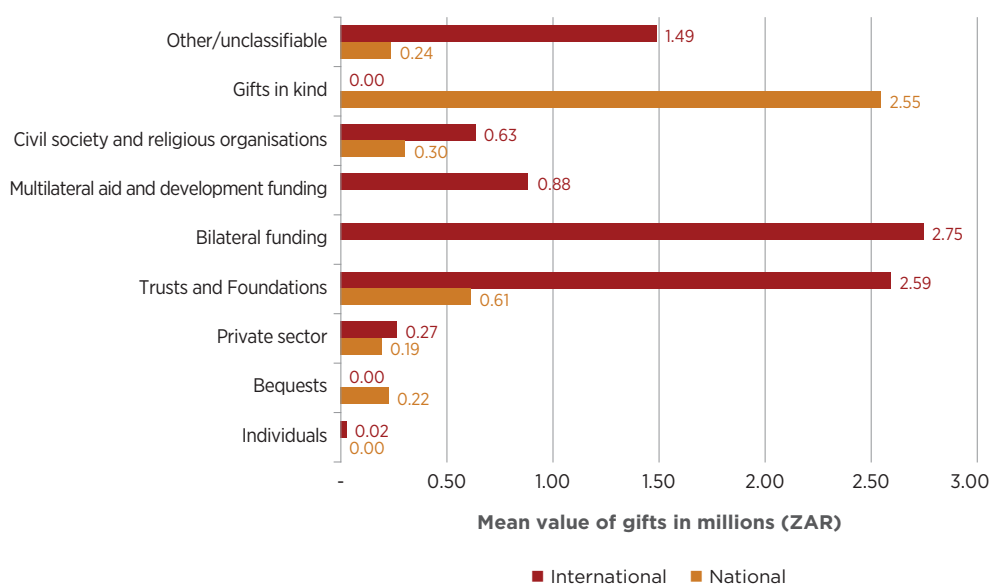
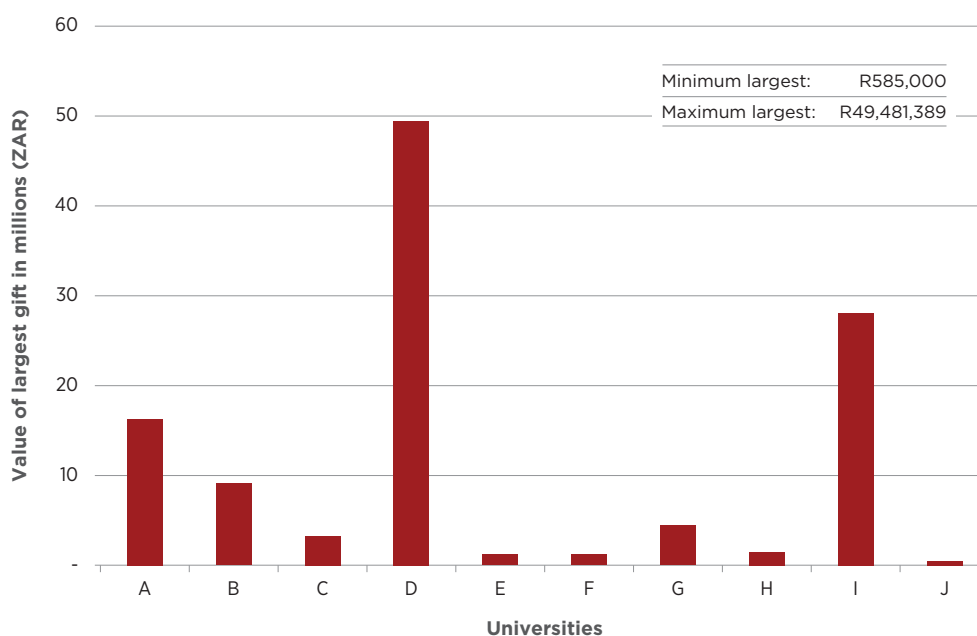


FIGURE 16: **Largest single donation per university**



The largest single donation received by an institution in the 2013 sample was almost R50 million (see Figure 16 above). It was provided by a foreign Trust in several tranches during 2013. At the opposite end of the spectrum, the smallest largest gift amounted to approximately R585 000. Seven of the 10 institutions had largest gifts below R10 million.

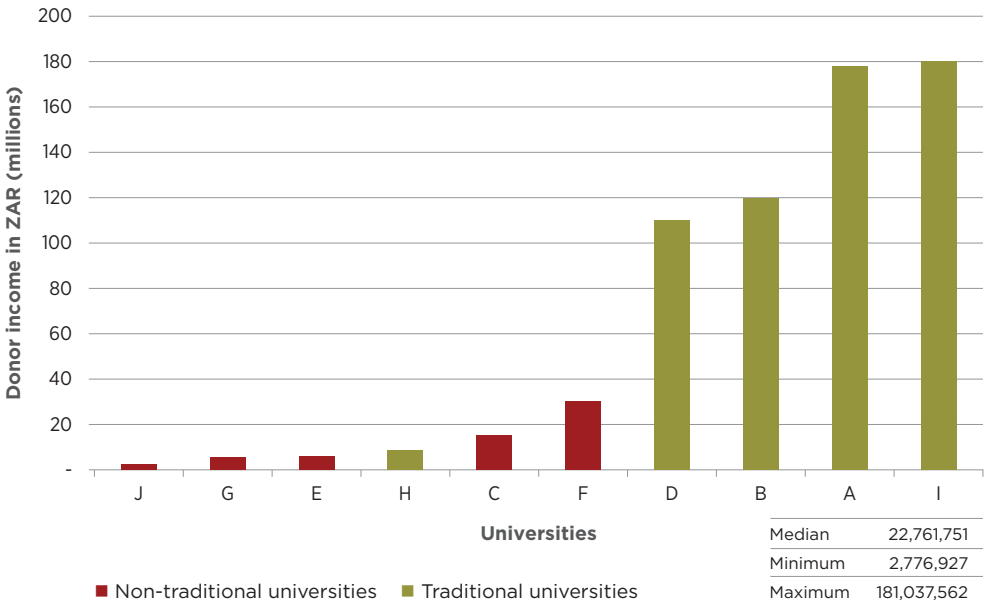
3. Comparative university fundraising performance

3.1 Philanthropic income levels

It was previously indicated that there were significant disparities among the ten participating universities in respect of total amounts of philanthropic support received in 2013. The lowest total donor income for the year reported by an institution was R2.77 million and the highest was R181 million. As a consequence of this variation, the median was R22.7 million. It is worth noting that there appears to be a strong correlation between institutional type and levels of donor income, with traditional universities attracting the vast bulk of philanthropic resources in 2013. Between them these institutions reported more than 91 percent of donor income that accrued to the 10 universities. The other five institutions shared the remaining 8 percent to 9 percent.

