



University Advancement
FY13 Annual Financial Report
September 2013

Table of Contents

About UNH Advancement 2

Operating Revenues 3

Operating Expenses 3

Reserves..... 3

Staffing & FTEs..... 4

Cost of Fundraising 6

 FY13 Achievement by Source 7

 Alumni Giving Rate 8

Annual Funds..... 9

Events 9

Endowment 10

Planned Gift Assets 12

Definitions/Terms 13

Appendix A 15

About UNH Advancement

UNH Advancement (UA) comprises three formerly independent units—the UNH Foundation, Inc. (Foundation), the UNH Alumni Association (Alumni), and University Communications and Marketing (UCM)—operationally combined by President Mark Huddleston in 2009 to create a unified, strategically integrated approach to communication, engagement and fundraising activities serving the University’s key constituents. A fourth major unit, Advancement Services, was established in FY11 to provide crucial information infrastructure, research, and analysis to support its strategic functioning. Towards the end of FY13, the Advancement Relations unit was formed bringing together donor, Foundation board, strategic events and university/presidential events. See Appendix A for a complete listing of UA’s functional units.

Operating Revenues

Revenues	FY10	FY11	FY12	FY13	% +/- FY10-FY13
Sales & Service	\$653,396	\$618,841	\$673,715	\$595,475	-3%
Endowment Admin Fee	\$987,032	\$1,135,360	\$1,243,138	\$1,192,203	6%
Other Revenue	\$377,720	\$418,050	\$414,172	\$358,118	-2%
UNH/USNH Support	\$8,729,431	\$9,985,973	\$11,337,908	\$14,191,555	18%
Total Revenues	\$10,747,579	\$12,158,224	\$13,668,933	\$16,337,351	15%

As of FY13, 87% (\$14.1M) of Advancement's operating revenue came from UNH/USNH support. The 1% endowment admin fee that is assessed as part of the annual payout decreased to 7% of total revenues from 9% in FY12. Sales & Service is largely comprised of Alumni program revenues (affinity programs - \$367K, program tickets & events - \$127K).

Operating Expenses

Expenses	FY10	FY11	FY12	FY13	% +/- FY10-FY13
Personnel	\$7,770,829	\$8,191,699	\$9,094,043	\$10,664,011	11%
Goods, Services, Travel, etc.	\$2,388,895	\$2,380,948	\$3,201,824	\$3,777,028	16%
Facilities	\$332,824	\$342,343	\$524,081	\$608,644	22%
Transfers Out	\$97,964	\$331,033	\$830,905	\$446,035	66%
Total Expenses	\$10,590,512	\$11,246,023	\$13,650,853	\$15,495,717	14%

	FY10	FY11	FY12	FY13
Salary Increases (determined by USNH BOT)	None	None	\$500 bonus + 1.5% ATB + .5% merit	2% ATB + .75% merit
Fringe Benefit %	46%	45%	43.5%	43.5%

Personnel costs, which include both salaries and fringe benefits, represent 69% (\$10.6M) of FY13 expenses with goods, services and travel being the 2nd largest area of expense at 24% of FY13 expenses.

Reserves

(Foundation & Advancement funds combined)

	FY10	FY11	FY12	FY13
Beginning Fund Balance	\$2,131,691	\$2,150,039	\$3,062,235	\$3,080,315
Revenues Minus Expenses	\$18,348	\$912,196	\$18,080	\$841,804
Ending Fund Balance	\$2,150,039	\$3,062,235	\$3,080,315	\$3,922,119

Staffing & FTEs

FTEs (snapshot as of 12/1/XX)	FY10	FY11	FY12	FY13	FY14 Budget	% +/- FY10-FY13
Alumni	18.5	12.47	12.92	18.67	18	1%
Foundation ¹	37.9	31.86	32.86	39	39	3%
UCM	30.6	30.2	31.2	31.2	32.95	2%
Advancement Services		12	16	20	22	n/a
Advancement Relations		-	-	-	5	n/a
Grand Total	86.9	86.5	93.0	108.9	116.95	25%
Movement of staff between departments:		Alumni records & dbase, Foundation Prospect Research & Gift Processing staff → Advancement Services		Annual Fund (4 Foundation FTEs) → Alumni	Parent's Assoc. (1 FTE Foundation) → Alumni	
				Parent's Assoc. (1 FTE) → Foundation	Reunion Fundraising (1 FTE Foundation) → Alumni	
					Alumni Commun. (4 FTEs) → UCM	
					Events (5 UCM FTEs) → Adv. Relations	
# Frontline Fundraisers²	15	14	14	17	19	13%

Between FY10 and FY13, Advancement's team of professionals grew by 25% along with many reassignments of staff from one department to another (illustrated above in yellow). The number of frontline fundraisers will grow to 19 FTEs should all positions be filled as planned for in the FY14 budget.

