
Preparing for the Report on Giving Survey

The purpose of this Tool Kit is to familiarize you with the AHP Report on Giving by providing you with:

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One of AHP’s strategic objectives is to provide one repository for health care organizational fundraising performance data (i.e. net fundraising revenue, cost to raise a dollar, return on investment) with one survey and one database.

By completing the survey each year, you are ensuring that your organization’s data will be included in the online database. This secure online database will respect your organization’s confidentiality with data presented in the aggregate as we have always done with the annual Report on Giving. AHP will continue to publish the AHP Report on Giving and provide it for free to organizations completing the survey. The addition of the online database gives you the ability to create comparison groups of your own choosing and to delve deeper into the data by running numerous reports. The cost for the online database for organizations that complete the survey is \$300, as opposed to \$495 for those who do not complete the survey — saving you \$195.

AHP will continue to offer the more in-depth survey and reports provided with the AHP Performance Benchmarking Service. **If you participate in the AHP Performance Benchmarking Service, then you do not need to complete this survey.** By completing the benchmarking survey, your data will automatically be included in the Report on Giving database. To learn more about the various tools available and to determine what is best for your organization, visit the AHP website at www.ahp.org/reportongiving or contact AHP at ahp@ahp.org; 703-532-6243.

Survey At-A-Glance:

- The survey is divided into four sections:
 - Section A: General Information
 - Section B: Fundraising Expenses
 - Section C: Fundraising Revenue
 - Section D: Use of Funds Raised and Their Impact
- The survey questions conform to the reporting standards published in the *AHP Standards Manual for Reporting and Communicating Effectiveness in Health Care Philanthropy*.
- The survey is open for data collection from the week of April 4 through July 31.
- You may need input from more than one person in your office to complete different sections of the survey.
- The name of your organization will be listed as having submitted data and will be visible in the new online database directory. (Learn more about the online database at www.ahp.org/reportongiving)
- All data will remain confidential and be presented in the aggregate for the report and in the online database. (Learn more about the online database at www.ahp.org/reportongiving)
- Only ARI and AHP will have access to organization-specific data.
- By completing the survey, you will receive a free copy of the AHP Report on Giving (a \$495 savings).

Why You Need to Complete This Survey:

Hospital CEOs use data all the time to run hospitals more effectively. Your health care institution measures and analyzes everything – from net patient service revenue to patient satisfaction – so you know the importance placed on performance metrics in your organization. It's not surprising that many are seeing its potential in philanthropy as well, and are asking for it. We truly believe that organizations that fail to adopt these tools will struggle in the future.

Providing your organization's data allows AHP to report on total funds raised by nonprofit hospitals and health care institutions in the United States and Canada each year (this data also is shared with Giving USA for its annual report). This crucial figure demonstrates the impact of philanthropy on the health of our communities and the importance of your work and of the profession as a whole.

Submitting data and using performance metrics can help you build a road map for your foundation or development office by helping you use comparison data to evaluate:

- The number and types of fundraising programs you need to reach your organization's fundraising goals.
- The number of direct and indirect staff you'll need for each program.
- Which programs to expand based on net fundraising returns, cost to raise a dollar and return on investment.
- How to measure success and determine underperforming programs.
- What successful organizations look like so you can plan for future growth (i.e. number of programs, staff size, total production).

Checklist:

Before getting started, we recommend that you collect the following documents and key information prior to the week of April 4. Having this information at hand will make it easier to answer the survey questions. Keep in mind that the survey is collecting data based on one fiscal year creating a “snapshot” of resources used to generate fundraising dollars.

Documents:

- Current and Previous fiscal year IRS Form 990 (U.S.) and CRA Form T3010 (Canada)
- Current year audited financial statement of the health care entity your organization supports
- Current and past fiscal year total funds raised (cash and production) report
- Consolidated Statements of Operations and Changes in Net Assets for the hospital or health system (U.S.)

