Development of University Related Foundations in China

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The Development of University Related Foundations in China:

Case Study of Educational Foundations of Three Chinese Public Universities

By Li Guo

Submitted in partial fulfillment of the requirements for the degree

Doctor of Philosophy

The School of Education and Human Services

Seton Hall University

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APPROVAL FOR SUCCESSFUL DEFENSE

Doctoral Candidate, Li Guo, has successfully defended and made the required modifications to the text of the doctoral dissertation for the Ph.D. during this Fall Semester 2013.

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DEDICATION

This dissertation is dedicated to my father Guo, Dacheng.
ACKNOWLEDGEMENTS

I feel truly blessed and thankful to those who have offered their time, words of support, and continued belief in me as I stepped out on faith to pursue my doctorate degree. This process has been a long journey, and many of my academic advisors, family members and friends share in this wonderful accomplishment.

First, I would like to thank the people who directly supported my work. Words can hardly express the dedication and support provided by my advisor, Dr. Joseph Stetar, who has been such an exceptional educator and without whose professional assistance, patience, and personal support, this study would not have been to fruition. Dr. Eunyong Kim, thanks for always willing to have an open door and solicit feedback. What you said “always keeping curious about the world around you” have never stopped echoing my mind. Your words encourage me and remind me that there are people who are dedicated to exploring truth in life. Dr. Haiqin Bao, I feel truly lucky to have met you and have invited you as member of my committee. Your active engagement in the project embodied the true spirit of professionalism and collegiality. You will always have my undying gratitude.

Secondly, I am thankful for Seton Hall University where I have spent such a beautiful time and have met some of the most wonderful people in my life. I take pride in having been a member of the Seton Hall family. The program in Higher Education offered me an opportunity to learn from some of the brightest scholars in the field, as well as build lasting friendships. I leave with great memories of time well
spent with faculty and friends from the 2008 ELMP Cohort.

Finally, I would also like to thank my family. Thanks to my loving parents, Guo, Dacheng and Suo, Husheng, for their unending and unconditional support in my life. I cannot express enough gratitude for their intellectual advice to my academic endeavor. Thanks to my loving husband, for his love, care and extraordinary support. And, Lillian, my loving daughter, was always there to remind me of the important things in life. Final words of my acknowledgment go to my grandparents, Suo, Lin and Yuan, Qingyue, for their support, encouragement and accompany in my long journey. I only regret that my grandpa did not live to see my graduation, but I believe that he and all others close to me, share in my joy as this journey is beautifully completed.
The major purpose of the study was to identify significant organizational changes that have taken place in foundations of national Chinese public universities from 1999 to 2012. The study also attempted to explore major forces behind these changes. A secondary purpose was to seek for ideas on promoting higher education philanthropy in China by explore successful experiences in other countries.

To achieve the goals, this study: (a) started by identifying challenges on financing higher education in China as well as pointing out that the Chinese government and higher education institutions have begun to generate diversifying revenue sources including recently adopted third type of revenues generated by fundraising from private sources, namely higher education philanthropy; (b) next, this study employed a review of literature on understanding philanthropy in higher education as well as university related foundation which plays as the major channel for generating philanthropic income, with particular emphasis on understanding their development in China; (c) to better understand their development, particularly the organizational change, of university related foundations in China, this study used a qualitative multiple-case-study design along with implications from organizational change theories. The study analyzed interviews with staff members and examined documents of three foundations; (d) finally, this study reviewed higher education philanthropy in selected countries seeking for ideas on promoting university related foundations as well as higher education philanthropy in China at large.
Results of the study have not only (a) identified major features and development of university related foundations as well as higher education philanthropy in China, but also (b) illustrated important organizational changes of university related foundations (e.g., the establishment of secondary fundraising tier, investment committee, overseas fundraising arms, etc.) and the forces behind these changes (e.g., social forces, leadership from university leader, incentives from the State Government, and supervision from governmental bodies). Findings of this study also (c) confirmed the characteristics of organizational change suggested by theories which indicate organizational change can occur because of both internal and external factors. Based on lessons learned from international experiences, this study concluded with recommendations to university related foundations as well as the development of philanthropy in Chinese higher education in terms of both practice and research endeavors.
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CHAPTER ONE: INTRODUCTION

Chapter One introduces the research problem, goals, significance, delimitation, and limitations of the study. This chapter also provides definitions to important terms that have been used frequently in the dissertation. At the end of this chapter, the organization of this dissertation, particularly the titles and themes of Chapter One to Seven will be presented.

1.1 The Research Problem

Over the last decade, higher education systems worldwide have undergone a major transformation due in part to calls for increased competitiveness in the global market and higher efficiencies in a challenging financial environment. As a result, the financing of higher education throughout the world has seen dramatic changes.

The changes in financing are a response to a global phenomenon in that the rising costs of higher education disproportionately exceed the available revenues especially those that are dependent on governmental or tax-generated revenues (Johnstone & Marcucci, 2006). The forces behind the rising cost vary from country to country, but the result in most countries has been an increasing financial pressure on universities and on national systems of higher education as well (Johnstone & Marcucci, 2006).

In response to the growing financial pressure, higher education across countries has sought solutions. One way is to generate alternative funding from private revenue or donated revenue sources including wealthy individuals, business and philanthropic
organizations (Johnstone, 2001; Hahn, 2007). Burton Clark terms these private sources *third stream income*—as opposed to “state allocation” and “performance-based sources”¹ obtained from governmental bodies (stream 1 and 2, respectively) (Clark, 1998, p. 25). Higher education’s third stream income represents funding sources other than streams one and two, and includes student tuition and fees, funds from philanthropic foundations, as well as income from entrepreneurial activities (Clark, 1998).

Philanthropic funding is an attractive and potentially important source of third stream income. It refers to income obtained from foundations, corporate donors, or individuals acting independently from government but work towards the public benefit by supporting the university’s activities through grants or non-financial means (donation of land and buildings) or by operating their own programs (Johnstone, 2001). The forms of philanthropic funding can be donations including bequests (at death) or annual gifts, or donations from corporations and foundations, any of which can be designated or undesignated (i.e. left to administrative discretion) and given either for endowment or current operations (Johnstone, 2001). To most institutions in most parts of the world, philanthropic income represent in theory the most attractive kind of third stream revenue. “No source of revenue is quite as benign and reliable as

¹Performance-based funding is a system based on allocating a portion of a state’s higher education budget according to specific performance measures such as course completion, credit attainment, and degree completion, instead of allocating funding based entirely on enrollment (State allocation). It is a model that provides a fuller picture of how successfully institutions have used their state appropriations to support students throughout their college careers and to promote course and degree completion. (Miao, 2012)
Universities seeking philanthropic funding through fundraising activities began centuries ago and being popular in European countries and USA (Haskins, 1957). In recent decades, it has been burgeoning in many other countries in Asia and Africa, which do not have well established philanthropic traditions. For instance, in Israel, donations have become an important source of revenues for higher education institutions. Other Asian countries and regions, such as Singapore, Malaysia and Hongkong, have also successfully sought charitable giving by cultivating a philanthropic culture in their own countries (Watzman, 1995; Labi, 2004). Not only in Asia, African countries such as South Africa, have also entered this sector with the initiatives from their diasporas and some multinational enterprises (Fisher & Lindow, 2008; Overland, 2008).

Recently in China a number of universities have also actively engaged in generating philanthropic income. Marked by dramatic enrollment expansion since 1999, the Chinese universities have embarked on an agenda of diversifying revenue sources in order to meet the needs of maintaining high quality of education. At elite Chinese universities, which are charged to become world-class universities, the funding demand has grown even faster than others. Since the proportion of higher education revenues from the government in relation to overall budget has been
decreasing, third stream revenue sources are on many Chinese university leaders’ agenda.

Until the 1990s, governmental funding was the only source to most Chinese public universities. However, during the past few decades, China has undergone a major transformation in financing its higher education system marked by an explosion of enrollment since 1999 (Li, Whalley, Zhang, & Zhao, 2009).

The explosion of enrollment reflected the country’s commitment to a continued high economic growth through quality upgrading and intellectual property. As a result, the higher education enrollment in China has been growing at approximately 30 percent per year since then (Li, Whalley, Zhang & Zhao, 2009). In 1998, higher education enrollment in China was about 6.5 million. Ten years later, in 2012, the number quintupled to 33 million. By 2012, 30 percent of college-age adults\(^2\) attend higher education institutions. The number was 12 percent in 2000 (China MOE\(^3\)).

In China, private higher education emerged since the 1980s. By 2012, 53.3 million students enrolled in private colleges, accounting for 16 percent of total college enrollment in China. There were 707 private colleges and universities in 2012, accounting for 25 percent of total number of higher education institutions in China (China MOE). Private higher education has developed fast in China, but so far, it is still public colleges and universities that dominate Chinese higher education. This

\(^2\) ages vary, usually 18-22

\(^3\) China Ministry of Education
dissertation focuses only on Chinese public higher education. The following paragraphs and chapters solely discuss the development of public higher education in China.

Transforming China’s higher education from elite- to mass is unprecedented in the world (Zhao & Sheng, 2008). But such rapid expansion inevitably brings its share of problems, the greatest of which is the insufficiency of its financing capability. In 1980s, almost all revenues for higher education were exclusively from the government. In 1985, 95 percent of public higher education funding came from either the State or local government (Guo, 2004). In later years, the number in percentage declined but governmental appropriation still played a dominant role (Li & Min, 2001, p. 2). In 1990, government appropriations accounted for over 80 percent of the entire public higher education funding. This proportion continued to decline since the late 1990s (China, MOE). Table 1 shows the total amount of China’s higher education revenue and government appropriations to higher education institutions\(^4\) between 1998 and 2006. In 1998, the total funding from government was 35.7 billion Chinese Yuan\(^5\), accounting for 65 percent of the entire higher education revenues. Although government allocation increased from 54.9 billion Chinese Yuan in 1998 to 125.96 billion in 2006, its percentage in total higher education funding dropped from 65 to 43 percent in 2006. Figure 1 shows a declining proportion of government funding in

---

\(^4\)Chinese higher education institutions include four-year and two-year universities and colleges, and tertiary vocational institutions

\(^5\) About 8.3 Chinese Yuan equals to 1 US Dollar in 1998; About 7.9 Chinese Yuan equals to 1 US Dollar in 2006.
China’s higher education finance since 1998.

Table 1

<table>
<thead>
<tr>
<th>Year</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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<td>70.9</td>
<td>91.3</td>
<td>116.7</td>
<td>148.8</td>
<td>175.4</td>
<td>213.0</td>
<td>255.0</td>
<td>293.9</td>
</tr>
<tr>
<td><strong>Government Appropriation</strong></td>
<td>35.7</td>
<td>44.3</td>
<td>53.1</td>
<td>63.3</td>
<td>75.2</td>
<td>84.1</td>
<td>970.0</td>
<td>109.0</td>
<td>126.0</td>
</tr>
</tbody>
</table>

Source: Yang, 2010

*Figure 1. Proportion of Government Appropriation in China’s Higher Education Funding 1998-2006*

Source: Cao, 2008

With the proportion from government decreasing, Chinese universities have had a challenging time financing their operations. For instance, in 2004, China’s higher education enrollment in regular HEIs\(^6\) alone had expanded at about three times compared with 1998. However, government funding only increased 1.78 times and

---

\(^6\)China’s Regular Higher Education Institutions (HEIs) refer to educational establishments set up according to the government evaluation and approval procedures, enrolling graduates from senior secondary schools and providing higher education courses.
the total revenue generated by both the government and higher education institutions had only increased about three times during the same period. Revenue increase was not proportional to higher education enrollment increase (China, MOE).

As a result, government’s overall spending on education per student decreased from 15,981 Chinese Yuan in 1998 to 14,999 Chinese Yuan in 2004 (BaiduWenku, 2011). It is projected that China’s higher education enrollment will continue to increase by an average of 1 million students per year, and higher education expenditures will reach 400 billion Chinese Yuan in the next ten years, based on a per student expenditure of 40,000 Chinese Yuan (Chen, 2010). If government funding continues to remain low and higher education institutions cannot make up the shortfall by generating alternative revenue sources, the funding gap would be as much as 150 billion Chinese Yuan by 2020 (Chen, 2010).

Not only has “per student spending” been affected, an enlarging public financial gap has also restricted universities’ science and research development along with their campus construction (Cao, 2010). While China’s governmental funding to the entire education system steadily increases, higher education may lose in the budget battle, as the central government has pronounced to “extend basic education to the remaining population groups and to maintain an adequate level of quality in primary and lower-secondary schools, particularly in rural areas” (BaiduWenku, 2011, p. 3; Tsang, 2001).
In filling the funding gap, Chinese government and higher education institutions have begun to generate diversifying revenue sources. First, universities and colleges attempted to search for non-governmental incomes through charging students tuition and fees. Before 1985, higher education was free to the entire student body and more than 95 percent of higher education funding was from government (Guo, 2004). Since late 1980s, cost sharing had gradually replaced government domination in financing China’s higher education and student tuition had been introduced to all Chinese universities and colleges (Li & Min, 2001). In 1998, each student spent an average of 1,620 Chinese Yuan per year as their tuition and fees, accounting for 13 percent of total costs of college attendance (Li & Min, 2001; Cao, 2010). The percentage kept increasing in recent years, reaching 33 percent recently (Cao, 2010).

In fact, tuition and fees constitute only a meager means of public colleges and universities’ operation costs. There is not much room for tuition growth over the past years because the introduction of tuition and fees has hindered access to higher education for students from poor rural and urban families (Wu & Zheng, 2008). Chinese government, therefore, set up a guideline which required tuition and fees should not exceed 35 percent of the total educational expenditures of each student (Sun, 2004). Any tuition increase may also be contingent upon central or local 

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7 In 1980s, universities and colleges in China were all public.
8 Cost sharing views the costs of higher education as shared by five parties: (1) the government, or taxpayer (2) parents via tuition and fees; (3) students, also through tuition, fees, and other costs of student living; (4) donors, from endowments, current gifts; and (5) institutional entrepreneurship.
legislative approval, which also limits the potential role of tuition as a buffer for the declining budget.

The second path that Chinese higher education institutions sought in dealing with the pressure of enrollment explosion was to borrow from banks. Initiated by China’s Ministry of Education in 1998, the Bank-University Cooperation had strengthened China’s higher education development through revamping academic infrastructure, increasing the input to teaching and non-academic services (Peng & Yan, 2010). However, the accumulation of debt created its own problem soon. The speed of accumulation and the amount of debt the universities owe is enormous and they are facing severe payment problems and some of them are even on the edge of bankruptcy. Many colleges and universities pay their old loans and interest with new loans. Others choose to cut down expenditures on teaching and services, resulting in dissatisfaction from students, faculty members and university staffs (Peng & Yan, 2010). The Blue Book of China’s Society 2006⁹ warned that “colleges and universities’ loan could become another high risk loan after steel, cement and electrolytic aluminum in China” (Peng & Yan, 2010, p. 2).

Having experienced the limitations of the above mentioned financial channels, the Chinese government and universities continue to search for other solutions. Hence, the demand of the third type of revenues generated by fundraising from private

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⁹a series of annual reports published by the Chinese Academy of Social Sciences addressing China’s social developments and predicted changes
sources—higher education philanthropy—have been launched as a new funding strategy (Luo & Li, 2005).

A number of influential policies driving higher education philanthropy have been established by the Chinese government since 1999. For example, the 21st Century Education Revitalization Plan in 1999 and the Stimulation Plan for Education 2003-2007 stated the importance of philanthropic income in financing education and urged universities to seek donations and investments through building their own foundations (Gu & Dai, 2010). The June 2004 Regulation on Foundation Administration by the Chinese State Council is another influential policy as it has provided a legal basis for universities’ fundraising activity. The incentives for Chinese universities to aggressively expand higher education philanthropy greatly increased in 2009 when the State budget established the Tentative Procedures of the Matching Fund to 111 universities attached to the Administration of Central Ministries. This policy provides a 1:1 matching fund to designated universities to allow them to raise external funds (Zhang, 2010; Central Government of China, 2010). Details about the Matching Fund can be found in Appendix A and B.

As a result of these new policies, there has been an increasing number of Chinese universities searching for private donations. By 2011 there were about 200 university related foundations in China (Foundation Center China, 2011). Some universities have also spread out arms to overseas revenue resources: alumni, the overseas Chinese Diaspora, multinational corporations and foundations. According to the USA...
Foundation Center (2010) over 100 Chinese universities have been fundraising through various channels in USA. Among the 100 universities, more than ten had established fundraising offices in USA. For instance, Tsinghua and Peking Universities had set up 501 (c)(3) foundations in Delaware in 1997 and in California in 2004 respectively.

Currently public universities and colleges are funded through three income streams in China: first, annual recurrent block funds through a per capita payment to an institution from either the central or local government in respect of a quota of student enrollments; second, tuition and miscellaneous fees reflecting prices set by provincial governments (typically 25-35 percent of estimated delivery costs); and third, additional income generated by commercializing R&D outcomes, and philanthropic support, namely, donations from private sources (Toshiko, 2010). Donations are expected to make an appropriate supplement to tuition, bank loans and the other third stream incomes, and to play an important role in supporting research, student scholarship and campus construction (Gu and Dai, 2010).

However, due to relatively short history of foundations and fundraising in Chinese higher education system, colleges and universities face a narrow fundraising channel and have an especially difficult time attracting donations (Gu & Dai, 2010;
In 2010, for instance, the support received through fundraising accounted for an average of only 3 percent of university funding\(^1\) (Geng, 2010). Why philanthropic income are very much in the minority? Are donations significant income sources to support research, scholarship and campus construction? Will donations impact the financial environment of China’s public higher education? “We always welcome donations, but most alumni have never donated. It is a great challenge to tell Chinese people to give since we don’t have such a tradition.” says a Chinese university president (G. Dacheng, personal communication, September 5, 2012). The strategy Chinese colleges and universities should implement in order to create more fundraising channels warrants study.

Moreover, little has been revealed about the foundations’ development since establishment. Few studies have addressed issues concerning the process through which foundations developed? What forces led to these changes? The only available sources to the public are foundation websites which update rather slowly. Even the Peking educational foundations which have the longest history in China only provides annual reports of the recent two years for a public download. To better understand their history and development, a thorough field study is a must.

1.2 Purpose Statement

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\(^1\)According to a 2010 Study by Tongjin Geng, income sources of China’s higher education are from government and student tuitions (70-80%), universities’ research and entrepreneurial incomes (10%), and all other third stream income (10%).
So, how have donations and/or other philanthropic giving impacted the financing of Chinese public higher education institutions? What significant changes have taken place in university foundations since establishment and what are the organizational development forces behind these changes? From this perspective, the purpose of this study is to investigate the development of Chinese university-related foundations—the major channels for higher education philanthropy, and how they have impacted the financial environment of Chinese public universities.

To this end, I tried to explore the historical forces that have influenced the development of the foundations. I will also examine the aspects and degree to which university-related foundations have contributed to universities’ finances. In seeking for ideas on increasing philanthropic funding to higher education institutions, I also studied successful experiences on higher education philanthropy in some other countries.

1.3 Research Question

Research Question

What are the historical forces and governmental incentives that have led to the development of university related foundations in China’s public higher education from 1999 to 2012?

Subsidiary Questions
1. What role do university related foundations and philanthropic income play in public higher education in China?

2. What organizational changes have taken place to the foundations since their establishment in China?

3. What forces and incentives have led to the changes?

4. What opportunities and challenges do the foundations face?

5. What lessons can be learned from international experiences on higher education philanthropy on a worldwide scale?

1.4 Definition of Terms

For the purpose of the study, a few terms which have particular meaning in the context of fundraising warrant definition:

**Donation**: a gift given by physical or legal persons, typically for charitable purposes and/or to benefit a cause. A donation may take various forms, including cash, services, property and goods.

**Endowment**: funds received by the institution as gifts and invested generally in stocks and bonds to preserve and grow the principal and provide income from earnings to support scholarships, professorships, and programs at educational institutions.
**Fundraising**: the activity of soliciting private gift support for a nonprofit organization.

**Fundraising strategy**: a (long term) plan of action designed to achieve a particular fundraising goal.

**Governing Board**: persons elected or appointed to assist in the oversight and policy making function of an institution.

**Non-profit organization**: an institution or organization that is not required by law to pay taxes on income because the organization does not make a profit on the enterprise which is run for the ultimate good of society.

**Organizational change**: planned or unplanned transformations in an organization’s structure, technology, and/or people.

**Philanthropy**: literally the “love of mankind”, but generally thought of as the free-will giving of one person(s) to another for some beneficial cause.

**Restricted gifts**: gifts that have restrictions imposed by the donors pertaining to specified purposes and projects toward which the funds may only be used.

**Tax exempt**: organizations that do not have to pay state or federal taxes on their income.

**Third stream income**: higher education’s third stream income represents funding sources other than stream 1 and 2 (“state allocation” and “performance-based
sources” obtained from governmental bodies) and includes student tuition and fees, funds from philanthropic foundations, and income from entrepreneurial activities.

Trust: legal instruments or agreements which hold gift funds intact for the benefit of a specified nonprofit or charity.

University related foundations: also known as “institutionally related foundations”, are foundations that exist solely for the enhancement of the institution/university with which they are affiliated.

Unrestricted gifts: gifts that have no restrictions imposed by the donors on how they may be used.

1.5 Significance of the Study

The study has provided a review of the development of Chinese public universities’ new organizational departments—the university related foundations and their contributions to public higher education finance during the period from 1999 to 2012. Focuses have been placed on organizational changes of the foundations and forces behind these changes, as they responded to the restructured funding scheme. Results of the study have illustrated important organizational changes of university related foundations and the forces behind these changes in China. In addition, international experiences on successful higher education philanthropy have been investigated, some of which are of special importance to the development of higher education philanthropy in China. To my knowledge, this study has been the first
attempt to examine university related foundations in China in terms of organizational
changes, and some overseas fundraising arms as well.

It is hoped that the results of the study can be used by Chinese policy makers to
consider the financial and social repercussion of the new policies, by institutions to
learn the history of university related foundations in China more thoroughly, and by
researchers to recognize and study the increasingly important role philanthropic
funding play in maintaining the vitality of China’s public higher education.

1.6 Delimitations of the Study

The focus of this study is narrowed as follows:

This study is delimited to changes within three Chinese public universities’
foundations. The development processes since their establishment at only these
foundations were examined. The findings and suggestions of the study may be used as
a guide for similar foundations to understand their development processes. But the
findings should not be generalized to all university related foundations in China.

This study does not attempt to predict and compare fundraising outcomes of the
three foundations, but to investigate significant challenges during the foundations’
development. It also compares the changes among these three foundations.

Not all of the foundation staffs and knowledgeable professionals at the selected
foundations and universities were included in this study. Purposeful sampling was
used to select the interviewees that was able to provide the most information.
1.7 Limitations of the Study

The first limitation of the study relates to the weakness of case study research method. According to Merriam (1998), in case study research informants might not respond to the researcher an objective rendering of the facts. Merriam (1998) states that both informants and researchers might influence the study for their own purposes (Merriam, 1988). To minimize the influence, this study was designed to involve a broad section of informants, including senior foundation administrators, professors, and senior university officials who have had knowledge that would address the key research questions. Other researchers’ studies, annual reports and websites information may also contribute to strengthen both internal and external validity of the study.

Secondly, the study is limited in that it includes only three cases among 200 university related foundations in China. Because of time and financial constraints, the researcher had to limit the number of cases in order to complete it within a reasonable period.

A third limitation lies in my own bias as I, the researcher of this study, am the alumnus of one university and had worked in another one for a period of time. I worried that my previous experience with the two universities might influence the outcomes of the study. To minimize the influence, I employed some independent approaches for verifying data. For instance, the interviewees were asked to check
interview transcripts and to provide feedbacks on accuracy of the interpretation of transcripts.

Last but not least, all interviews were conducted in Chinese. The study also employs a great number of information in Chinese. Thus the researcher’s competence in Chinese-English translation might influence the study outcomes. To minimize the influence, third-party language services were used to guarantee the accuracy of translation.

1.8 Organization of the Dissertation

This dissertation consists of seven chapters. Chapter 1 reviews the background information of higher education philanthropy in China. Chapter 2 is a literature review of current research about higher education philanthropy. It provides an analytic framework for studying the literature on higher education philanthropy with a focus on Chinese literature. Chapter 3 presents the research design, including goals, the research questions, theoretical framework, data collection and analysis procedure. Chapter 4 studies the development of higher education philanthropy in China, with an emphasis on university related foundations. Chapter 5 provides case study of three university related foundations in China. In Chapter 6, the development of higher education philanthropy in several countries and lessons learned from these countries are addressed. Chapter 7 concludes findings of the entire study and states recommendations for the development of higher education philanthropy in China.
CHAPTER TWO: REVIEW OF RELEVANT LITERATURE

Much literature has suggested that the growing popularity of philanthropy in higher education finance is not just an issue of a single region, but a universal practice and discussion (Johnstone, 2011; Watzman, 1995; Labi, 2004; Fisher & Lindow, 2008; Overland, 2008). Given this situation, this literature review commences with a review of literatures on understanding philanthropy in higher education on a worldwide scale: why universities worldwide need alternative revenue sources such as philanthropic income? Next is a review of literature focusing more specifically on current research of philanthropy and university related foundations in higher education. Further, literature on China’s higher education philanthropy is reviewed with particular emphasis on understanding the role of university foundations in generating philanthropic income. Finally, a review of organizational change theory helps to understand how strategic planning leads to institutional advancement.

