

## INTERNAL POLICY FOR STELLENBOSCH UNIVERSITY FUNDRAISING

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In the context of declining first (state subsidies) and second (student fees) stream income,\* it is imperative that SU diversifies funding sources, including focusing on philanthropic fundraising as an essential activity.

It is therefore important that all internal stakeholders understand how the institution's philanthropic fundraising processes work. The following is a set of guidelines developed by the Development and Alumni Relations division to ensure better coordination of fundraising activities across the University to further cultivate, build, and sustain relationships between the University and existing as well as new donors.

\*Third stream income refers to funding obtained through research grants

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### I. PURPOSE:

DAR's mission, broadly, is to facilitate the interaction with fundraising networks to further partnerships, and resources that will help maintain and improve the University's leadership position in Higher Education, both nationally and at a global level.

More particularly, we aim to:

- Establish a professional, respected campus and community profile amongst donors and potential donors,
- Build and enable a proficient and efficient team (within DAR and across faculties) to secure, manage, and steward support,
- Achieve certain institutional goals in terms of fundraising, and
- Achieve an engaged SU Alumni (so-called "friend-raising").

We do this by:

- Providing coordinated support for all philanthropic fundraising undertaken in the name of and on behalf of the University,
- Standardising and maintaining good relationships through donor acknowledgement, recognition, engagement, and stewardship of and impact reporting on donor funds;
- Giving advice and providing direction for fundraising planning and inter-faculty co-operation to ensure consistency in fundraising standards, efforts and communication across the university. This coordination is vital to the reputation of SU;
- Providing relevant fundraising training to the stakeholders engaged in fundraising in the name of the University or on behalf of the University.



DAR, through the Development Services Manager, should be informed of all intended or initiated fundraising efforts in order to keep an accurate and up-to-date record of donor contact to prevent multiple approaches to the same donors which may result in embarrassment, confusion, and donor fatigue.

A formal process of donor prospect management is currently in development. This is the formal system of determining who can engage a particular prospect, what timeframe would be appropriate for this engagement, and what the request should be. It also encompasses the necessary data collection and reporting to ensure there is institutional memory for the relationships that are built with prospects and donors.

The purpose of this policy will be to ensure that donor prospects and solicitations are managed according to donor interests, prior giving history, established relationships, and the University's strategic priorities. It is also the purpose of this policy to increase the effectiveness and efficiency of the University's resources in raising funds through a coordinated approach to fundraising in an effort to maximize the professionalism with which donors are approached and to avoid creating a strain on donors with multiple, uncoordinated requests.

This policy will apply to the entire University community: faculty, residences, staff, students and student bodies, volunteers and various Board members, and any contracted fundraising consultants fundraising on behalf of the University for donations, in-kind gifts (over R1 000), and sponsorships. It does not apply to research grant proposals or agreements with government or other public agencies.

The current donor relations management system is being replaced by a system that will enable wider access to donor profiles, specific donor manager contact details, and donor histories. This system will support the prospect management policy (as per above). This is an exciting development which will be applied by the end of the first quarter of 2018.

## II. CATEGORIES OF FUNDRAISING PROJECTS

### Category 1: Major institutional developments

These are certain strategic projects of the University, which have implications at a broad institutional level. These usually include:

- Supporting our students: student success, financial need and youth leadership development
- Enhancing the learning environment: environment, facilities, and equipment
- Developing excellence: research, research chairs, the development of scholarship, teaching and learning
- Developing creative talent and entrepreneurship: culture, heritage and innovation
- Ensuring sustainability through the growth of the University's endowment, and
- Soliciting support for the University's transformation agenda.



The Rector and other senior management take the lead in these fundraising activities, presenting these imperatives to prospective donors. Full development team support is made available to these projects.

## Category 2: Faculty/Department projects

These are projects which have implications at a faculty/departmental level. They would need the approval of the Dean of the Faculty or Executive Head of the Division and should be in line with the mission and vision of the Faculty, that is the projects need to be the top priorities of the Faculty or Division. A DAR fundraiser and development support will be assigned to the project to work closely with the project lead to develop and implement fundraising approaches and document support.

