

Advancement Investment Metrics Study

Expenditure Guidelines & Definitions:

The Methodology

The California State University reports expenditures in University Advancement under four categories: Administration, Fundraising, Alumni Relations, and Other Constituent (Public) Relations. The purpose of this report is to collect comparative data that may be used to benchmark investments in University Advancement and its impact on Fundraising success.

For many universities, these reports will require the collection of data from outside the University Advancement division including decentralized development units, alumni associations and institutionally related foundations.

The approach described below does not provide a definitive method for capturing all the costs that can be attributed to University Advancement. Rather it is an attempt to obtain comparable data from across universities that may be used to evaluate similar investments.

The comparative data is submitted to the Office of the Chancellor via the University Advancement Expenditure Database (UADB)—a web-based database developed for collection of campus advancement expenditure data, dissemination of standard reporting, and data mining functionality.

Guidelines:

Total Programs

General costs to be **included** are:

- All those that generally fall under the rubrics of college and university fundraising (or development), alumni relations (or alumni affairs), and constituent relations (or public, external, university, or institutional relations; marketing or communications); and;
- Provided the management of these activities has been assigned to someone as part of his or her job responsibility and resources have been allocated to support them; and
- Whether or not they are part of a centralized or decentralized organizational structure.

General costs to be **excluded** are:

- The salaries of the president and heads of academic units (provosts, deans, department chair) even if fundraising, alumni relation, and public relations programs are responsibilities included in their job descriptions; and;
- Overhead costs such as office space, utilities, insurance, janitorial services, accounting services, payroll services, audit services, and general information technology support *even if these costs are related to an off campus site* (deviation from CASE guidelines).

***Definitions of Expenditures:
By Expenditure Class***

Two or more purposes may be served simultaneously by activities associated with the broad categories of Administration, Fundraising, Alumni Relations, and Other Constituent (Public) Relations. For the purposes of this report assume that activities are undertaken for a **primary purpose**. Secondary benefits from these activities may occur, but the allocation of expenditure should generally be based on the primary purpose.

There are two notable exceptions:

- Advancement Services recordkeeping should be allocated among the Administration, Fundraising, Alumni Relations, and Other Constituent (Public) Relations activities in whatever percentage of the total activities is appropriate;
- Salaries of a position responsible for more than one program (for example, a vice president may be responsible for Fundraising, Alumni Relations, and Constituent Relations) should be allocated among the areas in proportion to the time he or she spends managing each.

The following paragraphs define each activity **by primary purpose** and provide examples of included and excluded expenditures.

Administration. Administrative expenses include 'allocations of personnel time and expenditures for general University Advancement operations such as strategic planning, budgeting, human resources, and reporting functions. In addition, the Vice President's time dedicated to serving on the President's Cabinet or other leadership responsibilities may be reported under this category.

Expenses that may fall under the administration of University Advancement at your campus, but are not generally considered University Advancement functions should be excluded from the report entirely, such as commencement, athletics, or employee recognition programs.

Administrative/clerical staff should be counted in the categories that they serve rather than as an Administrative expenditure.

Fundraising. The primary intent of this activity is to secure private gifts in support of the institution. Units included under this section include prospect research, annual fund, major/principal gifts, planned giving, corporate and foundation relations, advancement services, central development, college-based development, campaign management and gift processing. The fundraising costs to be reported include those incurred by central development, institutionally related foundations, academic units, athletic associations and their affiliate organizations, and fundraising consortia.

Expenditures to be **included** are those attributed to:

- maintaining records and lists of actual and prospective donors (alumni, parents, other friends, corporations, foundations, and other organizations);
- identifying prospective donors, including prospect research; peer evaluations; and the acquisition of services, information, and materials that assist in this process;

- cultivating and soliciting actual and prospective donors, including reimbursed expenditures incurred by the president, faculty, non-advancement staff, or volunteers;
 - preparing, producing, distributing and evaluating fundraising print and electronic literature, such as websites, newsletters, brochures, case statements, and proposals;
 - enlisting and servicing fundraising volunteers and volunteer groups, including the costs of meetings, travel, communication mechanisms, service recognition, and other supplies;
 - holding fundraising events, such as luncheons, dinners, golf tournaments, benefit concerts, auctions, and the like;
 - evaluating philanthropic capacity, including advancement counsel, feasibility studies, organizational assessments, and data screening;
- acceptance of gift instruments, including professional advisors such as legal counsel, appraisers, or special asset experts.