In fact, only two traditional universities received 55 percent of the total of all philanthropic income reported by the 10 institutions. Of course, attribution of stronger philanthropic pull to traditional universities is a partial and perhaps superficial observation as the sample includes less than half the universities in the country and the analysis does not take into account historical and other variations within institutional types. Still, this is an area that deserves further investigation in future surveys. Figure 17 illustrates some of the points discussed above.

FIGURE 17: **Philanthropic income of participating universities**¹⁵

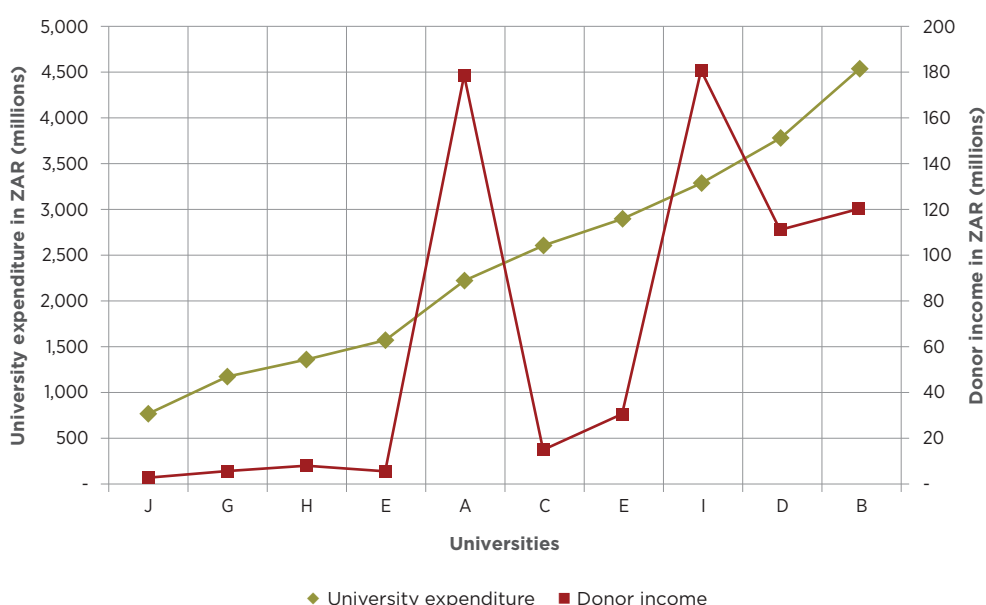


¹⁵ Traditional universities are as defined in present government policy. Non-traditional universities are those categorised as universities of technology and comprehensive universities. As can be seen in Figure 17, five of the participating universities were traditional and five were non-traditional.

As an exercise to assess whether there is any correlation between institutional size and the amount of philanthropic income attracted by a university, the full annual operating budget of each institution was assessed in relation to the amount of donor income reported for the year (see Figure 18).

Essentially, the question was: do ‘big’ universities attract more donor income than smaller ones? The outcome is reflected in Figure 18 which does suggest that, for the most part, there is indeed a correlation between the size of a university’s budget and the amount of philanthropic support it attracts. This said, there were two exceptions – Universities A and I – which seemed to punch above their weight. Quite what the significance of this might be remains to be seen until more sophisticated levels of analysis become possible in future years of the survey.

FIGURE 18: **Donor income correlated with overall university expenditure**



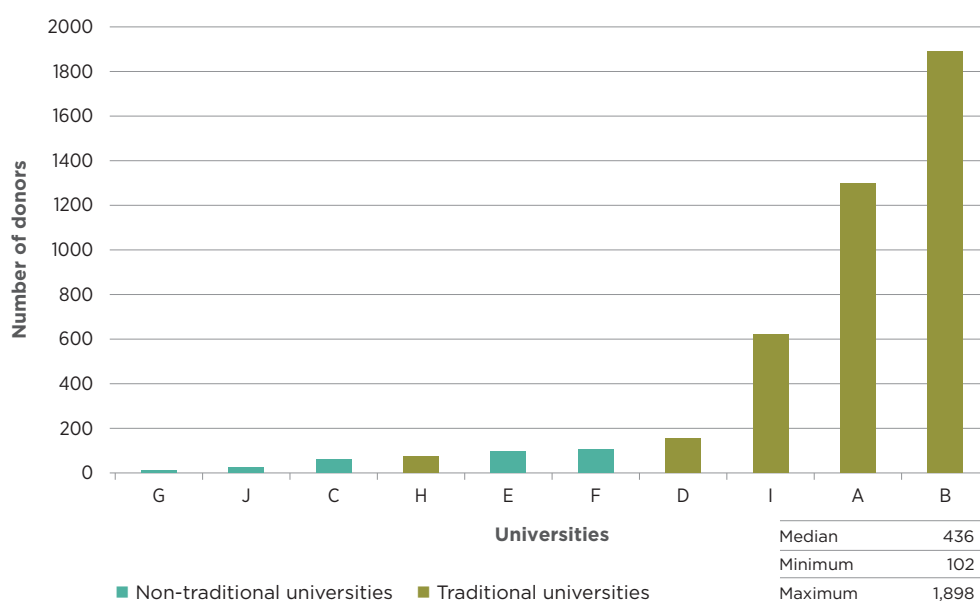
3.2 Donor numbers

An almost identical situation in relation to the distribution of philanthropic income between universities and institutional types is evident in the analysis of donor numbers (as opposed to income). In this case, 74 percent of all donors who gave to the 10

16 Of course, variables other than overall institutional expenditure may as well have been used, such as the size of the student body or the number of degrees awarded.

institutions in 2013 gave to one (or both) of two universities; that is, between them two universities benefited from nearly three-quarters of donors to the sample institutions. Ninety-three per cent of donors gave to the five traditional universities and the remaining 7 percent of donors were distributed among the five comprehensive universities and universities of technology. Details are contained in Figure 19 below.

FIGURE 19: **Philanthropic donors to participating universities**



3.3 Annual funds

Only three of the participating institutions operated anything resembling Annual Funds during 2013. Details are summarised in Table 2 below. One of the Funds realised only R23 505, but another registered more than R1.65 million. A total of 1 120 donors, at a median of 271, participated across these three Annual Funds.