You will appreciate that some sort of filtering process needs to take place on these priorities in order to align these to the existing resources available. The Dean or Executive's prioritisation is one such filter, the second filter needs to be an assessment by DAR as to the fundability or otherwise of the projects. Unfortunately, not all projects are fundable, or appeal to philanthropic donors. Of this we need to be clear.

## Category 3: Faculty/ Departmental /Student fundraising initiatives

These are initiatives or projects that support the core functions within a Faculty, either an ongoing project or a new project. These fundraising efforts will be driven by the Faculty, and DAR can only provide development support to help prepare the faculty fundraising team in cultivating donors and making the "ask". Included in these kinds of projects are activities that DAR does not fundraise for: conferences and round tables, student tours, dances, dinners and refreshments, inter alia.

Please note that developmental support includes:

- 1) Prospect research identifies potential sources of financial support by gathering a wide range of functional intelligence for fundraising. This research team also provides a complete donor history, assessment of the ability to give (making an "ask" at the right level) and affiliation (if any) to the university, which assesses the prospect's likelihood of giving.
- 2) The data management team streamlines, manages, updates, and enhances SU's constituent data. This includes the updating of all alumni records and donor contact details.

Requests for donor and alumni data for mailings, invitations, e-mail correspondence, newsletter circulations etc. should be submitted to the data management team.

Their response and your management of the data must comply with the Protection of Personal Information Act, No 4 of 2013.



3) The proposal development team offers a wide range of services ranging from producing competitive proposals and cases for support to brochures and concept notes, giving input into your proposal and suggesting a donor-centric approach to monitoring and evaluation.

An in-house data analysis and systems support team provides IT and application support to report on giving history, alumni demographics, and other analytical data necessary to support fundraising.

#### Category 4: Bequests

If your faculty or department receives a gift or a bequest directly, you should inform the Development Services Office. We can offer advice about channelling the money, making sure that all tax advantages are fully explored and that donors are properly recognised for their gift and thanked appropriately.

#### **PROCESS**

##### **Step 1** Approval of Dean / Departmental head

All projects needing development support should be endorsed by the Dean of the Faculty or the appropriate departmental oversight structure. DAR will be available for initial discussions of an inception of a project before such approval. Here we aim to guide the fundraising project lead around issues of project context, rational and motivation, monitoring and evaluation, and budget.

##### **Step 2** Completion of Project Brief template

Upon approval, the project lead will complete a project brief which describes the project in more detail (*Appendix 1*)

##### **Step 3** Internal project review and prioritisation

All submitted project briefs will be rated and categorised (1,2,3) accordingly by the DAR fundraising team to ensure that appropriate capacity, resources and skills are assigned thereto.

##### **Step 4** Prospect management approval

#### **III. TAX DEDUCTIBILITY**

Philanthropic donations originating from South Africa, where applicable, qualify for tax exemption in terms of Section 18A of the Income tax Act. Guidelines will be provided as to what does and does not constitute a philanthropic gift in accordance with the SARS regulations.



In brief, a philanthropic gift is defined as a voluntary transfer of items of value from a person or organization where no material amount of goods or services are expected, implied or provided to the donor.

Gifts normally take the form of cash, shares, real property, or personal property and may be restricted or unrestricted to a general area of use that benefits the University or one of its components.

Once the University has accepted the gift, it becomes SU Trust or University property, and the donor has no further direct decision-making power regarding the gift.

A gift will generally exhibit the following criteria:

- A gift is motivated by charitable intent.
- Gifts are irrevocable, and the University is not expected to return all or part of the gift.
- A gift agreement or best practices may require the recipient unit to report on expended funds and balances as well as provide stewardship reports to the donor that share evaluation information about the project, explain how the gift was used, and/or describe the impact of the gift.

DAR is the only entity in SU that is able to issue such certificates. STIAS will shortly be in a position to offer its own tax exemption.

Donations originating from outside South Africa will be routed through the international SU Trust accounts, and tax credits are issued through the trusts administering these accounts.

#### **IV. CONTRACTS AND AGREEMENTS**

All agreements or contracts signed on behalf of the University need to be screened by Legal Services. DAR will facilitate this registration on behalf of the project, while ensuring that the project reports according to the guidelines stipulated in the agreement.



