

# Fundraising in Russian University

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Higher education has never been as important as it is now, at the beginning of 21st century. It occupies a central position in technology-based and education-oriented economy. In highly developed countries, the growing demand proves the fact that education is one of the "top goods". Notwithstanding – and to some extent due to – these demand, higher education has bumped into tough economy: unbalanced and deteriorating financial position of state-sponsored higher educational establishments. In relation to this, economists, consultants and advisors recommend universities and other educational establishments to be less reliant on funding from government and taxpayers. This advice is theoretically irrefutable. However, there are significant restrictions in income diversification policy, especially in Russia, where the need for such a strategy is getting aggravated from year to year.

Higher educational establishment is a non-commercial organization,

therefore it can attract funds as non-commercial organization. As traditional most non-commercial organizations turn to a variety of fund attracting methods, but in most cases such sponsorship is based on personal contacts and it is not regular. As fund attraction is a complicated process requiring professional and systematic approaches, such fund attraction can hardly be considered as a successful one. When it comes to a higher educational establishment, it is necessary to develop such an organizational pattern which should penetrate into all its spheres and affect its scientific and academic ideology.

This article suggests the scheme of fundraising launching in Russian University (within the framework of National Research Tomsk Polytechnic University).

First of all, it is necessary to define fundraising activity in the frame of university.

**The paper proposes the fundraising organization structure for Russian universities based on the international experience. Basic principles of this framework are the submission of educational activity to the social unity of university. The key role involves the tutor contacts with applicants, students and alumni.**

Fundraising (from the words fund – money and raise - increase), can be referred to as:

1. Fund collection for charitable (non-commercial) needs, that is the lack of direct material profit from such activity- narrow meaning.

2. Activity for attracting donators of any kinds (financial, physical, labor) for any needs (not necessarily charitable). Here, fundraising also involves non-monetary (physical, labor and etc.) donations - broad meaning.

As part of university income system, fundraising is primarily understood as alumni giving.

Based on the analysis of leading Russian universities, the following finance receiving strategies can be pointed out:

1. Budget orientation;
2. Budget and non-budget integration;

Non-budget combines paid educational service or integration of paid service and science research work.

In any of these strategies fundraising income share does not exceed 1 %.

In a case of foreign universities, fundraising has slightly different meaning. Fundraising as a public appeal for donations is mostly American than European or Asian tradition. As for Europe university fundraising is less developed (the average amount of endowment funds, at one of the tens largest American private universities, three-fold exceed Cambridge funds and ten-fold Oxford). USA fundraising department estimates 100 persons, while European - not more than 10.

In the USA both state and private universities take an active part in donation. From 20 universities actively involved in fundraising, 64% of endowments move to private universities, 34% - to the state. Each alumnus donates approximately 50 USD per year. In average, endowment builds 1000 USD, about 5% of alumni do this annually.

Amount of donations is interrelated with the quality of university education. The largest part of donations (80%) is obtained by universities entering the list of top 50 universities of the country.

In European universities the quality of education and endowment fund application is guaranteed by independent audit which incorporates alumni and trustees of administration agency to which university vice-chancellor is affiliated. There are a lot of programmes and opportunities for sponsors to participate in university development. These are non-specialized donations, specialized donations, and grants.

Most universities have well developed web-sites and network focused in fundraising and sponsorship attraction. They fully reveal the information about projects and funding (except the universities whose fundraising strategy is elitism).

Fundraising in Western countries is based on colossal self-sustaining nets. Websites were developed not only for money attraction, but mostly to involve university in social life and for university community creation. Fund building is only one of the objectives as university benefits in all the spheres of its activity.

In most developed countries charity is tax free. More over, it carries tax bonuses: in particular in the USA charity donations do not enter tax base. In cases when income tax is progressive, tax bounce may be 45%. Besides, the property which was granted for university is also tax free. When this property is sold it is sold tax free.

While launching fundraising activity in Russian University, it is necessary to develop an efficient mechanism which must include:

- university department cooperation arrangement, authority distribution;
- methods and special nature of work with donators;
- fundraising planning process.

In this article we will focus only on organization structure development.

### FUNDRISING ORGANIZATION STRUCTURE

The main idea of organization structure development is to concentrate work with university clients in the sphere of education (applicants, students,

alumni). Major organization structure branches (responsibility centers) should be (in descending order):

Tutor Department; Department of Fundraising and Educational Activity; Information Center.

Suggested organizational structure is presented in Figure 1.

**1 - Rector** should have the following responsibilities: to announce strategic fundraising aims in his annual report, promote, popularize and advertise fund-raising activity at meetings, and participate in donators attraction.

**2 - Pro-rector for Alumni & Development**, is given a special attention in the scheme as in foreign higher educational establishments the university development is connected with the success of its alumni. Alongside with students and alumni managing work, Pro-Rector can be authorized to develop Committee for Development and Planning, organize universities collaboration, etc.