TABLE 2: **Annual Fund information**

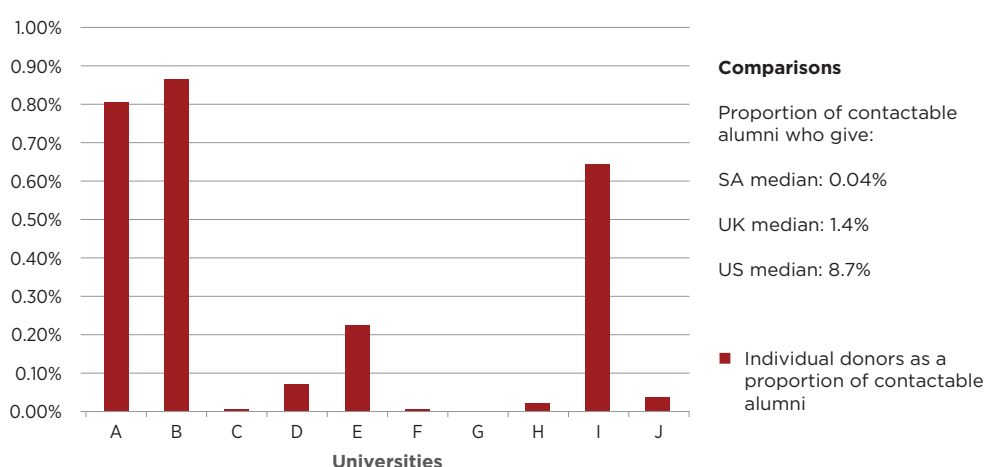
Annual Fund income (ZAR)		Annual Fund Donors	
Minimum income	23,505	Minimum donors	66
Maximum income	1,653,572	Maximum donors	578
Median income	214,531	Median donors	271
n (HEIs)	3	n (donors)	1,120

3.4 Alumni/individual participation rates

One of the primary measures of the success of a university's Advancement efforts is its so-called "alumni participation rate". This is the proportion of *contactable* alumni who participate in philanthropic giving to the institution. Few South African universities appear to distinguish between the different categories of individual donors in recording their philanthropic income, with most lumping all the individual donors – alumni, staff, students, and others – together into the single category of "individual donors". In fact, only one of the 10 universities in the sample kept a record of alumni donations as distinct from donations from other categories of individual. On the basis of available data, therefore, it has not been possible to calculate an alumni participation rate in the true sense.

In the absence of these data, an "alumni/individual participation rate" has been constructed for the time being. This is the number of individuals who give to an institution as a proportion of contactable alumni. Of course, this is not the same as the alumni participation rate in the pure sense and is clearly not, strictly speaking, comparable with alumni participation rates elsewhere in the world as different variables are used. This said, if the single university in the ASPIHE sample which does record alumni giving separately is anything to go by, the vast majority of individual donors in South Africa are alumni anyway. With these limitations in mind, Figure 20 reflects the "alumni/individual participation rates" of the 10 universities. As can be seen, the rates are all below 0.9 percent and five are below 0.1 percent with a median of 0.04%. Although the comparison is not fully valid, it is worth noting that alumni participation rates in the UK and the USA in 2013 were 1.4 percent and 8.7 percent respectively.

FIGURE 20: **Alumni/individual participation rates**¹⁷



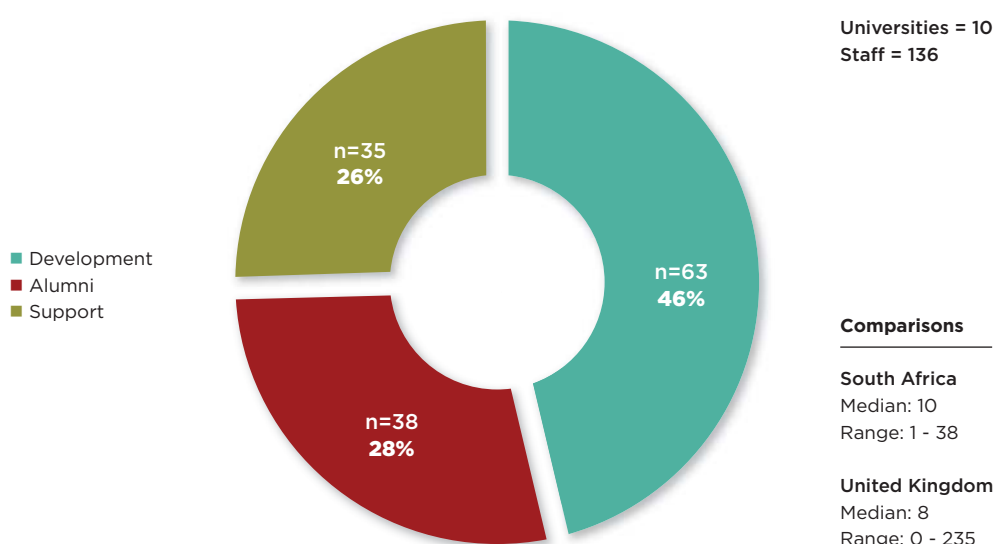
¹⁷ Figures for the UK are drawn from NatCen, 2014, *Giving to Excellence: Generating Philanthropic Support for UK Higher Education 2012-13 - Ross-CASE Survey Report*: The Ross Group and CASE Europe. Figures for the USA come from the Council for Aid to Education, 2014, *Voluntary Support of Education*, 2013.

4. Direct university investment in securing philanthropic support

4.1 Staffing

A possible limitation of the 2013 survey was that the guidelines pertaining to staffing left too much room for inconsistencies across the institutions in respect of what data to include and in what form. In fact, relevant data should have been collected in terms of Full Time Equivalents (FTEs) and this will be the case once the survey questionnaire and guidelines have been revised for the next round. For the time being, figures pertaining to staff numbers reflect permanent and contract full-time and part-time employees who were formally engaged in the fundraising and alumni relations functions as of 31 December 2013. Interns were excluded for the purposes of this analysis.

FIGURE 21: **Number of staff in the sample**¹⁸



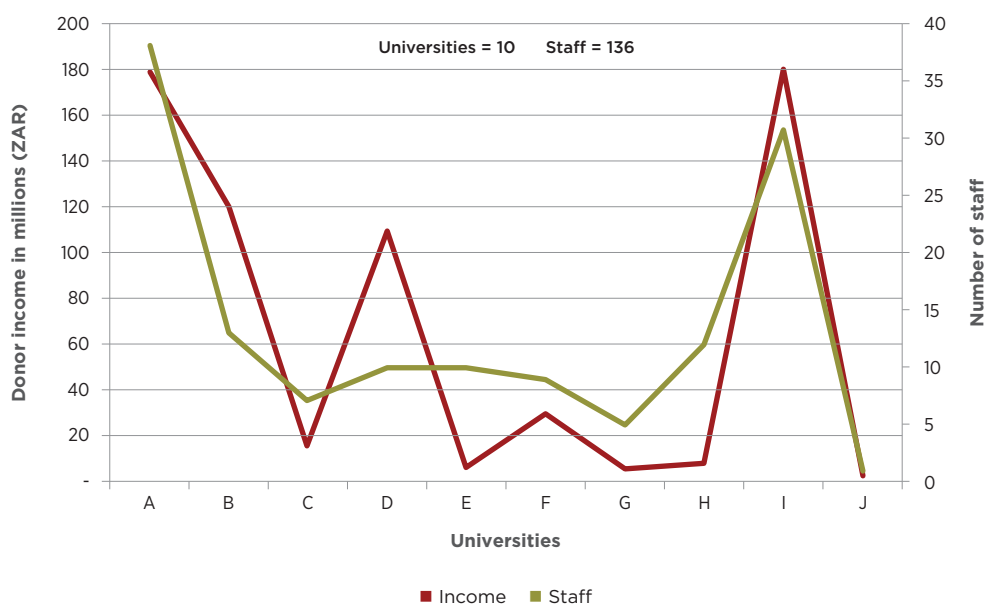
With the above qualification in mind, Figure 21 reflects the numbers of staff in each functional category – fundraising and development, alumni relations, and support – within the 10 institutions. As can be seen, the majority of staff (46 percent) were engaged in development and fundraising, with alumni relations and support staff comprising 28 percent and 26 percent respectively. Offices varied in size from one

¹⁸ The figure for the UK is drawn from NatCen, 2014, *Giving to Excellence: Generating Philanthropic Support for UK Higher Education 2012-13 - Ross-CASE Survey Report*: The Ross Group and CASE Europe.

person at an institution in the early stages of reviving its fundraising operation after a decade of inactivity to 38 staff members in the largest office.¹⁹ The median staff contingent was 10 compared with eight in the UK, although the range in the UK extended to 235 staff at one institution.