Key information based on your most recently completed fiscal year:

- Number and total value of cash and pledges of gifts \$9,999 and under (Annual Gifts)
- Number and total value of cash and pledges of gifts \$10,000 and above (Major Gifts)
- Number and total value of cash and pledges from corporations (including matching gifts) or foundations
- Campaign gifts and pledges for Annual Giving and Major Gifts as appropriate
- Planned gifts reported at current market value (planned gift commitments and expectancies, matured planned gifts and bequests, deductible portion of charitable gift annuities)
- Gross special event income (including special event corporate sponsorships)
- Government grants
- Number of direct FTE fundraising staff
- Number of indirect FTE fundraising staff
- Total compensation of all direct fundraising staff (exclude compensation devoted to non-fundraising activities)
- Total compensation of all indirect fundraising staff (exclude compensation devoted to non-fundraising activities)
- Total operational expenses (overhead expenses)
- Distribution of current year funds (see Q9, page 14 of the Tool Kit for list of distribution categories)
- AHP requires organizations to report all fundraising expenses, **even if the foundation or fundraising department is not responsible for covering those expenses.** If the entity is part of a larger group and expenses are not available, an allocation ratio should be applied to estimate expenses for that entity.

Key Concepts:

The AHP Report on Giving Survey collects data based on your organization's fundraising performance in one fiscal year, or one 12-month period. The data is used to measure organizational performance and is not a financial accounting tool.

Regardless of how you categorize program revenue in your own shops, AHP provides definitions for each fundraising program in order to provide reliable programmatic comparison data, for example:

- Cash and pledges from individuals of gifts \$9,999 or less are reported as Annual Gifts
- Cash and pledges from individuals of gifts \$10,000 and above are reported as Major Gifts

AHP's peer-established reporting standards, definitions and metrics as published in the *AHP Standards Manual* adhere to the following regarding fundraising revenue and expenses:

- Provide a thorough accounting of all revenue resulting from direct fundraising activity.
- Calculate and attribute all expenses to direct fundraising activity.

Accurate reporting requires organizations to include all fundraising expenses, *even if the foundation or fundraising department is not responsible for covering those expenses.*

AHP reports three common metrics that are considered dashboard indicators of results for any given year (fiscal or calendar) or averaged over a five to 10-year period for more comprehensive reporting. They include Return on Investment (ROI), Cost to Raise a Dollar (CTRD) and Net Fundraising Returns.

To provide a thorough accounting of fundraising revenue, AHP reports fundraising revenue in two categories:

- Cash - represents the dollars available for immediate use by organization.
- Production - provides a more accurate measure of total fund-raising (such as a pledge). A pledge is a promised amount to be received.

The Questions:

1. Is your entity part of a larger health care system?

- 1. Yes
- 2. No

WHY WE ASK THIS QUESTION:

AHP reports data in multiple ways, including data reported at a system level as opposed to a single foundation raising money for a single health care institution. System operations vary and we ask you to describe your development operation based on the criteria listed below. If you are a headquarters of a system raising funds for multiple entities, then you have the option to report your data as a single system (complete one survey) or to report separate data for each entity within your system (complete multiple surveys).

If you are a part of a system, you will be asked to describe your operation as:

1. A foundation or development department that is part of a larger System, but raising funds on behalf of a single entity
2. An independent foundation working on behalf of a single entity
3. A development department within a single entity's structure
4. The headquarters of a system raising funds for multiple entities

2. Which of the following best describes your institution/organization?

- | | |
|--|--|
| <input type="checkbox"/> 1. Tertiary hospital | <input type="checkbox"/> 6. Community hospital |
| <input type="checkbox"/> 2. Teaching/academic hospital | <input type="checkbox"/> 7. Psychological care |
| <input type="checkbox"/> 3. Long-term/rehabilitation | <input type="checkbox"/> 8. Other specialty hospitals |
| <input type="checkbox"/> 4. Home care/hospice | <input type="checkbox"/> 9. Other program (please specify) _____ |
| <input type="checkbox"/> 5. Children's hospital | |

WHY WE ASK THIS QUESTION:

AHP reports performance metrics including net fundraising revenue, cost to raise a dollar and return on investment based on the type of organization for which you raise money.

Section A: General Information

Data collected in this section provide context for further analysis and describe the environment in which your funds are being raised. There are six questions in this section.

3. What is the fiscal year end you are using to complete this survey?

- a. Month _____
- b. Year _____

WHY WE ASK THIS QUESTION:

The AHP Report on Giving provides trend data based on your organization's performance in one fiscal year, or one 12-month period. Since not all organizations are on the same fiscal year, we ask that you complete this survey based on data from your *most recently completed fiscal year*.

4a. U.S. Members Only – what was your health care entity's net patient service revenue for the reporting year?

Please see the audited financial statements of your health care entity for this information.

\$ _____

4b. Canadian Members Only – what was your health care entity's gross operating revenue for the reporting year?

Please see the audited financial statements of your health care entity for this information.