Advancement partners with UNH's Central Administration Business Service Center (BSC), for processing invoices, travel, and hiring paperwork representing another 2-3 FTE's that are not reflected in the FTE totals.

¹ Foundation includes Finance & Administration for Advancement (5 FTEs) and Board/Donor Relations (4 FTEs)

² Excludes annual fund staff.

UA Staffing Levels Compared to Peers

	UA FY14 FTEs (budget)	CASE Median/Mean FTEs ³	UA FY14 % of Total FTEs	CASE % of Total FTEs
Alumni	17.75	11/14	15%	11%
Foundation	46	60.6/72.6	39%	54%
UCM	31.2	16.3/19.6	27%	15%
Advancement Services	22	23/29.3	19%	22%
Grand Total	116.95	113.5/135.5	100%	100%

UA staffing levels compared to an aggregate of 28 PhD level institutions is overall within the average range of total advancement FTEs. When looking at the FTEs at the department level, this data suggests further analysis to better understand the numbers and types of positions that our peers hold in the areas of development (Foundation) and UCM. For development staff, on average, this peer group allocates 54% of their total advancement position budgets compared to UA's 39%. For UCM, on average, this peer group allocates 15% of their position budgets compared to UA's 27%.

Note: To align UA FTEs with the CASE AIMS survey, the follow FTEs were recoded: Annual Fund, Advancement Communications, and Reunion fundraising included in Foundation, Events is part of UCM, and Alumni Communications is part of Alumni.

³ CASE Advancement Investment Metrics Study (AIMS) published in March 2012. UA used PhD granting institutions as peer comparison.

Cost of Fundraising

	← CASH		ACHIEVEMENT →	
	FY10	FY11	FY12*	FY13*
COST OF RAISING \$1:	\$0.31	\$0.31	\$0.20	\$0.17
Direct Fundraising Costs (in 1000's)	\$3,828	\$3,990	\$4,603	\$6,009
% Inc. (Dec) from Prior Year	5.01%	4.21%	15.37%	30.54%
Total \$ Raised*	\$12,213	\$12,724	\$22,697	\$35,936
% Inc. (Dec) from Prior Year	-21%	4%	78%	58%
ROI Per \$1 of Direct Fundraising Expense	\$3.19	\$3.19	\$4.93	\$5.98
Achievement \$ Raised Per Advancement FTE			\$246,290	\$329,751

CASE Comparison to FY13→	Median	\$475,993
	Mean	\$469,847
	25th %	\$284,519
	75th %	\$632,826

*Total \$ Raised:

Total gift figures in this table are based on a snapshot of gifts as of 6/30. Other achievement figures throughout this report capture additional gifts or adjustments made after 6/30. Effective FY12, UA switched from “cash” to “achievement” for total gifts. See “achievement” under definitions section for what is included in this figure. Using “achievement” for total gifts is consistent with industry standards per CASE reporting guidelines.

Methodology for Direct Costs:

Direct cost expenses include the relevant proportion of operational expenses (personnel, travel, support) based on those individuals whose primary or support function is development. Beginning with FY11, this includes gift processing, prospect research, development communications and database management.

