

# Fundraising: A New Horizon for Finance

2010 National University  
Finance and  
Procurement Conference

# What Every CEO Should Know About Advancement

(Alumni Relations, Communications & Marketing, and Fund Raising)



# What Is Advancement?

Advancement is the set of functions at an educational institution dedicated to strengthening relationships with key constituencies, including:

- benefactors
- graduates
- opinion leaders
- decision makers
- current and prospective students
- faculty and staff

# What Is Advancement?

The advancement functions include:

- Alumni Relations
- Communications & Marketing
- Fund Raising

And may also include:

- Advancement Services
- Advancement Management
- Government Affairs
- Community Relations
- Special Events

# What Unifies Advancement?

All of the advancement disciplines are united by:

- the common goal of ensuring the long-term success of the institution in fulfilling its mission, and
- the common strategy of building supportive relationships among those constituents who can make significant contributions to that long-term success.

Professional  
Development  
ADVOCACY

INTEGRITY

Resources

# Fund Raising

SERVICE

Recognition

ETHICS

INCLUSIVENESS

CASE.

COUNCIL FOR ADVANCEMENT AND SUPPORT OF EDUCATION

# What Are the Keys to Fund Raising Success?

- Planning.
- Research.
- Energy.
- Optimism.
- Patience.
- Stewardship.
- Coordination across the institution.
- A comprehensive approach (major gifts, annual fund, planned gifts, etc.).

# What Are the Keys to Fund Raising Success?

- Asking!

# How Can the Development Office Help the CEO?

- Generate private support for your vision and institutional goals.
- Advise you on addressing donor interests and concerns.
- Contribute to an atmosphere of trust and collaboration.
- Help you focus your time effectively.
- Ensure that the institution follows professional and ethical standards.
- Deliver and report results.

# What Is the Role of the CEO in Fund Raising?

- Embody the essence of the institution.
- Communicate honestly and clearly about your goals for the institution.
- Exhibit enthusiasm for your vision so friends will commit “beyond reason.”
- Identify institutional priorities worthy of private support.
- Devote at least 30 percent of your time to cultivation, solicitation and stewardship.

# What Is the Role of the CEO in Fund Raising?

- Make volunteers feel valued.
- Share information with the development office from relevant meetings.
- Help others within the institution understand the importance of the fund-raising effort and the value of the investment in that effort.
- Create culture of collaboration and accountability.

# What Should the CEO Keep in Mind Re: Fund Raising?

- Engagement yields giving.
- Small gifts lead to large gifts.
- ROI varies widely.
- People give to winners.
- People give to people.
- You are asking on behalf of the community, not yourself.
- Be prepared to hear “no.”
- Be prepared to say “no.”

# What Should the CEO Keep in Mind Re: Fund Raising?

- Campaigns stop being special when they never stop.
- Priorities are set by the institution, not the development office.
- Stewardship is everyone's business.
- What you do in fund raising will be an important part of your legacy.

# Fundraising

- Everybody's business (Eric Thomas, Bristol)



# What is distinctive about fundraising at Australian Universities?

- Great history, largely untold
- No Commonwealth Government interest in universities developing gift income (Financial Statements, HEEF, Bradley)
- Not a performance issue for most Vice-Chancellors or Deans
- Ignored by AVCC, UA, not by press

# Financial Statements bury private income

- QUT 2009
  - Royalties, TM, Licences .014% of revenue
  - Donations, scholarships, prizes, non-gov. grants 3.95% of revenue
- University of Newcastle
  - Royalties, TM, Licences .01% of revenue
  - Donations, scholarships, prizes, sponsorships 3.23% of revenue

# What are the roles of Finance Officers?

- To manage the University's funds well (pre-condition for major gifts)
- To have appropriate investments for endowments (and good internal management of endowment accounts)
- To provide advise to the VC and others on gift acceptance and management

# What are the roles of Finance Officers?

- To appreciate that Universities seek and receive donations (for more than 800 years) – it is neither new nor American
- To know Australian universities are non-profit organisations, they are charities, able to accept tax-deductible donations

- To realise that **fundraising raises money**
- To know that Fundraising:
  - is the university's best possible investment
  - should cost universities 15% to 30% of funds raised.
  - has **Return on Investment of 300% to 600%** per annum, after return of capital (What is your next best alternate investment?)

# How can Finance Officers improve fundraising?

- Require that Development Offices reconcile their gift receipts with the finance system
- Include qualifying gifts in kind on the asset register
- Require keeping of good donation records (who gave what, when, for what purpose, any other conditions)

- Maintain separate gift balances and investment returns for use in stewardship reports
- Tag all private income in finance system so that reports can identify unspent money that came from private donations
- Minimise the creation of new separate entities (better to build confidence in institution – and gain access to PAFs)

- Encourage the university to use specialist non-profit lawyers for advice on donations, foundations, gift agreements, bequests etc (ACPNs seminar)
- Review GST on sponsorships that come through Development Office (some are treated as donations and GST not paid)

- Check policy settings for:
  - Gift acceptance
  - donations and bequests when specific purpose is not stated
  - Treatment of shares and other instruments that are donated
- Be good at receiving share donations – it is a big opportunity (know the CGT implications)

- Appoint 1 person (better 2) in Finance to understand and support Development Office and Vice-Chancellor in fundraising matters.

# Questions

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