2.1 Challenges of Higher Education Finance

Universities face external challenges, such as pressures on public budgets, globalization and internationalization of higher education, which increase competition but also provide new opportunities for activity expansion. These evolutions also drive higher education institutions to seek additional funding from other sources. Income diversification may be strategically used to develop activities and respond to new missions, as it may reinforce the position of an institution on the local, national or international stage by supporting its competitiveness (Johnstone, 2002).
2.1.1 Stringent Public Revenue

Higher education is playing an increasingly important role in the 21st century throughout the world. In today’s technological and knowledge-driven economy, higher education is widely known as a major engine of both individual and social mobility. On one hand, higher education can support individual person to rise above the socioeconomic station into which one was born. On the other hand, higher education shoulders the responsibility to analyze and solve social problems, which are increasingly complex politically and economically, with untraditional solutions emanating from increasing knowledge and training.

However the reality is that higher education seems almost everywhere besieged with austerity: “a worsening of the financial condition of most higher education institutions, particularly to the degree that they are dependent on governmental, or tax-generated, revenue” (Johnstone, 2002, p. 1).

2.1.1.1 Higher Education Austerity

The austerity, whether absolute or relative, has produced negative effects on both the higher education institutions and the student and to some degree the parents. The impact on the institutions is oftentimes manifested by a loss of faculty, especially the best ones due to the declining salaries or a continuous cut in research funding; a loss of faculty allegiance and morale, or loss of much of the faculty’s time and attention because of the declining salaries have forced them to “moonlight” elsewhere to maintain real wages; a loss of capacity of the institution to respond to changes or
innovations; an erosion of teaching equipment and materials; and inability to expand physical capacity to meet with the increasing enrollment (Johnstone, 2002).

The sustained revenue shortfall can also impact current and future students of higher learning. In most cases, institutions may increase students’ tuition and fees in response to a lack of sufficient public revenue. These increases are unmatched by means-tested grants and/or available and affordable student loans. The increases in tuition and fees will predominantly impact middle and lower income students’ college experience. They may be forced to move to part-time student status and seek part- or full-time employment (if this is even possible). An even worse situation is that student from lower income families may drop out or decide against higher education altogether. To future students from low income families, who are currently in elementary or secondary schools, may decide to cease pursuing an academic track in middle or high school or even stop out of school, all due to a perception of the financial unattainability of higher education (Johnstone, 2002).

The impact of a cut in public revenue may also produce an impact to the quality of students who are enrolled in the higher education system. The revenue shortfall may directly manifested by a limited enrollment and disappointed student applications who are less academically prepared. Many countries which are facing a pressure for higher education massification such as those in East Asia and Latin America have responded their limited public university capacity with an allowance and even encouragement of a demand-absorbing private sector. However, this is not a radical
solution to university’s capacity limitation and have foreseeable problems in the future (Johnstone, 2002).

2.1.1.2 Causes for Austerity

The most commonly recognized causes for such austerity was triggered by two facts—the high and rapidly increasing per student or unit costs and the rapidly rising enrollment. Firstly, per-student, or unit, costs in higher education tend to be high because of the high input of relatively costly equipment (particularly lab and scientific equipment, computers, and library materials), costly labor, and the rising expenses of student living. Secondly, most countries today are facing an increasing pressure to expand higher education enrollment as greater percentages of the population are demanding more and more higher education. The demand for higher education is rising in a remarkable speed particularly in countries characterized by rapidly growing populations and low levels of higher education participation. The pressure of an enrollment expansion has, in turn, magnified the rising expenses of higher education (Johnstone, 2002).

Meanwhile, the traditionally biggest supporter for higher education—public revenues—is becoming less and less likely to increase. The reasons are as follows.

The first possible reason lies in the public revenue itself, beginning with limitations in tax capacity, which is partly a function of the overall state of the economy. In many countries, some of the former Soviet Union and in much of Africa for example, the gross domestic product of these countries has been static or declining
and therefore are producing less taxes. But, what is even serious than static or declining economies is that more and more governments find it difficult to collect taxes at all. The fact is that taxes on income and sales are technically difficult to collect and too easily avoidable in most middle- and low income countries. It depends very much on the government’s ability to effectively monitor income and sales cost and on a developed culture of tax compliance—neither are clearly visible in the above mentioned middle- and low income countries.

The second possible reason is globalization—“the heightened international mobility of capital, information, and productive capacity—is also taking its toll on government’s ability to tax”. Because of a greater mobility of capital and production facilities, multinational corporations today prefer to move to lower tax jurisdictions to avoid a high tax burden. Consequently, taxes on such corporations are increasingly problematic. Another traditional way of taxation, often perceived as an easy way, is to print money and confiscate the purchasing power of the citizenry via the resulting inflation. But such taxes are also becoming more difficult as countries are losing sovereignty over monetary policies (or even, as in Europe, over their actual currencies), and are otherwise constrained by a growing dependence on world capital markets. Moreover, governments of the formerly centrally planned socialist economies are not able to rely so heavily any more on the value added, or turnover taxes that used to extract purchasing power at each stage of the governmentally owned production process. Due to all of the above mentioned factors, most countries,
and especially those with less-industrialized and/or so-called transitional economies, are having enormous technical difficulties—quite apart from any political resistance to taxation—in diverting purchasing power for use in their public sectors (Johnstone, 2002).

A final possible factor that limits higher education from getting a larger proportion of an increasingly scarce public revenue from the government lies in the diminished relative priority of higher education among the other major claimants such as elementary and secondary education, public health, public infrastructure, housing, and care for children, the old and poor. This diminished priority for higher education may also be due in part to the demonstrated ability of higher educational institutions to raise alternative revenues through tuition fees, sale of faculty time and expertise or the lease of university assets. Ironically, this ability cannot withstand the loss of public revenues to higher education.

In summary, if there is a lack of policies to alter the natural trajectories of either increasing costs or decreasing public revenues or both, higher education in most countries will certainly face a continuous austerity. Significantly, the condition of austerity is befalling rich and poor countries alike, because austerity is in part relative to the level of revenue in the last allocation. Furthermore, even if universities receive generous support in one year, they will face austerity almost instantly if support is discontinued in the next expenditure year. This is because most expenditures in higher
education such as salaries, utilities, consumables, or student support are *recurrent*, meaning that the expenditure must continue over time. (Johnstone, 2002).

### 2.1.2 Revenue/Income Diversification

In response to the austerity of higher education finance, the classic response is to combine measures of *greater efficiency* with *revenue enhancement* by *diversification*. A greater efficiency requires universities to enhance scale, eliminate redundancy, close low priority operations, increase both student/faculty and student/staff ratios, and the like. The remedy of revenue diversification follows from the *cost-sharing* perspective (Johnstone 1986, Johnstone and Shroff-Mehta, 2000), which “views the costs of higher education as shared by five parties: (1) the government, or taxpayer (or the average citizen via the inflationary-driven confiscation of purchasing power by governmental printing of money); (2) parents (or spouses or extended families) via tuition and fees, paying from current income, past income (savings) or future income (borrowing); (3) students, also through tuition, fees, and other costs of student living, paying mainly from term-time or summer earnings, or from borrowing (future earnings through e.g. student loans); (4) donors, from endowments, current gifts, or “redistributive tuition” by which wealthier parents pay more in tuition so that some students or parents can pay less (presumably for the better quality education made possible by the tuition discounting and the attraction of bright and educationally enriching students whose parents cannot afford full tuition); and (5) institutional
entrepreneurship and the revenue brought in via the sale or lease of university assets, or the sale of faculty expertise, whether in teaching or research” (Johnstone, 2002 p5).

Diversification of income sources contains two aspects. One is a shift from one source to another existing or new source. The other is an effort to generate additional income through new or existing income sources that “contributes to balancing the income structure of the institution” (Estermann & Pruvot, 2011, p 26).

2.1.2.1 Cost-Sharing

Cost-sharing as a response to higher education finance austerity indicates that “the costs of higher education are shared among governments (or taxpayers), parents, students, and philanthropists—and also a reference to a policy shift of some of these costs from a predominate (sometimes a virtually exclusive) reliance on governments to being shared among parents and/or students in addition to taxpayers.” (Johnstone, 2002, p5). It is quite apart from the case that can be made for public tuition fees on the neo-liberal economic presumption of greater equity, or simple fairness: that is, that those who are enjoying “considerable private benefits from a public good (especially one that is partaken of disproportionately by the more affluent) should bear at least a commensurate share of the costs. This case for cost sharing because of a sheer need for revenue is also apart from the presumption of a greater institutional efficiency and responsiveness when universities are forced to compete for the enrollments of students” (Johnstone, 2002 p 5).

2.1.2.2 Other Forms of Revenue Diversification
Non-governmental revenue may also come from donors or from faculty and institutional entrepreneurship. Among the popular forms are: contract research, teaching high demand courses, frequently to non-degree students, substantial tuition, sale or lease of university assets and philanthropic funding (Johnstone, 2002).

Philanthropic funding is obtained from foundations, corporate donors, or individuals acting independently from government and for the public benefit by supporting the university’s activities through grants or non-financial means (donation of land and buildings) or by operating their own programs. The forms of philanthropic funding can be donations, including bequests (at death) or annual gifts, or donations from corporations and foundations, any of which can be designated or undesignated (i.e. left to administrative discretion) and given either for endowment or current operations.

Philanthropy is a distinctly different concept from charity in that it focuses on transformational change. According to Cascione (2003, p 5), “giving to higher education is best understood as philanthropic, since it is indirect and programmatic and the institution is expected to deliver the means for instruction or other benefits of education.” The term philanthropy literally means “the love of mankind.” Typically, the literature on giving considers “charity”—the notion of helping the less fortunate, usually the poor, while the term “philanthropy” is as generally uplifting humanity (Cascione 2003, p. 4). Few institutions have stood the test of time of improving the human condition more than our colleges and universities, and philanthropy has played
a critical role in this fact. Hall (1992) observed that “no single force is more responsible for the emergence of the modern university than giving by individuals and foundations” (Hall 1992, p. A1).

2.1.2.3 Third Stream Income

In different parts of the world, scholars have named revenue diversification quite differently. The term diversification can have different meanings but, within the funding context, “it most often refers to the distribution of different funding sources within the overall income structure of a university” (Estermann & Pruvot, 2011, p. 26). American scholars adopted expressions such as cost sharing (Johnstone) or simply put it as diversified revenue sources.

While scholarly papers from other parts of the world, especially the British Commonwealth countries including UK, Australia, New Zealand, and South Africa, have termed revenue diversification as different income streams—1st, 2nd and 3rd income streams.

Burton Clark defines the 1st stream as “state allocation” and the 2nd stream as “performance-based sources” both are obtained from governmental bodies, and all non-governmental sources as 3rd stream income (Clark, 1998, p. 25). While John Duncan (2009) provides another definition of these income streams: public subsidies as the 1st stream income, income from tuition and fees as the 2nd stream, and all other income sources including revenues generated from entrepreneurial and philanthropic activities as the 3rd stream income (Duncan, 2009).
Higher education funding reports of the European Union holds another interpretation of income diversification which is categorized into “public funding” (or taxpayer funding), “private funding” through student financial contributions (or tuition fees, household expenditure) and “other funding sources” (or other private funding, alternative or additional income sources, third party funding) (Estermann & Pruvot, 2011, p. 26)

Philanthropic funding forms one of the components of the third stream of university funding (with funds from governments and student fees and charges being the first two). Revenue from philanthropy is seen as an important means to maintain the efficiency and fairness of higher education (Meng et al., 2005).

2.2 Selected Literature on Philanthropy in Higher Education

2.2.1 Recent Studies and Trends of Research of Higher Education

Philanthropy and Institutionally Related Foundations in the English Literatures

According to Rowland (1983) and Burke (1988), the systematic study of philanthropy in higher education occurred only as a recent endeavor of the social sciences and most studies have focused on motivations of donors at particular institutions (cited in Shipp, 2009). Until the 1980s, researchers had started to realize the need for a broader understanding of higher education philanthropy. In 1986, Carbone, R. F. (1986) developed a research for fundraising in higher education along with a call for increased scientific inquiry which has been considered to be the major change in the research regarding philanthropy in higher education (Shipp, 2009).
Based on research findings, Carbone (1986) identified (a) the philanthropic environment and (b) donor motivation as two major research focuses on higher education philanthropy.

Bok (2003) and Hall (2008) have suggested that higher education institutions’ fundraising performance might be influenced by their reputation (as cited in Shipp, 2009). Bok (2003, p. 104) stated that institutions “with established reputations and large endowments tend to hold a considerable competitive advantage over lesser-known institutions” (as cited in Shipp, 2009, p. 21). Hall (2008) has also found that more affluent institutions had experienced greater success in fund-raising than those have-nots of higher education (Shipp, 2009).

Findings based on research conducted in the United States by Roger (1989), Lippincott and Martin (1997), Conley & Tempel (2006), and Hall (2008) have suggested that the demographic make-up has a powerful impact on philanthropy (as cited in Shipp, 2009). According to Lippincott and Martin (1997) and Roger (1989), over 60 percent of total donated funds had come from donors between the ages of 60-70 in the United States, and people of the age cohort of 65-70 had contributed the largest lifetime gifts (as cited in Shipp, 2009). Hall (2008) discovered that 19 percent of donations of one million dollars or more in the United States is dedicated to public higher education institutions (as cited in Shipp, 2009). Conley and Tempel (2006) discovered that public universities demonstrated success in attracting gifts of $5 million or more (as cited in Shipp, 2009).
Understanding donor motivation has been a major focus of research in the past few decades (Shipp, 2009). Frank (1996) had divided donor motivation into two parts: altruism and self-interest. His research also indicated that self-interest is the overriding factor in describing donor motivation (as cited in Shipp, 2009).

Researchers Hodgkinson and Weitzman (1998) and Wolff (1999) had laid groundwork for models predicting alumni donor activity (as cited in Shipp, 2009). They have suggested several independent variables as determinants in giving, including age, gender, income, marital status and ethnicity. Yet, there is no single variable that can provide a perfect predictor of alumni giving to higher education institutions (as cited in Shipp, 2009). Conley (1999) suggested factors might determine alumni giving including job classification, household income, and student involvement level (as cited in Shipp, 2009).

Donation to higher education institutions might also be influenced by the financial status and academic standing of the institution (Shipp, 2009). Smith and Ehrenberg (2003) and Bringham, Quigley, and Murray (2002) have demonstrated a positive correlation between the perceived quality of the institution and giving levels to universities (as cited in Shipp, 2009). According to Feldstein (1975) and Clotfelter (1985), some external factors can also influence giving (as cited in Shipp, 2009). Feldstein (1975) and Clotfelter (1985) had also figured out that tax policy, both tax rates and the qualification of deductible charitable donations, can significantly affect donor giving. There is a generally positive relationship between tax deductions and
charitable contributions (as cited in Shipp, 2009).

### 2.2.2 Gap in Knowledge

The majority of the relevant research in English seems focused on learning the American experience in higher education philanthropy. Yet little research has apparently been undertaken to ascertain the world trend in this field. As stated in earlier parts of this chapter, philanthropy in higher education finance is not just an issue of a single country and/or region, but a universal practice and discussion. There is reason to believe that the current literatures are inadequate for summarizing the world ecosystem of higher education philanthropy in terms of historical development and hot issues. Given this situation, my research attempts in part to fill the gaps in the existing body of literatures in understanding the world trend of philanthropy in higher education.

### 2.3 Selected Literature on Higher Education Philanthropy in China

#### 2.3.1 Problems of Higher Education Finance of Public Universities in China

Until the 1990s, governmental funding was the only source to most Chinese public universities. During the past few decades, China has undergone a major transformation in financing higher education marked by an explosion of enrollment since 1999 (Li, Whalley, Zhang, & Zhao, 2009).

The explosion of enrollment reflected the country’s commitment to a continued high economic growth through quality upgrading and intellectual property. As a result,
the number of higher education enrollment in China has been growing at approximately 30 percent per year since then (Li, Whalley, Zhang & Zhao, 2009). In 1998, higher education enrollment in China was about 6.5 million. Ten years later, in 2009, the number quintupled to 35.8 million (China MOE\(^\text{15}\)). Before 1999, the enrollment grew relatively slow with about 6 percent annual increase rate. However, starting from 2000, the increase speed accelerated with an annual increase of 30 percent. Figure 2 shows the number of enrollment of China’s higher education from 1997 to 2009.

*Figure 2. China’s Higher Education Enrollment 1997-2009*\(^\text{16}\)

Source: China MOE

\(^{15}\) China Ministry of Education

\(^{16}\) Note: “China’s Higher Education Enrollment” includes students who enrolled in postgraduates programs, normal and short-cycle courses, normal and short-cycle courses provided by adult HEIs, normal and short-cycle courses provided by web-based programs, advanced degree programs for persons in employment, classes run by non-state/private HEIs for students preparing for State-administered Examinations for self-directed learners, college-preparatory classes, in-service training and foreign students.
Not only had the total number of higher education enrollment increased, the percentage of high school graduates who attend college had also increased from 46 percent in 1998 to 83 percent in 2010 (China MOE). The country’s gross higher education enrollment rate had also increased from 10 percent in 1999 to 26.5 percent in 2010 (China MOE).

Along with a drastic increase in student enrollment, the number of higher education institutions has also moved up with a spurt of growth since 1999. Figure 3 shows that the number of Chinese higher education institutions has doubled in 2009 compared with that of in 1997.

*Figure 3. Number of China’s Higher Education Institutions 1997-2009*

Source: China MOE

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17 The Chinese higher education system is still not meeting the needs of 85 percent of the college-age cohort (Porter, 2010).

18 Note: China’s HEIs include Institutions of four types: HEIs providing postgraduate programs, regular HEIs, HEIs for adults and non-state/private HEIs.
Transforming China’s higher education from elite- to mass is unprecedented in the world (Zhao & Sheng, 2008). But such rapid expansion inevitably brings with problems, chief among which is the insufficiency of its financing capability. In 1980s, almost all revenues for higher education were exclusively from the government. In 1985, 95 percent of higher education funding came from either the State or local government. The number dropped to 91 percent in 1987, but still accounted for more than 90 percent of the total higher education funding (Guo, 2004). In later years, the number declined but governmental allocation still played a dominant role (Li & Min, 2001, p. 2). For example, in 1990, government appropriations accounted for more than 80 percent of the entire higher education funding. This proportion continued to decline since the late 1990s (China, MOE). In 1998, total funding from government was 35.68 billion Chinese Yuan19, accounting for 61.5 percent of the entire higher education revenues. The number increased to 125.96 billion Chinese Yuan in 2006, but its percentage dropped to 45.2 percent (Cao, 2010; Yang, 2010).

With the proportion from government decreasing, Chinese universities have had a challenging time financing their operations. In 2004, for example, China’s higher education enrollment in regular higher education institutions alone had expanded at about three times compared with 1998. However, government funding only increased 1.78 times and the total revenue generated by both the government and higher education institutions had only increased about three times during the same period.

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19 In 1998: about 8.3 Chinese Yuan equals to 1 US Dollar; In 2006: about 7.9 Chinese Yuan equals to 1 US Dollar.
Revenue increase was not proportional to higher education enrollment increase. As a result, the spending on education per student decreased: the total spending per student decreased from 15,981 Chinese Yuan in 1998 to 14,999 RMB in 2004 (Baidu Wenku, 2011). It is projected that China’s higher education enrollment will continue to increase by an average of 1 million students per year, and higher education expenditures will reach 400 billion Chinese Yuan in the next ten years, based on a per student expenditure of 40,000 Chinese Yuan (Chen, 2010). If government funding continues to remain low and higher education institutions cannot make up the shortfall by generating alternative revenue sources, the funding gap would be as much as 150 billion Chinese Yuan by 2020 (Chen, 2010).

Not only has per student spending been affected, an enlarging public financial gap has also restricted universities’ science and research development as well as campus construction (Cao, 2010). Although China’s governmental funding to the entire education system steadily increases, higher education has lost in the budget battle, as the central government is trying to “extend basic education to the remaining population groups and to maintain an adequate level of quality in primary and lower-secondary schools, particularly in rural areas” (Baidu Wenku, 2011, p. 3; Tsang, 2001).

In filling the funding gap, Chinese government and higher education institutions have begun to generate diversifying revenue sources. First, universities and colleges attempted to search for non-governmental incomes through charging students tuition
and fees. Before 1985, higher education\textsuperscript{20} was free to the entire student body and more than 95 percent of higher education funding was from government (Guo, 2004). Starting from 1985, Chinese colleges and universities were encouraged to “enroll a small number of students who pay tuition and fees” (Li & Min, 2001, p. 2). In 1997, a new policy required that all students should pay a certain percentage of fees as “recurrent expenditure per student for higher education” (Li & Min, p. 2).

In 1998, each student spent an average of 1,620 Chinese Yuan per year as their tuition and fees, accounting for 13 percent of total costs of college attendance (Li & Min, 2001; Cao, 2010). The percentage kept increasing in recent years. In 2005, it reached 34 percent. The number dropped to 32 percent in 2006 and soon backed to 33 in following years (Cao, 2010) (See Figure 4).

\textit{Figure 4. Proportion of Tuition and Fees in China’s Higher Education Expenditure 1998-2006 (in Percentage)}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure4.png}
\end{figure}

Source: Cao, 2010

\textsuperscript{20} In 1980s, universities and colleges in China were all public.
In fact, tuition and fees constitute only a meager means of public colleges and universities’ operation costs. There is not much room for tuition growth over the past years because the introduction of tuition and fees has hindered access to higher education for students from poor rural and urban families (Wu & Zheng, 2008). The increase in tuition and fees surpassed these families’ annual incomes by three to seven times between 2000 and 2005, which directly discouraged many students from low income families from attending higher education (Kong, 2006). Chinese government, therefore, set up a guideline required that tuition and fees should not exceed 35 percent of total educational expenditures (Sun, 2004). Any tuition increase may also be contingent upon central or local legislative approval, which also limits the potential role of tuition as a buffer for the declining budget.

The second path that Chinese higher education institutions sought in dealing with the pressure of enrollment explosion was to borrow from banks. Initiated by China’s Ministry of Education in 1998, the Bank-University Cooperation had strengthened China’s higher education development through revamping academic infrastructure, increasing the input to teaching and non-academic services (Peng & Yan, 2010) However, the accumulation of debt created its own problem. Before 2005, the total amount of loans that Chinese public higher education institutions owned was 150 to 200 billion Chinese Yuan. At the end of 2006, the debt reached 450-500 billion Chinese Yuan (Peng & Yan, 2010). The speed of accumulation and the amount of
debt the universities owe is enormous and they are facing severe payment problems and some of them are even on the edge of bankruptcy.

Many colleges and universities pay their old loans and interest with new loans. Others choose to cut down expenditures on teaching and services, resulting in dissatisfaction from both students, faculties and university staffs (Peng & Yan, 2010). The Blue Book of China’s Society 2006, a series of annual reports published by the Chinese Academy of Social Sciences addressing China’s social developments and predicted changes, warned that “colleges and universities’ loan could become another high risk loan after steel, cement and electrolytic aluminum in China” (Peng & Yan, 2010, p. 2).

Discussions on what triggered the payment risk of bank loans indicate several possibilities. First, some colleges and universities blindly used bank loans to enlarge their campuses instead of using them for academic activities. They built new offices and teaching buildings with useless luxury fitment and splendid gymnasium facilities (Peng & Yan, 2010). Second, many Chinese colleges and universities lack the knowledge of financial management, leaving the loans at great risk at the very beginning. Third, mutual-responsibilities of universities and banks are vague. No specific laws and regulations have been established to restrict their behaviors. Some public universities, as part of the assets of the State or local government, rely on government to pay the loans when financial risks occur. Even today, a plan to overcome these problems is not in sight as yet. And lastly, the fact that the society
paid too much attention to quantitative development helped create a university bubble and eventually a debt entanglement (Peng & Yan, 2010; Quosdorf, 2010).

Having experienced the limitations of financial channels, the Chinese government and universities continue to search for other revenue sources. Hence, the demand of the third type of revenues generated by commercializing R&D outcomes, and fundraising from private sources—higher education philanthropy—have been launched as a new funding strategy (Luo & Li, 2005).

Currently public universities and colleges are funded through three income streams in China: first, annual recurrent block funds through a per capita payment to an institution from either the central or local government in respect of a quota of student enrollments; second, tuition and miscellaneous fees reflecting prices set by provincial governments (typically 25-35 percent of estimated delivery costs); and third, additional income generated by commercializing R&D outcomes, and philanthropic support, namely, donations from private sources (Toshiko, 2010). Donations are expected to be an appropriate supplement to tuition, bank loans and the other third stream incomes, and to play an important role in supporting research, student scholarship and campus construction (Gu and Dai, 2010).

2.3.2 Recent Studies and Trends of Research of Higher Education

Philanthropy in China

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21 Research and Development
Chinese scholars’ research interest on higher education philanthropy started relatively late as philanthropic contribution as an important supplement to university funding has not been adopted by public universities which dominate the higher education market in China until the last decade. Scholars who have set foot in the field are university professors, masters and doctoral students and researchers working for research centers and management staffs of university foundations. They serve at different schools or departments and therefore are looking at higher education philanthropy from different perspectives (education, public administration, economics, finance and sociology). The commonly applied research methods by Chinese researchers who focus on higher education philanthropy include comparative study and case study.

The current available scholarly papers are generally focusing on two areas:

1. How do Chinese higher education institutions attract philanthropic giving?

2. How do they manage the philanthropic incomes namely the endowment?

Since philanthropy in higher education started relatively late in China, the vast majority of higher education institutions involved in attracting philanthropic giving are primarily working on the first area, and rarely have universities set foot in endowment management. Researchers have also spent more of their time on the same area: about 90 percent of research paper on higher education philanthropy in China are discussing how Chinese universities fundraise. Under the overarching question of how do Chinese universities fundraise, researchers have also looked into several sub
units, which play vital roles to the performance of fundraising: donors, the university foundations, the universities and their leaders, state and local governments and the market. Findings of these studies can be categorized in several perspectives: features, management, and organizational structures of university foundations in China; opportunities and problems of higher education philanthropy in China; government’s role in incentivizing donations to higher education; and recommendations to a regulatory, managerial and cultural friendly environment of higher education philanthropy.