An analysis of the relationship between the number of staff engaged in the above functions and donor income for the year suggests a close correlation between the two; that is, the more fundraising, alumni relations and associated support staff an institution engages, the higher its philanthropic income tends to be and *vice versa*. Figure 22 reflects this.

FIGURE 22: **Number of staff correlated with philanthropic income**



¹⁹ The guidelines specified that figures on expenditure should include only alumni relations, development, fundraising, and relevant support staff.

FIGURE 23: **Expenditure on fundraising and alumni relations by participating universities**

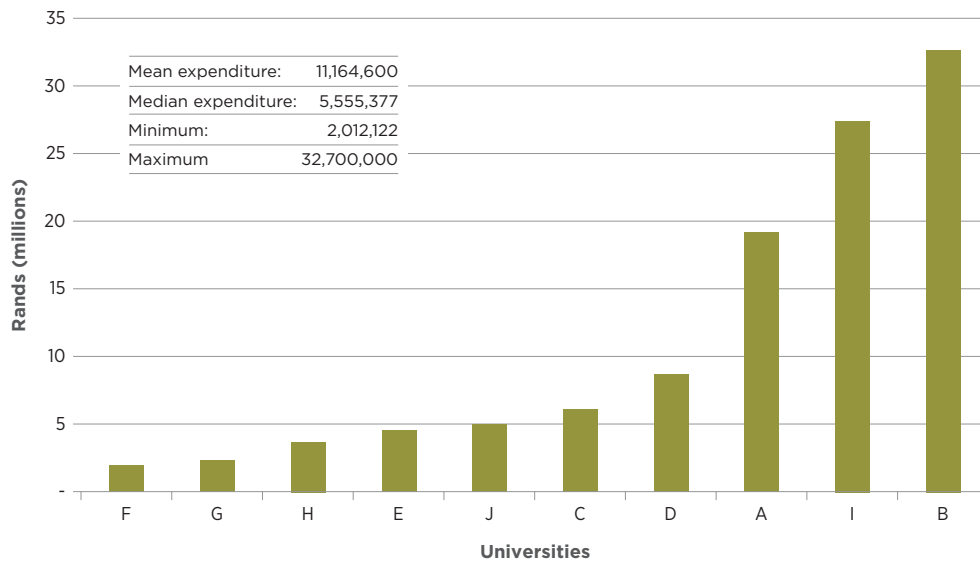
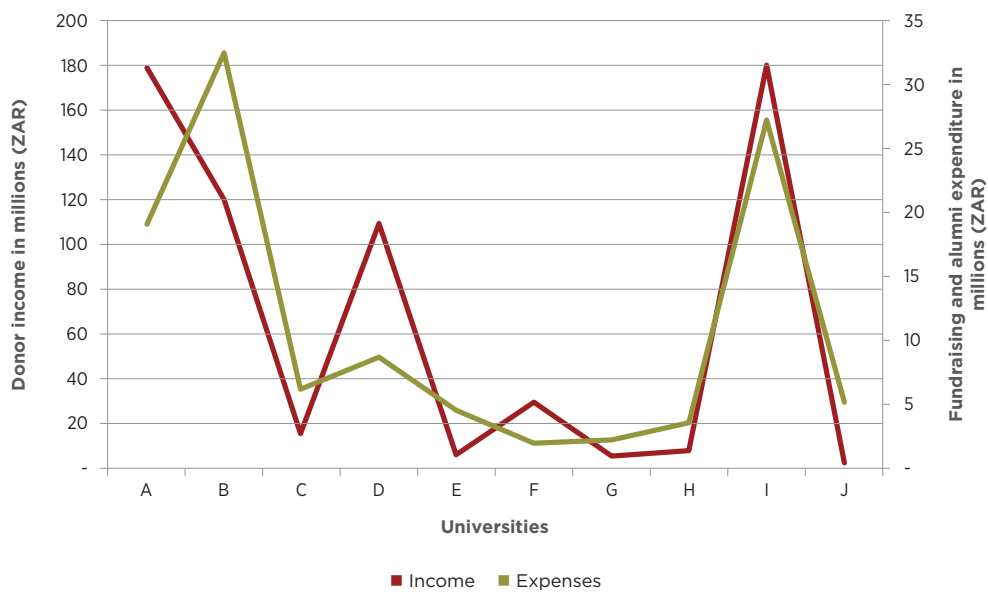


FIGURE 24: **Expenditure on fundraising and alumni relations correlated with donor income**



4.2 Expenditure

Figure 23 reflects the staffing and operating costs of the fundraising and alumni relations functions at the 10 participating institutions.²⁰ With a range of R2 million to almost R33 million, there was considerable variation in expenditure between the 10 universities, with a median of approximately R5.5 million. Although there are always exceptions, on the whole there appears to be a direct relationship between expenditure on fundraising and alumni relations, and levels of donor income: the higher the expenditure on attracting philanthropic income, the higher the amount of such income received. Figure 24 reflects this correlation.

