# SETTING PRIORITIES FOR RAISING PRIVATE FUNDS

Experience at many leading educational institutions has demonstrated that successful advancement programs depend on a congruence of institutional initiatives and projects that are priorities of the University and priority interests of prospective donors. All of these initiatives and projects must be part of an overall coherent University vision.

In response to that experience, the plan, *Future Fundraising at the University of Toronto*, was introduced in 1992-93.

The plan is based on the concept of a strong central advancement effort in support of coordinated decentralization with an emphasis on major gifts. It aims to provide an encouraging and comprehensive framework within which divisional initiatives can be pursued promptly in harmony with institutional priorities.

It ensures that fundraising efforts will not be duplicated and that prospective donors will not be confused by divergent positions that might otherwise be taken on behalf of the University.

The central advancement effort (the Division of Development and University Relations) under the leadership of the Vice-President & Chief Development Officer does not itself set priorities for fundraising. It will, however, ensure adherence to a process for setting the priorities. The actual setting of priorities is the responsibility of the Provost.

The process that follows pertains to all private fundraising, including gifts-in-kind and capital projects under $500,000 but excluding Annual Fund revenue and peer adjudicated awards from private foundations. All projects must follow the University's policy on prospect coordination. Capital projects amounting to more than $500,000 fall under the *Steps in the Approval of a Capital Project* policy and the Capital Plan.

## The Priority Setting Process For All Projects With Targets Above $30,000

The project is proposed at the departmental or divisional level either collectively or by individuals.

Step 1.  A *project proposal and development plan* is prepared and submitted respectively to the Chair, Director, Principal, or Dean. In proposing a project, the proponents assume a personal commitment to support any fundraising efforts that may ensue in support of the project. The proposal and plan should address the following:

-- What are the project's prospects for successful fund-raising?

-- If the private funding target is not met, is there a practicable contingency plan?

-- Timing: When is the best time to initiate fund-raising, in terms of other fund-raising initiatives and of connection to a major University-wide campaign?

-- Feasibility: Is there firm evidence of donor interest?
-- Resources: Is there a budget -- in terms of dollars, staff time, volunteer time, donor recognition -- for the initiative? Normally the cost of fund-raising should be no more than 15 per cent of the goal.
-- Competition: Will the initiative compete with or duplicate other approaches to donors thereby saturating sources of private giving?

Step 2.a.   The proposal is assessed, in the case multi-departmental divisions, by the Chair or Director, following the normal academic planning process of the department, institute or centre. When there are multiple proposals or previously approved proposals, priorities must be determined at this level. In the case of non-departmental divisions, the proposal will move directly to Step 2.b.

2.b.   The proposal is assessed by the Principal or Dean following the normal academic planning process of the division. When there are multiple proposals or previously approved proposals, priorities must be determined at this level in order to inform the assignment of Development and University Relations and divisional fund-raising support. At this step a proposal that will have University-wide application may be introduced by a Vice-President.

Step 3.   If the project is approved respectively at the departmental, divisional, or vice-presidential levels, it will be reviewed by the Development Planning Secretariat (DPS) in terms of planning and resource implications, and "fundability". If additional planning and resource implications are identified, or if priorities have not been satisfactorily set, the project will be referred back to the divisions or department.

If the project is under $500,000, priorities have been satisfactorily set, there are no additional planning and resource implications, and no specific Governing Council approvals are required (for example, with respect to the Policy on Naming), no further formal approvals (other than prospect co-ordination, which is required for all projects, regardless of size) are needed, and the project will be reported accordingly to the Provost and the Vice-President & Chief Development Officer for information within three weeks of its receipt.

## The Priority Setting Process for Projects Costing More Than $500,000 or Requiring Additional Resources

Step 4.   The project will be submitted to the Provost, who will review the project and assign two priorities: one for budgetary priority through the annual budget process or for space through the Accommodation and Facilities Directorate (AFD), and with respect to "fundability".

The Provost's review will employ the following criteria :

• Academic justification: How closely does the proposal relate to the academic plans of the faculty and the University?

- Budgetary impact: Will gifts offset existing demands on operating budgets? Will the proposal create financial obligations once the initial funding expires?

Subject to the need to acquire any formal approvals required by Governing Council policy or Board terms of reference, the Provost will determine which projects are priorities for the University. The level of effort and resources expended on behalf of a project will be directly commensurate with its priority as determined by the Provost. Divisions will be accountable for their development plans to the Vice-President, Development, & Chief Development Officer.

## Joint projects

There may instances in which a project involves more than one academic unit, an academic unit and an administrative unit, an academic unit and an affiliated or federated institution. In such cases the normal project priority setting procedures will apply. There should, however, be a clearly designated "lead" proponent of the project. In the case of joint proposals that involve an academic unit and an administrative unit, the "lead" proponent must be the academic unit.

In the case of joint proposals that involve a federated or affiliated institution, the federated or affiliated institution must provide the same information about its portion of the project which the academic unit provides about its portion. While the federated or affiliated institution may have a different procedure for determining its priorities for raising private funds, the proposal must indicate the priority which the federated or affiliated institutions will assign to the proposal.

## Divisional academic and budget plans

Divisions should include all fund-raising projects over $30,000 in their academic and budget plans, either initially or during annual updates. If an academic plan is submitted to the Provost which includes an initiative that will be undertaken with private funds and that project has not passed through the project priority-setting and prospect clearance processes, the plan shall not be acted on.

## "Projects of Opportunity"

The *Long-range Guidelines for Planning and Budgeting* address the development and approval of projects in response to unsolicited and unanticipated opportunities for private funding. The *Guidelines*, instead of this priority setting process, will apply to such projects of opportunity.

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