2.3.1.1 Major Features of Higher Education Philanthropy in China

Chinese public universities have established educational foundations recent years to promote philanthropic giving as a supplement to their existing funding system. Many studies have addressed the features of China’s higher education philanthropy through observations to the university foundations.

Qian, Min (2011) had illustrated major features of higher education philanthropy and university foundations in China in the paper “The Research on the Financing Channel of University Education Foundation”.

Feature 1. University foundations have dual supervision and management system;

Feature 2. University foundations serve their own universities only;

Feature 3. University foundations are private foundations, meaning they are not permitted to raise fund from the public;
Feature 4. The major source of donation is alumni.

*Management and Organizational Structures of University Foundations in China*


**Organizational structure**: the organizational structure of Chinese universities’ foundation includes three major sections: Board of Trustees, responsible for hiring the foundation's president, overseeing the management and administration of the foundation and its assets; Board of Supervisors, responsible for supervising the works of the Board of Trustees and the foundation president; and The Secretariat Office which is to execute and enforce all decisions and daily works of the foundation. (Chen, 2010).

**Fundraising Strategies**: Chinese university foundations’ fundraising channels are largely dependent on the resources of their parent universities. Alumni’s giving contributes the majority of donations. University leaders often play the most important role in fundraising campaigns. Chen also points out that most Chinese university foundations need to hire professional fundraisers.
Purposes of Donation: donations generally go into four major areas:

Scholarship/fellowship, campus construction, academic projects and endowment.

Staff Motivation Mechanism: usually, two types of people work for Chinese university foundations: first type is the full-time staffs, the other is external program professionals. Salary and benefits for full-time staffs are fixed as they are university employees and are treated equally with all other staffs and there is barely any incentive for their performance. This can inevitably affect their enthusiasm for work, therefore universities are trying to find other ways to pay back their hard work, for example, year-end bonus. The payment for program professionals, who are hired temporarily by university foundations, is based on a market competitive paying system. Their performance determines payment.

Evaluation and Supervision: Chinese university foundations lack an effective evaluation and supervision system.

2.3.1.2 Challenges of Higher Education Philanthropy in China

An, Xiumei and Ning, Xiaohua (2012) provided their opinion on current challenges of university foundations in their paper “A Study of China’s Foundations of Higher Education Institutions in a Cooperative Point of View”.

Challenge 1. China’s higher education philanthropy needs more governmental support, especially regulatory and taxation incentives.
Challenge 2. Inadequate support, in terms of financing and management, from higher education institutions has limited the development of their foundations.

Challenge 3. University foundations are facing a relatively limited fundraising sources.

Challenge 4. University foundations need to promote management skill for their fund.

2.3.1.3 Recommendations to Higher Education Philanthropy in China

An and Ning (2012) also provided a practical way to promote universities’ performance in attracting philanthropic giving. They suggested university foundations, as the major fundraising entity, should cooperatively work with their own universities, the alumni associations, the state and local government, the broader society and the market.

The cooperation with university:

University related foundations in China, though formally independent, are essentially devoted to the interests and to some extent in the charge of their own universities. Such relationship can be a double-edged sword as a close tie with their own universities benefits and restricts foundation’s development at the same time. To maximize the advantages of such relationship, foundation should canvass university leaders’ support and cooperatively work with every schools and departments of the university.
The cooperation with alumni association:

Alumni is a significant resource to universities. In most countries, donations from alumni account for the biggest share of higher education philanthropic income. Cooperation with alumni association can be essential to the development of university foundations. Currently, university foundations in China cooperate with alumni association in three types:

1. Contained: the foundation and alumni association work together sharing the same offices. There is no distinct differentiation in terms of objectives, management and organization.

2. Separated: the foundation and alumni association work independently.

3. Cooperative: the foundation and alumni association on one hand have distinctive objectives and organization structures, and are on the other hand in close coordination. This type is recommended by scholars as the optimal working status of the two units.

The cooperation with government: the state and local governments can promote university foundations’ performance by establishing a philanthropy favorable regulatory environment and taxation system. The Chinese state government has set up several regulations relevant to philanthropy. Table 2 lists the most influential regulations. Higher education institutions should make full use of the current policies
and regulations to promote fundraising performance. Institutions should also consistently make energetic efforts to attract more regulatory intervention.

Table 2

Regulations on Philanthropy Development and Higher Education Philanthropy in China

<table>
<thead>
<tr>
<th>Time</th>
<th>Name of regulation</th>
<th>Purpose and achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>Regulation on the Administration of Foundation</td>
<td>to regulate organization and activities of foundations, maintaining legitimate rights and interests of foundations, donors and beneficiaries, and fostering the participation in public good by various social forces</td>
</tr>
<tr>
<td>2004</td>
<td>Notice of the Ministry of Finance and the State Administration of Taxation on Education Tax Policies</td>
<td>to foster the philanthropic participation in education</td>
</tr>
<tr>
<td>2006</td>
<td>Notice of the Ministry of Finance and the State Administration of the Regulation and Management of Pre-tax Deduction on Donations to Public Good Causes of Overseas Chinese Economic and Cultural Foundation of China and Four other Foundations</td>
<td>the debut of the first higher education foundation in China</td>
</tr>
<tr>
<td>2007</td>
<td>Notice of the Regulation and Management of Pre-tax Deduction on Donations to Public Good Causes</td>
<td>university foundations in China started to enjoy preferential taxation policies on private donation</td>
</tr>
<tr>
<td>2008</td>
<td>The Law of the People’s Republic of China on Enterprise Income Tax</td>
<td>to promote corporations philanthropic giving and foster the development of foundations</td>
</tr>
<tr>
<td>2009</td>
<td>The Interim Measures for the administration of the Matching Fund for Higher Education Institutions’ Donation Income</td>
<td>To encourage universities to generate more income sources</td>
</tr>
</tbody>
</table>

Source: An and Ning (2012)
The cooperation with society:

The cooperation with society means university foundations should make full use of various social resources and at the same time subject to public supervision.

2.3.3 Summary and Gap in Knowledge

The literature on higher education philanthropy in China has offered insights into the study of the development and current status of China’s higher education philanthropy, with particular emphasis on the development of university foundations. Yet, it remains a matter of serious concern in several aspects:

1. Since China’s philanthropy in higher education is in its infancy, the vast majority of studies in this field focuses on the history of philanthropy in China’s higher education, and introductory reviews of the development of university related foundations, with emphasis on their organization and management. Yet, there is a lack of serious thinking of the rationale of changes. Little has been revealed on examining the trigger and forces of philanthropy development in higher education institutions in China, and for what reasons have foundation and endowment been adopted by a growing number of universities in China to foster philanthropic income.

2. A comparative way of study has been employed to provide recommendations to philanthropy in China’s higher education. Yet, the recommendations show weak evidence to accrue philanthropic income in China’s higher education as the comparative studies are based almost solely upon learning the American experiences
which is distinctively different from China in culture, history and political environment.

3. The recommendations on increasing philanthropic income in China’s higher education seems also too broad and vague and there has rarely any concrete proposal or creative idea been raised, since very limited research regarding donors, policy incentives, and strategies of fundraising and endowment management has been conducted.

2.4 Organizational Change in Higher Education Institutions and Organization Life Circle

Organizational change theory posits that organizations are purposeful and adaptive (Burke, 1995; Kezar, 2001). Organizational change can occur because of external changes and/or internal features or decisions. For example, external environment has changed, or organization leaders see the necessity of change. The outcome of the change results in new structures or organizing principles (Burke, 2002; Carnall, 1995; Kezar, 2001).

Van de Ven and Poole (1995) points out the key aspects of the change process includes goal formulation, implementation, evaluation and modification. At the center of the process, leaders play the key role: they diagnose problems, search for solutions and set goals for addressing the change (Brill and Worth, 1997; Carnall, 1995; Kezar, 2001).
To understand organizational change in higher education, Adrianna Kezar (2001) outlines the six prevalent models of change in higher education: evolution, teleological, life cycle, dialectical, social cognition, and cultural. The complexity of higher education institutions may, in fact, demand two different models, particularly if change is occurring both on the academic and the professional sides of the organization (Kezar, 2001).

Richard L. Daft’s organizational life circle indicate that there are five levels/stages of any organization: birth, growth, maturity, decline and death (Daft & Murphy, 2010). Table 3. Organizational Life Circle shows different characteristics of organizations at different development stages.

Table 3
Organizational Life Circle by Richard L. Daft

<table>
<thead>
<tr>
<th></th>
<th>Birth</th>
<th>Youth</th>
<th>Midlife</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>small</td>
<td>medium</td>
<td>large</td>
<td>very large</td>
</tr>
<tr>
<td>Bureaucratic</td>
<td>nonbureaucratic</td>
<td>prebureaucratic</td>
<td>bureaucratic</td>
<td>very bureaucratic</td>
</tr>
<tr>
<td>Division of labor</td>
<td>overlapping tasks</td>
<td>some departments</td>
<td>many departments</td>
<td>extensive, with small jobs and many descriptions</td>
</tr>
<tr>
<td>Centralization</td>
<td>one-person rule</td>
<td>two leaders rule</td>
<td>two department heads</td>
<td>top-management heavy</td>
</tr>
<tr>
<td>Formalization</td>
<td>no written rules</td>
<td>few rules</td>
<td>policy and procedures manuals</td>
<td>extensive</td>
</tr>
<tr>
<td>Administrative intensity</td>
<td>secretary, no professional staff</td>
<td>increasing clerical and maintenance</td>
<td>increasing professional and staff support</td>
<td>large-- multiple departments</td>
</tr>
<tr>
<td>--------------------------</td>
<td>----------------------------------</td>
<td>--------------------------------------</td>
<td>------------------------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Internal systems</td>
<td>nonexistent</td>
<td>crude budget and information system</td>
<td>control systems in place; budget, performance, reports, etc..</td>
<td>extensive -- planning, financial, and personnel added</td>
</tr>
<tr>
<td>Lateral teams, tasks forces for coordination</td>
<td>none</td>
<td>top leaders only</td>
<td>some use of integrators and task forces</td>
<td>frequent at lower levels to break down bureaucracy</td>
</tr>
</tbody>
</table>

Source: Daft, 2008
CHAPTER THREE: RESEARCH METHODOLOGY

This chapter discusses qualitative research design as the research methodology for this study. The chapter begins with a discussion on why qualitative research fits this study. The chapter then carefully elaborates on the two methods of qualitative research that were applied for this study: case study and documentary analysis.

3.1 Research Design: Qualitative Research

According to the research question “what are the historical forces that have led to the development of philanthropy in China’s public higher education from 1999 to 2012?”, the primary concern of this study was to investigate the development of Chinese university-related foundations: what are the influential factors behind their development, and how they have impacted the financial environment of Chinese public universities. In order to understand higher education philanthropy in a larger sense and with the aim of providing recommendations for its development in China, this study has also explored valuable lessons learned from international experiences. To achieve the goals, qualitative research design has been employed by conducting case study and documentary analysis as the principle methodology.

The reason that qualitative research was selected for this study was primarily due to its characteristics of leaning suggested by Morse (1991) “a concept which is immature due to a conspicuous lack of theory and previous research, a notion that the available theory may be inaccurate, inappropriate, incorrect, or biased, a need exists to explore and describe the phenomena and to develop theory, or the nature of the
phenomenon may not be suited to quantitative measures” (as cited in Creswell, 2009, p. 6). As stated in problem statement in Chapter One, higher education philanthropy and university related foundations in China are newly emerged phenomenon to which theories and research have been underdeveloped. Little has been revealed on examining the trigger and forces of philanthropic development in higher education institutions in China, and for what reasons have foundation and endowment been adopted by a growing number of universities in China to foster philanthropic income. Plus, there is a lack of serious thinking of the rationale of changes to higher education institutions and their foundations. There are also inaccurate and incorrect learning about higher education philanthropy in the related Chinese literature. For example as stated in Chapter Two, a comparative way of study has been employed to provide recommendations to philanthropy in China’s higher education. Yet, the recommendations show weak evidence to accrue philanthropic income in China’s higher education as the comparative studies are based almost solely upon learning the American experiences which is distinctively different from China in culture, history and political environment. For these reasons, qualitative research design is appropriate for this study.

A qualitative research design fits this study also due to its responsiveness in nature of the research process. Not “attempting to predict what may happen in the future”, but as an effort to understand the situations in uniqueness of particular settings, qualitative research design serves the best in understanding the nature of the
setting in particular “as part of a particular context and the interactions there” suggested by Patton (1985) (as cited in Merriam, 2001, p. 6). As Patton (1985) also addressed that qualitative research allows researchers to explore “what their means for participants to be in that setting, what’s going on for them, what their meanings are, what the world looks like in that particular setting” (as cited in Merriam, 2001, p. 6).

Additionally, qualitative research allows researchers to use a variety of data collection techniques, such as interview and document analysis, with substantial flexibility. Such flexibility helps researchers to adapt to changing conditions and enables them to collect data from a wide range of sources including participants’ words, articles from newspaper, books, journal articles, and other official/personal documents (Merriam, 2001).

For sub research questions number one to four, which were designed to understand higher education philanthropy and the development of university foundations in China, I applied case study as the research method. Reasons for selecting case study as the method and the research process are illustrated in 3.2 of this chapter. The four sub questions are: (1) what role do higher education foundations play in generating philanthropic income for public universities in China? (2) what organizational changes have taken place to the foundations since their establishment? (3) what forces and incentives have led to the changes? (4) what opportunities and challenges do the foundations face to increase philanthropic income?
For sub research question number five, which were designed to explore higher education philanthropy and the role of university related foundations, I applied documentary analysis as the research method. The question is: (5) what lessons can be learned from international experience? Reasons for selecting documentary analysis as the method and the research process are addressed in 3.3 of this chapter.

### 3.2 Case Study as A Research Method

The reason that case study was selected as one of the research methods of this study was due to its nature in “retaining the holistic and meaningful characteristics of real-life events—such as individual life cycles, small group behavior, organizational and managerial processes, neighborhood change, school performance, international relations, and the maturation of industries” (Yin, 2008, p. 4).

According to Yin (2008), a case study is “an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context” (Yin, 2008, p. 18). Case study method strengthens research outcomes when investigators seek to “explain some present circumstance”, and when research questions are led by asking “how”, “what” or “why” (Yin, 2008, p. 4; Creswell, 1998; Merriam, 2001). Case study also has particular strength in dealing with “a full variety of evidence—documents, artifacts, interviews, and observations” (Yin, 2008, p. 11). It provides substantial support to investigators more than other methods such as surveys or experiment, as it can cope with complicated situations when there are “more variables of interest”, “multiple sources of evidence”, and when investigators need to
apply “prior development of theoretical propositions” as guidances to data collection and analysis (Yin, 2008, p. 18). Additionally, findings of case study usually enables investigators to “expand and generalize theories” in that findings of case study are particularly generalizable to theoretical propositions and not to populations or universes” (Yin, 2008, p. 15).

Finally, case study designs are especially effective when there are under-studied phenomena (Merriam, 1988; Yin 2008). As discussed in Chapter Two: literature review, fundraising for higher education institutions and the development of university related foundations in China had little, if any, empirical data based on a qualitative research design. As under-studied phenomena, higher education philanthropy in China formed a topic that warrants examination through a case study research design.

To summarize, for these reasons, case study method allows me to explore the complexity of the historical development and current status of higher university related foundations in China.

### 3.2.1 Multiple-Case Study Design

This research study employed a case study approach to collect data utilizing a “multiple-case” which provides more “compelling” and “robust” findings than a “single-case design” (Yin, 2008, p. 53). A carefully designed multiple-case study, consisting three cases which are “literal replications” to each other, has been conducted during the period from mid 2012 to early 2013 (Yin, 2008, p. 53). It was
exploratory and descriptive in approach (Yin, 2008).

A multiple-case design has enabled me to include a much wider perspectives on the topic of this study than a single-case can do. It is more likely that a multiple-case design can produce a “thick” description on the topic in which findings are expandable and generalizable (Geertz, 1973, p. 5; Yin, 2008). Additionally, by comparing and contrasting fundraising efforts at three universities, the study provided comparative data that a single case alone could not furnish. The comparative data may have provided greater confidence in understanding the research questions than findings from one site alone. For these reasons, the multiple-case study design, consisting three participating universities, was a suitable research design for the study.

3.2.2 Theoretical Framework

The primary purposes of the case-study are to explore the development of higher education philanthropy in China, with emphasis on organizational development of university related foundations which act as the major income channel for higher education philanthropy currently in China. More specifically, the case-study aimed at finding out three perspectives of organizational development: (a) what organizational changes have taken place in the three universities? (b) why did the changes happened? (c) how and to what stage have educational foundations of the three universities developed according to organizational development? For these particular reasons, the theories of organizational change (Burke, 1995; Carnall, 1995; Kezar, 2001; Van de Ven and Poole, 1995) and organizational life circle (Daft & Murphy, 2010) were
adopted.

Organizational change theory posits that organizations are purposeful and adaptive (Burke, 1995; Kezar, 2001). Organizational change can occur because of external changes and/or internal features or decisions. For example, external environment has changed, or organization leaders see the necessity of change. The outcome of the change results in new structures or organizing principles (Burke, 2002; Carnall, 1995; Kezar, 2001). At the center of the process of change, leaders play the key role: they diagnose problems, search for solutions and set goals for addressing the change (Brill and Worth, 1997; Carnall, 1995; Kezar, 2001). Richard L. Daft’s organizational life circle indicates that there are five levels/stages of any organization: birth, growth, maturity, decline and death (Daft & Murphy, 2010).

Both theories are relevant to the study’s purpose. According to organizational change theory, changes can occur when external and/or internal environment changes. For this study, the external factors for the development of higher education philanthropy in China could be (a) a changing social environment, for example, a decrease in public funding to higher education institutions and (b) new policies and governmental incentives favoring higher education philanthropy such as the State Government’s matching fund. Accordingly, the internal factors may include (c) leadership from university presidents who has seen the necessity for change. Organizational life circle may help to understand opportunity and challenges of different universities and their foundations, as each university and foundation have
their own speed and process of development.

3.2.3 Site Selection and Description

The selection of subjects was based on “purposeful sampling” which is stated by Patton (1990) as better than “random sampling” under the circumstances of limited time and budget (Patton, 1990). Beyond time and budget restrain, Patton also addresses that the logic and power of purposeful sampling lies in selecting information-rich cases for study in depth. Information-rich cases are those from which one can learn a great deal about issues of central importance to the purpose of the research, thus the term purposeful sampling” (Patton, 1990). If I had randomly selected subjects, it is likely that the selected cases might not have been able to substantially reflect the condition and development patterns of educational foundations of higher education institutions in China.

Following the recommendations of qualitative and case study researchers, I decided to include three universities in the study to provide comparative case study data while collecting rich, qualitative data called for by researchers and practitioners that would not be possible with a larger sample (Creswell, 2005; Merriam, 1988; 2002; Yin, 1994; 2003). According to statistics about university related foundations in China provided by publications from the Ministry of Civil Affairs22 and the Foundation Center China23, there were 214 university- or higher education related

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22 The Ministry of Civil Affairs is the major governmental body supervising higher education foundations.
23 Foundation Center China is one of the major institutions providing professional reports on higher education foundations
foundations by the end of 2011 (Foundation Center China, 2013; Ministry of Civil Affairs, 2013). Generally speaking, there are two types of such foundations in China, one is those that are registered with the Ministry of Civil Affairs of the State Government, the other refers to those that are registered with local governments. It is required by the Regulation on Foundation Administration that all non-public foundations registered with the Ministry of Civil Affairs of the State Government must have an minimum initial fund of ¥20 million. For those registered with local governments, there is a much lower requirement on their initial fund which is ¥2 million—10 times lesser than the requirement from the State Government’s. Among all of the 214 foundations, there are 13 university related foundations that are registered with the Ministry of Civil Affairs of the State Government, representing 6 percent of the total number of university foundations. Despite of their lower percentage in total number of university foundations, in fact, these 13 foundations have manifested significantly higher representativeness of higher education foundations in China. The majority of the 13 foundations were established long before the recent governmental incentives on higher education philanthropy such as the State Government Matching Fund announced in 2009. On the contrary, most of the foundations registered with local governments were established after 2009. Because

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24 99% percent of all higher education foundations in China are non-public (offering) foundations meaning they shall not solicit donations from public funds, the rest are public (offering) foundation meaning they can solicit donations from public funds (Foundation management regulations, 2004).

25 The Regulation stipulates that the minimum initial fund of non-public foundations is ¥20 million ($3.3 million based on an exchange rate of six Chinese RMB to one US dollar, and is ¥8 million ($1.3 million) for public foundations.
of longer history, these 13 foundations have special value for investigator like me who is interested in exploring organizational change of their development.

From the list of the 13 foundations and their universities, using purposeful and extreme case-sampling strategies, I selected three universities which are public research universities and have manifested substantial increase in philanthropic income and organizational development of their foundations since establishment. Yet, each of them had demonstrated variations in many aspects, meaning they were not simply replication to each other (Creswell, 2005; Merriam, 1988; Yin, 2008). Another influential factor for the selection of participating institutions of this study was location. I selected universities and foundations located in Beijing to conduct the study, because Beijing is the most popular target for higher education philanthropy according to finding of my research which is stated in Chapter Four. For example, Beijing is the number one in total amount of donation income for higher education institutions in China in 2011. Beijing also has the most university related foundations that are registered with the Ministry of Civil Affairs. Additionally, because of personal connections with the three universities, I was able to access to both published and unpublished data sources and had opportunity to interview important people who can provide most information to the study, for example, university presidents and secretary general of the foundations. Also, because of time and budget restrain, it was impossible for me to include all of the 13 foundations and their universities in the study. Hence, for these reasons, I decided to include three cases into the study.
The three cases are identified as University A (Foundation A), University B (Foundation B) and University C (Foundation C). University A is China’s top ranking university. It is the pioneer in the field of higher education philanthropy, and is representing the best performance in higher education fundraising. Having been actively engaging in fundraising for more than 15 years, University A now has foundations not only in China mainland, but has spread out arms to overseas financial sources. It’s foundation in Beijing has the most complex structure of organization among all Chinese university related foundations. University B and C also represent highly selective ones in China. Their attempts in searching for philanthropic support began only in recent years, but have already achieved remarkable success. Yet, comparing with University A, the two followers has manifested differences in development, for example, in organizational structures and development patterns.

The study profiles of the three cases are included in Chapter Five.

3.2.4 Data Collection

This study employed two methods of collecting data used in qualitative inquiries: interviewing and document/record collection and review (Yin, 2008). Research instruments applied in this study include: one-on-one interview protocols and retrieval of institutional documents and archival information. Before embarking on data collection, two important preparatory procedures were completed (a) the IRB approval from the Institutional Review Board of Seton Hall University, and (b) an initial contact with “gatekeepers” of each participating universities to make sure that
my study is secured from both sides (Creswell, 2009, p. 209).

3.2.4.1 IRB Procedures

Before officially inviting universities and foundations to participate in this study, I secured IRB approval from the Institutional Review Board of Seton Hall University. Upon receiving the approval letter, I contacted “gatekeepers” of the participating institutions (Creswell, 2009, p. 209). “Gatekeepers” refer to crucial individuals who provide “entrance to a site, helps researchers locate people, and assists in the identification of places to study” (Creswell, 2009, p. 209). “Gatekeepers” to this study were presidents of universities and secretary generals of foundations (Creswell, 2009, p. 209). Besides oral approval, they signed the Interview Permission Letter and also read the Letter of Solicitation in both English and Chinese versions which were required by the IRB requirement.

3.2.4.2 Interviews

At each of the three participating institutions, semi-structured, one-on-one interviews with individuals who were directly participating in higher education philanthropy, were conducted for the quality and comprehensive nature of the information they are able to provide (Patton, 2002). Interviews can capture narrative data of participants’ opinions, knowledge and perceptions about the research topic (Glensne, 1999). In-depth interviewing enables an examination of nuances that may have been missed by many quantitative research instruments (Patton, 2002). Semi-structured interviews, to be specific, have particular strength in examining an
under-studied topic (Merriam, 1998). Investigators could “respond to the situation at hand, to the emerging worldview of the respondent, and to new ideas on the topic” (Merriam, 1998, p. 74). Such a “probing” process provides flexibility to the entire interview and enables interviewees to raise new ideas apart from the interview script. (Creswell, 2009; Merriam, 1988).

For each participating institution, I interviewed three people who were directly involved in strategic planning of generating philanthropic income like the university presidents and those who were in charge of operational works of foundations like the secretary generals and staff members of important positions. I purposefully selected interviewees from three levels aiming at obtaining information from more points of view: (a) university presidents, representing the strategic planning of philanthropic income to finance their universities. Their insights and opinions may also reflect government’s will in higher education philanthropy; (b) leaders (secretary generals) of foundations who are with the best knowledge of the overall development of the foundations; (c) staff members of foundations who were responsible for important tasks.

To the convenience of the participants, interviews were conducted in their offices. Before interviews, they were given the Letter of Consent in both English and Chinese. Audio recording was conducted for each interview with permission from interviewees. Interviews were carried out in Chinese language only according to the interview protocol. The length of interviews varied from 20 minutes to 90 minutes, while most
interviews were 30 to 45 minutes. During interviews, the following questions were addressed:

1. What was the background of the establishment of your university’s foundation and its current status?

2. What incentives from the government and your mother university have influenced the foundation’s development?

3. What do you believe have been the most important forces to its development?

4. What are your and other staff members’ responsibilities for the foundation?

5. What role does the foundation play in supporting the university?

6. In your opinion, what challenges and opportunities do the foundation face?

For the validation of the interview protocol, members of my dissertation committee reviewed the questions and provided insightful suggestions for improvement. After their review, I conducted the first interview with the secretary general of Foundation B as a pilot test. It was audio recorded. Result of the test helped determines of such things as the length of time for each interview and the logical flow of the interview questions. According to the pilot test, I established 45 minutes as the interview length to respect the busy schedules of interviewees and also to ensure that there was enough time to address all the prepared questions. The pilot test had also demonstrated great importance to questions such as what should be asked during interviews? As a result of the test, some of the interview questions were altered.
I interviewed most participants just once because information provided in the interviews was enough for this study. However, a second interview was conducted with secretary generals of some foundations for follow-up and clarifying some of their viewpoints. Each interview contains four major parts: (a) an introduction to my goals in this study; (b) all of the interview questions were addressed then; (c) probing questions were asked when there was reason to have interviewees elaborate on issues or ideas raised during the course of interviews. (c) at the conclusion of interview, open-ended questions were asked such as “is there anything that you believe are important but have not been addressed in our conversation?”. After interviews with each case, field notes and transcriptions of the interviews were created.