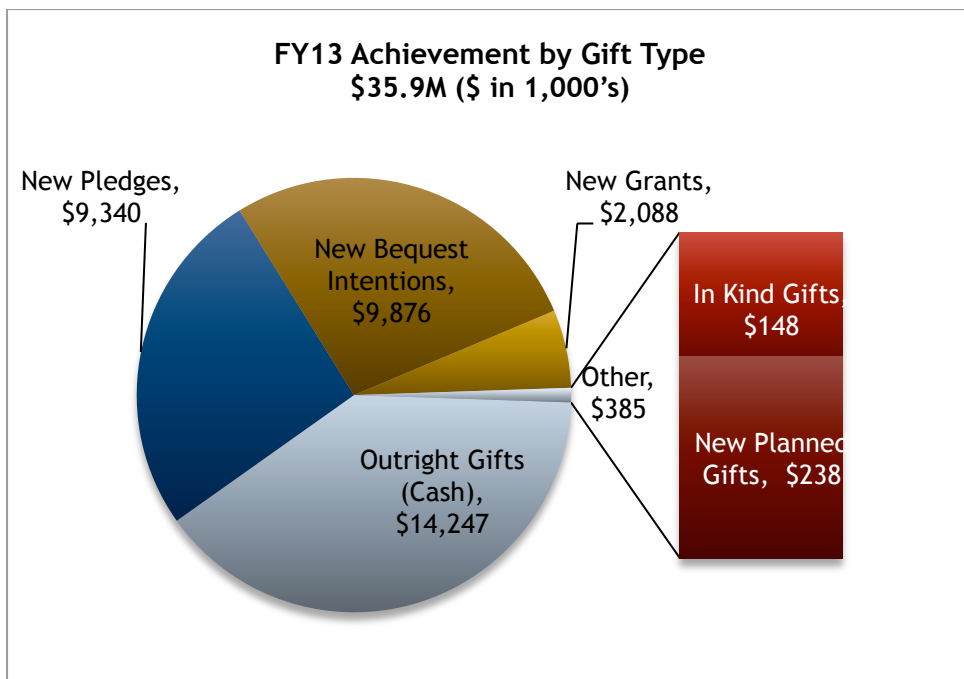
ROI Per \$1 of Direct Fundraising Expense:

Per the CASE AIMS survey conducted in 2011, “The overall median return on investment for the 120 respondents in FY 2010 was \$4.86. The return on investment for the middle 50 percent was \$3.28 and \$7.46 per dollar invested (for the 25th percentile and 50th percentile, respectively). Wherever an institution falls on this range, college and university fundraising provides an impressive return on investment.”

Dollars Raised

FY13 Achievement by Source

	← CASH		ACHIEVEMENT →	
	FY10	FY11	FY12	FY13
Alumni	4,215,480	4,367,775	8,797,040	18,944,122
Parents/Friends	1,268,188	1,069,069	3,834,471	4,215,166
Corporations/Foundation	7,176,703	6,400,899	9,671,528	10,006,506
Other Sources	647,827	1,275,401	688,805	2,770,237
Total Achievement	\$13,308,198	\$13,113,144	\$22,991,844	\$35,936,033



UA generated close to \$36M in total achievement, a 56% increase in dollars raised from FY12. In FY13, there was a 91% increase in new bequest intentions (deferred gifts) and a slight decline (-5%) in grant awards compared to the FY12 achievement totals. Setting aside these two components of the FY13 achievement total, the increase between FY12 and FY13 was 53%.