WHY WE ASK THIS QUESTION:

The AHP Report on Giving provides data and analysis that compares fundraising performance based on the size of the organization for which you raise funds. One way to capture this information is by looking at the net patient service revenue of the health care entity supported (in the U.S.) or by looking at the gross operating revenue of the health care entity (in Canada).

WHERE TO FIND NET PATIENT SERVICE REVENUE:

Net patient service revenue is listed on the Consolidated Statements of Operations and Changes in Net Assets for the hospital or health system.

6. How many Full-Time Equivalent (FTE) fundraising staff are employed by the development operation?

Direct fundraising staff include individuals who have direct fundraising responsibilities. Indirect fundraising staff are individuals who are not responsible for field-related fundraising activities. These staff members generally have roles that indirectly support the fundraising efforts.

Number of Direct FTE fundraising staff: _____

Number of Indirect FTE fundraising staff: _____

WHY WE ASK THIS QUESTION:

Year after year of analysis has shown that the number of FTEs that an organization employs has a direct impact on the total dollars raised. AHP provides performance metrics based on FTEs including net fundraising revenue, return on investment, cost to raise a dollar and funds raised per direct and indirect FTE.

HOW TO CALCULATE FTEs:

A common definition of a full time equivalent employee is the ratio of the total number of paid hours during a period (part time, full time) by the number of working hours in that period Mondays through Fridays. The ratio units are FTE equivalent employees working full-time. In other words, one FTE is equivalent to one employee working full-time.

For example: You have three employees and they work 50 hours, 40 hours, and 10 hours per week in direct fundraising activities – totaling 100 hours. Assuming a full-time employee works 40 hours per week, your full time equivalent calculation is 100 hours divided by 40 hours, or 2.5 FTE.

EXAMPLES OF DIRECT FTEs:

Direct Fundraising Staff are individuals on the front lines of fundraising. Examples include:

- System/Entity CDO
- Vice President — Director of Development
- Annual Giving Professionals
- Major Gifts Professionals
- Campaign Professionals
- Planned Giving Professionals
- Special Events Professionals
- Public Support Professionals
- Grant Writers (public and private)
- Corporate and Foundation Relations Professionals

- Prospect Researchers
- Thrift Shop Managers
- Gift Shop Managers

Source: *AHP Standards Manual* pages 10-11.

EXAMPLES OF INDIRECT FTEs:

Indirect Fundraising Staff are individuals who are not responsible for field-related fundraising activities. These staff members generally have roles that indirectly support the fundraising effort. Examples include:

- System/Entity CDO Support Staff
- Vice President — Director of Development Support Staff
- Annual Giving Support Staff
- Major Gifts Support Staff
- Writers (general)
- Planned Giving Support Staff
- Special Events Support Staff
- Public Support Staff
- Public Relations Staff
- Marketing Staff
- Finance Staff (including CFO)
- Operations Staff
- Information Technology Staff
- Gift Receipting Staff
- Data Management Staff
- Data Analysis Staff
- Human Resources Staff
- Development Coordinator
- Administrative Assistant
- Clerical Support

Source: *AHP Standards Manual* pages 10-11.

7. Please select the option below that best describes your foundation's funding relationship with the health care entity.

- 1. Self-funded, operations paid for from gifts or investment revenue without subsidy from health care entity
- 2. Fully funded operations paid for by the health care entity
- 3. Partially funded operations paid for by the health care entity
- 4. Other (please specify) _____

WHY WE ASK THIS QUESTION:

AHP requires organizations to report all fundraising expenses, *even if the foundation or fundraising department is not responsible for covering those expenses.*

Section B: Fundraising Expenses

Section B includes one question with three parts. This section captures your fundraising expenses from direct fundraising activity. AHP's peer-established reporting standards, definitions and metrics as published in the *AHP Standards Manual* adhere to the following regarding fundraising revenue and expenses:

- Provide a thorough accounting of all revenue resulting from direct fundraising activity.
- Calculate and attribute all expenses to direct fundraising activity.

Accurate reporting requires organizations to include all fundraising expenses, *even if the foundation or fundraising department is not responsible for covering those expenses.* AHP calculates Total Fundraising Expenses as the sum of your total human resources expenses and your operational expenses.

Human resource expenses include combined compensation (including salaries, benefits, and bonuses) for both direct and indirect staff members (see Section A, Question 3 for examples of direct and indirect staff positions).