After all interviews, I restored the recordings into a flash drive and deleted the original audio files from the digital audio recorder which was used at the interviews. I locked the flash drive into a draw after transcription of all recordings were finished. Purpose of such behavior was to ensure the confidentiality of the participants and preserve data integrity in light of the IRB guidelines.

3.2.4.3 Document Analysis

A variety of documents, both public records and private documents, were retrieved for analysis in this study (Creswell, 2008). Qualitative researchers suggest that documents provide important information and insight to phenomena that investigators are not able to observe (Merten, 1998). Documents are also unobtrusive data sources for investigators to gather data and to develop understanding of the
setting and events of the concerns and/or phenomena (Merriam, 2001). Both public and private documents had offered informative materials to my study.

Retrieval of public documents, records and archives were completed before and after interviews with each foundation for this study. Major data sources included annual reports of each foundation, important meeting memos, web-based articles, newspaper articles, and research papers from related researchers and professionals. During site visits, documents and archives, such as annual reports, regulations of foundations’ work, and donor information were collected from foundation staffs. Documents and archives were also retrieved from (a) the foundations’ websites (history, organizational structure, program statements and events of the foundations, information about donors and recipients, and memos of Board meetings); (b) data bases of each university library (institutional memorandums on the establishment of the foundations), (c) data bases of external sources such as the websites of the Ministry of Civil Affairs and the Foundation Center China (financial reports and analytic articles of the foundations), and (d) data bases of the State Library in Beijing (national statistics and regulations for higher education philanthropy and previous research studies on the three participating institutions).

In light of the recommendations from Peshkin (1998), I also established subjectivity memorandums for the dissertation (Peshkin, 1998). Such memorandums provides data to review a study’s document trail which enables readers to judge the quality of the study. It also help other researchers to replicate the study in another
time and place (Peshkin, 1998). I created memorandums at different stages throughout the project, reflecting the research process and my personal thoughts on the study. These memorandums are included in the appendix (See Appendix J).

### 3.2.5 Data Analysis

The ultimate goal for data analysis was to approach the qualitative standard of “thick analysis” (Geertz, 1973). Thick analysis enables researchers to derive the essence from the data and capture nuances of the data in order to produce findings that address the research questions in a robust manner (Geertz, 1973).

In order to create a clear trail of the evidence, making for greater credibility in the research findings, I documented materials and transcribed the audio recordings immediately after each interview (Patton 2002). By hand-analyzing the data rather than computer analysis, I was fully engaged in the data and my knowledge about the data was increased as a result.

After transcribing and documenting the data, they were segmented and labeled in the coding process which serves as the central data analysis procedure (Creswell, 2009). Creswell (2008) suggests that the basic procedures for coding should include (a) understanding the data on the whole before entering into specific categories; (b) dividing data into codes in accordance with the emerging themes from the data; (c) examining the codes; and (d) collapsing the codes into larger themes (Creswell, 2009; Yin, 2008). Another method of coding is thematic analysis which is a method to categorize and analyze collected data from interviews and documents (Boyatzis,
According to Boyatzis (1998), thematic analysis is a process of “encoding qualitative information” (p. vii). It allows researchers to develop codes, words or phrases that serve as labels for sections of data in accordance with the research questions (Boyatzis, 1998). Patton (2002) describes theme analysis as the process of identifying themes, patterns and core consistencies from a broad reading of qualitative material (Patton, 2002). Combining these methods and suggestions, I analyzed the data in the following steps:

   Step 1. I reviewed all data about an individual case—a process of within-case analysis (Merriam, 2008). By reviewing all data about the case, I was able to get a sense of the case.

   Step 2. I made notes and sort them into categories according to the research questions.

   Step 3. Important data, which were not able to sort into categories in accordance with the research questions, was labeled and sorted into newly created groups by utilizing axial coding techniques to identify a central theme for these data (Strauss & Corbin, 1998).

   Step 4. I corrected the research questions to ensure that I was asking the right questions to understand the topic of this study.

   Step 5. I wrote individual case report for each case addressing findings generated from each case in accordance with the altered research questions.
Step 6. After completing analysis of all three cases, I conducted cross-case analysis to determine similarity, differences and possible relationships among cases (Yin, 2009). This step involves (a) a comparative method which looks for similarities and disparities among cases by using axial coding procedures again to record the commonalities and contradictions (Strauss & Corbin, 1998) and (b) a compare and contrast process of the outcomes across the cases.

Step 7. Upon completing the cross-case analysis, I established a cross-case report following Yin’s (2009) suggestion by drawing a cross-case conclusion and modifying findings (Yin, 2009).

At the end of the entire analyzing process, I displayed findings of both internal and cross-cases in Chapter Five. For each internal-case report, I used words, tables and figures to organize data and displayed findings following orders of the research questions. For the cross-case analysis, I also created a demographic table to compare and contrast contextual information for each of the three cases (Creswell, 2008). It provides a visual display of the commonalities and contradiction of the three cases.

3.3 Documentary Analysis as A Research Method

3.3.1 Documentary Analysis and Types of Documents

At the end of Chapter Two Literature Review, I summarized problems of the Chinese literature on higher education philanthropy. Two concerns are of special interest to issues of my study for this dissertation. First, a comparative way of study
has been employed to provide recommendations to philanthropy in China’s higher education. Yet, the recommendations show weak evidence to accrue philanthropic income in China’s higher education in that those comparative studies are based almost solely upon learning the American experiences which is distinctively different from China in culture, history and political environment. Secondly, the recommendations on increasing philanthropic income in China’s higher education seems also too broad and vague and there has rarely any concrete proposal or creative idea been raised, since very limited research regarding donors, policy incentives, and strategies of fundraising and endowment management has been conducted. For these reasons, I applied documentary analysis to investigate higher education philanthropy on a worldwide scale. Purposes of the analysis were to offer genuine and reliable information about higher education philanthropy on a worldwide scale, and to produce creative and practical recommendations derived from successful international experience with the aim of increasing philanthropic income for higher education institutions in China.

Documentary analysis is a form of qualitative research in which documents are categorized, investigated, and interpreted to give voice and meaning about the topic that researchers wish to study (Bailey, 1994; Payne & Payne 2004). The use of existing data collected for the purposes of a prior study serves as a technique for researchers to analyze documents that contain information about the phenomenon that are being investigated (Bailey, 1994; Heaton, 1998).
Documents are written text that are produced by individuals and groups in the course of their everyday practices and are geared exclusively for their own immediate practical needs (Scott, 1990). They have been created with a purpose and are based on particular assumptions and presented in a certain way or style (Grix, 2001). Documents are not deliberately produced for the purpose of research, hence researchers must be fully aware of the original purposes (Payne and Payne 2004).

There are two types of documents that are used in documentary study: primary and secondary documents. Primary documents refer to “eye-witness accounts produced by people who experienced the particular event or the behaviour we want to study” (Bailey, 1994, p. 194). Secondary documents refer to “documents produced by people who were not present at the scene but who received eye-witness accounts to compile the documents, or have read eye-witness accounts” (Bailey 1994, p. 194).

Documents also range from public through private to personal documents. Public document sources include government publications such as policy statements, census reports, statistical bulletins, ministerial or departmental annual reports, consultancy reports, etc. Public sources also include official records of organizations’ activities such as mission statements, annual reports, policy manuals, strategic plans. Private documents often emanate from civil society organizations such as private sector businesses and non-governmental organizations. They include meeting memos, advertisements, invoices, personnel records, training manuals, and annual reports, etc. Some other artifacts, such as flyers, agendas, handbooks, and posters, are also
considered as part of private documents called *physical evidence*. *Personal documents* refers to “first-person accounts of an individual’s actions, experiences, and beliefs” such as autobiographies, emails, blogs, Facebook posts, incident reports, reflections, journals, diaries, personal letters, etc (Bailey, 1994; Grinyer, 2009).

By analyzing a series of secondary public and private documents, I was able to explore development about higher education philanthropy in a few countries. Analysis to the documents provided insight in understanding higher education philanthropy and the role of university related foundations on a worldwide scale. It was such a project that I was not able to accomplish by using other types of research method due to limited time and budget.

**3.3.2 Data Handling**

Scott (1990) suggested that data must be handled scientifically and has formulated four criteria for handling documentary sources: (a) authenticity, indicating data must from genuine and impeccable sources; (b) credibility, suggesting evidence must be typical of its kind; (c) representativeness, referring to the consulted documents must be representative of the totality of the relevant documents; and (d) meaning, requiring that all data must be clear and comprehensive (Scott, 1990). Documents collected exclusively from internet to understand issues of this study include:
the US reports on national surveys: “Voluntary Support of Education 2003-2011” from the Council for Aid to Education, a national nonprofit organization, providing source of empirical data on charitable giving to American education;


- The Australian government report: “Philanthropy in Australia’s Higher Education System”;


- Conference speech from D. Bruce Johnstone (2004), university professor of higher and comparative Education, director of the center for comparative and global studies in education, and director of the international comparative higher education finance and accessibility project at the State University of New York at Buffalo: “University Revenue Diversification through Philanthropy: International Perspectives”.

The general principle of analyzing documentary data are no different from the document analysis techniques applied as part of case study method for this study elaborated in 3.2.5 of this chapter. Major steps are as follows:
Step 1. I reviewed all data about higher education philanthropy of each country.

Step 2. I made notes and sort them into categories.

Step 3. I wrote reports for each country.

Step 4. After completing analysis of all countries, I conducted analysis to determine similarity, differences and possible relationships among countries. This step involves (a) a comparative method which looks for similarities and disparities among cases by using axial coding procedures again to record the commonalities and contradictions (Strauss & Corbin, 1998) and (b) a compare and contrast process of the outcomes across the cases.

Step 5. Upon completing the final analysis, I established a report drawing a conclusion and findings.

At the end of the entire analyzing process, I displayed findings in Chapter Six. For each country, I used words, tables and figures to organize data and displayed findings following orders of the research questions. For the final analysis, I created a demographic table to compare and contrast contextual information for all the countries (Creswell, 2008). It provides a visual display of their commonalities and contradiction.
CHAPTER FOUR: HIGHER EDUCATION PHILANTHROPY IN CHINA

This chapter begins with a discussion on the emergence of higher education philanthropy in China. Immediately after the discussion, this chapter introduces the development of university related foundations in China, with an emphasis on net assets, annual income and financial management of the foundations.

4.1 The Emergence of University Related Foundations

In early 1990s, a few Chinese public universities had occasionally received philanthropic gifts from either wealthy alumni or eminent philanthropists. In 1994 and 1995, Tsinghua and Beijing Universities established the first higher education foundations in China Mainland. In the early stage of development, higher education foundations were strictly supervised by the State and local governments. Universities faced a tardy procedure to establish a foundation, resulting in a very slow increase in both the number of higher education foundations and the amount of incomes they received. For example, Foundations such as the Tsinghua and Beijing Universities Foundations were supervised by three government institutions: Ministry of Education, the People’s Bank of China and Ministry of Civil Affairs (Deng, 2011).

Started from 1999, a number of influential policies driving philanthropic income have been established by the Chinese government. For example, the 21st Century Education Revitalization Plan in 1999 and the Stimulation Plan for Education 2003-2007 stated the importance of higher education philanthropy in financing education and urged universities to seek donations and investments through
establishing their own foundations (Gu & Dai, 2010). The *Foundation Management Ordinance* by the Chinese State Council is another influential policy as it provides a legal basis for universities’ fundraising activities. The publishing of the Ordinance broke the government dominance in fundraising. It allows enterprises, individuals and social organizations to establish private foundations (Lu & Nan, 2013). The incentives for Chinese universities to aggressively expand fundraising capacity was from 2009 when the State budget established the *Tentative Procedures of the Matching Fund to 111 universities attached to the Administration of Central Ministries*. This policy provides a 1:1 matching fund to designated universities to allow them to raise external funds. The government had also simplified the registration procedure and lowered registration requirements for the establishment of higher education foundations. (Zhang, 2010; Central Government of China, 2010; Deng, 2011). The the most recent *Social Development FYP2006-2010 and the National Guidelines of Philanthropy Development 2011-2015* has confirmed the government’s determination in accelerating a “Harmonious Socialist Society” through developing and regulating the philanthropic sector (Lu & Nan, 2013, p23).

As a result of these new policies, there has been an increasing number of Chinese universities searching for private donations (Gu & Dai 2010). Studies indicate that in China higher education institutions that established related foundations have received more philanthropic incomes compared with institutions that do not have foundations (Deng, 2011).
In addition to policy and regulatory incentives, the Chinese Government also adopted advanced taxation system to encourage philanthropic gifts to education. There are two kinds of tax incentives: pretax deduction and tax exemption. The Law on Individual Income Tax and the Law on Corporate Income Tax respectively regulate individual and corporate donations (Lu and Nan, 2013).

Individuals who donate income to educational and other public welfare undertakings, through social organizations or government agencies in the People’s Republic of China, can deduct that part of the donation which does not exceed 30 percent of the amount of taxable income declared by the individual—Individual Income Law Article 24 (Law on Individual Income Tax of the People of Republic of China, 2011);

With regard to an enterprise’s expenditures for public welfare donations, the portion that accounts for 12 percent of the total annual profits, or less, is allowed to be deducted—The Law on Corporate Income Tax (Law on Corporate Income Tax of the People of Republic of China, 2011)

In the early stage of development, the majority of donations came from Hong Kong, Macao, Taiwan and other overseas countries and regions, and barely any of the
donors were alumni from universities in China Mainland. Yet, as China’s rapid economic growth have created a great number of entrepreneurs, an increasing number of them have joint the third stream financing of higher education. In 2010, the majority of philanthropic income of higher education foundations came from China Mainland (66%), Hong Kong, Macao and Taiwan Regions (18%), and other overseas sources (16%). The map of philanthropic funding sources to China’s higher education had changed. Studies have also found that 80 percent of the total philanthropic contribution was dedicated by alumni of universities from China Mainland (Deng, 2012).

Currently, the common purposes of donations to higher education foundations include and not limited to scholarship and grants to students and faculty members, research and teaching development fund and support of campus infrastructural construction. Other than cash donation, Chinese higher education foundations have also received a variety of gifts such as real estate, companies’ shares, stock rights, bonds and legacies (Deng, 2012).

4.2 Development of University Related Foundations

Due to a series of governmental incentives, there has been a rapid increase in newly established university related foundations in China. By 2009 there were about 50 university- or higher education related foundations (Gu & Dai 2010). The number quickly jumped to 214 by the end of 2011 according to statistics from the Foundation Center China (Foundation Center China, 2013).
4.2.1 Net Assets of University Related Foundations

Statistics also shows that by 2011, the total net assets of university related foundations was ¥11.6 billion (Chinese RMB), equaling to $1.8 billion\textsuperscript{26}. Net assets of the top five foundations, Tsinghua, Beijing, Zhejiang, Nanjing and Shanghai Jiaotong Universities’ foundations, accounted for almost half of the total assets. Together, the five foundations owned a total of ¥5.4 billion ($860 million), representing 46.7% of total assets of higher education foundations in China. Yet, the rest owned an average of less than ¥20 million ($3 million).

Table 4 shows the net assets of the top 40 university foundations by 2011. Each of the 40 foundations owns net assets of at least ¥50 million, equaling to $8 million, representing the largest by assets among all university related foundations in China. Among the 40 foundations, there are 22 (the top 22) that each owned more than ¥100 million ($16 million). The top two foundations were Tsinghua and Beijing Universities Foundations: each owned over ¥1 billion (Tsinghua University Foundation had ¥2 billion equaling to $320 million and Beijing University Foundation had ¥1.5 billion equaling to $235 million.).

Further analysis to the top 40 foundations shows a geographic trend: 32 out of 40 locate in east China. Private wealth to higher education foundations concentrates at four places: Beijing City, Shanghai City, Jiangsu Province and Zhejiang Province. The four places are all in east China, with Beijing locates in further up north and the

\textsuperscript{26} The exchange rate is ¥630 against $100 according to rate in 2011.
rest three locate close together along the east coast.

Table 4
Top University Related Foundations in China by Total Net Assets in 2011

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Foundations</th>
<th>Location</th>
<th>Net Assets (in Chinese RMB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tsinghua University Education Foundation</td>
<td>Beijing</td>
<td>2,018,761,630.00</td>
</tr>
<tr>
<td>2</td>
<td>Beijing University Education Foundation</td>
<td>Beijing</td>
<td>1,482,432,414.76</td>
</tr>
<tr>
<td>3</td>
<td>Zhejiang University Education Foundation</td>
<td>Zhejiang</td>
<td>805,597,296.00</td>
</tr>
<tr>
<td>4</td>
<td>Nanjing University Education Development Foundation</td>
<td>Jiangsu</td>
<td>631,530,880.90</td>
</tr>
<tr>
<td>5</td>
<td>Shanghai Jiaotong University Education Development Foundation</td>
<td>Shanghai</td>
<td>500,329,124.62</td>
</tr>
<tr>
<td>6</td>
<td>Soochow University Education Development Foundation</td>
<td>Jiangsu</td>
<td>320,815,612.09</td>
</tr>
<tr>
<td>7</td>
<td>Beijing Normal University Education Foundation</td>
<td>Beijing</td>
<td>238,922,776.83</td>
</tr>
<tr>
<td>8</td>
<td>Nanjing University of Aeronautics and Astronautics Education Foundation</td>
<td>Jiangsu</td>
<td>219,120,120.76</td>
</tr>
<tr>
<td>9</td>
<td>Nanjing Forestry University Education Foundation</td>
<td>Jiangsu</td>
<td>197,695,637.31</td>
</tr>
<tr>
<td>10</td>
<td>Beijing Jiaotong University Education Foundation</td>
<td>Beijing</td>
<td>191,425,807.75</td>
</tr>
<tr>
<td>11</td>
<td>Renmin University Education Foundation</td>
<td>Beijing</td>
<td>190,658,827.25</td>
</tr>
<tr>
<td>12</td>
<td>Fudan University Education Foundation</td>
<td>Shanghai</td>
<td>189,276,663.88</td>
</tr>
<tr>
<td>13</td>
<td>Nanjing University of Information Science &amp; Technology Education Foundation</td>
<td>Jiangsu</td>
<td>182,723,772.30</td>
</tr>
<tr>
<td></td>
<td>Institution Name</td>
<td>Province</td>
<td>Amount</td>
</tr>
<tr>
<td>---</td>
<td>----------------------------------------</td>
<td>----------</td>
<td>-------------</td>
</tr>
<tr>
<td>14</td>
<td>Nanjing Audit University Education Foundation</td>
<td>Jiangsu</td>
<td>180,680,905.96</td>
</tr>
<tr>
<td>15</td>
<td>Jiangsu University Education Foundation</td>
<td>Jiangsu</td>
<td>171,194,786.48</td>
</tr>
<tr>
<td>16</td>
<td>Nanjing Institute of Technology Education Foundation</td>
<td>Jiangsu</td>
<td>164,929,000.38</td>
</tr>
<tr>
<td>17</td>
<td>Xiamen University Education Foundation</td>
<td>Fujian</td>
<td>137,768,488.89</td>
</tr>
<tr>
<td>19</td>
<td>Nanjing University of Finance and Economics Education Foundation</td>
<td>Jiangsu</td>
<td>123,734,711.88</td>
</tr>
<tr>
<td>20</td>
<td>Nanjing Normal University Education Foundation</td>
<td>Jiangsu</td>
<td>123,298,516.41</td>
</tr>
<tr>
<td>21</td>
<td>Ningbo University Education Foundation</td>
<td>Zhejiang</td>
<td>121,329,750.65</td>
</tr>
<tr>
<td>22</td>
<td>Yangzhou University Education Foundation</td>
<td>Jiangsu</td>
<td>101,728,691.23</td>
</tr>
<tr>
<td>23</td>
<td>Tongji University Education Foundation</td>
<td>Shanghai</td>
<td>98,425,418.86</td>
</tr>
<tr>
<td>24</td>
<td>Wuhan University Education Foundation</td>
<td>Hubei</td>
<td>97,095,162.02</td>
</tr>
<tr>
<td>25</td>
<td>Fudan Premium Fund of Management</td>
<td>Shanghai</td>
<td>94,712,611.59</td>
</tr>
<tr>
<td>26</td>
<td>Chongqing University Education Foundation</td>
<td>Chongqing</td>
<td>91,155,722.54</td>
</tr>
<tr>
<td>27</td>
<td>Central South University Education Foundation</td>
<td>Hunan</td>
<td>88,112,409.04</td>
</tr>
<tr>
<td>28</td>
<td>Nanjing University of Science and Technology Education Foundation</td>
<td>Jiangsu</td>
<td>88,001,031.34</td>
</tr>
<tr>
<td>29</td>
<td>East China Normal University Education Foundation</td>
<td>Shanghai</td>
<td>84,033,408.13</td>
</tr>
<tr>
<td>30</td>
<td>Changzhou University Education Foundation</td>
<td>Jiangsu</td>
<td>78,167,537.04</td>
</tr>
<tr>
<td>31</td>
<td>Beijing Institute of Technology Education Foundation</td>
<td>Beijing</td>
<td>70,002,046.71</td>
</tr>
<tr>
<td>#</td>
<td>University Name</td>
<td>Region</td>
<td>Net Assets</td>
</tr>
<tr>
<td>----</td>
<td>-----------------------------------------------------</td>
<td>--------</td>
<td>-------------</td>
</tr>
<tr>
<td>32</td>
<td>Central University of Finance and Economics</td>
<td>Beijing</td>
<td>66,640,844.61</td>
</tr>
<tr>
<td>33</td>
<td>Anhui University Education Foundation</td>
<td>Anhui</td>
<td>65,669,461.31</td>
</tr>
<tr>
<td>34</td>
<td>Beihang University Education Foundation</td>
<td>Beijing</td>
<td>65,350,363.93</td>
</tr>
<tr>
<td>35</td>
<td>Dongguan University of Technology Education Foundation</td>
<td>Guangdong</td>
<td>63,680,000.00</td>
</tr>
<tr>
<td>36</td>
<td>Communication University of China, Nanguang Campus Education Foundation</td>
<td>Beijing</td>
<td>60,515,186.12</td>
</tr>
<tr>
<td>37</td>
<td>Southwest Jiaotong University Education Foundation</td>
<td>Sichuan</td>
<td>57,756,029.58</td>
</tr>
<tr>
<td>38</td>
<td>Northwestern Polytechnical University Education Foundation</td>
<td>Shannxi</td>
<td>54,270,456.27</td>
</tr>
<tr>
<td>39</td>
<td>Nantong University Education Foundation</td>
<td>Jiangsu</td>
<td>53,635,042.37</td>
</tr>
<tr>
<td>40</td>
<td>Sanjiang University Education Foundation</td>
<td>Jiangsu</td>
<td>50,967,339.63</td>
</tr>
<tr>
<td>41</td>
<td>Sichuan University Education Foundation</td>
<td>Sichuan</td>
<td>50,410,636.77</td>
</tr>
</tbody>
</table>

Source: Foundation Center, China

An analysis to the foundations with top net assets manifests different annual increase rates. By 2011, university foundations with the biggest increase was Nanjing Forestry University Foundation with 271 percent of increase since establishment. Similarly, the foundations of Beijing Jiaotong University, Nanjing Audit College, Beijing Normal University and Fudan Premium Fund of Management have grown fast from relatively small bases in recent years. Comparatively, the top foundations which have the largest net assets such as Tsinghua, Beijing, Fudan, Shanghai Jiaotong, and
Zhejiang Universities have quite similar annual increase rates of about 30 percent during the period from 2005 to 2011. Annual increase of selected university foundations are listed in Appendix C.

4.2.2 Philanthropic Income of University Related Foundations

In 2011, there were more than 60 university related foundations with an average of minimum ¥10 million ($1.6 million) philanthropic income, representing the best fundraising performance among all university related foundations in China. Among the 60 foundations, there were 10 that each received over ¥100 million ($16 million). Tsinghua University Foundation was the winner of 2011. It attracted over ¥1 billion ($160 million) which was 1.7 times more than Beijing University Foundation which was at the second place. Names, locations, and philanthropic income in 2011 of the 70 foundations are illustrated in Table 5.

