

ROSS-CASE GROUP SURVEY SUB-GROUP
FINAL ACCOMPANYING TEXT FOR 2010/11 SURVEY.

Ross-CASE SURVEY

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

Reporting Rules for questionnaire completion

Developed by the Ross Group of Development Directors

October 2011

1 Introduction

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

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

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

1.4 **Please read the rules below with care.** These rules are unchanged from 2008/9 and will remain so, through to and including the 2010/11 survey, after which period they will be subject to a further review.

1.5 Development Offices often have direct involvement in raising income which is strategically important to the institution, but does not qualify under the Ross-CASE rules as philanthropic. This might include sponsorship revenues, business development activity, or fundraising from public funding bodies. As each internal audience will differ in its priorities and expectations, Development Offices are encouraged to develop their own internal reporting mechanisms for highlighting the value of this wider work.

1.6 **The Ross-CASE Survey and Campaign Counting.** The Ross-CASE survey is the standardised UK model for identifying and counting philanthropic pledges and income to UK universities. It provides one model which universities may wish to adopt for Campaign counting purposes. Universities may have strategic reasons for including other forms of funding, whether this relates to the source of funding, or the extent of its philanthropic intent, in their Campaign targets and announcements. In these circumstances it is recommended that universities state clearly in their campaign materials which elements over and above those that qualify under Ross-CASE guidelines are being counted, so as to allow broadly accurate comparisons to be made both within and outside of the UK University community.

1.7 All those completing this survey are required to adopt these Rules in order to define the philanthropic health of their institution within the HE sector.

1.8 The survey aims to measure the philanthropic health of the *whole* institution, not merely the performance of fundraising staff. This survey will therefore involve co-operation between the Development Director (or equivalent appointment) and the Finance Director in using these Rules to assess what funding, from that coming into all parts of the institution, is classified as philanthropic, according to these Rules. It will also require the setting up of adequate systems to recognise and record all of these gifts.

1.9 The priority of the survey is to obtain a complete return for each institution. The rules below should allow clear decisions to be made as to whether particular gifts and agreements are eligible. Inevitably best judgement will need to be used on occasion (see 2.10 re. supporting documentation).

1.10 In order to ensure consistency in reporting, NatCen will contact some institutions once their returns have been received, in order to check particular details.

2 Identifying philanthropic funds

2.1 Philanthropic funds indicate the capability of the institution to attract donations on the basis of its academic reputation and network of support.

2.2 Funds secured as gifts or donations can only be counted within this survey as philanthropic funds if they meet **both** of the following two criteria:

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

and

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

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

Eligible sources of philanthropic funds

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

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

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

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

2.3.4 Donations from charitable trusts and foundations in the UK and overseas. This includes donations from independent charities associated with NHS Trusts (but not direct from NHS Trusts).

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

2.3.6 Gifts from companies in the UK and overseas.

2.3.7 Gifts from overseas governments or their agencies and foundations.

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

2.3.9 Funding through the Land Fill Scheme.

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

Ineligible sources of philanthropic funds

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

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

2.5.2 Funding from NHS Trusts.

2.5.3 All funding from the EU or its agencies.

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

2.5.5 Internal transfers within the institution.

Definition of philanthropic intent

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

Exclusions from philanthropic intent

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

2.7.1 Table of Exclusion criteria

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

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

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

Donor Stewardship

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

Corporate Sponsorship

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

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

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

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

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

2.8.3 The only circumstances where HMRC consider corporate support not to be eligible for VAT (and which as a result could be included within the **Ross-CASE** Survey, as long as none of the exclusions under 2.7.1 apply) is where acknowledgement is restricted to:

- giving a flag or sticker;
- naming the donor in a list of supporters in a programme or on a notice;
- naming a building or university chair after the donor (without the use of a logo); or
- putting the donor's name on the back of a seat in a theatre.

(source: HMRC Reference:Notice 701/41)

2.8.4 For the purposes of the survey, these HMRC guidelines should be applied in assessing the eligibility of all sponsorship agreements, including those with international companies not subject to HMRC regulations.