Operational Expenses, or overhead, are the non-labor expenses that are associated with fundraising. AHP requires organizations to include operating expenses even if the foundation or fundraising department is not responsible for covering those expenses. As in the direct and indirect human resources, these expenses funnel directly into the performance benchmarks. Examples include: Professional Fees (e.g., legal, accounting); Contracted Services (e.g., consulting); Travel, Dues, Subscriptions; Rent/Occupancy; and Supplies.

8. Please provide the following expenses:

Fundraising Expenses	EXPENSES
a. Direct Human Resources (Combined* Fundraising Compensation)	\$ _____
b. Indirect Human Resources (Combined* Fundraising Compensation)	\$ _____
c. Operational Expenses/Overhead (rent, equipment, supplies, consultants, etc.)	\$ _____
d. Total	\$ _____

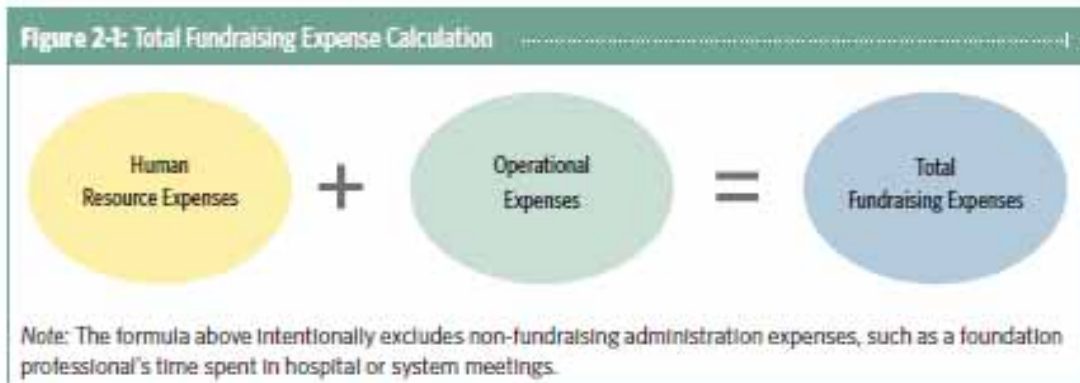
** Exclude compensation devoted to non-fundraising activities. For example, a Foundation CEO who spends 20% of his time on hospital administration/operations would report 80% of his compensation.*

WHY WE ASK THIS QUESTION:

AHP reports three common metrics that are considered dashboard indicators of results for any given year (fiscal or calendar) or averaged over a five to 10-year period for more comprehensive reporting. Reporting fundraising expenses correctly is key to calculating the three metrics because it is a variable in each. They include:

- Return on Investment (ROI) — A key measure that represents the financial return on each dollar spent raising funds during the reporting year. It is also the inverse of the CTRD metric. ROI is an indicator of fundraising effectiveness, illustrating the amount applied toward the bottom line, in relation to the cost. ROI is the product of dividing gross funds raised by total **fundraising expenses**.
- Cost to Raise a Dollar (CTRD) — A key measure of fundraising efficiency, providing an abbreviated look at the total amount spent to raise each dollar in support of the organization’s mission. It is the product achieved by dividing **fundraising expenses** by gross funds raised during the reporting year.
- Net Fundraising Returns — An important metric that reflects bottom-line fundraising returns in support of the organization’s mission. It is commonly described as the “what” that accompanies the “how” provided by CTRD and ROI. It is the product achieved by subtracting **fundraising expenses** from gross fundraising revenues from production.

AHP calculates Total Fundraising Expenses as the sum of your total human resources expenses and your operational expenses as shown below. You must include all fundraising expenses, ***even if the foundation or fundraising department is not responsible for covering those expenses***. You exclude expenses devoted to non-fundraising activities.



Source: *AHP Standards Manual*

EXAMPLES:

A foundation CEO who spends 20% of his time on hospital administration/operations would report 80% of his compensation.

A part-time employee who was employed for half the reporting year and the position remained unfilled for the remainder of the year would report 50% of his part time total compensation.

Section C: Fundraising Revenue

Section C includes seven questions that capture number of gifts and fundraising revenue by program type.

Regardless of how you categorize program revenue in your own shops, AHP provides definitions for each fundraising program in order to provide reliable programmatic comparison data. This section deals with the gifts received and expected during the reporting year. The data reported funnel directly into the **Total Cash** and **Total Production** figures, which are key elements of the performance benchmarks, including Return on Investment (ROI) and Cost to Raise a Dollar (CTRD).