Table 5
Top University Related Foundations by Philanthropic Income in 2011

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Foundations</th>
<th>Location</th>
<th>Donation Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tsinghua University</td>
<td>Beijing</td>
<td>1,047,011,399.06</td>
</tr>
<tr>
<td>2</td>
<td>Beijing University</td>
<td>Beijing</td>
<td>618,194,642.24</td>
</tr>
<tr>
<td>3</td>
<td>Nanjing University</td>
<td>Jiangsu</td>
<td>240,819,495.44</td>
</tr>
<tr>
<td>4</td>
<td>Zhejiang University</td>
<td>Zhejiang</td>
<td>203,453,252.25</td>
</tr>
<tr>
<td>5</td>
<td>Shanghai Jiaotong University</td>
<td>Shanghai</td>
<td>129,346,164.71</td>
</tr>
<tr>
<td>6</td>
<td>Harbin Medical University</td>
<td>Heilongjiang</td>
<td>123,400,000.00</td>
</tr>
<tr>
<td>7</td>
<td>Beijing Normal University</td>
<td>Beijing</td>
<td>116,566,761.32</td>
</tr>
<tr>
<td>8</td>
<td>Jiangsu University</td>
<td>Jiangsu</td>
<td>110,164,938.83</td>
</tr>
<tr>
<td></td>
<td>University Name</td>
<td>Province</td>
<td>Funding</td>
</tr>
<tr>
<td>---</td>
<td>------------------------------------------</td>
<td>------------</td>
<td>-----------</td>
</tr>
<tr>
<td>9</td>
<td>Wuhan University</td>
<td>Hubei</td>
<td>107,755,285.31</td>
</tr>
<tr>
<td>10</td>
<td>Fudan University</td>
<td>Shanghai</td>
<td>103,260,980.19</td>
</tr>
<tr>
<td>11</td>
<td>Soochow University</td>
<td>Jiangsu</td>
<td>102,292,240.74</td>
</tr>
<tr>
<td>12</td>
<td>China Renmin University</td>
<td>Beijing</td>
<td>93,157,299.00</td>
</tr>
<tr>
<td>13</td>
<td>Central South University</td>
<td>Hunan</td>
<td>90,607,088.40</td>
</tr>
<tr>
<td>14</td>
<td>Nanjing Forestry University</td>
<td>Jiangsu</td>
<td>86,308,950.00</td>
</tr>
<tr>
<td>15</td>
<td>Nantong University</td>
<td>Jiangsu</td>
<td>79,979,817.74</td>
</tr>
<tr>
<td>16</td>
<td>Beihang University</td>
<td>Beijing</td>
<td>75,024,520.27</td>
</tr>
<tr>
<td>17</td>
<td>Hohai University</td>
<td>Jiangsu</td>
<td>74,199,459.90</td>
</tr>
<tr>
<td>18</td>
<td>Nanjing Audit University</td>
<td>Jiangsu</td>
<td>73,839,146.23</td>
</tr>
<tr>
<td>19</td>
<td>Central South University</td>
<td>Jiangsu</td>
<td>72,201,341.76</td>
</tr>
<tr>
<td>20</td>
<td>Nanjing University of Aeronautics and Astronautics</td>
<td>Jiangsu</td>
<td>71,606,582.40</td>
</tr>
<tr>
<td>21</td>
<td>Sun Yat-Sen University</td>
<td>Guangdong</td>
<td>69,033,893.02</td>
</tr>
<tr>
<td>22</td>
<td>Nanjing Institute of Technology</td>
<td>Jiangsu</td>
<td>68,875,727.53</td>
</tr>
<tr>
<td>23</td>
<td>Chongqing University</td>
<td>Chongqing</td>
<td>68,099,767.17</td>
</tr>
<tr>
<td>24</td>
<td>South China University of Technology</td>
<td>Guangdong</td>
<td>67,824,382.58</td>
</tr>
<tr>
<td>25</td>
<td>Nanjing University of Technology</td>
<td>Jiangsu</td>
<td>66,047,784.00</td>
</tr>
<tr>
<td>26</td>
<td>Shandong University</td>
<td>Shandong</td>
<td>65,471,699.22</td>
</tr>
<tr>
<td>27</td>
<td>Beijing Jiaotong University</td>
<td>Beijing</td>
<td>63,980,578.27</td>
</tr>
<tr>
<td>28</td>
<td>Nanjing University of Chinese Medicine</td>
<td>Jiangsu</td>
<td>63,362,430.60</td>
</tr>
<tr>
<td>29</td>
<td>Nanjing University of Posts and Telecommunications</td>
<td>Jiangsu</td>
<td>61,809,867.99</td>
</tr>
<tr>
<td>30</td>
<td>Nanjing Normal University</td>
<td>Jiangsu</td>
<td>61,514,257.23</td>
</tr>
<tr>
<td>31</td>
<td>Yangzhou University</td>
<td>Jiangsu</td>
<td>55,469,527.70</td>
</tr>
<tr>
<td>32</td>
<td>Nanjing University of</td>
<td>Jiangsu</td>
<td>53,676,139.00</td>
</tr>
<tr>
<td>#</td>
<td>University Name</td>
<td>Region</td>
<td>Endowment</td>
</tr>
<tr>
<td>----</td>
<td>-----------------------------------------------</td>
<td>---------</td>
<td>-----------------</td>
</tr>
<tr>
<td>33</td>
<td>Yanghua Educational Foundation of Southwest Jiaotong University</td>
<td>Sichuan</td>
<td>50,872,704.88</td>
</tr>
<tr>
<td>34</td>
<td>Jiangnan University</td>
<td>Jiangsu</td>
<td>48,402,990.92</td>
</tr>
<tr>
<td>35</td>
<td>Xiamen University</td>
<td>Fujian</td>
<td>46,946,570.96</td>
</tr>
<tr>
<td>36</td>
<td>Changzhou University</td>
<td>Jiangsu</td>
<td>46,296,100.00</td>
</tr>
<tr>
<td>37</td>
<td>Communication University of China</td>
<td>Beijing</td>
<td>45,600,000.00</td>
</tr>
<tr>
<td>38</td>
<td>Jiangsu University of Science and Technology</td>
<td>Jiangsu</td>
<td>44,655,000.00</td>
</tr>
<tr>
<td>39</td>
<td>University of International Business and Economics</td>
<td>Beijing</td>
<td>42,547,656.48</td>
</tr>
<tr>
<td>40</td>
<td>Central University of Economic and Finance</td>
<td>Beijing</td>
<td>42,506,456.50</td>
</tr>
<tr>
<td>41</td>
<td>Harbin Institute of Technology</td>
<td>Heilongjiang</td>
<td>41,493,244.00</td>
</tr>
<tr>
<td>42</td>
<td>Nanjing Medical University</td>
<td>Jiangsu</td>
<td>39,577,633.87</td>
</tr>
<tr>
<td>43</td>
<td>University of Electronic Science and Technology of China</td>
<td>Sichuan</td>
<td>39,221,286.90</td>
</tr>
<tr>
<td>44</td>
<td>Tongji University</td>
<td>Shanghai</td>
<td>39,026,830.72</td>
</tr>
<tr>
<td>46</td>
<td>Nanjing University of Information Science and Technology</td>
<td>Jiangsu</td>
<td>37,287,300.00</td>
</tr>
<tr>
<td>47</td>
<td>Tianjin University</td>
<td>Tianjin</td>
<td>36,669,628.70</td>
</tr>
<tr>
<td>48</td>
<td>Northwestern Polytechnical University</td>
<td>Shannxi</td>
<td>36,599,342.12</td>
</tr>
<tr>
<td>49</td>
<td>Central China Normal University</td>
<td>Hubei</td>
<td>35,792,525.59</td>
</tr>
<tr>
<td>50</td>
<td>Shanghai Donghua University</td>
<td>Shanghai</td>
<td>35,319,279.80</td>
</tr>
<tr>
<td>51</td>
<td>China University of Political</td>
<td>Beijing</td>
<td>34,652,657.94</td>
</tr>
</tbody>
</table>
By the end of 2011, 40 percent of China’s 214 university related foundations had entered the financial market through professional management and investment of a portion of their incomes. From 2010, foundations such as the Tsinghua and Beijing University Foundations had started to invite off-campus financial professionals to join their team. The commonly used investment channels by university related foundations in China include purchasing various bank financial management products, and engaging in the investment in stock, bond, trust, venture capital, private equity and
property assets. There were seven foundations that had an average annual return of 8 percent reflecting the highest return rate\(^{27}\) of such foundations in China (Jia, 2013).

The rest 60 percent of foundations had never invested their incomes in the financial market due in part to a relatively small size of fund they had. Most of them owned merely some millions of Chinese RMB, most of which were restricted donations. The only way they had and could was to save a small amount of their incomes as time deposits in bank (Jia, 2013).

Despite of the current disadvantages they face, China’s university related foundations are described as “untapped gold mine” by some financial experts. A report from China’s Harvest Fund indicates that by the end of 2020 the total assets of higher education foundations in China will be ¥380 billion with a conservative estimation of an annual increase of 20 percent. By then, the amount that will be put into the financial market will reach ¥200 million (Jia 2013).

4.3 Global Fundraising

4.3.1 Who are doing Global Fundraising?

According to data provided by the Foundation Center USA, at least 158 higher education institutions from Mainland China have received over 1,000 grants with the total amount of $173,240,346 from foundations in the USA between 2003 and 2012.

\(^{27}\) Tsinghua University Foundation had the highest annual return rate of 10.6 percent during the period from 2007 to 2011, followed by Beijing and Zhejiang University Foundations with the respective return rates of 5 percent and 6 percent.
Details of the results including names of grant makers and receivers, the amount and grant counts are listed in Appendix 4.1. While this sample does not include all the direct cross-border grants made during this period, it provides a picture of giving to Chinese higher education recipients from the US grant makers.

The data shows that the top ten receivers, accounting for 6 percent of the 158 recipients, attracted more than half of the total amount granted to all of the 158 higher education institutions in China. And 70 percent of the total amount has been given to the top 20 higher education institutions representing 12.5 percent of the 158 recipients. The results again manifested the fact that philanthropic contribution to higher education concentrates at top receivers.

However, the top grant receivers given by US foundations do not identical to those granted by Chinese donors. Table 6 shows the 9 most favorable Chinese higher education institutions by both Chinese and American donors: Tsinghua University, Beijing University, Nanjing University, Zhejiang University, Beijing Normal University, Soochow University, Fudan University, Renmin University of China, and Central South University.

Table 6
Comparison of Top 20 Chinese Higher Education Recipients by Chinese and US Grant Makers

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Top 20 recipients by Chinese grant makers</th>
<th>Top 20 recipients by US grant makers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tsinghua University</td>
<td>Beijing University</td>
</tr>
<tr>
<td>2</td>
<td>Beijing University</td>
<td>Tsinghua University</td>
</tr>
<tr>
<td></td>
<td>Nanjing University</td>
<td>Beijing Normal University</td>
</tr>
<tr>
<td>---</td>
<td>-------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>3</td>
<td>Zhejiang University</td>
<td>Soochow University</td>
</tr>
<tr>
<td>4</td>
<td>Shanghai Jiaotong University</td>
<td>Peking Union Medical College</td>
</tr>
<tr>
<td>5</td>
<td>Harbin Medical University</td>
<td>Sun Yat-Sen University</td>
</tr>
<tr>
<td>6</td>
<td><strong>Beijing Normal University</strong></td>
<td><strong>Tsinghua University Education Foundation</strong></td>
</tr>
<tr>
<td>7</td>
<td>Jiangsu University</td>
<td>Fudan University</td>
</tr>
<tr>
<td>8</td>
<td>Wuhan University</td>
<td>Sichuan University</td>
</tr>
<tr>
<td>9</td>
<td>Fudan University</td>
<td>Renmin University of China</td>
</tr>
<tr>
<td>10</td>
<td>Soochow University</td>
<td><strong>Renmin University of China</strong></td>
</tr>
<tr>
<td>11</td>
<td><strong>Renmin University of China</strong></td>
<td>Zhejiang University</td>
</tr>
<tr>
<td>12</td>
<td>Central South University</td>
<td>Xian Jiaotong University</td>
</tr>
<tr>
<td>13</td>
<td>Nanjing Forestry University</td>
<td>China University of Political Science and Law</td>
</tr>
<tr>
<td>14</td>
<td>Nantong University</td>
<td><strong>Central South University</strong></td>
</tr>
<tr>
<td>15</td>
<td>Beihang University</td>
<td>Northwest University</td>
</tr>
<tr>
<td>16</td>
<td>Hohai University</td>
<td>China Medical University</td>
</tr>
<tr>
<td>17</td>
<td>Nanjing Audit University</td>
<td>Lingnan College</td>
</tr>
<tr>
<td>18</td>
<td>Central South University</td>
<td>Tongji University</td>
</tr>
<tr>
<td>19</td>
<td>Nanjing University of Aeronautics and Astronautics</td>
<td>Beijing Jiaotong University</td>
</tr>
</tbody>
</table>

Source: Foundation Centers in the USA and China

* Recipients shown in both columns are in bold.

Among the 158 Chinese higher education recipients of the US grants, 155 are universities or colleges, while the three exceptions are education foundations of Tsinghua, Beijing and Shanghai Jiaotong Universities. Tsinghua and Beijing
Universities had set up 501(c)(3)28 foundations29 in Delaware in 1997 and in California in 2004 respectively. It is indicating that a small number of Chinese university-related foundations, representing their universities but as independent legal entities, are connected to overseas wealth, while it is not yet known whether the grants were occasional or the results of active and regular fundraising activities targeting overseas donors.

It is also interesting to note that the grant counts to Tsinghua University (87) almost equal to how many its Foundation received (62), and the ratio of the total amount given to the University and the Foundation is approximately 3:1, indicating that Tsinghua Foundation has been playing an important role in attracting overseas support, comparing with the ratios of the other two universities and their education foundations of only 14:1 (Shanghai Jiaotong University and its foundation) and 70:1 (Beijing University and its foundation). See Table 7.

Table 7
Comparison of Philanthropic Income from US Grantmakers Received by Chinese Universities and Their Related Foundations 2003-2012

<table>
<thead>
<tr>
<th>Name of Recipient</th>
<th>Total Amount</th>
<th>Grant count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tsinghua University</td>
<td>$19,163,930</td>
<td>87</td>
</tr>
<tr>
<td>Tsinghua University Education Foundation</td>
<td>$5,889,269</td>
<td>62</td>
</tr>
</tbody>
</table>

28 A 501(c) organization, also known colloquially as either a 501(c) or a "non-profit", is an American tax-exempt nonprofit organization. 501(c)(3) — Religious, Educational, Charitable, Scientific, Literary, Testing for Public Safety, to Foster National or International Amateur Sports Competition, or Prevention of Cruelty to Children or Animals Organizations

29 Tsinghua Education Foundation North America and Peking University Education Foundation
4.3.2 Who give to higher education institutions in China?

According to an analysis to every Chinese higher education recipient which received at least $1 million during the period from 2003 to 2012, there are some 30 US grant makers have come to the fore as the most generous and frequent donors to Chinese higher education institutions. The top three US donors are Ford Foundation, China Medical Board, Inc., and Energy Foundation followed by Cyrus Tang and Intel Foundations. The rests are listed in descending order based on frequency and amount of grants in Table 8. The majority of US donors locate in states alone both side of the coasts such as New York, New Jersey, Connecticut, Pennsylvania and California. While most US donors support various destinations in different parts of the world, there are also highly focused foundations targeting Asian and/or Chinese grantees only such as China Medical Board, Inc. Cyrus Tang Foundation, Give2Asia, and Lingnan Foundation.

Table 8
Most Generous and Frequent US Donors to Chinese Higher Education Institutions 2003-2012

<table>
<thead>
<tr>
<th>Grant Maker Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beijing University</td>
<td>$20,608,987</td>
</tr>
<tr>
<td>Beijing University Education Foundation of China</td>
<td>$296,000</td>
</tr>
<tr>
<td>Shanghai Jiao Tong University</td>
<td>$954,425</td>
</tr>
<tr>
<td>Shanghai Jiao Tong University Education Development Foundation</td>
<td>$67,166</td>
</tr>
<tr>
<td>Foundation Name</td>
<td>State</td>
</tr>
<tr>
<td>------------------------------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Ford Foundation</td>
<td>NY</td>
</tr>
<tr>
<td>Energy Foundation</td>
<td>CA</td>
</tr>
<tr>
<td>China Medical Board, Inc.</td>
<td>MA</td>
</tr>
<tr>
<td>Cyrus Tang Foundation</td>
<td>NV</td>
</tr>
<tr>
<td>Intel Foundation</td>
<td>OR</td>
</tr>
<tr>
<td>The John D. and Catherine T. MacArthur Foundation</td>
<td>IL</td>
</tr>
<tr>
<td>BP Foundation, Inc.</td>
<td>TX</td>
</tr>
<tr>
<td>Lingnan Foundation</td>
<td>CT</td>
</tr>
<tr>
<td>GE Foundation</td>
<td>CT</td>
</tr>
<tr>
<td>The Rockefeller Foundation</td>
<td>NY</td>
</tr>
<tr>
<td>Bill &amp; Melinda Gates Foundation</td>
<td>WA</td>
</tr>
<tr>
<td>The Starr Foundation</td>
<td>NY</td>
</tr>
<tr>
<td>Give2Asia</td>
<td>CA</td>
</tr>
<tr>
<td>The Shaw &quot;U.S.&quot; Foundation</td>
<td>HI</td>
</tr>
<tr>
<td>John Templeton Foundation</td>
<td>PA</td>
</tr>
<tr>
<td>Rockefeller Brothers Fund, Inc.</td>
<td>NY</td>
</tr>
<tr>
<td>Caterpillar Foundation</td>
<td>IL</td>
</tr>
<tr>
<td>Agilent Technologies Foundation</td>
<td>CA</td>
</tr>
<tr>
<td>Blue Moon Fund, Inc.</td>
<td>VA</td>
</tr>
<tr>
<td>Alcoa Foundation</td>
<td>PA</td>
</tr>
<tr>
<td>The Kavli Foundation</td>
<td>CA</td>
</tr>
<tr>
<td>Silicon Valley Community Foundation</td>
<td>CA</td>
</tr>
<tr>
<td>IBM International Foundation</td>
<td>NY</td>
</tr>
<tr>
<td>Charles B. Wang Foundation</td>
<td>NJ</td>
</tr>
<tr>
<td>The Merck Company Foundation</td>
<td>NJ</td>
</tr>
<tr>
<td>The Thomas and Stacey Siebel Foundation</td>
<td>CA</td>
</tr>
<tr>
<td>Ping and Amy Chao Family Foundation</td>
<td>CA</td>
</tr>
<tr>
<td>Henrietta B. &amp; Frederick H. Bugher Foundation</td>
<td>NY</td>
</tr>
<tr>
<td>The Charles A. Dana Foundation, Inc.</td>
<td>NY</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>----</td>
</tr>
<tr>
<td>J. Paul Getty Trust</td>
<td>CA</td>
</tr>
</tbody>
</table>

Source: Foundation Center, USA
CHAPTER FIVE: CASE STUDY OF EDUCATIONAL FOUNDATIONS OF THREE CHINESE PUBLIC UNIVERSITIES

5.1 Case Study of Foundation A

5.1.1 An Overview of University A

University A, founded in 1898, is one of China’s leading research and teaching institutions, embracing a variety of disciplines, including basic sciences, engineering, computer sciences, information technology, humanities, social sciences, economics, law, and medical school, etc. It is the top research university and has been playing a leading role in China’s higher education since establishment. University A is one of the “985” and “211” universities which represent the best higher education in China.

Currently, the university accommodates 35,800 students, including 16,300 undergraduate, 12,400 master’s and 7,000 doctoral students. There are also 8,000 employees, including 5,800 faculty members and 2,200 staff of administrative positions.

University A is striving to become a world famous university. It currently ranks number 46 according to Time’s World University Ranking and positions in the top 200 of Academic Ranking of World Universities by China’s Shanghai Jiaotong University in 2013.

As a public university, the State Government has long been a primary funding source for University A. However, funding from the State Government covers a
merely 1/3 of its annual expenditure of operation. The rest are generated from student
tuition and fees, research funding, entrepreneur income and philanthropic donations.

**5.1.2 Establishment and Development of Foundation A**

**5.1.2.1 The Establishment and Major Responsibilities of Foundation A**

Foundation A, one of the first Chinese higher education foundations, was
established by University A in 1995, right after the University’s strategic plan of
Becoming a World-Class University issued in 1994. Foundation A is a non-public
offering foundation registered and located in Beijing under the administration and
supervision from both the Ministry of Civil Affairs and the Ministry of Education.
The Foundation aims at advancing University A in teaching, research and overall
development. Currently, Foundation A focuses on attracting donations to support the
following areas:

- **Provide student assistantship and scholarship**
  
  Foundation A provides financial aid to students from low income families. It
  rewards and motivates students with scholarships. The Foundation also supports
  students in research, overseas exchange and social activities.

- **Reward faculty’s teaching and research activities**
  
  Foundation A supports professorship, chairs and a better teaching and research
  environment for talented faculty.

- **Support Cutting-edge Research Studies**
Foundation A tries to reinforce University A in seeking scientific solutions through innovative research studies and cross- and inter-disciplinary cooperations.

- Advance campus improvement and an overall sustainable development of University A

One of Foundation A’s mission is to make a visible difference on campus, including renovation of old buildings and construction of new teaching buildings, labs and student centers. It also enables university president to respond to changing needs and new opportunities. Additionally, the Foundation supports the University in developing its multiple disciplines and a growing number of interdisciplinary schools and departments.

5.1.2.2 Donation Management, Investment and Supervision of Foundation A

Foundation A signs up donation agreement with each donor, provides official receipt, and offers management and financial report to donors. The investment of funds is performed by professionals in line with relevant national policies. Revenues are generated to provide long-lasting and better services to the University.

At the beginning of each year, the foundation submits annual report to the Ministry of Civil Affairs which acts as the primary supervision body of higher education foundations in China. It also accepts supervision by the taxing and auditing organizations in accordance with relevant laws and regulations as well as public supervision by publishing annual reports in the mass media.
5.1.2.3 Organizational Structure of Foundation A

As the highest authority of Foundation A, the Board of Directors consists of a chairman, a vice chairman, and 21 directors. The Board also has honorary members including six honorary chairmen and 26 honorary directors. The Foundation is under supervision of the Board of Supervisors, including three people.

The Secretariat, the major sector of Foundation A which is responsible for general operation and fundraising, consists of six departments including the administration and information offices, financial development, project management, European and American Affairs and Asian Affairs. In total, there are 27 staffs of the Secretariat. Figure 5 shows the organizational structure of Foundation A.

Figure 5. Organizational Structure of Foundation A

Source: Foundation A’s website
By 2011, the total net assets of Foundation A was 1.5 billion Chinese RMB ranking at the second place of all higher education foundations in China. It has grown fast since establishment. From 2005 to 2011, the net assets of Foundation A presents an annual increase of 34 percent. Data prior to 2005 is temporarily unavailable. Figure 6. shows the steady increase of its total net assets from 2005 to 2011.

*Figure 6. Net Assets of Foundation A 2005-2011*

Source: Foundation Center China

The results of philanthropic giving to Foundation A also indicates a significant increase since 2005. Data prior to 2005 is temporarily unavailable. Figure 7. shows the annual income of Foundation A from philanthropic gifts between 2005 and 2011. In 2011, Foundation A received ¥600 million ranking at the second place among all higher education foundations in China.
5.1.3 Organizational Changes

5.1.3.1 Establishment of the Foundation

In late 1980s and early 1990s, which was at the beginning of China’s major economic reform started in 1978, University A started to receive a growing number of private gifts coming from the overseas Chinese diaspora. Before the establishment of Foundation A, there was no individual sector in University A responsible for managing and distributing the gifts. All private gifts were received, saved and given to receivers by University A’s President’s Office which was in charge of general operation of the university. In 1994, the new president of University A, who had studied and worked in USA in the field of higher education economics and

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30 Refers to China’s “Reform and Open up” program: the program of economic reforms from a command to market economy started in December 1978 by reformists within the Communist Party of China led by Deng Xiaoping.
management, initiated the establishment of an individual organization for a professional management of the private gifts, given to successful experiences of higher education foundations in the USA. Both factors made it particularly ripe for establishing a related foundation to University A—the Foundation A.

5.1.3.2 Establishment of Investment Committee and Investment Company

As one of the first Chinese higher education foundations, Foundation A has grown fast due to a rapid growth of philanthropic income. In 1998, Foundation A received a substantial increase in philanthropic gifts. From then on, the Foundation had received an average of 40 million Chinese RMB each year. In 2005, the total amount of donations to Foundation A hit a new record of over 100 million Chinese RMB. After 2005, the Foundation had attracted an average of 300 million Chinese RMB each year.

Having the longest history among all Chinese higher education foundations, Foundation A owns both the largest net assets and annual increases. According to a most recent study to all higher education foundations in China by Foundation Center China, Foundation A ranks at the second place in terms of total net assets by 2011. As one of the wealthiest higher education foundations in China, Foundation A started financial investment much earlier than most others. The Foundation owns an Investment Committee taking charge of an investment fund of several billion Chinese RMB. Currently, the Foundation consists of 11 members who are either leaders of University A or alumni of University A specialized in financial investment. In 2013,
Foundation A has set up its most recent plan on financial investment—to establish an investment firm.

5.1.3.3 The Overseas Fundraising Arms

Besides general administration of the Foundation and the management of projects and donations, Foundation A has two specialized departments: the Department of Asian Affairs and the Department of European and American Affairs. The Department of Asian Affairs is in charge of any business of Foundation A taken place in Asia. Currently, the vast majority of its work concentrates in China Mainland and Hong Kong. The Department of European and American Affairs is responsible for the contact and organization of businesses taken place in European and North American countries. Its daily work is currently dominated by American Affairs. Currently, the most influential overseas fundraising arm of Foundation A locates in the United States due to an affluent alumni resources of University A in the USA.

The Foundation A(USA), initiated by a group of alumni of University A living in the USA, was established in 2001 as a California based nonprofit corporation that qualifies for US federal tax exemption under Section 501 (c) (3) of the Internal Revenue Code. Its mission and purpose are to strengthen ties between University A and North America, raise funds from alumni and friends to advance University A's research and teaching, and improve the communication and cooperation between North American regions and University A. Foundation A (USA) supports University A in areas including faculty award, student research fund, student financial aid,
student international exchange fund and scholarship. There are 11 members of the Board of Directors. Another four staffs serve as president, secretary of the Board, treasure and director of development.

Foundation A (USA) is subject to the auditing and supervision under the US laws. An official report is issued annually by the office of Foundation A (USA) to all donors regarding the usage and proceeding of the gifts.