Notes on university priorities and activities typically funded by philanthropy

2.9 Philanthropic funds can take the form of funding for buildings and land, staff appointments, equipment and other assets, scholarships and bursaries, endowment of lectures and other academic activities, core funding of academic activities, and in some limited circumstances funding of research programmes. (NB None of the 7 exclusion criteria listed under 2.7.1 must apply irrespective of the activity funded; see also the examples in Appendix A).

2.9.1 Funding for **buildings, land and equipment** will typically be eligible for the survey, as long as the facilities funded will remain the property of the University.

2.9.2 Donor-funded **staff appointments** are eligible, but if the agreement states that the member of staff will allocate time to specific activities which would not meet the philanthropic intent definitions within this document (i.e. any of the exclusion criteria listed under 2.7.1 above – e.g. consultancy or work on research contracts) then the funding should be excluded **in full** from the survey. Exclusion 7 – donor control – will also need careful assessment (see **Appendix B**).

2.9.3 Funding for **scholarships and bursaries** is eligible, as long as the student recipient is not required to undertake specific activities of economic benefit to the funder (e.g. research projects, work placements, etc.), in which case the funding should be excluded in full from the survey. Exclusion 7 – donor control – will also need careful assessment (see **Appendix B**).

2.9.4 **Research funding.** The exclusion criteria described above (2.7.1) mean that the majority of research funding from institutions, whether in the form of contracts with business and industry or from grant-awarding bodies (even if they themselves are charities), should not be counted as a gift and should therefore be **excluded** from the survey. In some cases grants for research programmes from trusts and foundations may be eligible, but these will need to be assessed closely against the exclusion criteria on a case-by-case basis, given the differences in grant conditions between grant-making bodies (see **Appendix A** for worked examples which are intended to help guide institutions' case-by-case assessments of specific grants/research programmes).

Supporting documentation

2.10 It is essential that the survey data includes only pledges and gifts which are documented by paperwork (typically in the form of a simple gift agreement). If other individuals across the University outside of the Development Office have assessed income as being eligible for the survey, it is essential that those individuals have assessed the relevant income against these Ross-CASE rules in full. Development Offices also need to check that if other individuals across the University have assessed income as being eligible for the survey, paperwork documentation exists, even if the Development Office themselves are not in possession of it. (Note: In the case of any income to be included in the Government's matched funding scheme, the relevant paperwork for individual gifts may be required by HEFCE auditors.)

Approaches from donors

2.11 Some companies, trusts or individuals approach a single institution about a potential gift, or invite specific institutions to apply for grants; this has no bearing on the philanthropic intent involved, and any gifts or grants gained on that basis should be included in the survey if none of the 7 exclusion criteria listed under 2.7.1 apply.

Reporting back to the donor

2.12 The donor often requests or requires an accounting of the use of funds and of the impact of the programmes or projects undertaken. Any such request/requirement from the donor for regular status or other reports does not negate the philanthropic intent underlying a specific gift or grant, so agreements with reporting requirements are still eligible if none of the 7 exclusion criteria listed under 2.7.1 apply.

HMRC Substantial donor rules

2.13 Institutions may have multi-faceted relationships with some donors and funders, some of a philanthropic, some of a contractual, nature. HMRC have issued 'anti-avoidance' guidance as to tax treatment in these circumstances (known as 'substantial donor rules' – your finance office will have full details), in order "to tackle those who influence or set up charitable structures with a view to avoiding tax rather than with any charitable intent". As institutions enjoying charitable status, universities have since 2006 been required to comply with these accounting rules. Development offices must as a result ensure that they are liaising with their finance offices to ensure that the survey data is in full compliance with these rules.

3 Reporting 'funds secured'

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

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

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

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

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

Oral pledges and legacy pledges should not be included in the survey. Unrealised legacy pledges are never counted as “pledges” by this survey, even if documented, because they are revocable.

Unspecified or undocumented pledges should not be included in the survey.