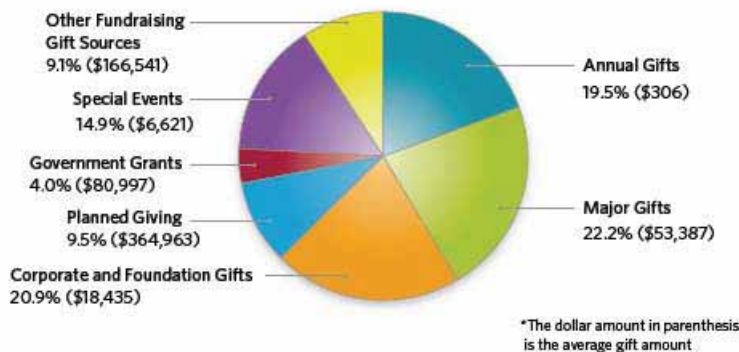
FUNDRAISING RETURNS	Number of Gifts	Value of Total Gifts Received or Expected
9. Annual Gifts – gifts ranging between \$1 and \$9,999		
a. Annual gifts (outright gifts)		\$
b. Annual gift pledges and letters of intent secured, but not yet paid		\$
c. Annual gift pledge payments		\$
10. Major Gifts – gifts of \$10,000 or more		
d. Major gifts (outright gifts)		\$
e. Major gift multi-year pledges and letters of intent secured, but not yet paid		\$
f. Major gift pledge payments		\$
11. Corporate and Foundation Gifts – gifts of any value		
g. Corporate gifts (outright gifts) (include corporate sponsorships to events other than special events. Report special events corporate sponsorships in: Gross FR special events pledges and letters of intent secured)		\$
h. Corporate matching gifts (minus originating portion from individuals)		\$
i. Corporate pledges and letters of intent secured, but not yet paid (excluding matching gift pledges)		\$
j. Corporate matching gift pledges and letters of intent secured, but not yet paid (do not include originating portion from individuals)		\$
k. Corporate pledge payments (excluding matching gift pledge payments)		\$
l. Corporate pledge payments on matching gift pledges (do not include originating portion from individuals)		\$
m. Foundation grants		\$
n. Foundation pledges and letters of intent secured, but not yet paid		\$
o. Foundation pledge payments		\$
12. Planned Giving – gifts of any value, reported at current market value		
p. Planned gift commitments and expectancies		\$
q. Matured planned gifts and bequests		\$
r. Charitable gift annuities (deductible portion only)		\$
13. Government Grants – gifts of any value		
s. Public support (outright gift)		\$
t. Public support pledges and letters of intent secured, but not yet paid		\$
u. Public support pledge payments (net of previous years' payments)		\$
14. Special Events – gross		
v. Gross fundraising special event income (include special event corporate sponsorships)		\$

w. Gross fundraising special event pledges and letters of intent secured, but not yet paid		\$
x. Gross fundraising special event pledge payments		\$
15. Other Fundraising Gift Sources – gifts of any value		
y. Other gifts, please describe below		\$
z. Other pledges and letters of intent secured, but not yet paid, please describe below		\$
aa. Other matured pledges, bequests and pledge payments, please describe below		\$
Total Cash		\$
Total Production		\$
Total Number of Gifts		

WHY WE ASK THESE QUESTIONS:

AHP reports funds raised by activity, average gift size and the activity as a percent of total funds raised as shown in the example below.

PRODUCTION RETURNS BY GIFT TYPE IN FY 2012



HOW TO REPORT FUNDRAISING REVENUE:

To provide a thorough accounting of fundraising revenue, AHP reports fundraising revenue in two categories – "cash" and "production." Cash represents the dollars available for immediate use by the organization, while production provides a more accurate measure of total fundraising, including both projected and secured revenues. If your organization does not have funds in any program areas, please enter a "0."

When reporting revenue as cash or production, fundraising dollars must be attributed to the appropriate individual fundraising program. Fundraising programs that are present in just about every organization are listed below. The definitions for each fundraising program were developed by AHP member practitioners and have been the AHP standard definition since 2003 in order to collect and report data for performance comparison.

- Annual Giving — Programs that attract gifts of \$9,999 or less from individuals and support groups/auxiliaries.
- Major Giving — Programs that attract gifts of \$10,000 or more from individuals and support groups/auxiliaries.
- Corporate and Foundation Giving — Programs that attract gifts of any value from corporations/businesses and foundations.