Expenditures to be **excluded** are those associated with:

- administering gift revenue after it has been received and acknowledged, including costs incurred for accounting and treasurer functions and the use of external services such as realtors and attorneys to liquidate gifts of real and personal property **after** they have been accepted;
- securing revenue other than private gifts, such as contract revenue, government support (whether local, state, federal, or foreign), auxiliary enterprise income, tuition and fees;
- conducting activities that are not primarily for the purpose of fundraising.

Alumni Relations. The primary intent of this activity is to maintain alumni affiliation with the university and to involve alumni in the university's efforts to carry out its mission. The alumni relations expenditures include those incurred in university administered programs, alumni associations, and programs administered by academic units.

Expenditures to be **included** are those attributed to:

- maintaining records of alumni;
- publishing, producing and distributing alumni newsletters and magazines (university newsletters and magazines that are produced for external audiences in general should be counted under Constituent (Public) Relations);
- creating and maintaining websites, social networking sites and other electronic media targeting alumni;
- organizing, promoting and maintaining membership in clubs and chapters, including their communications, activities, and special events;
- organizing and holding alumni events, such as class reunions, homecoming, and meetings of alumni boards and committees;
- organizing, promoting, and conducting noncredit instructional programs for alumni;
- providing special programs such as alumni travel programs, career counseling, and health and fitness programs;
- recognizing the achievements and service of alumni.

Expenditures to be **excluded** are those attributed to:

- providing career counseling for students;
- recruiting students;

- soliciting gifts or conducting alumni donor events (fundraising efforts managed by alumni relations; i.e., annual fund should be reported under Fundraising);
- advocating the interests of the university to government agencies and elected and appointed officials
- conducting activities that are not primarily for the purpose of alumni relations.

Other Constituent (Public) Relations. The primary intent of this activity is to keep the university's **external** audiences, other than alumni, informed of the university's activities, achievements and priorities to build public support. For CSU reporting purposes, expenditures for communicating to internal audiences (faculty, staff, parents, students) and government officials/agencies are specifically excluded. Additionally, all public relations expenditures related to sports information should be excluded.

Expenditures to be **included** are those attributed to:

- maintaining news or press bureaus that respond to media requests and issue news releases;
- maintaining a publication unit that prepares print and electronic brochures, pamphlets, leaflets, newsletters, posters, certificates, reports and other promotional materials;
- maintaining a marketing unit that researches, develops and promotes the university's identity, brand, image, awareness, academic reputation and strategic positioning;
- providing writing, editorial, graphic, photographic, and other technical services for public relations purposes;
- maintaining records, files and archives on persons of influence, press contacts, newsworthy individuals, institutional data, photographs, printed material, and other items of use in public relations;
- organizing and conducting events that serve to cultivate the interest of the university's external constituencies;
- providing visitor and guest services, including informational material, tours, and entertainment;
- conducting or commissioning research and evaluations that support the public relations program, including attitude surveys, opinion polls, readership surveys, content analysis, focus groups, and the like
- developing, producing or buying media such as print, radio, television and internet advertisements or features.