**3 - Department for Working with Students and Alumni.** It's necessary to unite the departments which work with students and alumni (Department for Fundraising and Educational Activity) and make it submitted to Tutor Union management, with functions of managing staff being indicative - in urgent situations they can be authorized with any managing functions; this can provide a staff interchange. The direct task will be execution of tutor decisions for the period between their meetings as well as arranging the connection between rector, pro-rector, pro-rector for development and departments. (Link 1, Fig. 1).

**4 - Tutor Union.** The major managing department should be the Tutor Union which combines senior tutors and tutors of all universities. At monthly meetings the questions touching the activities of all departments are discussed. Each tutor has a right to bring up his urgent matters for discussion, but only after the approval of Tutor Union management. All tutors should be present at meeting (the absent ones must provide explanatory letter).

The Union Managing Department consists of senior university tutors. They meet weekly for discussing special matters and solving questions between union

meetings, principle ones are making union meeting order. Managing Department has a right for extra meeting call.

Managing Department should cover programmes and activity reports, discuss current interrelation matters, discuss organization experience, give orders and recommendations to the Department of Fundraising and Educational Activity (Link 5, Fig. 1) and Information Center (Link 2, Fig. 1) and solve current questions.

**5 - Department of Fundraising and Educational Activity.** The main working principle of this department should be based on Tutor Union subordination. Its field includes the work with applicants, students, alumni and, consequently, fundraising. Also, it should develop programmes and activities (not less than one activity per month); be involved in all university departments coordination for programme realization (wages); collect tutors, alumni and students proposals about next year activities and programmes.

Department of Fundraising and Educational Activity should use Information Center data (Link 3, Fig. 1) and give orders for database maintenance and site managing.

Let us discuss the scheme of fundraising campaign development (alumni as donators):

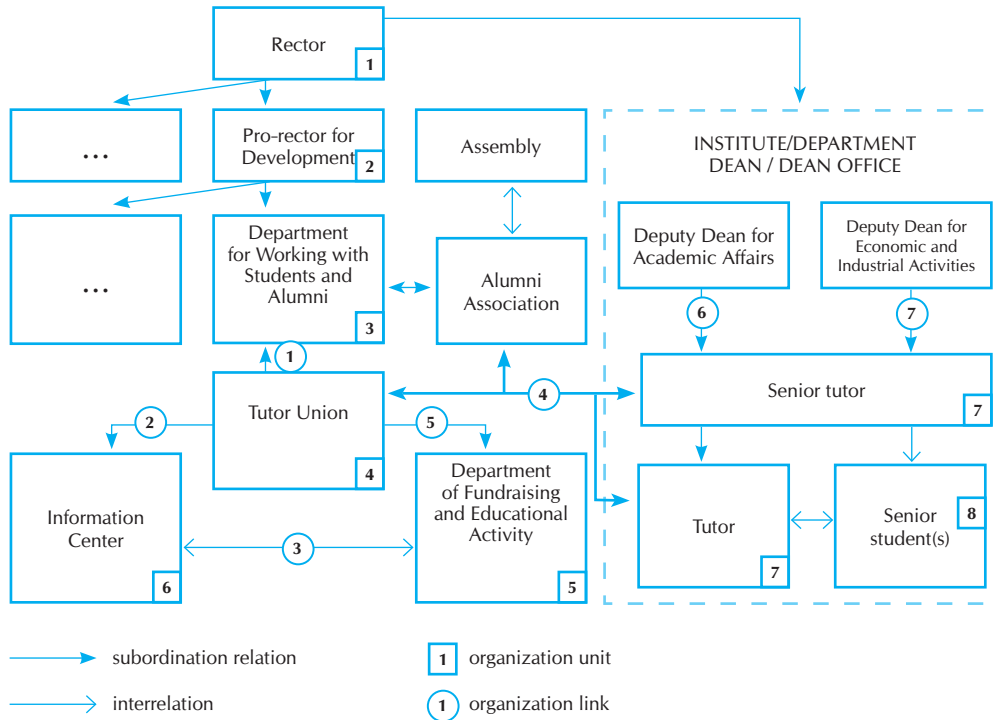
1. During the whole year, tutors can make their proposals about the organization of educational activities for the next year with an activity being fundraising. Tutors are fully involved in this process as the main part of their wages is an efficiency wage and the next year salary rate depends on the efficiency of fundraising activity.

2. The programme and possible fundraising activities for the next year which are to be approved by Tutor Union till the beginning of October are started to be developed in the middle of the year.

3. Proposed activities are specified in project forms and approved by university authorities from October till December. Control figures proceed to the Department for Working with Students and Alumni.

4. For activity development and realization, tutors can apply to the

**Fig. 1.**  
**Proposed Fundraising Organizational Structure**



Department of Fundraising and Educational Activity and receive a consultation within a working day.

5. If university coordination is necessary for activity development, tutors address to the Department of Fundraising and Educational Activity which provides this coordination in definite period attracting, if necessary, Department for Working with Students and Alumni, Pro-rector for Research and Development and Rector.