- **Planned Giving** — Programs that attract gifts (or commitments) from individuals made as part of an estate or financial plan.
- **Public Support** — Programs that raise grants and gifts from local, state/provincial, and federal government funding sources, which the development function is responsible for raising.
- **Special Event** — Programs that attract gifts of all sizes received in response to any event sponsored by the organization.

Gifts and pledges secured in response to a **campaign** should be counted under the relevant program area based on gift size, donor type, or event.

Gifts secured for **endowment or endowed-fund purposes** should be reported at current market value in a separate category for endowments.

Planned gifts should be reported at current market value.

Gifts-in-Kind should be reported at current market value and counted under the relevant program area based on gift size.

For each program area, the data captured are:

- The number of gifts (received or expected/pledged)
- Dollar value of gifts (received or expected/pledged)
- Format by which the gifts were received

The gifts received are allocated to individual program areas, and each program area requires gifts to be reported according to the format in which they were received. Generally, gifts are received in three different formats:

- Outright gifts
- Pledge payments
- New pledge commitments, expectancies, and letters of intent

The following is an example of how to report a major gift pledge and an annual gift.

Example: Demonstration Hospital Foundation secured a pledged gift of \$15,000 (to be paid over three years) from Jane Smith. Ms. Smith made the pledge (written commitment) of \$15,000 in August, and then made an initial pledge payment (\$5,000) in November.

Use the following three steps to allocate the gift:

1. Identify source of gift: Jane Smith = Individual
2. Identify amount of gift: \$15,000 = Major gift
3. Identify the gift format: \$15,000 = New pledge, \$5,000 = Pledge payment

In that same year, Demonstration Hospital Foundation received a \$500 gift in the mail from a grateful patient.

Use the following three steps to allocate the gift:

1. Identify source of gift: Grateful patient = Individual
2. Identify amount of gift: \$500 = Annual gift

3. Identify the gift format: \$500 = Cash

Because the gift from Ms. Smith is more than \$10,000, it is reported as a major gift. The gift format is a pledge that is reported as a major gift multi-year pledge of \$15,000. Because Ms. Smith also made a pledge payment in the same year, the \$5,000 is reported as a major gift pledge payment.

The second gift was from a grateful patient and was less than \$10,000. It is reported as a \$500 annual gift.

In the above example, the total cash for Demonstration Hospital Foundation is \$5,500 (\$500 + \$5,000). The total production is \$15,500 (\$500 + \$15,000).

For each program, activity tracking generally follows a funnel-shaped process — starting with a larger prospect pool, and later narrowing to both the number and total dollar value of gifts secured.

HELPFUL TIP:

To determine total cash, add the following lines from Section C: 9a + 9c + 10d + 10f + 11g + 11h + 11k + 11l + 11m + 11o + 12q + 12r + 13s + 13u + 14v + 14x + 15y + 15aa

To determine total production, add the following lines from Section C: 9a + 9b + 10d + 10e + 11g + 11h + 11i + 11j + 11m + 11n + 12p + 12r + 13s + 13t + 14v + 14w + 15y + 15z

OTHER INFORMATION COLLECTED IN SECTION C:

18. Please report your Total Number of Donors for this fiscal year: _____

19. Please report your Total Production amount for the previous fiscal year: \$ _____

20. Was your organization in a capital campaign during the most recent fiscal year you are using to complete this survey?

1. Yes 2. No

21. Was your organization in a capital campaign during the previous fiscal year?

1. Yes 2. No

Section D: Use of Funds Raised and Their Impact

Each year, AHP reports on the use and distribution of funds raised. Section D includes one question where you provide the dollars distributed this fiscal year for the categories listed. Include all dollars distributed regardless of when they were collected.

Instructions: Provide total funds distributed by the foundation/fund development program for the reporting year by the following categories:

22. Annual Use and Distribution of Funds	Funds Distributed
a. Patient care program support (i.e., service line – heart, cancer, etc.)	\$
b. Charitable care	\$
c. Hospice/Home-health/Long-term care	\$
d. Capital: Construction and renovation	\$
e. Capital: Equipment	\$
f. Community support/Advocacy (i.e., wellness activities, health fairs, etc.)	\$
g. Education	\$
h. Research	\$
i. General operating support	\$
j. Employee Funds	\$
k. Grants	\$
l. Other (specify): _____	\$
m. Total Funds Distributed	\$

End.