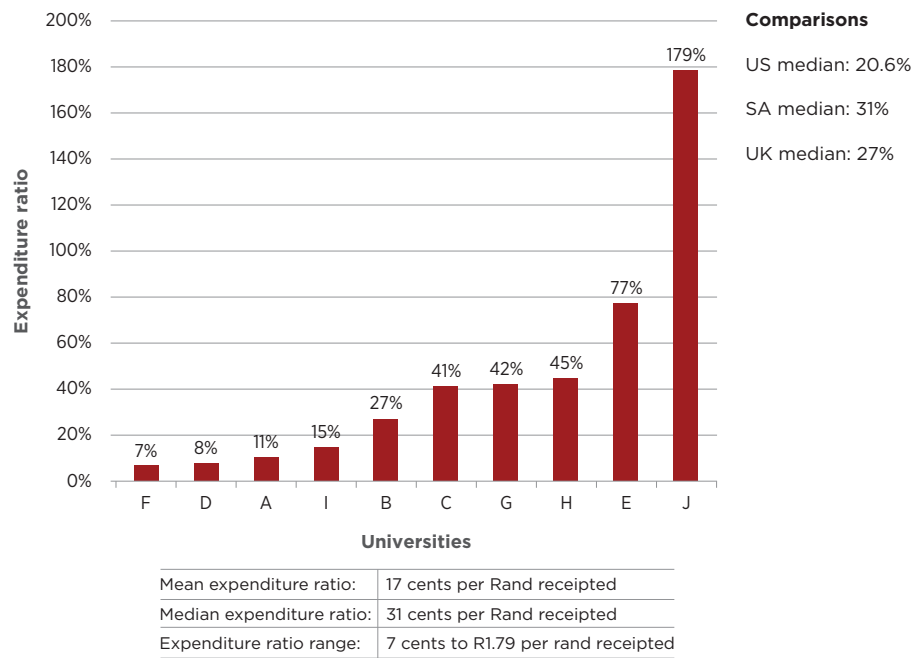
4.3 Return on investment

One of the primary indicators of a university's fundraising success is its expenditure ratio or the cost of its fundraising operation as a proportion of recorded income. Figure 25 compares the expenditure ratios of each of the 10 participating institutions. As can be seen, some ratios were lower even than 10 percent, which means that these institutions expended less than 10 cents on every R1 they generated. Others were in the region of 40 percent to 45 percent while two – 77 percent and 79 percent – were even higher and the last was in fact costing far more than it was returning. Most (albeit not all) of the institutions with expenditure ratios above 40 percent had new Advancement operations or were rejuvenating operations which had been dormant for some years. As the Figure shows, the mean expenditure ratio was 17 percent and the median was 31 percent. This compares with a median of 27 percent in the UK and 21 percent in the USA.²¹

It is perhaps worth noting that direct comparison with expenditure ratios in other countries, such as the UK and the USA, puts South African institutions at something of a disadvantage. This is because alumni relations costs are included in the formula even though alumni relations staff and other resources in South Africa are not, for the most part, dedicated to fundraising to anything like the same extent as their foreign counterparts. Nor do alumni in South Africa give to anything like the same extent. If alumni relations costs were to be excluded in the South African study, fundraising expenditure would be lower and expenditure ratios would therefore be somewhat better than is reflected here.

²¹ The figure for the UK is drawn from NatCen, 2014, *Giving to Excellence: Generating Philanthropic Support for UK Higher Education 2012-13 - Ross-CASE Survey Report*: The Ross Group and CASE Europe. The figure for the USA comes from the Council for Aid to Education, 2014, *Voluntary Support of Education, 2013*.

FIGURE 25: **Expenditure ratios of participating universities**



5. Summary of key findings and performance indicators

5.1 Philanthropic income and donors

- a) A collective total of just over R659 million in receipted philanthropic income was reported by the 10 participating universities.
- b) Median annual income was R22.8 million with a range of R2.7 million to R181 million.
- c) A total of 4 355 donors made philanthropic contributions to the 10 institutions.
- d) The median number of donors was 102 with a low of 9 and a high 1 873 donors.
- e) Philanthropic income from within South Africa comprised 53 percent and emanated from 87 percent of donors.
- f) International donors contributed 47 percent of philanthropic income but comprised only 13 percent of donors.
- g) One institution had 444 international donors, several had none, and the median number of international donors was four.
- h) Traditional universities comprised half of the sample yet attracted 91 percent of philanthropic resources and were favoured by 93 percent of donors.
- i) Two traditional universities between them received 55 percent of the total of all philanthropic income reported by the entire sample and were beneficiaries of 74 percent of all donors.

5.2 Donor sectors

- a) By far the largest proportion of philanthropic income emanated from Trusts and Foundations which contributed 61 percent.
- b) The private sector contributed 14 percent of philanthropic income, individual donors (including bequests) provided 4 percent, and bilateral, multilateral, civil society and religious organisations each contributed 4 percent to 5 percent.
- c) Gifts in kind comprised 6 percent of donor income.
- d) Individuals comprised by far the largest category of donors, making up 75 percent of the 4 355 donors.
- e) The private sector provided 11 percent of donors and Trusts and Foundations comprised 9 percent.

5.3 Private philanthropy

- a) Private philanthropy contributed 64 percent of philanthropic income, totalling R435 million, and accounted for 3 672 or 84 percent of all donors.
- b) The largest proportion of philanthropic support from private donors came from outside the country, with 83 percent emanating from international sources and only 17 percent from local private philanthropists.
- c) Funds from private donors comprised of just over half (54 percent of all local philanthropic income, with the balance of local donations primarily from the private sector.

5.4 Donation characteristics

- a) The vast majority of donations – 3 455 or 61 percent - were less than R1 000 in value while less than 2 percent exceeded R5 million.
- b) Twenty-two per cent of philanthropic contributions were valued somewhere between R1 000 and R1 million.
- c) Mean gift sizes were generally significantly higher among international donors than local donors. In the Trust and Foundations funding stream, for example, the local mean gift size was about R600 000 compared to R2.6 million among Trusts and Foundations based outside the country.
- d) The largest donation received by a single university was approximately R49.5 million and was received from a foreign Trust.

5.5 Staffing

- a) Excluding interns, the 10 universities employed 136 full-time and part-time staff in fundraising, development and alumni relations as of 31 December 2014.
- b) Forty-six per cent of staff was engaged in fundraising and development, 28 percent in alumni relations, and 26 percent in relevant support functions.
- c) The median number of staff per institution was 10 with a low of one staff member and a high of 38 staff.
- d) There is an apparent correlation between the number of staff engaged in fundraising, development and alumni relations functions and levels of donor income: the more fundraising, alumni relations and associated support staff an institution has, the higher its philanthropic income (and vice versa).

5.6 Expenditure and return on investment

- a) Considerable variation was evident in expenditure on fundraising and alumni relations, with a median of approximately R5.5 million and a range of R2 million to nearly R33 million.
- b) The mean expenditure ratio was 17 percent and the median was 31 percent, with a range of 7 percent to 179 percent.
- c) A direct relationship is evident between levels of expenditure on fundraising and alumni relations and levels of donor income: the higher an institution's expenditure on generating philanthropic income, the higher the income received.
- d) An apparent correlation also exists between the size of a university's budget and the amount of philanthropic support it attracts; that is, 'larger' (bigger spending) institutions appear to receive more donor income than 'smaller' (lower spending) institutions.