The remainder of this section provides guidance on how to count and report on ‘funds secured’ for the purposes of the survey. For clarity of language, it assumes that entries are for the 2010/11 year. Universities entering or amending data for previous years will need to adjust for each year accordingly.

3.2 ‘Funds secured’ (survey question 5) **includes**:

3.2.1 new cash received in 10/11 that results from new (non-legacy) pledges (whether from multi-year pledges or one-off cash gifts) made in 10/11

PLUS

3.2.2 cash due to be received beyond 10/11 as a result of new pledges made during 10/11, counting up to five years’ worth of funding for each pledge (the five years includes the year in which the pledge is made).

PLUS

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

3.3 ‘Funds secured’ **excludes**

3.3.1 cash received during 10/11 from pledges made prior to 10/11 as these should have already been counted in ‘funds secured’ in those previous years (whether or not the institution was actually participating in this survey).

Treatment of Shares and Financial instruments under ‘funds secured’

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

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

3.4.2 Sales receipts in respect of gifts of shares and financial instruments made in previous years should not be recorded in ‘funds secured’ for 10/11 as these gifts should have been recorded under ‘funds secured’ in previous years at their imputed value at the time they were given.

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

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

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

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

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

Return of unspent monies under 'funds secured'

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

Requirement for documentation under 'funds secured'

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

3.8 Oral pledges should not be included in the survey.

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

Legacies and 'funds secured'

3.10 Legacy cash income received during 10/11 should be included under funds secured.

3.11 If the University received notification during 10/11 that a will has gone through probate, but the related cash was not received during 10/11, no value should be included under 'funds secured', even if specified sums are included in the probate documentation.

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

Pledge duration under 'funds secured'

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

4. Reporting Cash Received

4.1 **“Cash received”** (survey question 6.1) records the value of all cash received by the institution in 10/11 as a result of philanthropic giving (as defined above).

Cash received **includes:**

4.1.1 the cash received during 10/11 resulting from new pledges made in 10/11 (whether from multi-year pledges or one-off cash gifts). (This will be the same figure as that calculated for 3.2.1 above).

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4.1.2 the cash received in 10/11 as a result of pledges made in previous years.

PLUS

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

PLUS

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

4.2 Cash received **excludes:**

4.2.1 the actual net cash received from the sale of financial instruments donated in previous years (i.e. before 10/11), because this income should have been included under 'cash received' in the year in which it was received (see 4.1.4).

4.2.2 the income received (e.g. investment returns or rent) from any retained donated financial instruments or real estate.

4.2.3 any cash returned to donors during 10/11, whether this relates to gifts received during 10/11 or in previous years. Any such returns of cash should be deducted from the 'cash received' total (and 'funds secured' returns) for the appropriate year(s) - see also 3.6 above.

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

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

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

deduct that element of the funding before including it in its own 'funds secured' or 'cash received' entry on the survey.

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

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

6.1 This section of the survey is included at the request of HEFCE which is administering the £200M matched funding scheme in support of English Higher Education Institutions. It has been included since the 2006-7 survey.

6.2 It is important to note that this part of the survey will not be used to claim matched funding from HEFCE this year. The actual claims for matched funding income relating to gift income for 2010/11 (the final year of the scheme) will be made during 2011/12 via a separate claim form to be sent direct to HEFCE, signed by your senior finance officer. This claim may be audited. HEFCE will contact institutions directly about this process.

6.3 Those institutions wishing to participate in the Matched Funding Scheme in either England or Wales must complete the Ross-CASE survey, including this section, for the year 2010-11. This section should only be completed by those HEIs that qualify for the scheme.

6.4 This section should include only what you would be claiming from HEFCE if the scheme was in place to cover 10/11 income.

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

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

Please note: section 6.6.4 reduces the range of research funding eligible for matched funding, when compared with the guidelines used for the 2006-07 Ross-CASE survey.