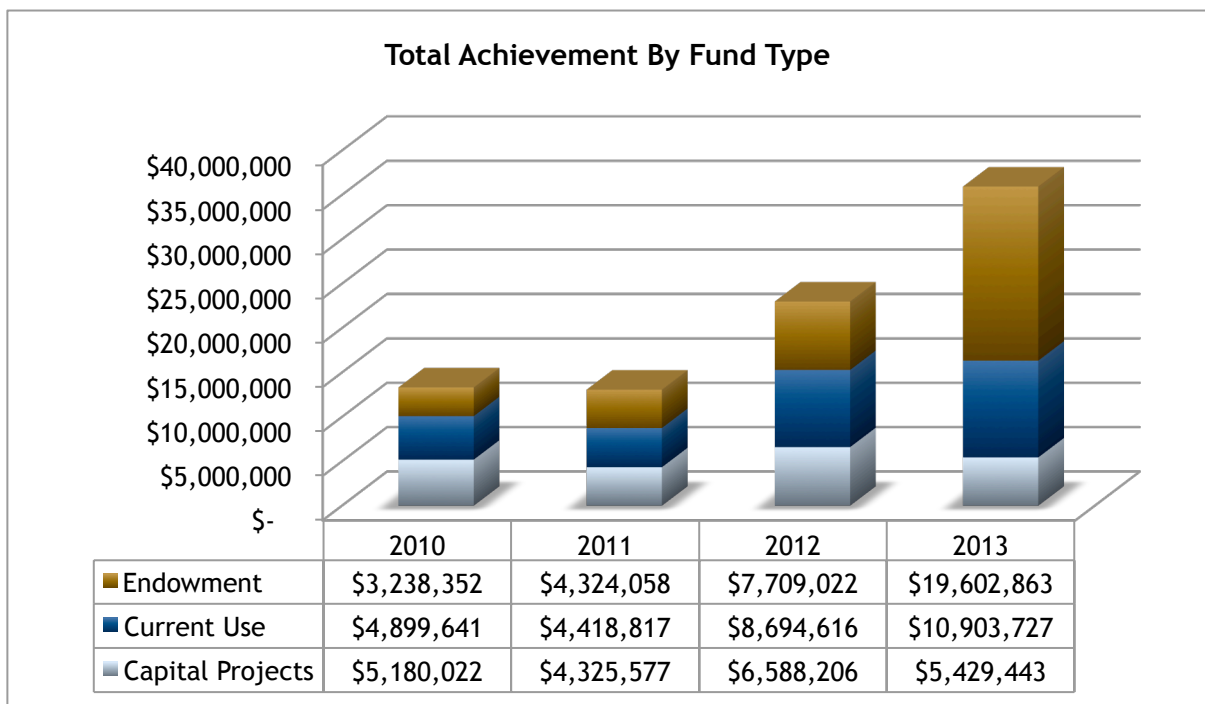
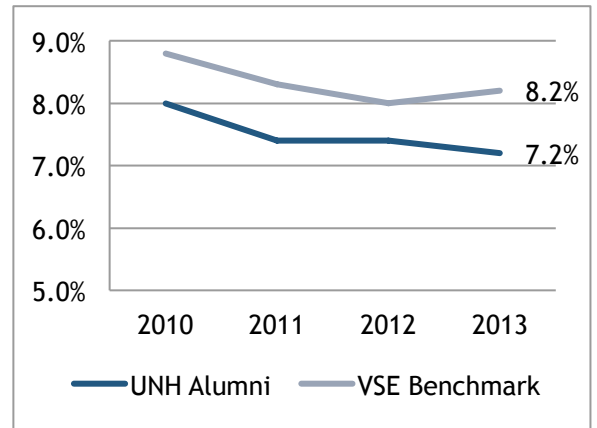
	FY10	FY11	FY12	FY13
<i>VSE Ave. Cash Raised for comparator institutions</i>	<i>\$34.8M</i>	<i>\$33.2M</i>	<i>\$42.3M</i>	<i>n/a</i>

The VSE average represents cash and grant proposals awarded for the following eight comparator institutions: Rutgers, Univ. of Buffalo (SUNY), Univ. of CT, Univ. of Delaware, Univ. of ME (Orono), Univ. of MA (Amherst), Univ. of RI, and Univ. of VT.

Alumni Giving Rate

UNH uses the VSE standard definition of alumni, which includes any former student whether they received a degree, or not.

Since 2012, roughly 12,500 new UNH alums were identified which increased the numerator for this benchmark and contributed to the slight decline between FY12 and FY13.



“Cash” Raised to Support UNH Education & General Operations

	FY10	FY11	FY12	FY13
“Cash” Received ⁴	7,462,826	6,212,641	10,740,896	10,499,834
Endowment Payout ⁵	4,908,997	5,072,410	5,213,704	5,368,259
Total Dollars to Support UNH	\$12,371,823	\$11,285,051	\$15,954,600	\$15,868,093
% of Dollars Raised Contributing to UNH E&G Expenses	3.7%	3.2%	4.9%	4.6%

⁴ Ties to “Gifts & Contributions” per UNHF audited financials (minus \$ received for endowments & annuities).

⁵ Includes endowment reinvestments (e.g. funds that are not up to \$50K payout level).

Annual Funds

	FY10	FY11	FY12	FY13	% +/- FY10-FY13
Annual Funds	\$1,801,190	\$1,659,880	\$1,813,851	\$1,896,915	5.3%
Wildcat Fund (Athletics)	\$508,646	\$502,654	\$631,353	\$613,662	20.6%
UNH Fund	\$1,292,544	\$1,157,226	\$1,182,498	\$1,283,253	-0.7%
# Annual Fund Donors	8,364	8,089	8,578	9,026	7.9%
# Annual Fund Donations	11,452	10,448	11,374	12,198	6.5%
Average Gift Size	\$157	\$159	\$159	\$156	-1.1%

Total dollars raised through annual fund solicitations was close to \$1.9M for FY13 with increases since FY10 largely due to the growth in the Athletics annual fund. Both the number of donors and the number of donations has increased by roughly 7% since FY10.