5.7 Key performance indicators

The following indicators of performance may be useful to universities in assessing their individual performance:

TABLE 3: **Key indicators**

INDICATOR	SAMPLE (n = 10)			
	Minimum/ Smallest	Maximum/ Largest	Mean	Median
Total institutional philanthropic income (ZAR)	2,776,927	181,037,562	65,923,769	22,761,751
Total number of donors (n)	9	1,898	436	102
Total number of individual donors (n) ²²	0	1,667	330	42
Total number of organisational donors (n) ²³	9	328	103	57
Alumni ('alumni/individual') participation rate (%) ²⁴	0.00	0.87	0.27	0.05
Largest annual gift (ZAR)	585,000	49,481,389	11,525,077	3,857,398
Income by philanthropic sector:				
• Individuals (ZAR)	0	13,022,203	1,787,256	158,031
• Bequests (ZAR)	0	3,130,903	778,128	0
• Private sector (ZAR)	756,000	34,052,158	9,480,881	5,557,466
• Trusts and Foundations (ZAR)	214,522	144,117,515	39,909,126	12,948,272
• Bilateral funding (ZAR)	0	22,884,554	2,749,760	132,500
• Multilateral aid and development support (ZAR)	0	26,031,296	2,646,454	0
• Civil society and religious organisations (ZAR)	0	17,659,942	3,189,247	1,858,399
• Gifts in kind (ZAR)	0	28,755,037	3,822,407	0
• Other/unclassified (ZAR)	0	10,243,050	1,560,512	6,755
Human resources for fundraising and alumni relations (n) ²⁵	1	38	14	10
Donor income per fundraising and alumni relations staff member (ZAR) ²⁶	589,689	11,092,898	4,159,576	3,087,490
Annual expenditure on fundraising and alumni relations (ZAR) ²⁷	2,012,122	32,700,000	19,272,093	5,555,377
Cost per Rand received (cents)	7	179	17	34

²² Calculations exclude the category of 'other/unclassified' donors as it is impossible to determine whether these were individuals or organisations.

²³ See footnote 22 above.

²⁴ Please see the qualifications about the use of this concept in the South African context made earlier in this report and the current inability of most institutions here to distinguish alumni from other individual donors.

²⁵ As noted above, the guidelines pertaining to 2013 could have been more precise in respect of staffing and relevant data should ideally have been collected in terms of Full Time Equivalents (FTEs). For the time being, figures pertaining to staff numbers reflect permanent and contract full-time and part-time employees who were formally engaged in the fundraising and alumni relations functions as of 31 December 2013. Interns were excluded.

²⁶ The same limitation as outlined in the footnote immediately above is applicable to this indicator.

²⁷ In considering its performance against this and related indicators, universities should refer to the 2013 survey guidelines and may also wish to note that, in future years, the guidelines will be more precise about what universities should include in respect of expenditure on fundraising and alumni relations.

5.8 Future plans

This first round of the survey was viewed as a pilot and will be conducted in a modified form in years to come among a larger sample of institutions. Participation hopefully will increase progressively so as ultimately to include all South African universities. As comparability of some of the present findings with those of future surveys certainly will be valid, albeit with qualifications, the existing results can nonetheless be viewed as the first in a series of surveys through which trends over time in philanthropic support to universities will begin to unfold.

It is perhaps worth noting that the Ross-CASE survey in the UK has involved regular adjustments to data collection instruments and guidelines over time, as to be expected in any evolving benchmarking exercise. ASPIHE is likely to take a similar course with refinements anticipated as the initiative progresses *without* loss of the potential for worthwhile retrospective comparison.

Addendum A: Survey guidelines for reporting

a. Purpose

The following guidelines are intended for use by participating institutions when completing the questionnaire for the *Annual Survey of Philanthropy in Higher Education*. Adherence to the guidelines is key when classifying donor income and ensuring consistency in the data collected across institutions.

b. Philanthropic income

1. Although different universities may pursue their own approaches, the core business of an Advancement operation as traditionally defined is to position the institution to attract philanthropic income. With the exception of a few questions in Section E, therefore, only **philanthropic** income should be reported for the purposes of the survey.
2. The survey is intended to record **all** philanthropic income to the university, not just that garnered directly by the responsible division or department. Even if the Advancement operation or its fundraising section was not directly involved in negotiating a grant or donation, this income should nonetheless be reported in this survey.
3. Depending on mandate and structure, some university Advancement operations may be directly involved in harnessing income which is of strategic significance to the institution but is not philanthropic in nature. Examples include revenue from sponsorships, the proceeds of technology transfer activities, and grants from statutory research funding bodies. As each institution may differ in its expectations of the Advancement operation, universities may wish to develop their own separate evaluative criteria and reporting guidelines for demonstrating the value of these broader activities.
4. Notwithstanding what follows, a simple way of determining eligibility of income from South African sources for inclusion in this survey is that revenue may be classified as philanthropic if it qualifies for a **Section 18A Certificate**. Revenue from South African individuals and organisations that is not eligible for a Section 18A Certificate should **not** be classified as philanthropic income for purposes of this survey and should not be included.

28 We are indebted to the Ross-CASE survey in the United Kingdom for providing a platform for thinking about how to frame this survey. To fit the local context, it has been deemed preferable to develop our own rules and criteria, and to devise a somewhat less sophisticated and less onerous instrument for use in the early stages of the initiative. It may be beneficial to collaborate formally with Ross-CASE at a later point and to adjust the survey instrument so that the South African and Ross-CASE findings are broadly comparable. Formulation of these guidelines has been informed, to some extent, by the Ross-CASE rules.

5. With the above short-cut in mind (see A4), philanthropic funds are defined in this survey in terms of both the source **and** purpose of the income. To be classified as philanthropic income, gifts and donations must come from **eligible sources** and be philanthropic in **intent**.
6. **Eligible sources** include:
 - a) Donations from individuals of cash and other instruments of wealth (e.g. shares, bonds).
 - b) Bequests or legacy income received from the estates of deceased persons.
 - c) Gifts in kind (e.g. property, art, scientific equipment, vehicles) which should be recorded following independent valuation and issue of a Section 18A Certificate.
 - d) Donations from registered charitable trusts and foundations.
 - e) Donations from the private sector provided that these qualify for Section 18A Certificates.
 - f) Donations from foreign governments and their agencies.
 - g) Donations or grants from multinational aid and development organisations.
 - h) Donations from religious organisations and civil society organisations.
 - i) Income from the National Lottery Distribution Trust Fund and other government-sponsored agencies dedicated to provision of grants for developmental purposes (e.g. the Youth Empowerment Trust, various agencies that fund Arts and Culture). Funding from statutory research bodies is excluded (see A7 below).
 - j) Grants made by foreign affiliated organisations such as 501(c)(3) organisations in the United States, charitable trusts in the United Kingdom, and similar entities in other countries. The value of the award from an affiliated organisation should be counted in the year of receipt by the university rather than the year of receipt by the affiliated organisation (if different).
7. Funds from the following sources are **ineligible** for consideration as philanthropic:
 - a) All funding from the South African government, including the national Department of Higher Education and Training (e.g. subsidy, infrastructure grants).
 - b) All research funding from statutory bodies and other research grant-making organisations.
 - c) Proceeds generated by exploitation of intellectual property rights held by the university.
 - d) Funds that emanate, or are transferred, from within the institution (e.g. transfers from reserves or endowments to a particular fundraising campaign, contributions from internal cost centres to a project).
 - e) Funds from Skills Education Training Authorities (SETAs) as these are generally the outcome of an alignment by the university and a particular SETA for reasons of mutual benefit through partnership rather than philanthropic giving. (Note that the survey does nonetheless request information about SETA income so that a record is developed, but it is not categorised as philanthropic.)