Expenditures to be **excluded** are those attributed to:

- operating television and radio stations, printing plants, and copy, duplicating, or word-processing centers that serve more than the public relations organization;
- carrying out public service functions, such as extension service, continuing education, or community service learning;
- conducting communications with federal, state, and local government officials and agencies;
- providing technological equipment, networking or programming that supports the foundational architecture or utility of data services used broadly across the university;
- providing emergency communications services such as reverse calling systems, blast texting, and audible alarms;
- providing audio-visual services to the instructional, research, and public service programs of the institution;

- maintaining programs for the enhancement of student life on campus, such as student organizations, counseling, visiting lecturers and cultural events, job placement services, and the like;
- holding events at which university business is conducted, such as commencement, opening convocations of students and faculty, and faculty meetings;
- supporting the requirements of the university's governing board, including the costs of its travel, lodging, meals, and meetings;
- providing services or publications for the recruitment of prospective students;
- producing publications "of record," including the university website, catalogs, staff directories, and faculty and staff handbooks and manuals;
- marketing merchandise;
- conducting sports information programs;
- conducting institutional research, where the primary function is to provide data that supports management functions or reporting requirements;
- conducting activities that are not primarily for the purpose of public relations. .

Note: Governmental Relations and Sports Information expenditures are specifically excluded in the CSU expenditure report. This deviates from standards used by CASE.

Definitions of Expenditure:

By Job Type:

Personnel compensation

Professional salaries: For reporting purposes all exempt employees will be classified as professional staff. Report the salary costs (exclusive of employment benefits) of all full-time, part-time, and temporary professional employees in the categories of Administration, Fundraising, Alumni Relations, and Other Constituent (Public) Relations. As noted previously, exclude salaries of presidents and heads of academic units. If an employee is formally assigned duties in more than one of the areas cited above, allocate salary based on estimated effort spent in each area. As an accounting convenience, if an employee spends 85 percent or more of his or her time in one area, the full salary may be attributed to that area.

Support salaries and wages: For reporting purposes all non-exempt employees will be classified as support staff. Report the salaries and wages (exclusive of employment benefits) of all full-time, part-time, and temporary support staff and student personnel under the category the staff member provides primary support. For example, an administrative assistant supporting central development is reported under Fundraising, not Administration. For telethon callers or other temporary support, the total expenditure may be pooled and reported under one line item as long as an appropriate adjustment is made to the FTE calculation.

Employment benefits: Report the share of benefits paid by the institution for the salaries and wages reported above under *Professional* and *Support*. These benefits usually include social security; medical, disability, and life insurance; and retirement plan contributions. Professional staff benefits may also include car allowances, housing subsidies, memberships, and other perquisites.

Services, supplies, and other current expenses

Expenditures to be included:

- Postage and delivery services;
- Telephone and personal communication devices (Blackberries, Trios, etc.);
- Printing and duplicating, both in-house and contracted;
- Travel including transportation, tolls, mileage, parking fees, lodging, meals, conference fees and incidentals;
- Meeting and entertainment costs;
- Professional fees and honoraria for fund-raising counsel, commercial fundraisers, consultants, wealth screening, attorneys, realtors, escrow agencies, writers, designers, advertising and public relations agencies, and the like;
- General office supplies, equipment and software valued under \$5,000;
- Subscriptions and memberships.
- Training

Capital expenditures: Equipment and software

Expenditures to be included:

- Specialized equipment and software supporting the functional activities of the division; i.e., calling systems, donor management software (BSR, Raisers Edge, Donor Perfect), planned giving software (Crescendo Gift Legacy), public relations software (Kintera, RSS), including licensing and technical support for implementation and upgrades.

Expenditures to be excluded:

- Renovations, alterations or improvements to office space
- standard office equipment found in any well-furnished administrative office — tables, desks, chairs, lamps, and the like.

Total Educational & General Expenditures for the University includes instruction, research, public service, academic support, student services, institutional support, operation and maintenance of plant, student grants and scholarships expended by the university and its institutionally related foundations. Eliminate the transfer of assets between the university or institutionally related foundations from the consolidated total.

Certification of Review

The Vice President for Advancement and Chief Financial Officer shall attest to the following in a cover letter submitted with the Campus Plan:

We affirm that the data submitted in response to the Advancement Investment Metrics Study is correct to the best of our knowledge.

Signed
Chief Financial Officer

Signed
Vice President for Advancement