Events

	FY10	FY11	FY12	FY13	% +/- FY10-FY13
Strategic and University Events & Programs	50	61	75	54	8%
Alumni Engagement Events/Alumni Board	76	93	130	94	24%
Donor Relations	8	10	13	15	88%
Total Events	134	164	218	163	22%

Strategic and University Events & Programs

The decline in number of events between FY12 and FY13 was largely due to the elimination of 10 small cultivation dinners that were hosted at the VP of Advancement's house. Between Donor Relations and Strategic/University Programs, over 18,000 people were recorded as attendees for FY13 events.

Alumni Engagement Events

We continue to see steady growth in alumni engagement, with an increase in overall event attendance of 23%, this was accomplished even with implementing 10% less events in FY13. By reducing the number of events we were able to reallocate resources to build a stronger audience and focus on extending outreach to unconnected alumni. We increased our per-event attendance rate by 34% over last year.

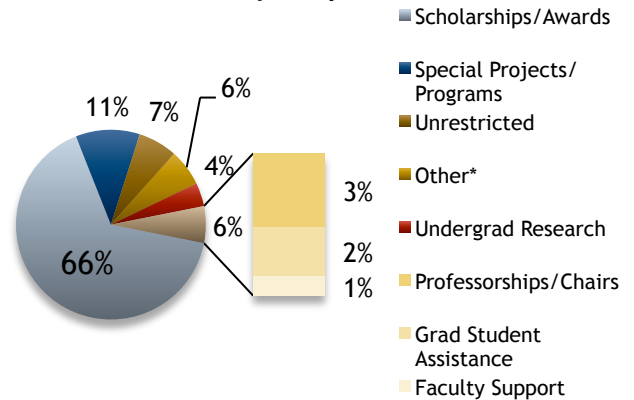
Endowment

Number of Endowed Funds

	FY10	FY11	FY12	FY13
USNH	461	461	461	462
UNHF	405	448	465	482
Total Funds	866	909	926	944

UNHF has seen a 19% increase in the number of endowed funds between FY10 and FY13. UA stewards all 944 endowed funds for UNH. *Other includes: lectures, equipment, plant operations, campus beautification/improvements, books, etc.

FY13 Endowment by Purpose



	FY10	FY11	FY12	FY13
UNHF Endowment Market Value	\$108,756,939	\$128,813,522	\$124,107,162	\$148,726,914
USNH Endowment Market Value	\$71,151,011	\$80,871,175	\$77,208,121	\$82,777,391
Total UNH Endowment:	\$179,907,950	\$209,684,697	\$201,315,283	\$231,504,305
<u>Investment Returns (net of fees)</u>				
UNHF	12.5%	21.1%	(0.2%)	13.6%
USNH	9.7%	18.5%	(1.5%)	10.9%
NACUBO	11.9%	19.7%	(0.7%)	n/a
<u>Endowment Payout</u>				
Payout to Purpose	4.0%	4.0%	4.0%	4.0%
Admin Fee	1.0%	1.0%	1.0%	1.0%
No. Funds Underwater	215	65	106	37
<u>Investment Fees</u>				
Managers	\$317,264	\$409,353	\$441,582	\$612,631
Prime Buchholz	216,041	301,529	330,522	498,495
Prime Buchholz	101,223	107,824	111,060	114,136
% of Endowment Market Value	0.29%	0.32%	0.36%	0.41%

For FY13, the total amount of endowment per student for UNH was \$15,130 and for UNH peers was **\$22,900⁶**. This includes the portion of the USNH endowment that is designated for UNH bringing the total endowment value to \$232M for this benchmark.

⁶ FY12 data. Peer data for FY13 is not yet available.

FY13 Top 5 Endowed Funds

Fund	Book Value
Sustainable Living Fund	\$10,199,890
Hubbard Marine Program	\$9,317,112
Hamel Ctr for Undergrad Research	\$7,070,047
Carsey Fund	\$6,746,974
Hamel Scholars Program	\$6,237,455

Endowed Funds - 1st Year Paying Out (in FY13)