8. Qualifying as an eligible source is not in itself sufficient for funds to be classified as philanthropic. In addition to being eligible in terms of B6 above, funds may only be classified as philanthropic if they were given with **philanthropic intent**. This is giving that:
 - a) Does not result in any economic benefit (with the exception of tax relief) nor confers full or part title to any product in return for the funding. Although some forms of giving (e.g. grants) involve a written contract with specified or expected outputs, these may still be classified as philanthropic as long as the funder does not own any output, product or deliverable or have any control over it.
 - b) Confers full ownership of the funds upon the university once received. Notwithstanding this, the funder may demand return of the donation, or part thereof, if it is not utilised for the intended or agreed purposes.
9. For the purposes of the survey, funds are **excluded** from the definition of philanthropic income where:
 - a) There is a **contractual obligation** on the part of the university to provide goods and/or services to a funder contingent upon receipt of the funding. In this case, a quid pro quo relationship has been established between the two and the funding cannot be regarded as philanthropic in intent.
 - b) A funder has either **exclusive rights to information** or other products resulting from the funded activity, or has **exclusive rights to publish** research or other results via its proprietary media and communication apparatus.
 - c) A funder has rights to **intellectual property** which may potentially result from the funded activity.
 - d) **Financial benefits** accrue to a funder as a direct consequence of the funded activity (e.g. gratis teaching of the funder's employees).
 - e) A funder is able to **influence or determine operational decisions** relating to the funded activity. This does not affect a funder's right to know that a gift is being utilised for a designated purpose or to require internal or external monitoring and evaluation which may impact upon operational decisions.
 - f) There is an agreement linked with the funding for provision of **consultancy** services to the funder or an associated party.
10. The exclusionary criteria provided above preclude most forms of **corporate sponsorship** from classification as philanthropic income. In addition, corporate sponsorship is excluded if it involves:
 - a) Services or activities which are subject to VAT as a **chargeable supply**.
 - b) **Contractual obligation** by the university to provide a sponsor with any benefits whatsoever.

11. Income from **sponsorship** as defined above is not considered to be philanthropic income for the purpose of the survey as there is clearly a distinction, in terms of motivation, between sponsorship and philanthropy. Nonetheless, several questions address sponsorship in Section E of the questionnaire. If the information is not available, 'unknown' should simply be entered into the cell.

c. Income versus pledges

1. Participating universities should report as philanthropic income only funds actually **received** within the relevant financial year. Pledges do not count as philanthropic income until the year in which the funds are received.
2. Pledges include promised and contracted future philanthropic income. Income which has yet to be received from **multi-year gifts** or grants falls into this category. For example, a foundation may award a three-year grant which is paid in annual tranches. Each tranche is to be recorded as philanthropic income only in the year in which the tranche is received. The balance is pledged income and is not recorded as income received until the year in which the tranche is transferred to the university. The same applies to stop-orders; these are only included as income once the funds have been received, not when they are promised.
3. On occasions where reporting on pledges is requested or desired by the institution, only documented, **confirmed pledges** should be recorded. These are standing orders, direct debit mandates, documented gift agreements or other signed documentation from the donor which confirm the size of the donation and a timetable for the transfer of funds.
4. If and when declaration of pledges is requested, **oral pledges and bequests** should not be included because these are revocable.

d. Local and international income

1. Gifts or legacies from **individuals** should be classified as local or international sources of philanthropic income according to the residential status of the giver. Funding from donors or bequestors based outside South Africa should be classified as international. Funding from those based inside the country should be classified as local.
2. Grants or donations from **trusts and foundations** should be classified as local if the trust or foundation is registered as such in South Africa and the source of the funds is South African (e.g. DG Murray, Raith, Fuchs). Whether or not there

is an office in South Africa, income from trusts and foundations is to be classed as international when the entity is headquartered outside the borders of the country, which almost invariably means that the primary or initial source of the funds is also external (e.g. Elma, Ford, Mott, Mellon Atlantic, Carnegie, Kresge).

3. **Corporate funding** is to be classified as local if the funds emanate from a local business banking account. International corporate funding is income that is either transferred to the university from a business bank account outside the country or channelled from a corporate via an associated foreign organisation (e.g. 501 (c) (3) in the USA, charitable trust in the UK).
4. Funding from **foreign governments** and associated agencies, as well as from **multinational aid and development organisations** (e.g. European Union, UNICEF, Save the Children) is classified as international income.
5. Funding from **civil society, religious and other organisations** is classified as local if the organisation is formally registered in South Africa **and** the funds are transferred from a South African bank account. Such income is international **either** if the entity is formally registered outside South Africa **or** the funds emanate from a foreign bank account (or both).
6. Payments from overseas donors, including linked charitable entities such as UK trusts and 501 (c)(3) organisation in the USA, should be counted according to the Rand (ZAR) value on the date **received by the institution in South Africa**.

e. Donors versus gifts

1. Participating institutions are asked to take note of the distinction between **numbers of donors** and **numbers of gifts**. These are of course different; there may be multiple transactions – or ‘gifts’ – from a single donor in any year.
2. The survey questionnaire is concerned primarily with recording the **number of donors** per donor sector, **not** the number of gifts or transactions. Institutions should take note of this when completing the questionnaire.
3. In defining sources of income, grants or donations received as a single transfer from an **associated overseas entity** (e.g. 501 (c)(3) in the USA, charitable trust in the UK) should be disaggregated by the donor; that is, the number of donors would be the total number of people and/or organisations that contributed to the amount of the grant or donation.

f. Costs and staffing

1. In Section D, please include only **development/fundraising staff** and **alumni staff**. Even if these staff are part of a larger Advancement structure, do not include marketing, communications, corporate relations or any other staff. This is because university fundraising cost ratios are calculated by reference only to development and alumni costs rather than those associated with all of the Advancement disciplines. This narrow approach is necessary, first, because there is a great deal of variation between universities regarding what is included under the rubric of Advancement; and second, so that the findings of the survey are comparable internationally.
2. The number of staff included should be entered in terms of **Full-Time Equivalent (FTEs)**. Your human resource offices should be in a position to provide you with the number of FTEs linked with your operation for the year. Please be careful to include only actual FTEs and **exclude vacant positions**.
3. **Cost-to-employer** includes the cost to the university of an employee's full package, i.e. gross salary plus total contributions by the university to pension funds, medical aid schemes and the like but excluding site costs. It is the total line item cost of a staff member included in the budget.

Sean Jones
July 2014

Addendum B: Questionnaire

INSTRUCTIONS FOR COMPLETING THIS FORM

These instructions should kindly be read in conjunction with the accompanying *Guidelines for Reporting*.