6.6 Matched-funding eligible cash income is equivalent to philanthropic cash received as entered under survey question 6.1, **except** for the following *exclusions* of cash income from four sources:

6.6.1 Legacy gifts (i.e. legacy cash income received in year from deceased individuals)

6.6.2 Lottery grants

6.6.3 Funds from foreign governments (grants and gifts)

6.6.4 Income from the following Trusts and Foundations must be excluded from the return, due to their size:

UK trusts and foundations

- Arts Council England
- Wellcome Trust
- Co-operative Action
- National Lottery

International trusts and foundations (all in the US)

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

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

UK trusts and foundations:

- Wolfson-Wellcome Capital Wards in Biomedical Science

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

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

7 Fundraising expenditure (survey questions 19-22)

- 7.1 The measurement of fundraising expenditure should, for comparison purposes, only include the direct costs involved in **fundraising** (development) activities.
- 7.2 Philanthropic expenditure therefore includes only the direct **fundraising** costs which are the responsibility of the Development Director, or the equivalent appointment.
- 7.3 Philanthropic expenditure excludes the indirect costs associated with philanthropic support for the institution, such as the costs of academic staff and administrative staff not identified in Table 7.6 below, and the costs associated with the recruitment of students or the promotion of the research activities of the institution.
- 7.4 An appropriate proportion of the costs of staff with a joint focus on fundraising and alumni relations should be attributed to philanthropic expenditure (survey question 19.1). **Include National Insurance and Pension costs in all calculations for staffing costs.** Table 7.6 shows how the costs of typical development and alumni staffing positions should be included.
- 7.5 Some universities employ students to make fundraising calls at certain times of year on a temporary employment basis. Although sometimes these temporary employment costs are budgeted as “non-payroll” they should be counted as staff costs in question 19.1.

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

Role	Fundraising	Alumni Relations
Director of Development	100%	
Development/Gift Officers	100%	
Annual Fund Staff	100%	
Prospect Researcher	100%	
Trusts Officer	100%	
Legacy Officer	100%	
PA/Secretary for Director/Gift Officers	100%	
Alumni Officer (if fundraising in job description)	50%	50%
Head of Operations/Development Services	50%	50%
Head of Data	50%	50%
Data in-putters	50%	50%

Alumni Officer (no fundraising in job description)	100%
Magazine/Communications Officer	100%
PA/Secretary for Alumni Office	100%
Alumni Reunions/Event Officer	100%

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

8 Worked examples

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

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

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

		£000s				
	Description of support	Q5 Funds secured	Q6 Cash received	Q7 Matched- funding eligible cash	Q8 Gifts in kind	Q11 Annual Fund
A	Several one-off gifts from trusts and large donors totalling £150,000. All have been received. Of these, £40,000 came from the Kresge Foundation (excluded from Government matched funding due to its size – see 6.6.4 above).	150	150	110	-	-
B	Several confirmed pledges from trusts and other large donors totalling £245,000. These have not yet been received but will come in over the next 5 years.	245	-	-	-	-
C	A gift from a trust which meets all of the Government matched funding criteria of £200,000 in four equal instalments, of which the first £50,000	200	50	50	-	-

	has been received.					
D	The final £5,000 instalment of a £20,000 gift from an individual donor made over four years.	-	5	5	-	-
E	A gift of a painting received within the year, which was sold and the cash received – raising £15,000.	15	-	-	15	-
F	A gift in kind of computer equipment valued at £20,000, not yet sold.	20	-	-	20	-
G	A historic book given six years ago was sold within the year for £600.	-	-	-	-	-
H	Five alumni have written to say that they have each left £8,000 in their wills. <i>This type of legacy pledge cannot be recorded in the survey.</i>	-	-	-	-	-
I	Two alumni have died leaving legacy gifts totalling £92,000. The University receives notification during the year that both wills have gone through probate, but no cheques were received during the year.	-	-	-	-	-
J	One alumna has died and the University received notification during the year that the will had gone through probate. A total of £140,000 is due to the university and the first instalment of £80,000 was received during the year. [Note: in this example if the remaining £60,000 is received the following year, that £60,000 would be included under both 'funds secured' and 'cash received' in that year. See also K below]	80	80	-	-	-
K	The final instalment of a legacy of £100,000 has been received, worth £25,000. The previous instalments were received last year.	25	25	-	-	-
L	Two hundred donors have made one-off Annual Fund cash gifts (cheque / credit cards) – all received – worth £55,500.	55.5	55.5	55.5	-	55.5
M	One hundred Annual Fund donors have taken out open ended standing orders of £1000/p.a. and the first instalments worth £100,000 have been received. <i>As the standing orders have been set up, a further 4 years of instalments, worth £400,000, can be recorded as confirmed pledges under 'funds secured'.</i>	500	100	100	-	100
N	£66,000 has been received from previous Annual Fund standing orders set up in previous years	-	66	66	-	66
O	In your telephone campaign, 25 alumni made oral pledges totalling £20,000 over four years, but no paper work has been received. <i>These oral pledges cannot be recorded anywhere on the questionnaire.</i>	-	-	-	-	-
	Totals to be reported at each question	1290.5	531.5	386.5	35.0	221.5