6. The results of department activity are summarized, annual report is approved, year activity efficiency is evaluated, tutors and departments specialists wage is established (Department for Working with Students and Alumni, Information Center) in Tutor Union meeting at the end of January.

Efficiency wages are paid in accordance with the tutor salary rate and university activity index.

**6 - Information Center.** This department aims to develop and implement registration forms for major departments;

manage applicants, students and alumni database; do mailing and information search (together with Alumni Association and Tutor Union); develop web-sites for Alumni Association, social university organizations, endowment fund and university trust fund, together with web-server of Department for Development; be responsible for major departments information supply (mailing of announcements and other information).

Center staff enumerates in average 5 persons.

**7 - Tutors.** Tutors are the major executives of organization functions within described scheme. They realize educational activity as the basic one with the average university salary rate and irregular working hours. This position may be occupied by those who have an experience of organization work, by enthusiasts who can establish psychological contact with students.

It is supposed that there will be one senior tutor (among all university tutors) coordinating university tutors activity.

Senior tutor is submitted to the institute's Deputy Dean for Educational Activity who is responsible for students academic progress and enrolment (Link 6, Fig.1); students accommodation, scholarship, fundraising, sponsorship and etc. - to the Deputy Dean for Economic and Industrial Activity (Link 7, Fig.1).

As a rule a tutor is appointed to conduct one group of students from first till the fifth year of study (unlike in TPU - only for the first two years of study), as well as to enroll student for a definite speciality and keep contacts with alumni. Tutor can attract assistants among senior students. Among tutors responsibilities the following must be pointed out: carrying out of different activities, creating of funds for activity realization (initially the financing should be realized by university, further, in course of social net promotion, tutor can create endowment funds in university), keeping, supporting and developing new traditions, contacting with alumni, specialty advertising and promotion, presents receiving (through materially-responsible person), carrying out of group lessons with fixed credits assigned by curriculum.

Methods of student encouragement: accommodation, name scholarship reference, social aid, employment, internship, discounts for learning and other university services, etc.

Major tutor purpose - gain students trust, to be aware of all students affairs, keep contact with parents, meaning almost to become a student's family member in order to provide future contact with university; on the other side tutor is a face of university in the eyes of the students. It appears that with the help of tutors, university creates its own social capital, which can be spent in future on different needs. Thus, a long term contract must be signed with experienced tutors (for ten or more years).

Cultivating of "inescapable sense of guilt", reflecting in inner respectful attitude to everything which is connected with university, as well as rendering of any help, can be considered as a common tutor aim.

Efficiency evaluation criteria for long-term tutor activity can be the amount of alumni (considering place of living), keeping contacts and regularly participating in university affairs, as well as the results from appealing (number of responds per one appealing), amount of attracted funds. This can't be achieved in a year, so tutor should be given a time (not less than three graduations).

**8 - Students.** Senior students are tutors' assistants, participating in all activities. There may be a lot of participants, fee can be received either by one participant or it is shared among all of them. Fee can accumulate in university special-purpose fund (upon students decision) and could be spent on the next activity.

**9 - Alumni Association.** A part of Alumni Association and its working committee responsibilities, (i.e. work with alumni and curriculum development) is planned to be charged over Department of Fundraising and Educational Activity as its functions and staff are extending. Only authorities and administration enter this Association. They appeal to the Department of Fundraising and Educational Activity with the activity initiative, the department, in its turn, provides activity development and realization under association's supervision and cooperation. Representatives of Association administration are the regular participants of Tutors Union meeting (Link 4, Fig.1) and are permitted to propose initiative projects, and as senior tutors, they take part in Association activity.

The above presented scheme is focused on a long-term result. The first years of scheme realization will be rather cost. However, the major target - education of university devotee - requires much spending and individual approach. Today, universities apply to this approach and attract large funds for target realization, but relations between university and its alumni were established in the past. Now the question is to develop university fund for the year 2030 and further.

**Table 1**  
**Department of Fundraising and Educational Activity:**  
**authority and average staff quantity**

Nº	Position	General authority	Average staff quantity
1	Head of the department	Department activity management	1
2	Advertising, marketing and PR specialist	Campaign developing Appealing documents design Tutor support in donator appealing design, students participation in education activities	3
3	Psychologists	Developing of donators, applicants, students and alumni appealing procedures; Carrying out of trainings for students and tutors. Participating in appealing design Tutor support	5
4	Economy and law specialist	Company plan and budget design Document legal review Company efficiency assessment Fund attraction Competition regulations and other documents University support	4
5	Competition and activity organization specialist	Arrangement of students competitions, honored scholarships Competition funds University support	5
6	Alumni specialist	Department and Alumni Association coordination Activity planning	10
7	Applicants specialist	Applicant involvement, tutors and universities collaboration Activity planning	10
8	VIP-client specialist	Efficient donator involvement, influential persons. Designing variants for VIP- clients appealing documents. Collaboration with Alumni Association, assemblies, rector for VIP- client meeting Maintaining contacts with VIP- clients	4

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