- (a) Please enter round numbers only. Cents should be excluded from monetary figures and rounded off to the nearest Rand.
- (b) Figures should be based on the accounting year spanning 1 January to 31 December and should be drawn from the final audited accounts for the year.
- (c) Monetary amounts should be entered without spaces, commas or a currency indicator e.g. R7500 should be entered as 7500. Commas will automatically be inserted.
- (d) When a figure lower than 1 is entered, it will appear as either 1 or 0, even though the actual value entered will be recorded correctly.
- (e) Kindly complete all boxes. Boxes will turn white when a value is entered. If you are uncertain about whether particular items should be included, please use your best judgement and try to give an answer. If data are not available, please enter 'unknown' and the box will turn yellow. If not applicable, type 'n/a'.
- (f) As cost ratios are generally calculated by reference only to development and alumni budgets, rather than the costs associated with all the Advancement disciplines (e.g. marketing), this survey is concerned only with expenditure on the former. Please bear this in mind when completing Section D.
- (g) The form should be signed by the Chief Financial Officer (or equivalent) or an authorised delegate.

a. History and positioning of advancement responses

RESPONSES		
1. How long has your institution had a formal fundraising/development/Advancement office?	Select from drop-down	
2. What is the designation of the head of fundraising/development/Advancement?	Select from drop-down	If other, please type here
3. What is the designation of the immediate line manager of the Head of Advancement?	Select from drop-down	If other, please type here
	Select if dual line management	If other, please type here

4. To whom does the line manager of the Head of Advancement answer?

Select from drop-down If other, please type here

5. What are the designations of the staff who are directly answerable to the Head of Advancement, i.e. those who are one management tier below?

Please include only those who comprise the tier immediately below the Head

6. Does the institution have an associated but separate entity (e.g. Foundation, Trust) or several entities registered in South Africa through which gifts and grants are processed?

Select yes/no If yes, how many? How many, if any, are dormant?

7. Does the institution have an entity or entities (e.g. 501 c[3], Trust) elsewhere in the world, or an intermediary organisation (e.g. CAF), which processes donations?

Select yes/no If yes, type country or countries

8. Does the institution engage the services of employees or contractors (full-time or part-time) to assist with its advancement activities in any foreign location?

Select yes/no If yes, select number of employees/contractors

9. How many living alumni are on record?

of alumni

10. How many of the living alumni who are on record are contactable by post, email, SMS and/or telephone?

of alumni

b. Philanthropic income

	RESPONSES			
1. Gifts from individuals (alumni, friends, staff, students, etc.)	Local individuals Value (ZAR) # of donors		International individuals Value (ZAR) # of donors	
2. What portion of the figures provided for B1 above emanates alumni? If you do not distinguish alumni from other individuals, please type 'unknown'.	Local alumni Value (ZAR) # of donors		International alumni Value (ZAR) # of donors	
3. Bequests/legacies	Local bequests/legacies Value (ZAR) # of donors		International bequests/legacies Value (ZAR) # of donors	
4. Donations/grants from the private sector	Local private sector Value (ZAR) # of donors		International private sector Value (ZAR) # of donors	
5. Donations/grants from Trusts and Foundations	Local Trusts & Foundations Value (ZAR) # of donors		International Trusts & Foundations Value (ZAR) # of donors	
6. Donations/grants from foreign governments and associated agencies			Foreign government agencies Value (ZAR) # of donors	
7. Donations/grants from international/multinational aid and development organisations			Aid and development organisations Value (ZAR) # of donors	
8. Donations/grants from civil society, religious and other organisations	Local organisations Value (ZAR) # of donors		International organisations Value (ZAR) # of donors	

	Local organisations		International organisations	
	Value (ZAR)	# of donors	Value (ZAR)	# of donors
9. Gifts in kind				
10. Other/unclassifiable				
11. What is the total value of pledges that were confirmed during the course of the year? Please exclude legacy/bequest pledges.	Local pledges		International pledges	
	Value (ZAR)		Value (ZAR)	

c. Gift and grant characteristics

RESPONSES	
1. What was the amount of the largest gift/grant received during the year?	Value (ZAR)
2. What donor sector/gift type did the largest gift (recorded in C1 above) emanate from?	Select from drop-down
3. How many donors gave total amounts in the following categories?	
[a] R5 million or greater	# of donors
[b] R1 million to R4,999,999	# of donors
[c] R500,000 to R999,999	# of donors
[d] R100,000 to R499,999	# of donors

of donors

[e] R50,000 to R99,999

of donors

[f] R10,000 to R49,999

of donors

[g] R1,000 to R9,999

of donors

[h] Less than R1,000

4. Does the institution have an Annual Fund?

Select yes/no

5. How much income was generated by the Annual Fund during the year?

Value (ZAR)

6. How many individuals/organisations gave to the Annual Fund?

of donors

7. How many of the individual/organisations that gave to the Annual Fund are alumni?

of alumni

d. Costs and staffing

RESPONSES

1. How many full-time, permanent and fixed term staff were on the books as at 31 December 2013?
[Please insert number.]

Development Alumni Support and other

2. How many part-time staff were on the books as at 31 December 2013?
[Please insert number.]

Development Alumni Support and other

3. How many paid interns and/or volunteers provided assistance during the year?		Development		Alumni		Support and other

4. What was the full cost-to-employer expenditure on staffing for the year?		Value (ZAR)

5. What was the total non-staff/operating expenditure, excluding staffing costs, for the year?		Value (ZAR)

6. If not included in D4 above, what was total staff expenditure on overseas operations?		Value (ZAR)

7. If not included in D5 above, what was total non-staff/operating expenditure on overseas offices?		Value (ZAR)

e. Miscellaneous

RESPONSES	
-----------	--

1. What was the value of monetary income received by the University via sponsorship? <i>[Please input 'unknown' if applicable.]</i>		Value (ZAR)

2. What was the monetary value of in-kind support received via corporate sponsorship? <i>[Please input 'unknown' if applicable.]</i>		Value (ZAR)

3. What was the total monetary amount of funding received for named Chairs/positions and infrastructure?

Value (ZAR)

4. Was the amount in E3 above reported earlier in Section B of this questionnaire?

Select yes/no

5. What was the University's total operating expenditure during the year as per its audited financial statements?

Value (ZAR)

f. Details of person completing this form

RESPONSES			
	Date	Month	Year
1. Date completed			
2. Name of the institution			
3. Name of the person			
[a] First name			
[b] Surname			
[c] Title (select from drop-down)			
4. Job designation			
5. Email address			

6. Telephone number	
---------------------	--

7. Postal address	
-------------------	--

--

8. Post code	
--------------	--

g. Signature

--

To be signed by the University's Chief Financial Officer or equivalent or an authorised delegate.

I declare that the information provided in this form is accurate to the best of my knowledge.

Initials and surname	
----------------------	--

Designation	
-------------	--

Signature	
-----------	--

Date	
------	--

Thank you for your time.



INYATHELO

The South African Institute
for Advancement

e info@inyathelo.org.za | **t** +27 21 465 6981 | **f** +27 21 465 6953

2nd Floor, The Armoury, Buchanan Square, 160 Sir Lowry Road, Woodstock 7925

f www.facebook.com/inyathelo

t www.twitter.com/inyathelo

p www.pinterest.com/inyathelo

in [www.linkedin.com/company/inyathelo-the-south-african-institute-for-](https://www.linkedin.com/company/inyathelo-the-south-african-institute-for-advancement)

www.inyathelo.org.za