Fundraising results of Foundation A is shown in Figure 8. Philanthropic Donation to Foundation A (USA) 2007-2011. In 2008, University A celebrated its 110th anniversary, hosted the Olympic Table Tennis Games and engaged in relief of earthquake in China. Because of such exceptional experiences, Foundation A (USA) received a record high of donations and a substantial increase in the number of received gifts in the same year.
Donations to Foundation A (USA) have mainly come from foundations, individuals, corporations and other institutions. Historically, 80 percent of donors have been alumni of University A. Yet, starting from 2009, foundations have become the major donors to Foundation A (USA), representing 80 percent of total gifts by amount. Donations were mainly distributed to areas such as campus improvement, research and training programs, student and faculty scholarship, capital projects, international exchanges and voluntary services. Infrastructure, scholarship and research are the three major areas of gifts.

Being an independent organization, Foundation A (USA) only receive supportive assistance from Foundation A. For instance, Foundation A sends out a staff to California to support the work of Foundation A (USA) each year. There are also other frequent exchange activities held by both sides every year.
5.1.3.4 The Establishment of the “Secondary Fundraising Tier”: the Participation in Fundraising of the Entire University

In 2008, Foundation A convened a meeting inviting leaders of all schools and departments in University A with the purpose of encouraging the entire university to participate in fundraising. Right after the meeting, schools and departments started to prepare for their own fundraising offices. The University also provided a matching fund to encourage a wider participation in fundraising in the university started in early 2009.

By the end of 2009, schools and departments of University A began to engage in a variety of fundraising activities. Foundation A names the participation of schools and department as “the secondary fundraising system”31. Currently, there are two to three people of each school and department taking charge of the work regarding fundraising and serving as contact persons with Foundation A.

5.1.4 Organizational Development of Foundation A

According to Richard L. Daft’s organizational life circle32, Foundation A is currently at the Youth Stages of development.

Foundation A is currently representing the largest Chinese higher education foundations in size and most complicated in organizational structure. The Foundation

31 Foundation A, representing University A, acts as the “primary fundraising system”.
32 Richard L. Daft’s organizational life circle indicates that there are five levels/stages of any organization: birth, growth, maturity, decline and death (R. L. Daft, H. Willmott Murphy (2010), Organization theory and design, p. 356
possesses two major departments: the Secretariat, responsible for fundraising, and Investment Management, responsible for financial investment. The Secretariat has a more complicated division of labor including six sectors taking charge of distinctively different works. The Foundation also has clearly illustrated regulations laying down the ground rules of their work posted on their website. Each year, the Foundation presents the donors, the Ministry of Civil Affairs and the public with annual report. Content of the reports include financial reports and summaries of all the fundraising activities and results.

5.1.5 Opportunities and Challenges

Since establishment, several events had contributed significantly to the growth of Foundation A. Because of the celebration of the 100th anniversary of University A in 1998, Foundation A received a record high of donations since establishment. Another substantial increase in donation took place in 2005 when University A announced its ownership and construction plan of the Gymnasium of Table Tennis Games for the 2008 Olympic Games in Beijing. Due to the Olympic venue construction, Foundation A started a fundraising campaign immediately after the announcement. As a result, the Foundation passed the 100 million Chinese RMB milestone in donation by the end of 2005. Both events had not only promoted Foundation A in donation incomes, but also provided a sustained growth to Foundation A in overall development in the following years.
Ever since establishment, Foundation A has been receiving full backing from leaders of University A. Not only had the University President initiated the establishment of Foundation A, the university leaders had promoted its development by, for instance, offering the Foundation with the best office building on campus. University leaders had also strengthened the links between Foundation A and potential donors such as the alumni, friends, corporations and other related social sources. For instance, university leaders had actively participated in events organized by Foundation A such as charity events and reciprocal banquets with donors.

Additionally and most importantly, although being an individual organization, Foundation A is in close relationship with University A which is in full responsible for, for instance, the appointment and dismissing of foundation leaders such as Board Director and Secretary General. Foundation employees’ salaries and benefits are also paid by the University. Such a close relationship had in fact created a strong sense of belongingness of foundation staff to the University. During interviews with Foundation staffs, I was told that they felt proud of being official employees of University A.

However, representing China’s best performance in higher education fundraising and fund management, Foundation A is lagging far behind other higher education foundations in terms of size and overall performance in other countries, in particular in the western world, such as the USA and UK. Being one of China’s largest higher
education foundation by market value, Foundation A accounts for merely 3 percent of the total value of Harvard University Foundation (Deng, 2010).

University A is one of the few higher education institutions in China with the depth and breath to help with complex national and global problems. As a top Chinese higher education institution, its annual funding is not small, yet deficient when measured against its global mission. Therefore, there has been great pressure on its foundation to generate as much income as possible to accomplish the ultimate goal of University A to become a world-class university.

5.1.6 Summary

To summarize, there has been four major forces to the establishment and fast development of Foundation A: a rapid growth of private capital triggered by China’s economic reform in late 1970s and an emergence of generous donors to higher education, strategic planning and leadership from the university leaders, University A’s reputation for academic excellence and a powerful alumni resource.

First, the establishment of Foundation A should give credit to an increasing number of private gifts to University A coming from its alumni, generous philanthropists and other social sources such as corporations and foundations. In talking about the establishment of Foundation A, the Secretary General said its was the changing social situation that pushed University A to have a foundation. A strategic planning from university leaders had also catalyzed its establishment and has been playing an essential role in its development, for instance, the establishment of
the “secondary fundraising system”. Additionally, University A’s supreme social recognition has earned Foundation A quite a few opportunities, such as the venue construction of the Olympic Games as well as the celebration of anniversary of University A. Such events has significant promoted Foundation A in fundraising capability and organizational development. Last but not least, a powerful alumni resource of University A in countries, such as the USA, has enabled Foundation A to spread out its fundraising arms to overseas wealth. A cooperative fundraising organization—Foundation A (USA) founded by local alumni, manifests a big leap in the process of Foundation A’s organizational growth. Important organizational changes taken place in Foundation A and forces which had triggered these changes are listed in Table 9.

Table 9
Important Organizational Changes of Foundation A and Forces to the Changes

<table>
<thead>
<tr>
<th>Forces Organizational Changes</th>
<th>Growing Social Wealth</th>
<th>Leadership from Presidents of University A</th>
<th>Supreme Social Recognition of University A</th>
<th>Alumni</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishment of Foundation A</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Investment Committee and Company</td>
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<td>✓</td>
<td></td>
<td></td>
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<tr>
<td>Establishment of Foundation A (USA)</td>
<td></td>
<td></td>
<td>✓</td>
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<tr>
<td>Establishment of Secondary</td>
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<td>✓</td>
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<tr>
<td>Fundraising Tier</td>
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</tbody>
</table>

Source: author self created
5.2 Case Study of Foundation B

5.2.1 An Overview of University B

University B, founded in 1952, is one of the “2011”, “985” and “211” universities representing high standard higher education in China. It is a public university under the supervision of the Ministry of Industry and Information Technology. University B is highly research-oriented with the majority of schools and departments in science and technology.

University B owns two campuses in Beijing with a total number of 27,621 students including 14,428 undergraduate, 8,599 master’s, and 3,904 doctoral, and 690 international students. There are also 3,759 faculty and staff working in University B.

5.2.2 Establishment and Development of Foundation B

5.2.2.1 The Establishment of Foundation B

Foundation B was established by University B in 2005 with registered capital of ¥20 million. It is a non-public offering foundation registered in Beijing under the administration and supervision from both the Ministry of Civil Affairs and the Ministry of Industry and Information Technology. It is eligible to receive tax-deductible contributions. Its major obligation is to support University B in infrastructural construction, academic development, students and teachers scholarship, student associations, and alumni activities, etc.

Similar to the establishment of Foundation A, the birth of Foundation B
attributed to the emergence of regular donations to University B from various social sources around the year of 2000. In addition to social donations, its establishment also directly owes to the monetary gifts received to celebrate University B’s 50th anniversary in 2002. A portion of the unrestricted monetary gifts was saved after the anniversary and then used as registration capital and seed money for Foundation B’s debut. A third trigger for Foundation B’s establishment lied in university leaders’ decision. Leaders of University B had seen the significance of foundations in supporting their own universities’ development from international and domestic experiences. Hence, leaders of University B decided to establish a philanthropic foundation.

5.2.2.2 The Net Assets and Annual Income

Foundation B had grown fast since establishment. Figure 9. shows the net assets of Foundation B from establishment to 2011. The accumulation of assets had grown dramatically from 2005 to 2008. Its net assets increased from ¥20 million to over ¥100 million in only three years. Yet, it remarkably dropped about 30 to 50 percent starting from 2009. The loss in net assets was attributed to University B’s major infrastructural construction projects which had used out a considerable part of the Foundation’s income.

By 2011, the net assets of Foundation B ranks at 35th places among all Chinese higher education foundations. The total amount it received from philanthropic donations ranks at 17th places in the same year. Each year, the Foundation’s income
has been turned over to the financial department of University B and used in accordance with donors’ intention.

*Figure 9. Net Assets of Foundation B 2005-2011*

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>20,000,000.00</td>
</tr>
<tr>
<td>2006</td>
<td>24,000,874.12</td>
</tr>
<tr>
<td>2007</td>
<td>108,887,498.1</td>
</tr>
<tr>
<td>2008</td>
<td>107,062,664.50</td>
</tr>
<tr>
<td>2009</td>
<td>73,692,411.91</td>
</tr>
<tr>
<td>2010</td>
<td>65,350,363.98</td>
</tr>
<tr>
<td>2011</td>
<td>56,755,141.73</td>
</tr>
</tbody>
</table>

Data source: Foundation Center, China

The majority of donations to Foundation B had been generated from organizational donors including domestic companies, private foundations and multinational corporations in China. Individual donors, mostly alumni, had contributed a rather tiny part to its income. Foundation B has not yet received or plans to generate donations from overseas sources as there has not been demonstrated signs of contribution or interests from overseas alumni and other social entities. By 2012, Foundation B has not engaged in any financial investment.

Figure 10 shows the annual income which had been raised by Foundation B during 2005 and 2011. Although the numbers reveal a growth in the amount that had been raised since 2005, the growth does not follow a linear increasing trend. This is due to a lack of stable income sources.
Figure 10. Fundraising Result of Foundation B 2005-2011 (in Chinese RMB)

Data source: Foundation Center, China

5.2.2.3 Organizational Structure

Foundation B currently has three sectors including general affairs (in charge of general administration, financial management and trustee meetings), project management and resource development. The current organizational structure is shown in Figure 11.
There are nine members of the Board of Directors. The President and Vice President of University B act as the director-general and supervisor respectively. By 2012, there were six full-time staffs, including one secretary-general, taking charge of project management and general administration of the Foundation. Some full-time staffs, in particular the secretary-general, are also engaged in resource development. Yet, professional teams on resource development from off-campus consulting firms are hired during big fundraising campaigns such as the celebration of university’s 60th anniversary.

5.2.3 Organizational Changes

5.2.3.1 The Establishment

The establishment of Foundation B took place earlier than the burst of higher education foundations in China due to the establishment of State matching fund starting from 2009. Similar to the establishment of Foundation A, the birth of
Foundation B attributed to the emergence of a growing private wealth gathered from various social sources in China. Additionally, its establishment also directly owes to the monetary gifts received to celebrate University B’s 50th anniversary in 2002. A portion of the unrestricted monetary gifts was saved after the anniversary and then used as registration capital and seed money for the establishment of Foundation B. University President had also significantly contributed to the birth of Foundation B, as the President saw the successful experiences of educational foundations from domestic and overseas higher education institutions and then facilitated its establishment.

5.2.3.2 The Separation from the Alumni Association

The most influential organizational changes to the growth of Foundation B took place since 2009 when the current secretary-general took the leading position. Before the new secretary-general, much of the Foundation’s work overlapped with the Alumni Association in that they shared same offices, same working staff, and even same obligation. The new secretary-general insisted on having two distinctive organizations and had catalyzed the independence of the Foundation. From then on, the Foundation, although still keeps close relationship with the Alumni Association, has its own offices, staff and clearly different obligation.

The most significant force of this organizational change came from the leader of Foundation B—the secretary-general. He saw the problems of the overlapping organizations and then persuaded university leaders to create a more independent
environment for the Foundation’s growth.

5.2.3.3 The Participation of Off-campus Professional Fundraising Team

The major fundraising campaign that Foundation B had organized, began roughly from 2009 and ended in 2012, on the occasion of University B’s 60th anniversary. The result of the campaign has not yet been released by the time this study ends. However, much about the campaign, reflecting important organizational change of the Foundation, have been discovered from interviews with the Foundation staffs.

Since preparation of the celebration had stretched out the Foundation’s own resources, the secretary-general decided to hire a professional project management team from an off-campus consulting company. The team had brought resources in terms of fundraising management projects and had built up a long-term cooperation intention with Foundation B from then on. The idea of cooperation with professional teams was raised by the secretary-general of Foundation B. “I learned it from successful experience of China’s Tsinghua University Educational Foundation” said the secretary-general in an interview with me.

5.2.3.4 The Participation of Every Schools and Departments of the University

In addition to hiring professional project management team, the secretary-general also tried to persuade participation of schools and departments from the entire
university.

At the beginning, schools and departments were reluctant to share their time and resources to fundraising. The secretary-general then introduced the idea of providing a portion of university’s funding as the *matching fund* for donations raised by schools and departments. It was learned from China’s first higher education matching fund donated by alumni of Zhejiang University to its foundation in 2008, aiming at incentivizing a wider participation from schools and departments.

At the time when the idea of matching fund was under discussion in the Board meetings of Foundation B, the Chinese State Government publicized its decision on providing a State matching fund to qualified universities in China. Because of the incentive from the State Government, the Board of Foundation B immediately made the approval to provide a matching fund from the university funding.

From then on, private donations to Foundation B have been eligible to receive matching from funds offered by both the State Government and University B. As a result, schools and departments of University B finally started to participate in fundraising.

### 5.2.4 Organizational Development Stage of Foundation B

According to Richard L. Daft’s organizational life circle\(^\text{33}\), Foundation B is currently at the transitional stages from Birth to Youth Stages of development.

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\(^{33}\) Richard L. Daft’s organizational life circle indicating that there are five levels/stages of any organization: birth, growth, maturity, decline and death (R. L. Daft, H. Willmott Murphy (2010), *Organization theory and design*, p. 356)
Foundation B is small in size in that it has only six full-time staffs, two among whom are also involved in daily works of the Alumni Association. The Foundation currently has three sectors, and its staffs have distinctive obligations yet are sometimes sharing jobs on occasions of big events or projects. Decision making of Foundation B is quite centralized as the secretary-general decides everything by himself. There is rarely any written rules for its organization. Internal systems are also not seen at the current stage.

5.2.5 Opportunities and Challenges of Foundation B

Although Foundation B is legally independent from the University, it is in fact acting just like an administrative department of University B, in that the Foundation is in the control of the University in various perspectives. University leaders are involved in every important decision made for either fundraising projects, campaigns or important organizational changes. In addition, full-time staffs are in fact University B’s official employees whose salaries and benefits are payed by the University and there is seldom any rewards for their fundraising performance. Figure 12 indicates that although Foundation B is legally apart from University B, it is not as independent as it should be in many ways.

This has led to many problems. For and foremost is the lack of incentives for Foundation staffs devoting in fundraising. A staff said during interview: “I would never be rewarded, no matter how hard I do.” Plus, every important decision made by the Foundation leader—the secretary-general—is considered to be university leaders’
decision as the Foundation is widely perceived as an administrative department of the university and therefore university leaders are responsible for performance. Hence, the secretary-general of the Foundation has been cautious in making any decision and tends to avoid being involved in risky changes such as any kind of financial investment since any failure could lead to a serious blame to the university leaders.

On the other hand, at current development stage Foundation B need help from the university level to facilitate, for example, the participation of the entire university in fundraising, because of the relatively small size and weak management strength of the Foundation.

Figure 12. The Relationship of Foundation B and University B

Source: created by author

Another challenge to Foundation B is that the Foundation has not been involved in any kind of financial investment and does not plan to begin an endowment in the near future in spite of its fast growing fundraising income. One of the reasons behind is that the Foundation has not raised and accumulated enough wealth to conduct any capital operation, as currently in China a basic financial product would cost at least
ten million Chinese RMB which is beyond the Foundation’s capacity to pay (Jia, 2013). The second reason was found out to be the lack of experiences of both the Foundation and University in financial investment. It was learned that University B, traditionally funded by the State Government, has not been engaged in any kind of financial investment in the capital market and therefore prefers to stay in the comfort zone. A third reason was due to the previous mentioned secretary-general’s fear in affording the “expensive” failure. “The University treats us (Foundation C) as a department, not a separate entity. We can’t make our own decisions on Foundation’s (development). Any final decision must be made by the University. We (the Foundation ) are a department of the University, anything risky we are going to do will be counted on the University. So, I can’t do anything challenging.” said the Secretary General of Foundation C.

5.2.6 Summary

To summarize, there have been three major forces to the establishment and development of Foundation B: social forces, leaders of both University and Foundation B, as well as financial incentives from the State Government.

Similar to Foundation A, the establishment of Foundation B should give credit to an increasing number of private gifts to University B coming from social sources such as corporations and foundations. After establishment, most of the credit of important organizational changes should be given to a strategically planned leadership from both the Presidents of University B and the recent secretary-general of the Foundation.
The State Government, providing an attractive yet competitive matching fund, has also been playing a significant role in promoting Foundation B to a higher stage of organizational development. Important organizational changes taken place in Foundation B and forces which had triggered these changes are illustrated in Table 10.

Table 10.

Important Organizational Changes to Foundation B and Forces to the Changes

<table>
<thead>
<tr>
<th>Organizational Changes</th>
<th>Forces</th>
<th>Growing Social Wealth</th>
<th>Leadership from Presidents of University B</th>
<th>Leadership from leader of Foundation B</th>
<th>Incentive from the State Government</th>
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<tbody>
<tr>
<td>Establishment of Foundation B</td>
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<tr>
<td>The Separation from the Alumni Association</td>
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<tr>
<td>The Participation of Off-campus Professional Fundraising Team</td>
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<td>√</td>
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<tr>
<td>Establishment of Secondary Fundraising Tier</td>
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<td>√</td>
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</tbody>
</table>

Source: author self created
5.3 Case Study of Foundation C

5.3.1 An Overview of University C

University C, founded in 1940, is one of the “985” and “211” universities representing high standard higher education in China. It is a research oriented public university under the supervision of the Ministry of Industry and Information Technology. University C is highly research-oriented with the majority of schools and departments focused on science and technology.

University C owns three campuses: two in Beijing City and one in Zhuhai City (locates in Guangdong Province). By 2012, there were 14,110 undergraduate students, 11,112 graduate student including 3,037 doctoral students in Beijing Campuses and 22,129 undergraduate students in Zhuhai Campus. In total, University C has over 2,000 faculty and staff.

Since University C is highly research-oriented, its primary income source comes from research funding representing 60 percent of the University’s annual income according to a 2012 statistics by University C. Also, as a publicly funded university, University C received 30 percent of its annual income from the State Government. In addition, tuition and fees account for 6 percent of its total income. By 2012, income from private donations represented 3 percent of University C’s annual income. Major funding sources are shown in Figure 13.
5.3.2 Establishment and Development of Foundation C

5.3.2.1 The Establishment

Foundation C was established by University C in 2010 with registered capital of ¥20 million. It is a non-public offering foundation registered in Beijing under the administration and supervision from both the Ministry of Civil Affairs and the Ministry of Industry and Information Technology. It is eligible to receive tax-deductible contributions with major obligation to support University C in academic development, scientific innovation, infrastructural construction, professorship, students scholarship and assistantship, student associations and alumni activities, etc.

Similar to the birth of Foundation A and B, the establishment of Foundation C attributed to the emergence of an increasing number of private gifts to University C from various social sources. Another important factor that catalyzed the establishment
of Foundation C was the State Government’s matching fund to higher education foundations announced in 2009.

Prior to the State matching fund, there were no individual sector in University C providing management to private donations given to the University. Donations were given directly or distributed immediately to receivers in different schools and departments after very simple recording by the financial department. Incentivized by the State matching fund, which indicates that only donations to foundations of universities are eligible for State matching, leaders of University C decided to establish a foundation offering not only a channel to attract new donations as well as State matching fund, but also a platform to a better integration and professional management of the existing and future donations.

5.3.2.2 The Development

Foundation C had grown fast since establishment. It had been actively engaged in fundraising and had received monetary gifts of about ¥100 million (about $16 million USD) during the period from 2010 to 2012. By 2011, Foundation C owns a net assets of ¥70 million (about $11 million) ranking 32nd of all university related foundations in China. Each year, the Foundation’s income has been turned over to the financial department of University C and used for applying for State matching fund by the financial department. During 2010 and 2012, University C had received State matching fund of over ¥70 million leveraged by ¥100 million raised by Foundation
The majority of donations to Foundation C had been generated from organizational donors including domestic companies, private foundations and multinational corporations in China. Individual donors, mostly alumni, had contributed a small part to its income.

5.3.2.3 Organizational Structure

Foundation C currently has three sectors including administration (in charge of general administration, financial management and trustee meetings), fundraising and financial departments. The current organizational structure is shown in Figure 13.

*Figure 14. Organizational Structure of Foundation C*

Source: created by author

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34 In 2012, the annual operation expenditure of University C was ¥3 billion (about $500 million).
There are 11 members of the Board of Directors. The President and two Vice Presidents of University B act as the director-general, supervisor and secretary-general respectively. The director of University C’s financial department concurrently serves as the vice secretary-general. By 2012, there were five full-time staffs taking charge of the administration, fundraising, and general accounting of the Foundation.

5.3.2.4 The Role of University President

The President of University C is recognized as the most influential person to the establishment and development of Foundation C. It was the President who had seen the significance of higher education philanthropy in supporting university maintenance and development, in particular in areas such as student scholarship and assistantship, increasing benefits to faculty and staff, campus infrastructural construction, etc., and had facilitated the establishment of the Foundation. The President is also the major fundraiser to the Foundation. In the early development stage, the affluent social resources that the President possesses have demonstrated important role in attracting donations to Foundation C.

Although having recognized its significance, the President is still considering private donation as an important “complementary” funding source to University C at current stage, in that the University is substantially relying on an affluent research funding and State allocation. The Foundation is described as the “icing on the cake”.

5.3.3 Organizational Change
5.3.3.1 Establishment of the Foundation

Similar to the establishment of Foundation A and B, the birth of Foundation C was attributed to the emergence of a growing private wealth gathered from various social sources recently in China. Another important factor that catalyzed the establishment of Foundation C was the State Government’s matching fund providing additional funding based on a competitive mechanism to higher education institutions announced in 2009.

Prior to the State matching fund, there were no individual sector in University C providing management to private donations given to the University. Donations were given directly or distributed immediately to receivers in different schools and departments after very simple recording by the financial department. Incentivized by the State matching fund, leaders of University C decided to establish a foundation offering both a channel to attract new donations as well as State matching, and a platform to a better integration and professional management of the existing and future donations.

5.3.3.2 The establishment of Investment Committee

In early 2013, the Board of Directors decided to establish a new sector of the Foundation—the investment committee. Due to a fast growing income, Foundation C had accumulated a considerable amount of wealth by the end of 2012. Members of the Board therefore decided to invest a portion of the saving into the financial market.
The investment committee consists of ten people who are either alumni of University C specialized in financial investment or eminent experts from well-known financial companies in China. Its establishment is considered to be an important organizational development to the Foundation since establishment.

Similar to University B, research funding and State allocation are two dominant funding sources to University C. Yet, unlike University B which had never been engaged in financial investment, University C had successfully performed several investment in different businesses in recent years. The successful experiences encouraged University C to pursue more profits from the financial market using unrestricted donations to Foundation C. It is anticipated to see a growing endowment of Foundation C in the near future.

5.3.4 Organizational Development Stage of Foundation C

According to Richard L. Daft’s organizational life circle35, Foundation C is currently at the birth stage of development.

Foundation C does not have a strong full-time team and most of its staff members are also serving at other administrative positions in University C such as the Vice President of the University and leaders of the financial department of the University. Decision making is quite centralized by the secretary-general and Board director.

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35 Richard L. Daft’s organizational life circle indicating that there are five levels/stages of any organization: birth, growth, maturity, decline and death (R. L. Daft, H. Willmott Murphy (2010), Organization theory and design, p. 356
5.3.5 Opportunity and Challenges of Foundation C

The biggest challenge Foundation C now face is the lack of a professional and full-time team. Very similar to Foundation B, Foundation C is also connected intimately with the University, despite of the fact that they are formally two independent organizations. Staffs of Foundation C are employees of University C. Their salaries and benefits are paid by the University with State allocation to the university. The strong leadership from university leaders has quickly moved up the development of Foundation C and has significantly escalated its fundraising performance in its early development stage. However, since Foundation C has been growing fast, especially since the establishment of the endowment, the vice secretary-general has expressed a strong willingness of having more full-time staffs. “The major problem we face is that we don’t have a team. Without a professional team, we can’t organize big fundraising campaign.” said the Vice Secretary General of Foundation C.

The second challenge is the lack of funding for organizing fundraising campaigns. As stated in the above paragraph, staff salaries as well as daily operation of Foundation C have been fully relied on the University funding. Since the only source of funding that can be used freely by the university is generated from State allocation, a portion from the State funding has become the exclusive funding source to Foundation C. This has restricted the Foundation to seek for a broader pool of potential donors because the Foundation has been cautious to use State funding to
organize any fundraising campaign.