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

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

E	A medical charity provides money for research funding. They specify in the agreement that “The grant receiving organisation hereby grants a perpetual, royalty-free non-exclusive licence” to the charity.	INELIGIBLE	One exclusion: No. 5 – IP rights. Even though the IP related rights are non-exclusive, any such inclusion means exclusion.
F	A funder uses blanket terms for their research grant agreements. These include the requirement for a share of any resulting IPR even where this is clearly not relevant to the research programme in hand.	INELIGIBLE	One exclusion: No. 5 – IP rights. If no IPR is anticipated, contact could be made with the donor to seek to have this clause removed. It is the wording of the agreement that counts.
G	A charitable foundation awards a project grant to the University. The grant has a defined multi-year timeline and payment schedule; milestones to deliver along the way; and a specific purpose. An annual report and three quarterly updates must be submitted by the University each year. The Foundation may request additional reports. The Foundation "is making the grant in furtherance of its charitable purposes" and requires that any knowledge gained during the project "be promptly and broadly disseminated to the scientific and international development community. None of the 7 exclusion criteria under 2.7.1 apply.	ELIGIBLE	None. Neither the inclusion of detailed reporting requirements, nor agreed milestone targets along the way, undermine the philanthropic intent of the grant.
H	A professional institute provides a donation to fund a Principal Researcher researching a niche area of research. The results of this research are relevant to the interests of the members of the funding institute. The funded person is required to provide the funder with a quarterly report on the progress of the research. The funder has the exclusive rights to publicise the results on their website, thereby putting them in the public domain. The University grants the funder a non-exclusive license to use the	INELIGIBLE	Two exclusions: No. 3 – exclusive publication; and No. 5 – IP rights.

	results and copyright materials generated in the course of the project.		
I	<p>A funder funds both a piece of research and also a post for a three-year period. The agreement states that the post holder will work both across the research as well as on other projects.</p> <p>The agreement for the research funding includes the requirement for a share in any resulting IPR but there is no specific provision for a share of IPR on the funding of the post.</p>	INELIGIBLE	<p>Research funding – one exclusion: No. 5 – IP rights.</p> <p>Post funding – excluded as part of the agreement relates to non-philanthropic activity (see 2.7 and 2.9.2)</p>
J	A fellowship is jointly funded by the MRC and a charity. The overall agreement meets all of the criteria for a philanthropic gift according to the Ross-CASE rules.	<p>Element funded by the charity - ELIGIBLE;</p> <p>MRC element INELIGIBLE (Government funding).</p>	None
K	A major trust (e.g. Wellcome) funds both research contracts through their funding programmes, as well as making philanthropic donations to institutions for buildings and equipment.	<p>Research contract funding INELIGIBLE</p> <p>Philanthropic donations ELIGIBLE (as long as the institution owns the new facility – e.g. building or laboratory).</p>	<p>Research Contract Funding – One exclusion: No. 1 – contractual Relationship</p> <p>Philanthropic elements – None</p>

Appendix B Rules and examples relating to donor control of funds

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

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

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

Example A

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

Example B

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