Fund	Book Value
Lloyd & Beverley Jordan Scholarship	\$115,086
Cole Neuroscience/Behavior Research	\$104,707
Von Damm Faculty Excellence	\$101,343
Gladys Brooks Scholarship	\$100,000
Dr. George T. Wildman '57 Scholarship	\$83,614
Edward J. Flynn Scholarship Fund	\$75,184
Chace '11 Fund for Athletic Development	\$60,000
Fish '58 Student Opportunities Scholarship	\$50,000
Shirley & Bob Lake Endowed Scholarship	\$50,000
David E. Davis NH Scholarship Fund	\$50,000
John & Cat Goegel Scholarship Fund	\$50,000
Yakovakas Family Fund	\$30,000
Dionne Graduate Fellowship in Accounting	\$30,000
Jim & Julie Hatch Basketball Scholarship	\$27,980
Virginia F. Small Scholarship Fund	\$26,356
Deborah Ann Lada '78 Scholarship	\$25,101
Holly Peterson Breeden '73 Scholarship	\$25,000
Selma Naccach-Hoff Schol-Liberal Arts	\$25,000
Jay McSharry '90 Diversity Scholarship	\$25,000
The Zissi Family Scholarship Fund	\$25,000
J Morgan Rutman Scholarship Fund	\$25,000
Barbara R Noonan Scholarship Fund	\$25,000
Class of 1970 Scholarship Fund	\$25,000
Carol & Richard Trombly Scholarship	\$25,000
Guy Bertsch '91 Scholarship Fund	\$24,909

Planned Gift Assets

	FY10	FY11	FY12	FY13
<u>Number of Planned Gifts by Type</u>				
Pooled Income Fund	21	20	18	16
Pooled Gift Annuities*	50	49	51	50
Charitable Remainder Unitrust (CRUT)	5	5	5	5
Charitable Remainder Trust (CRAT)	2	2	2	2
<u>All Planned Gifts Market Value</u>				
	\$4,129,294	\$4,728,533	\$4,649,893	\$4,270,171

*FY13 Facts/Figures - Pooled Gift Annuities

	Gift Amount	Market Value	Contract Payout	Asset/Liability Ratio
Average	\$63K	\$49K	7%	149%
Min	\$9.9K	\$5.5K	5%	82%
Max	\$1M	\$676K	9%	606%

Definitions/Terms

Achievement: The total of new pledges made to non-Annual Fund designations + total of outright gifts to all funds + pledge payments to annual fund designations + pledge payments to pledges written off.

Capital Purposes: A gift where the proceeds will be sent towards property, plant or maintenance of property/plant.

CASE: The Council for Advancement and Support of Education is a professional association serving educational institutions and the advancement professionals who work on their behalf in alumni relations, communications, development, marketing and allied areas.

Cash Received: Realized gifts. The University has received cash or property, or attained the rights to the property, as a gift.

Current Use: A gift where the proceeds can be spent once received. The gift can be restricted, for instance to the business school, or unrestricted to be spent as best deemed appropriate by the University.

Endowment: A gift whose principal is to be held in perpetuity and only the investment return can be spent as designated. Like current use gifts, endowed gifts can be restricted to a specific support or unrestricted.

Front-line Fundraiser: Generally defined by the following titles - Principal Gift Officers/AVP of Development, Directors of Development, Directors/Associate Directors of Fundraising, Major Gift Officers, and Directors/Associate Directors of Gift Planning.

FY - "Fiscal Year": The University's fiscal year runs from July 1 to June 30th.

Gift-in-Kind: A gift of tangible personal property gifted directly to the university, either for related use or to sell to realize cash value.

Grant Proposals Awarded: In certain instances Advancement staff work with other campus representatives in developing proposals for specific grants. When that activity represents more than a minor effort of Advancement resources and the proposal results in a successful award, the total grant amount will be included.

New Bequest Intentions: Includes revocable bequests made during the fiscal year shown at face value at time of notification. If unknown, the value will be reported at \$1.

New Planned Gifts: Includes annuities and trusts created in this fiscal year, and are valued at the discounted amount used to determine the gift deduction.

New Pledges: Includes both regular pledges and the present value of any irrevocable bequests committed in this fiscal year.

Other Gifts: Includes gifts-in-kind, gifts of real estate and tangible personal property.

Outright Gifts: Includes cash and publicly traded securities received as new gifts or as bequests actualized in this fiscal year. A realized gift not made as fulfillment to a prior commitment/pledge.

Pledge: A commitment to make future gifts to the university.

Pledge Payment: A gift made as part of fulfillment to a pledge agreement.

VSE: Voluntary Support of Education. CAE's (Council for Aid to Education) VSE survey is the authoritative national source of information on private giving to higher education and private K-12, consistently capturing about 85 percent of the total voluntary support to colleges and universities in the United States. CAE has managed the survey as a public service for over 50 years.

Appendix A

UNH Advancement - Functional Areas as of June 2013