The third challenge to Foundation C has been a foreseeable stratification of university foundations in China. As the university president said in the interview “One day on a banquet, I met someone who called himself as Committee Member of Renmin University. He also printed that title on his business card. I believe he must have donated to that university. I understand him. If I were a donor, I would also donate to universities like Renmin, Peking and Tsinghua rather than University C. Their reputation matters.” The president worried that top universities would attract most social donations, and there is not much left for them.

5.3.6 Summary

Foundation C has a relatively short history compared with Foundation A and B. In terms of organizational change, Foundation C had only experienced two major development: one is its establishment and the other is the emergence of the investment committee.

First and foremost, the establishment and development of Foundation C should give credit to the determination from University President and a strong leadership from leaders of both the university and foundation’s level. The reason that university president support foundation’s development was due directly to the fact that he had seen the possibility that foundation could be an attractive fundraising entity to cover funding shortfall of the university. As the President said in the interview: “at current development stage, we want to go a step further, because we need more
funding......and there are people willing to give”. Additionally, during interviews with staffs of Foundation C, the State matching fund was reiterated several times as an essential motivation to the birth and rapid growth of Foundation C. Important organizational changes taken place in Foundation C and forces which had triggered these changes are illustrated in Table 11.

Table 11

Important Organizational Changes to Foundation C and Forces to the Changes

<table>
<thead>
<tr>
<th>Forces</th>
<th>Growing Social Wealth</th>
<th>Leadership from Presidents of University A</th>
<th>Incentive from the Stage Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishment of Foundation C</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Investment Committee and Company</td>
<td></td>
<td>√</td>
<td></td>
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</tbody>
</table>

Source: author self created
5.4 Cross-Case Analysis Report

Study of the three cases demonstrates similar yet different development path.

5.4.1 Role of Philanthropic Income and Foundations in Supporting Universities’ Finance

University A, B and C are top public research universities in China, with primary funding source from the State Government covering one-thirds of their annual operating expenses. The universities must fund more than two-thirds of its operating expenses from other sources. Since the majority of funding to the universities is directed toward particular schools, departments, or programs, expendable funding sources has become vital, especially in areas such as student and faculty scholarship and assistantship and campus improvement.

Currently, philanthropic income raised by Foundation A, B and C accounts for 3 to 5 percent of the total operating expenses of each university. Due to a relatively small contribution that philanthropic income has made to the universities, Presidents of University B and C consider it as an “important yet complementary” source to their overall income. Foundation A has contributed comparatively more funding to University A due to a much longer history and better financial management capability. By 2010, Foundation A had established more than 1,300 programs supporting University A in student scholarship, research activities and infrastructural construction. The President of University A praised Foundation A as “having enormously supported the development of University A”.
5.4.2 Organizational Development of Foundation A, B and C

Foundation A, B and C are at different organizational development stages according to Richard L. Daft’s organizational life circle\(^{36}\). Foundation A is at the Youth stage, while Foundation B is at the transitional stage between Birth and Youth, and Foundation C is at the Birth stage of organizational development. Their development stages are shown in Figure 15.

Figure 15. Organizational Development Stages of Foundation A, B and C

Source: created by author

A Board of Directors (the Board) acts as the highest administrative authority for each of the three foundations. Members of the Board include university leaders and/or respectable alumni. The Board holds regular meetings governing the operation of the foundation. It receives supervision from the Board of Supervisors (members are

\(^{36}\) Richard L. Daft’s organizational life circle indicating that there are five levels/stages of any organization: birth, growth, maturity, decline and death (R. L. Daft, H. Willmott Murphy (2010), Organization theory and design, p. 356)
usually the vice presidents of each university). Under the governance from the Board, each foundation has its major administrative body named as the Secretariat which consists of several sub-departments in charge of different duty and works such as project management, fundraising and financial management. Full-time staff members of the Secretariat, representing 90 percent of the staff, are official employees of the universities. Other staff members are hired by contract and may leave when a project is done.

Besides the basic organizational elements, Foundation A, B and C have shown different structures reflecting various development stages. Foundation A, having the longest history among the three cases, presents a more complex organizational structure than the other two foundations. Apart from directors of the Board, Foundation A has a large group of honorary directors and supervisors who are normally significant donors to the foundation, and is absent from organizational structures of Foundation B and C. Additionally, parallel to the Secretariat, Foundation A has another important sector—the Investment Committee which oversees another important business of Foundation A—fund management and investment which is absent in Foundation B and has just emerged in Foundation C. In addition to fund investment, the Secretariat of Foundation A is responsible for a more complex division of work. There are currently six sub-departments of the Secretariat in Foundation A, while there are only three in Foundation B and C. A comparison of organizational structure of the three foundations is listed in Table 12.
Table 12
Comparison of Organizational Structures of Foundation A, B and C

<table>
<thead>
<tr>
<th></th>
<th>Foundation A</th>
<th>Foundation B</th>
<th>Foundation C</th>
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<tbody>
<tr>
<td>Board of Directors</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Board of Supervisor</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Honorary Board of Directors and Supervisors</td>
<td>✓</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Secretariat</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Investment Committee</td>
<td>✓</td>
<td>—</td>
<td>✓</td>
</tr>
<tr>
<td>Investment Company</td>
<td>✓</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Hired Project Management Team</td>
<td>—</td>
<td>✓</td>
<td>—</td>
</tr>
</tbody>
</table>

Source: created by author

The three foundations are all independent organizations yet in close relation with their universities. They support universities through continuous financial contributions while are nurtured by the universities. Research to the three foundations indicates that the longer history the foundation has, the bigger support it can provide to the university. It also correlates with a more independent relationship it is able to enjoy with the university. Having the longest history among the three foundations, Foundation A has made a great success in supporting University A. Unlike Foundation B and C which act like administrative departments of their universities and are almost fully controlled by the universities, Foundation A presents a substantial independence from its university in that leaders of University A are only overseeing the foundation, and are seldom directly involved in its operation.

5.4.3 Forces to important organizational changes of Foundation A, B and C
Research to the development of each foundation has indicated that there are internal and external factors playing as the essential forces to organizational changes of Foundation A, B and C. **Internal factors:** (a) universities’ demand for more funding, and (b) institutional ambition to become better educational entities. **External factors:** (a) substantial support from social resources; (b) a strong leadership from university presidents; (c) financial incentives from the State Government; and (d) supervision from the Ministry of Civil Affairs. Their relationships with the foundations are illustrated in Figure 16.

*Figure 16. Forces to Important Organizational Changes of Foundation A, B and C*

Source: created by author

5.4.3.1 Demand for more Funding
University leaders decided to establish foundations due directly to the fact that foundations were the best channel to generate philanthropic income which was considered as a new and attractive funding source to universities in China. There was still a huge short fall in universities’ annual operating funding. For example, president of University C addressed in interview that “In fact, we are short of funding. The so-called public universities in China are no longer totally publicly supported. Government allocation accounts for only one third of university’s total annual operating expenses. We depend on ourselves to raise the rest.”

5.4.3.2 Institutional Ambition

The study to each university and its foundation revealed a strong aspiration for becoming better universities. The good Chinese universities were trying to become national best ones, while the best Chinese universities exerted themselves to move up into the top rank of world universities. University presidents and foundation leaders believed that foundations could play the role of connecting with alumni and friends. They also believed that foundations could provide an opportunity to enhance reputation of the universities to which they were related. They thought that the more closely they were connected with society, the more social resources they could attract to support universities’ development. Donations to foundations were also considered as a sign of concern and support from alumni and friends to the related universities. One foundation staffs said: “we have received more and more donations in supporting students’ life on campus. There wasn’t much money, but it can reflect the fact that our alumni care about their Alma Mater. It is a very important signal to us.”
5.4.3.3 Substantial Support from Social Resources

The establishment of all three foundations are based upon a rapid growing philanthropic culture in Chinese society, reflected by a growing number of private gifts to universities coming from alumni, friends, corporations, foundations and other social sources. In order to better manage and allocate the gifts, three universities decided to establish their own foundations. Social resources had not only contributed to the emergence of foundations, but they, in particular alumni, have significantly promoted organizational development of the foundations. For example, overseas alumni of University A set up Foundation A (USA).

5.4.3.4 A Strong Leadership from University Presidents

The establishment of each foundation should also give credit to a strong support from university presidents, as presidents had included foundations into their strategic planning of the universities. Foundation A and B had also built up the “secondary fundraising tier”—participation of schools and departments in fundraising—with the help of administrative power from university presidents.

Foundations have been receiving full backing from leaders of university presidents ever since establishment. The university presidents had promoted the development of foundations, for instance, by offering the foundations with best office buildings on campus. University presidents had also strengthened the ties between the foundations and potential donors by, for example, actively participating in fundraising related activities such as charity events and reciprocal banquets with donors.
5.4.3.5 Financial Incentives from the State Government

In addition to a rapid growth of private gifts to University C, the establishment of Foundation C should attribute to the State Government’s matching fund providing additional funding based on a competitive mechanism to higher education institutions announced in 2009. In order to attract State matching, University C accelerated the process of registration for its foundation and fully supports its development.

Not only had Foundation C, but Foundation A and B had also benefited from the State matching fund. In 2010 and 2011, University A received a total of ¥300 million ($50 million) from the State matching fund as a reward of its ¥1 billion ($170 million) philanthropic income raised by Foundation A. Similarly, University C received over ¥70 million ($12 million) from the State matching fund based on the ¥900 million ($150 million) philanthropic income raised by Foundation C during the period from 2010 to 2012.

Apart from direct financial support, the State matching mechanism had also promoted organizational development of each foundation, in that it helps university leaders to reconsider foundation as not only a channel to generate new income sources, but a platform for better integration and professional management of the existing and future philanthropic income.

5.4.3.6 Supervision from the Ministry of Civil Affairs

At the beginning of each year, foundations submit annual reports to the Ministry
of Civil Affairs (MCA) which acts as the primary supervision body of higher education foundations in China. Foundations make adjustments according to feedbacks based on MCA’s suggestion. For instance, Foundation B recruited more staff members based on suggestions from MCA. Hence, although MCA does not directly involve in management or governance of the foundations, it has positively influenced the foundations in terms of organizational development.

5.4.4 Opportunity and Challenge

Although being individual organizations, Foundation A, B and C is in close relationship with their universities which are in full responsible for, for instance, the appointment and dismissal of foundation leaders such as Board Director and Secretary General. Foundation employees’ salaries and benefits are also payed by the universities. Leaders of University B and C are even involved in every important decision made for either fundraising projects, campaigns or important organizational change.

Such a close relationship had, on one hand, created a strong sense of belongingness of foundation staff to the universities. Foundations have also benefited from such a close relationship in that university leaders can provide strong administrative power which is significantly helpful to foundations because of the relatively small size and weak management strength they have at current development stages.

Yet, on the other hand, such a relationship has led to many problems. For
example, secretary-generals of foundations tend to avoid challenging decisions since any failure could lead to a serious blame to the university leaders in that every important decision made by the foundation is considered to be university leaders’ idea.

Foundation B and C, representing the majority of Chinese higher education foundations in size and annual fundraising income, currently demonstrate disadvantages in financial investment. Yet the two foundations show different attitudes toward financial investment. Foundation B is reluctant to engage in any investment due to lack of investment experience and a fear of taking responsibility if investment fails. On the contrary, Foundation C is willing to try in the financial market because of strong support from university president and previous successful experience in investment.

Such attitude also affects the trend line of total assets of both foundations. Foundation B shows a fluctuated growth in total assets as University B had taken away much of the income. While Foundation C presents a more steady increase since much of the income has been saved to generate more returns.

University’s prestige may further stratify the have and have-not, like president of University C said “people are more willing to make donation to universities like Beijing and Tsinghua. University C actually is not in an advantage stage.”
CHAPTER SIX: PHILANTHROPY IN HIGHER EDUCATION:

INTERNATIONAL PERSPECTIVES

Observations of higher education philanthropy indicate that higher education philanthropy seemingly differs in different parts of the world in terms of historical development, government support, and institutional involvement, and there is no panacea for all problems. Still, a number of similarities can be derived from these countries and can also provide a better understanding of the world ecosystem of higher education philanthropy.

This chapter, which is aiming at finding out the major trends of philanthropy in higher education in a comparative point of view, provides a review of higher education philanthropy in selected countries including USA, Canada, UK, and Australia. The chapter begins with an introductive analysis about the role philanthropic income play in higher education, common limitations of philanthropic income to higher education, and factors influencing a successful higher education philanthropy. The next part contains studies of higher education philanthropy in different countries. Focuses are placed on understanding issues including: (a) the overall development of higher education philanthropy in these countries; and (b) governments’ role in generating philanthropic funding to higher education institutions. To conclude, this chapter ends with a summary of major findings from the above mentioned countries. Papers collected to understand issues have been listed in Chapter Three.
6.1 Opportunities and challenges of philanthropy in world higher education

6.1.1 Four observations of why higher education throughout the world need philanthropy

First of all, higher education is critical to a nation’s future and individuals’ lives alike. Higher education produces creative minds that will benefit a nation’s economy and the kinds of democratic civil society to which people are all striving. Higher education is equally important to individuals. Not only will higher education increase their economic productivity namely the incomes, but also upgrade their general well-being, such as more life options, enhanced social status, and a richer life through broadened knowledge and understanding to the world. Therefore, countries throughout the world have put much more emphasize on the growth of the higher education sector (Johnstone, 2004).

Secondly, because of quick growth, the costs of higher education have been rising, and will continue to rise. To most countries, the increase of cost rises at rates that are significantly beyond the payment capacity of governments and taxpayers (Johnstone, 2004).

The third observation is the deterioration of the quality of higher education caused by the increase of costs and a relatively decreasing financial support. Institutions lose abilities to expand, to attract high quality teaching and management staffs, and to produce research and scholarship (Johnstone, 2004).
The fourth observation is a solution of the above mentioned problems. An urgent demand of new financial channel of higher education is prevailing in virtually all countries, as campus overcrowding, students and faculty demoralization and outright loss of faculty members caused by increasing financial austerity are deteriorating higher education. Other than public revenues, students and parents now pay the tuition and fees. Higher education has also shifted more cost burden onto faculty and university leaders via institutional entrepreneurship.

Most scholars believe that an alternative source to many countries must lie in the cultivation of philanthropic obligations, in order to thrive private giving to higher education. Johnstone (2004) even suggested that philanthropy must play an increasingly important role in higher education finance in virtually all countries and philanthropic support is “increasingly necessary, feasible and capable of making a difference” (Johnstone, 2004, p 1).

**6.1.2 Limitations of Higher Education Philanthropy**

Philanthropic support of higher education finance can be limited, and even, inhabited in its development. For most universities in most countries, people cannot expect quick increase in private giving. The role of higher education philanthropy will remain only “importantly complementary”(Johnstone, 2004, p 1).

Philanthropy will be limited and slow to develop as it takes money to raise money. For example, fundraising campaigns and regular contact with alumni are costly. To rely on private giving as revenue supplementation is also difficult because
it depends on supportive cultures and traditions that are absent in most countries and that are both time consuming and technically difficult to grow (Johnstone, 2004).

Philanthropy, both endowments and the annual giving, is frequently restricted. It can in some cases distort a university’s mission, particularly when university leaders and/or faculty members try to alter the scholarly and teaching programs to make them more attractive to potential donors (Johnstone, 2004).

Philanthropy will also be unevenly distributed, and for most institutions of higher education, it is a struggle. Even the US higher education, the most successful philanthropy supported higher education system in the world, the great annual giving and endowments are heavily concentrated in the top quartile of universities. Additionally, even in the institutions that are successful in philanthropy, the annual private giving and the endowment returns represent only a relatively small part to the total college expenditures. Statistics show that private donations contribute a slightly more than 5 percent of higher education funding in the USA. In Europe, the research spending financed by philanthropy is less than 3 percent of the total collegiate spending (Johnstone, 2004).

In short, philanthropy is not a significant revenue source even to the world’s most successful fundraising countries in general. It is also not likely to be fostered in a short period of time (Johnstone, 2004).

6.1.3 Four Factors of a Successful Higher Education Philanthropy

Suggested by Bruce Johnstone
Successful higher educational philanthropy requires wealth, favorable tax policies, institutional support, time, and culture of giving (Johnstone, 2004).

The first factor is wealth. As society matures and as people become more affluent in emerging economies, it is believed that the pool of potential philanthropist is growing. Additionally, it is also true that philanthropy increases as income inequality increases, especially among very large gifts (Johnstone, 2004).

The second factor, as a major feature of the US successful philanthropy, is a favorable treatment of charitable giving, which include income tax deductibility of philanthropic givings, the full deductibility of appreciated capital gains, and other features of tax code that can affect philanthropy. A favorable treatment is in fact a substantial governmental contribution—a match—to philanthropic giving. The rationale is that most private givings are sent to socially worthwhile causes such as religion, education, social welfare and culture that are traditionally shouldered by the government or the general taxpayer. Private wealth can be effectively transferred into such worthwhile ends. It is believed to be more cost-effective than taxation (Johnstone, 2004).

Thirdly, institutional support at the university level will play another significant role in the success of higher education philanthropy. Such institutional support includes the participation of leadership at all level, a continuous cultivation of alumni and friends of the university, solid record keeping and research. The success of American higher education philanthropy also heavily rely on the involvement of
volunteers (Johnstone, 2004).

Fourth and finally, successful higher education philanthropy requires the society has a philanthropic culture.

“This means a culture:

• of giving and of volunteering;

• of giving to the institution for general operating support, rather than always only to restricted gifts;

• of giving to higher education—in addition to giving simply to religious or cultural organizations or to other worthy causes;

• of giving not simply to private non-profit higher educational organizations, but increasingly to public colleges and universities,

• of giving generously and of giving at least some of the time jointly and anonymously: that is, giving in such a way that one’s gift is combined with the gifts of many others in meeting an overall annual or capital campaign goal, rather than giving always in such a way as to be singled out—for example, as in the donation of a named building or monument.” (Johnstone, 2004, p 4)

6.1.4 General Understandings Beyond A Philanthropic Culture
A philanthropic culture supportive of higher education requires certain beliefs or understandings beyond mere the generosity of philanthropists. Such beliefs and understandings prevail in the market-oriented, and largely capitalist countries, yet are still beginning to emerge in countries that are Communist economy dominated or long under Marxist (Johnstone, 2004).

The first understanding is that higher education as a public good is actually paid by ordinary citizens. Government or public revenue, which goes to higher education, comes from the general taxpayer who is essentially the same as the general citizen. Therefore, it is actually each of the average citizen who shoulders the entire financial support of higher education (Johnstone, 2004).

A second understanding is that public funding for higher education has an opportunity cost, and that money spent in this area cannot be spent in other important areas, such as elementary and secondary education, public health, social welfare, economic infrastructure and other equally worthwhile causes. (Johnstone, 2004).

Third, philanthropy is intimately tied to the acceptance of cost sharing including the appropriateness of some tuition fees. For instance, public revenue is not the only financial source of higher education in many parts of the world, instead, they encourage higher education receiver---the students and their families---to pay a part. However, there are countries, particularly in Europe, persist the belief that higher education ought to be “free”. This belief actually indicates that higher education in these countries is supported by the general taxpayer or general citizens, in spite of the
disproportionate beneficiaries from different social classes, and in spite of the fact that student of higher education will receive a high-return benefits (Johnstone, 2004).

6.2 Higher education philanthropy in the United States

6.2.1 Overview of Higher Education Philanthropy in the USA

6.2.1.1 Higher Education Finance in the USA

The current financial sources for the higher education system in the United States include the Federal Government, state and local governments, student tuition fees, and philanthropic donations. Figure 17 illustrates a model of the funding system for US higher education.

*Figure 17. Model of the US Higher Education Funding System*

6.2.1.2 The Role of Higher Education Philanthropy

The American society has been traditionally entrenched by the belief that giving is the right thing to do and that those who can afford to give should do. The nation’s higher education system has always been one of the primary public beneficiaries of the American culture of giving. Many American private universities, including Harvard and Yale, were established and financed by donations from private sources (ACG, 2007). In the 1970s and 1980s, many public universities invested in professional fundraising and have also made significant gains in the amounts raised.

According to statistics of the past ten years, philanthropic giving to HEIs in the United States accounted for 6-8 percent of total college expenditures (See Table 13). And giving for current operations, indicating the dollars that can be used immediately to offset current-year expenses, can contribute 4 percent to the total expenditures (Council for Aid to Education37, 2003-2011).

Table 13
Percentage of Philanthropic Giving in Total of College Expenditures, USA

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<tbody>
<tr>
<td>Percentage</td>
<td>6.5</td>
<td>7.1</td>
<td>7.1</td>
<td>7.6</td>
<td>8.2</td>
</tr>
</tbody>
</table>

Source: Council for Aid to Education, 2003-2011

37 The Council for Aid to Education (CAE) is a national nonprofit organization, providing source of empirical data on charitable giving to American education. Each year, over 1,000 HEIs participated in the CAE survey on private donation to American higher education. These institutions represent about a third of the nation’s four-year HEIs, including 75-80 percent of research and doctoral-granting institutions.
6.2.1.3 Factors Affect Philanthropic Giving to Higher Education Institution

Over the past ten years, philanthropic contributions to HEIs in the United States have increased an average of circa 5 percent per year (adjusted for inflation). Table 14 shows the amount American higher education institutions raised per year during 2004 to 2011.

Table 14
Philanthropic Contributions to Colleges and Universities in the United States 2004-2011 ($ billion)

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<tbody>
<tr>
<td>Amount</td>
<td>30.3</td>
<td>28.0</td>
<td>27.85</td>
<td>31.6</td>
<td>29.75</td>
<td>28</td>
<td>24.4</td>
</tr>
</tbody>
</table>

Source: Council for Aid to Education, 2003-2011

According to Council for Aid to Education’s annual report on collegiate donations of the United States, three factors play major roles in universities’ annual philanthropic income. First, the overall health of the economy as measured by Gross Domestic Product (GDP) has a powerful effect on charitable gifts to American HEIs. During recessions, gifts, especially gifts for current operations, decline or grow more slowly than usual.

Second, the strength of the stock market also affects contributions to universities. To be more specific, it has a strong effect on contributions for capital purpose gifts to HEIs.

The third factor that can affect giving is tax law. Especially the timing of gifts has a strong influence on the overall support because of tax climate. In 1986, the US
Congress passed the Tax Reform Act of 1986 which caused a prepayment of gifts to universities that were originally being contemplated for the next calendar year. Donors quickly paid their gifts to take advantage of the relatively better tax law for giving. The Act of 1986 also caused a decline in giving to colleges and universities of the United States in the following year. But, the decline did not persist, and the level of giving rebounded very soon.

6.2.1.4 Philanthropic Gifts Concentrated at the Top

As is true of the nonprofit sector overall, most of the charitable dollars go to a small number of institutions. The top quartile of the institutions raised about 85 percent or more of the dollars. The next 25 percent account for under 10 percent. In the contrast, the next two quartile together, namely the bottom half of institutions, attracted less than 5 percent of charitable contributions.

The 20 schools that enjoyed the largest charitable contributions received more than 25 percent of all of the contributions people made to colleges and universities each year. Moreover, the increase in giving to these 20 institutions accounts for nearly half of the increase to all institutions. However, these schools represent only about 2 percent of the total institutions surveyed. Harvard University, the wealthiest has an endowment worth more than $31-billion (for the fiscal year ending June 30, 201.

Contrary to the wealthiest, 75 North American universities have endowments of least one billion dollars. (http://chronicle.com/article/Big-Philanthropys-Role-in/131275/)

Table 15 shows some facts about the top 20 higher education institutions that
attracted the most donation. Facts include the amount of donation the 20 schools raised, and purposes of donations.

Table 15
The Amount of the Top 20 HEIs and Respective Percentage in Country’s Total Donation to Higher Education

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount raised in Billion USD</th>
<th>Percentage of total donation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$8.24</td>
<td>27.2%</td>
</tr>
<tr>
<td>2010</td>
<td>$7.15</td>
<td>25.5%</td>
</tr>
<tr>
<td>2009</td>
<td>$7.28</td>
<td>26.2%</td>
</tr>
<tr>
<td>2008</td>
<td>$8.46</td>
<td>26.6%</td>
</tr>
<tr>
<td>2007</td>
<td>$7.66</td>
<td>25.8%</td>
</tr>
</tbody>
</table>

Source: Council for Aid to Education, 2003-2011

The nation’s top 20 fundraising universities (and dollars received) in 2011 as an example are:

1. Stanford University ($709.42 million)
2. Harvard University ($639.15 million)
3. Yale University ($580.33 million)
4. Massachusetts Institute of Technology ($534.34 million)
5. Columbia University ($495.56 million)
6. Johns Hopkins University ($485.41 million)
7. University of Pennsylvania ($437.72 million)
8. University of California–Los Angeles ($415.03 million)
9. University of California–San Francisco ($409.45 million)

10. University of Southern California ($402.41 million)

11. University of Texas at Austin ($354.34 million)

12. Duke University ($349.66 million)

13. New York University ($337.85 million)

14. University of Washington ($334.49 million)

15. University of Wisconsin–Madison ($315.77 million)

16. Cornell University ($315.53 million)

17. Indiana University ($295.90 million)

18. University of California–Berkeley ($283.35 million)

19. University of North Carolina at Chapel Hill ($274.95 million)

20. University of Minnesota ($272.57 million)

Source: Council for Aid to Education, 2003-2011

6.2.1.5 Donation Sources

Historically, alumni and foundations are the largest sources of donations to higher education institutions in the United States. Each source represented 25-30 percent of the total support over the past ten years. Individuals who were not alumni made up the third largest giving group (18-20 percent), followed by corporations
(16-18 percent). Other organizations, including religious organizations and companies, supplied the rest part which accounted for 8-10 percent. Table 16 shows donation sources by percentage in total income.