## VII. FINANCIAL DETAILS

<b>ELECTRONIC TRANSFERS</b>	
<p><b>SOUTH AFRICA</b></p> <p>ACCOUNT NAME: Stellenbosch University</p> <p>BANK: Standard Bank</p> <p>BRANCH: Stellenbosch</p> <p>BRANCH CODE: 05 06 10</p> <p>ACCOUNT NAME: Stellenbosch University (General)</p> <p>ACCOUNT NUMBER: 073006955</p> <p>REFERENCE: <i>Initials and Surname 5373</i></p> <p>Send proof of payment to Lorenza George : <a href="mailto:Lcg29@sun.ac.za">Lcg29@sun.ac.za</a></p>	<p><b>UNITED KINGDOM</b></p> <p>ACCOUNT NAME: Stellenbosch University SA Foundation UK</p> <p>BANK: NatWest Bank, City of London Office</p> <p>ACCOUNT NUMBER : 39448843</p> <p>Sort code : 60-00-01</p> <p>REFERENCE: <i>Name and Surname</i></p> <p>Send proof of payment to Mr William Frankel : <a href="mailto:Billfrankel@kayacomm.com">Billfrankel@kayacomm.com</a></p>
<p><b>UNITED STATES OF AMERICA</b></p> <p>ACCOUNT NAME: Friends of the University of Stellenbosch Foundation</p> <p>BANK: Wachovia/Wells Fargo</p> <p>ACCOUNT NUMBER: 5553732966</p> <p>S.W.I.F.T ADDRESS: WFBIUS6S</p> <p>ROUTING NUMBER: 054001220 (for electronic transfer: 121000248)</p> <p>EIN (IRS Federal Income Tax number): 13-4091453</p> <p>REFERENCE: <i>Name and Surname</i></p> <p>Send proof of payment to Hugo Steyn : <a href="mailto:hugos@sun.ac.za">hugos@sun.ac.za</a></p>	<p><b>THE REST OF THE WORLD</b></p> <p>ACCOUNT NAME: University of Stellenbosch – Foreign Income</p> <p>BANK: First National Bank Cape Town</p> <p>ACCOUNT NO: 621 0717 7083</p> <p>BRANCH CODE: 204 109</p> <p>S.W.I.F.T Address: FIRNZAJJ</p> <p>REFERENCE : <i>Name and Surname</i></p> <p>BANK ADDRESS: 26<sup>th</sup> Floor, Portside building, 5 Buitengracht Street, Cape Town 8000</p> <p>Send proof of payment to Lorenza George : <a href="mailto:Lcg29@sun.ac.za">Lcg29@sun.ac.za</a></p>

**For further information please contact:**

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## APPENDIX 1

# DEVELOPMENT AND ALUMNI RELATIONS

## Project Brief

*The purpose of the document is to provide briefing information to the Development Services Team, prior to an initial meeting with project leaders. This brief forms the basis of our discussions and the starting point of how we can best support your fundraising needs.*

**HAS THIS PROJECT / FUNDRAISING INITIATIVE BEEN APPROVED BY THE DEAN/EXECUTIVE DIRECTOR/DVC AS A PRIORITY OF THE FACULTY/DEPARTMENT.**

YES

NO

### PROJECT SUMMARY

Project Name / Title
Faculty / Institute / Department
Is this a new Project? If No, when did the project start?
Principal Project lead (Who will liaise with DAR?) Name Address E-mail Phone
Previous Donor support for this project (if applicable)
Total Project Budget  Current budget support secured? If yes, how much?



## PROJECT DESCRIPTION

Briefly describe:

- The problem being addressed (Problem Statement)
- How does the project respond to / addresses the “problem”
- How does the project align to SU’s Institutional Intent and Strategy
- Aims and objectives of the project
- Beneficiaries
- Key outcomes of the project
- Implementation plan (Programme activities)
- Monitoring and Evaluation plan

## PROJECT FUNDING NEEDS

Please indicate all the needs that fall within the overall project budget (mark with x)

Scholarships (student support)		Staffing	
Fellowships (post graduate)		Chair	
Infrastructure		Endowment	
Equipment		Other	
Training			

Of the needs indicated above, which is the MOST urgent?





**HISTORY OF FUNDING SUPPORT**

Has this project and/or centre received funding (donations and/ or research income) from Foundations, corporates, trusts, individuals (including bequests), government?

Year	Donor	Duration	Amount	Relationship Manager (who holds the relationship)

Any other information?