Table 16
Proportions of Donation Sources in Total Philanthropic Income for Higher Education Institutions in the USA 2003-2011

<table>
<thead>
<tr>
<th>Year/Sources</th>
<th>Foundations</th>
<th>Alumni</th>
<th>Nonalumni individuals</th>
<th>Corporations</th>
<th>Other organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>28.6</td>
<td>25.7</td>
<td>18.6</td>
<td>16.6</td>
<td>10.5</td>
</tr>
<tr>
<td>2010</td>
<td>30.0</td>
<td>25.4</td>
<td>17.6</td>
<td>16.9</td>
<td>10.1</td>
</tr>
<tr>
<td>2009</td>
<td>29.6</td>
<td>25.6</td>
<td>17.9</td>
<td>16.6</td>
<td>10.3</td>
</tr>
<tr>
<td>2008</td>
<td>28.8</td>
<td>27.5</td>
<td>19.4</td>
<td>15.5</td>
<td>8.8</td>
</tr>
<tr>
<td>2007</td>
<td>28.6</td>
<td>27.8</td>
<td>19.0</td>
<td>16.1</td>
<td>8.5</td>
</tr>
<tr>
<td>2006</td>
<td>25.4</td>
<td>30.0</td>
<td>20.4</td>
<td>16.4</td>
<td>7.8</td>
</tr>
<tr>
<td>2005</td>
<td>27.3</td>
<td>27.7</td>
<td>19.5</td>
<td>17.2</td>
<td>8.2</td>
</tr>
<tr>
<td>2004</td>
<td>25.4</td>
<td>27.5</td>
<td>21.3</td>
<td>18.0</td>
<td>7.8</td>
</tr>
<tr>
<td>2003</td>
<td>28.0</td>
<td>27.8</td>
<td>18.1</td>
<td>18.0</td>
<td>8.0</td>
</tr>
</tbody>
</table>

Source: Council for Aid to Education, 2003-2011

6.2.1.6 Purposes of Donation

There are two major purposes of donation: contribution for current operations and capital purposes (to endowments and for property, buildings, and equipment).

Universities use current operations to offset current-year expenses. It is generally more than those received for capital purposes over the past years. In contrast, givings for capital purposes, such as gifts to endowment cannot be spent. Only income from those assets can be used to meet expenditures. Table 17 shows the differences of the
two purposes from 2003 to 2010.

Table 17

Purposes of Donations to Higher Education Institutions in the USA 2003-2010: Current Operations or Capital Purposes?

<table>
<thead>
<tr>
<th>Year</th>
<th>Current operations</th>
<th>Capital purposes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>60.7</td>
<td>39.3</td>
</tr>
<tr>
<td>2009</td>
<td>60.9</td>
<td>39.1</td>
</tr>
<tr>
<td>2008</td>
<td>54.0</td>
<td>46.0</td>
</tr>
<tr>
<td>2007</td>
<td>54.1</td>
<td>45.9</td>
</tr>
<tr>
<td>2006</td>
<td>55.5</td>
<td>44.5</td>
</tr>
<tr>
<td>2005</td>
<td>53.6</td>
<td>46.4</td>
</tr>
<tr>
<td>2004</td>
<td>55.7</td>
<td>44.3</td>
</tr>
<tr>
<td>2003</td>
<td>54.0</td>
<td>46.0</td>
</tr>
</tbody>
</table>

Source: Council for Aid to Education, 2003-2011

6.2.1.7 Use of Donations

American universities use donated funds to meet the costs of:

• current expenditure, including

  – merit-based scholarships for high-caliber students;

  – needs-based scholarships to allow students of lesser means to attend a university to which they have been admitted. (Vest, 2006:13);

  – research funding;

• buildings and equipment; and

• enhancing the university’s endowment (Smith & Ehrenberg, 2003, p. 70).
6.2.1.8 Multiple Opportunities for Giving

Universities in the United States apply a diversified fundraising vehicles that not only meet the university’s objectives, as well as donor needs and concerns, but also increase potential for finding an avenue for contribution that meets the needs of a prospective donor.

Common fundraising vehicles include:

• annual funds — an organized effort or campaign to obtain gifts yearly to support, at least in part, general operations of the university. Annual gifts usually do not have any restrictions attached, and often represent a substantial percentage of an institution’s income (Fritz, 2007);

• capital campaigns — multi-year fundraising for a particular goal such as funding for a new building, raising funds for a particular project or increasing a particular asset (Fritz, 2007);

• endowed funds — permanent investments that provide an ongoing source of support;

• term endowments — contributions to be spent over time but invested for that period to generate higher returns; and

• planned giving — donors to confer a gift upon death; or to give a large gift immediately while receiving income during the donor's life (Regenovich, 2006).

A summary of the types of planned giving programs is provided in Box 1.
Box 1. Planned Giving Arrangement in the USA

- Wills — a revocable bequest with the donor retaining complete control until death.
- Charitable gift annuities — a contract where the donor gives cash, which the not-for-profit (NFP) invests. The NFP provides an agreed income to the donor for life and keeps the remainder after they have died.
- Deferred payment gift annuities — similar to a charitable gift annuity, except payments to the donor are deferred until retirement age.
- Pooled income funds — donations to a pooled fund for an NFP are invested by fund managers with earnings paid out to donors annually. When the donor dies, their shares in the fund transfer to the NFP.
- Charitable remainder unitrusts — donor assets are transferred into the trust and earnings returned to the donor at a fixed rate on an annual basis. Donors are entitled to claim income tax reductions on assets in the trust, and any assets in the trust are exempt from estate tax and probate costs. A NFP’s ability to use the principal is deferred until the donor’s death.
- Charitable remainder annuity trusts — similar to charitable remainder unitrusts. Key differences include reduced flexibility with respect to the form of the trust, and restrictions on payouts.
- Charitable lead trusts — a trust in which annual payments are made to the NFP and the donor maintains the principal.
- Retained life-interest/ life estate gifts — a donor transfers a property to an NFP and receives a contract that they may reside there for life.
- Life insurance gifts — a NFP is named as a beneficiary in a life insurance policy, or in some cases, the NFP becomes the owner of the policy.
- Trust savings accounts — a donor sets up a savings account and holds it ‘in trust’ for a NFP. The NFP receives the donation when the depositor dies or when the depositor provides the passbook to the beneficiary.
- Bargain sales — the sale of assets or property to a NFP for less than they are worth.
- Major outright gifts — a straightforward gift that is claimed as a tax deduction.

Source: CASE, 2004

6.2.2 Government’s role in incentivizing donations

6.2.2.1 Taxation incentives
The essence of government incentives for giving in the US are generous taxation benefits that can encourage private donations. The US tax system provides incentives for corporate and individual philanthropy, and allows donations to be provided through a range of mechanisms (Johnstone, 2004).

Corporate are able to donate to universities directly or indirectly by establishing a corporate trust or foundation. Foundations are entities established by companies (although legally separate) to provide funding to charitable, educational, religious or other activities that serve the public good. Each method provides a range of taxation benefits. Interestingly, 95 per cent of US corporations choose to donate directly rather than through foundations.

Individuals are able to donate directly through one-off gifts, or through planned giving arrangements.

Planned giving — also known as ‘deferred giving’, ‘organized giving’ and ‘charitable gift planning’ — involves the gift being legally provided for the lifetime of the donor.

The recipient organization has an interest in the gift (but the full benefit is usually deferred until a point in the future such as death of the donor), and where the donor may receive tax benefits as a result of their gift. There are many vehicles for planned giving. Each provides a range of taxation, security and income benefits to the donor and the recipient (Sargeant et al., 2002, 12-14)
6.2.2.2 Government Fund Matching Programs

Twenty-four US states have established government matching fund programs to leverage private contributions, improve the quality of teaching and learning, and increase access to higher education, thereby strengthening the core missions of post-secondary education institutions.

Most programs are targeted to two-year and four-year public institutions exclusively, but some states operate programs that are also open to private universities. These programs have proven to be a highly effective form of leverage to increase donations (CASE, 2004).

6.3 Higher Education Philanthropy in UK

6.3.1 Overview of Higher Education Philanthropy in UK

6.3.1.1 History, Current Status and Future Projection

As this country’s Oxford Dictionaries defines, people in UK believe that philanthropy is “the desire to promote the welfare of others, expressed especially by the generous donation of money to good causes”\(^{38}\). Philanthropy traditionally played an important role in UK’s economy, society and culture over many years. It emerged in the medieval time, and flourished through Victorian to modern times (More Partnership (MP), 2012; Department for Education and Skills (DfES), 2004).

Before the Second World War, public funding for higher education represented

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\(^{38}\) Oxford Dictionaries definition.
about a third of their income, with fees covered another one-third, and the rest came from endowment income and other private support. Yet, after the War, the state increased its role in funding higher education, public funding formed around 75 percent of the total income of old universities until the late 1970s. In more recent years, the proportion of public funding has been declining as international students contributed an expanding part of institutions’ income and there have been increasing commercial activities by institutions (MP, 2012; DfES, 2004).

Over the past decade, philanthropy in UK higher education did not as prevailing as it was in the old times. This country did not make the most of their philanthropic tradition. Ten years ago, only a few elite higher education institutions could benefit from a relatively small number of donors. Yet, from the beginning of the 21st century, the UK government has adopted several measures in terms of research on philanthropy, as well as tax and funding incentives to facilitate the development of philanthropy in higher education (MP, 2012; DfES, 2004).

Since 2004, there is remarkable progress made by universities through out the country. In 2006, 131 UK HEIs received £513 million funds from 132,000 donors. Five years later, this had risen to 152 institutions receiving £693 million from 204,000 donors in 2011 – 16% more institutions reporting an overall rise of 35% in funds raised and 54% more donors. Additionally, over 150 HEIs, almost half of UK’s higher learning institutions, now have some sort of development office and alumni relations capacity (MP, 2012; DfES, 2004). Figure 18 shows an increasing tread of
philanthropy in UK higher education. The newly updated data on the total amount of donations to higher education indicates that there has been an increase of 14 percent from 2011 to 2012 (Ablett, 2013).

*Figure 18. University Fundraising Results 2007-2011*

Statistics indicates that higher education sector is attracting more £1 million+ gifts than any other. Yet, the general picture of philanthropy of higher education in UK seems to be identical to that of in the United States—only a small number of elite institutions attract large proportion of philanthropic contribution. Among the elite ones, the Universities of Oxford and Cambridge have led the way: about half of philanthropic contribution has been given to these two schools in 2010-2011. It is estimated that the potential is also not equal to all universities: funds raised through philanthropic activities cannot work for younger schools, particularly for those that are not research-oriented or that do not specialize in areas considered to be conventionally fundable, such as medicine as research shows that medical or related research programs correlates positively with philanthropic income (MP, 2012; DfES,
Below are listed the top ten UK universities that attract most philanthropy givings (See Table 18).

Table 18

Top Ten UK Universities with Most Philanthropic Income in 2011

<table>
<thead>
<tr>
<th>Ranking</th>
<th>University</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cambridge</td>
</tr>
<tr>
<td>2</td>
<td>Oxford</td>
</tr>
<tr>
<td>3</td>
<td>Edinburgh</td>
</tr>
<tr>
<td>4</td>
<td>Manchester</td>
</tr>
<tr>
<td>5</td>
<td>Glasgow</td>
</tr>
<tr>
<td>6</td>
<td>Liverpool</td>
</tr>
<tr>
<td>7</td>
<td>Kings College London</td>
</tr>
<tr>
<td>8</td>
<td>University College London</td>
</tr>
<tr>
<td>9</td>
<td>Reading</td>
</tr>
<tr>
<td>10</td>
<td>Birmingham</td>
</tr>
</tbody>
</table>

Source: DfES, 2004

It is anticipated that the scale and pace of positive changes in UK higher education philanthropy will continue: the number of philanthropic income is expected to reach £2 billion per annum from some 640,000 donors by 2022 (MP, 2012. Figure 19 shows the projections beyond 2011.
Figure 19. Projections on the Development of Higher Education Philanthropy in UK Beyond 2011 – Including Oxbridge

Source: MP, 2012

6.3.1.2 Donation Sources

The majority of gifts in number, and the majority of small gifts currently come from alumni. In UK, 1.2 percent of alumni currently contribute to their alma mater, compare to over half of the entire population give to charity each year (the number in the United States is about 10 percent). Other important sources include non-alumni, trusts, foundations and corporations. Some of the most significant gifts in value have come from non-alumni sources such as individuals who are regionally affiliated with the institution or attracted by an area of expertise or leadership of the institution (MP, 2012; DfES, 2004).

6.3.1.3 Proportion of Philanthropic Income to The Total College Expenditure

Philanthropic income, seen as an increasingly important substitute of college expenditure, currently provides 1.36 percent of total collegiate expenditure, excluding
Oxbridge, and 2.2 percent if Oxbridge is included. The range is from functionally zero up to a remarkable 44%. Yet, it is widely recognized in UK that philanthropic funding cannot and should not cover the core costs of running, particularly public funding, but merely a substitute (MP, 2012; DfES, 2004).

6.3.2 The Role of Government

6.3.2.1 Regulatory Changes

The UK government had made a great effort to encourage higher education fundraising over the last decade. The first governmental approach of such encouragement is the 2003 White Paper — *The Future of Higher Education*. It required universities to take greater responsibility for their own finances, including through increasing philanthropic revenue (DfES, 2004). The White Paper was then followed by a task force report — *Increasing Voluntary Giving to Higher Education* widely know as the *Thomas Report* — that recommended measures to increase voluntary giving to higher education (DfES, 2004). The UK government responded positively to most recommendations and has taken steps towards implementing many of them. The Report’s recommendations and the government’s responses can be found in Appendix F and G.

The most recently conducted follow-up study is the *Review of the Philanthropy in UK Higher Education: 2012 Status Report and Challenges for the Next Decade* which provides the most updated information about the philanthropic sector of higher education finance. This review also provides recommendations for both the
government and universities to take into account for the future. Key recommendations are listed in Appendix E.

6.3.2.2 Fiscal intervention— the Matched Funding Scheme 2008-2011

From 2008 to 2011, the government initiated a matched funding (every private donation triggered a matching donation from the public revenue) of up to £200 million, intended to incentivise philanthropic giving to universities and to encourage professionalism within institutions in England. Universities were allowed to apply to participate in one of three different tiers. Tier 1 allowed a match of 1:1, capped at £200,000 over three years. Tier 2 matched at 1:2 (i.e. 50p match for every £1 raised), with a cap of £1.35 million. Tier 3 matched at 1:3 with a cap at £2.7 million. (MP, 2012; DfES, 2004).

Beyond the provision of the matched funding, government also set up supportive approaches facilitating the growing speed of higher education philanthropy. The first was to provide an extensive capacity-building training in fundraising delivered by CASE Europe over a four year schedule (MP, 2012; DfES, 2004).

The second approach was a public information initiative to inform the public that universities are charities delivering wide impact to society. Such approach aimed at promoting public understanding of higher education institutions as good causes. It is advised by scholars now in UK that higher education should be perceived as charitable causes and thus universities should be the *asking institutions* meaning that
universities need the mechanisms and the confidence actively to ask for givings (MP, 2012; DfES, 2004).

As a result of the Matched Funding Scheme, many universities at all levels attracted £580 million of giving by donors and made matched funding payments of over £143 million. Fifty-five institutions reached the cap within their respective tiers, while 43 others, although not meeting their own tier’s cap, raised more than needed to achieve the same level of match in the next lowest tier (MP, 2012; DfES, 2004).

Additionally, the growth of the absolute number of donors was also growing fast. Figure 20 shows a growing trend of total number of donors from 2007 to 2011. The acceleration in numbers during the period of the scheme is noticeable and is set against a background of challenging economic times: growth in giving to higher education has been maintained in a period when giving to other UK charities has declined and when, in other parts of the world, giving to higher education also decreased (MP, 2012; DfES, 2004).
6.3.2.3. Tax Incentives

6.3.2.3.1 Tax Incentives for Individual Donors

Income tax relief

Gift Aid scheme: is the most commonly used tax effective giving method in higher education. The Gift Aid scheme allows universities to reclaim a basic rate tax (22%) on the gross donation. So a university can claim £22, on a £78 donation, making a £78 donation a gross donation of £100. Taxpayers in higher tax brackets can reclaim the difference in tax between the higher and basic rates (18%) on the gross donation. This means that on a donation of £78, they can reclaim £18, making the effective cost of a gross donation of £100 only £60 (MP, 2012; DfES, 2004).

Payroll Giving scheme: employees can make donations from their gross pay. A gross donation of £100 costs a basic rate taxpayer £78, and higher rate taxpayer £60.
Income tax and capital gains tax relief

Donors can reclaim income tax relief on the market value of gifts of listed shares, land and buildings. Appreciated assets are free from capital gains tax (MP, 2012; DfES, 2004).

6.3.2.3.2 Tax Incentives for Corporate Donors

Corporation tax relief

The value of donations of cash, shares, land or buildings donated to a university are deducted before calculating a company’s taxable profit, thus providing a corporation tax relief. Donations of traded items, plant and equipment, also reduce tax liabilities. UK tax laws prevent donors from deriving an income from, or retaining any interest in gifts, or assets or property. These rules prevent development of planned giving schemes such as those that operate in the US (DfES, 2004).

6.3.3 Growing Professionalism in Higher Education Philanthropy

The growing professionalism in UK higher education philanthropy is also reflected in a growing information and data pool available for higher education fundraising, including statistical data on the income and donors as well as costs of fundraising. Additionally, the development of formal networks and organizations for practitioners is also a good sign of its growing professionalism.

These include well-known studies such as:
● the Thomas Report on Voluntary Giving to UK Universities providing recommendations to the government in terms of a comprehensive development plan of philanthropy in UK higher education by Bristol University;

● the Review of Philanthropy in UK Higher Education: 2012 status report and challenges for the next decade summarizing achievement of the past years and an outlook for the next ten years by the Higher Education Funding Council of England;

● and the ROSS-CASE survey—the Annual Survey of Gifts and Costs of Voluntary Giving to HE in the UK—capturing key philanthropic statistics now provide information, recommendations and benchmarking that can be used to understand fundraising performance of higher education institutions.

Organizations and networks are, for example:

● the Council for the Advancement and Support of Higher Education—a professional organization supporting people working in higher education advancement; and

● the Leadership Foundation for Higher Education—that provides training in leadership, governance and management to universities.

6.4 Higher Education Philanthropy in Australia

6.4.1 Overview of Higher Education Philanthropy

6.4.1.1 Current Status
Australia’s first universities share a similar history to their counterparts in the UK in that many depended heavily on philanthropy for development and expansion. Despite this early pattern of giving, private giving to higher education in Australia has been very limited. Much like the UK, Australians have come to believe that it is the role of governments, not individuals, to provide funding for universities. Australians do not tend to identify closely with their university. The current climate of philanthropy in Australia is believed to be the “social investment paradigm” meaning donors see their giving as a form of investment (Hare, 2006, p. 15).

6.4.1.2 Role of Philanthropy in Australian Higher Education

It is estimated that donations and and other forms of private giving account for less than 1.5 per cent of university revenue in Australia. Funding from donations contributed about 6 per cent of university research income in 2001. Some universities receive more funds in donations than others. In particular, The University of Sydney, The University of Melbourne and Queensland University of Technology receive more in donations and bequests than the total amount of donations combined for the seven higher education institutions in South Australia. The Group of Eight (Go8) universities also tend to attract significant philanthropic funding. Donations and bequests to Go8 universities increased from $91 million to $115.4 million between 2003 and 2005 (Go8, 2006). The Go8 has managed also to generate good returns on investments with the help of professional fund managers (Allen Consulting Group (ACG), 2007).
6.4.2 Government’s Role

6.4.2.1 Tax Implications

The first aspect concerns the tax status of charitable trusts and university foundations. All Australian university trusts and foundations hold Deductible Gift Recipient Status, if they meet the criteria laid down by the Australian Tax Office. Deductible Gift Recipient Status (DGR) status means universities are eligible to receive tax-deductible donations, which should in theory, make them potentially attractive to philanthropic givers (ACG, 2007).

The Australian Government has also introduced a range of other incentives for philanthropy in recent years. These include:

- capital gains tax exemptions for bequests to DGR entities and for gifts of significant gifts of cultural property through the Cultural Gifts Program to public libraries, museums and galleries;

- tax deductibility for gifts of property held by the donor for more than 12 months and valued at more than $5 000;

- ability to spread deductions for cash, cultural property through the Cultural Gifts Program, and property valued at more than $5 000 over a period of up to five income years;

- tax deductibility for eligible donations to DGR entities where an associated minor benefit is received;
• partial tax deductibility for the cost of tickets to charity fundraising dinners; and

• immediate tax benefits for workplace giving.”


6.4.2.2 The Endowment Fund

Unlike governments of the USA and UK that provide direct matching fund to their higher education sectors, the Australian Government established a $5 billion perpetual Higher Education Endowment Fund (HEEF) in 2007 and will add more capital in future Federal budgets in the purpose of encouraging universities to use the existence of this endowment fund as leverage to increase their philanthropic efforts in getting endowments and donations from businesses and alumni (Morris & Leibian, 2007).

Dividends from the Fund will be given to “capital and research facilities based on strategic investment proposals, which support Australian Government policy with respect to specialization, diversity and responsiveness to local labor market needs” (Bishop, 2007). It is estimated an annual dividend of $350-500 million will be received based on an annual return of 6-10 percent and the earnings will be distributed to higher education institutions on a competitive base. Philanthropic funding is welcomed to add to the Fund and will be tax deductible. The Fund can also manage individual university endowments (universities maintain ownership) (ACG, 2007).
Feedbacks have already manifested limitations of the incentive. Major concerns indicate that donors prefer to support specific institutions, rather than a general fund for the higher education sector. Additionally, universities are unlikely to merge their endowments into HEEF, as this would mean loss of control. Some universities already receive returns of 16 per cent or more from their investments (Lebihan and Morris, 2007). For smaller institutions, HEEF investments may assist them to get better rates of return (ACG, 2007).

6.5 Higher Education Philanthropy in Canada

6.5.1 Overview of Higher Education Philanthropy in Canada

Canada has a similar culture of giving to non-profit and charitable institutions as its neighboring country USA. However since Canadian universities have been traditionally financed by government, the most charitable funds go to religious organizations, health organizations and social service organizations. Additionally, although many people donated to charitable organizations, the majority of funds raised comes from a small group of people. About 82 per cent of all funds is donated by 25 per cent of donors (ACG, 2007).

Canadian universities have traditionally relied heavily on public funding and student tuition fees to meet the cost of higher education. Canada’s provinces have constitutional authority for higher education and are primarily responsible for funding, although the federal government also makes a significant contribution (AUCC, 2006).
Currently in Canada, provincial governments have effective control over 91 percent of public universities’ operating fund revenues (Kelly, 2009).

Public funding for universities has declined in real terms since the mid 1990s. In response, Canadian universities have sought to diversify their funding base to include revenue from private sources, including through donations (Queens University, 2007). The Canadian universities’ approach to fundraising is similar to that employed in the United States, albeit less developed. Most major universities have established dedicated, development offices staffed by fundraising professionals (ACG, 2007).

In 2007, Canada’s 93 universities reported having received $1.120 billion in donations. Yet, the top 5 fundraising institutions (Calgary, Toronto, McGill, McMaster, and Montreal) raised $450.52 million collectively, or 40 percent of the total fundraising amount, demonstrating a considerable imbalance in fundraising performance to the benefit of a few institutions. To include the next best 5 fundraising results (Alberta, Western, UBC, Queen’s, and Dalhousie) with the previous five, the total raised by the top 10 fundraising institutions in 2007 was $684.79 million, or 61 percent of the national total (Kelly, 2009).

6.5.2 Government’s Role in Incentivizing Philanthropy

6.5.2.1 Tax Incentives

Canada’s tax system provides incentives for donations to the higher education sector by granting tax relief (credits for individuals and deductions for corporations)
for the full, fair market value of any gift made to a university. Donors may claim tax relief on donations worth up to 75 per cent of their net income. Donations in excess of this percentage may be carried forward for up to five years. Gifts may be granted in a number of forms, (e.g., shares, property, cash). The taxation benefits gifts attract, vary according to the nature of the gift (Kelly, 2009).

In 2006 as part of its efforts to increase total charitable donations, the Canadian Government, eliminated capital gains tax on donated securities, such as shares. This provides an incentive for non-cash gifts (Kelly, 2009).

Like the US, individuals in Canada are able to contribute directly, or through planned giving arrangements. Planned giving options available to Canadians include:

- donation of retirement savings;
- charitable remainder trusts that allow donors to make a gift and receive immediate tax relief, while receiving income for life;
- gifts of residual interest, where personal property is donated to a charity but donors are allowed to use it for life; and
- donation of life insurance policies (Kelly, 2009).

6.5.2.2 Government Matching Programs

The Canadian Government and some provincial governments have introduced gift-matching programs to encourage donations to universities. The programs are usually targeted to benefit certain priority areas. The rate of matching can vary
considerably between programs from 1:1 to 9:1. Universities must apply to be involved in some of Canada’s matching programs. For example, the University of Western Ontario successfully applied to the Ontario Research and Development Challenge Fund (ORDCF) to gain matching support for the *Ontario-Wide Protein Identification Facility*. Donations to this project now qualify for matched funds at a ratio of 2:1 (University of Western Ontario, 2007) (Kelly, 2009). Some government fund matching programs are provided in Box 2.

**Box 2. Canadian Fund Matching Initiatives**

**State Government**
- Canada Foundation for Innovation
- Canada Research Chairs

**Provincial Governments**
- SuperBuild (Ontario)
- Ontario Innovation Trust
- Ontario Research and Development Challenge Fund
- The Ontario Arts Endowment Fund
- Ontario Student Opportunity Trust Fund
- Ontario Graduate Scholarship/Ontario Graduate Scholarship in Science and Technology

Source: Kelly, 2009

**6.5.2.3 Corporate Matching Programs**

About 10,000 Canadian companies have employee gift matching programs. These companies match, or in some cases double, the donations their employees make to charities and non-profit organizations. Most university websites draw attention to the opportunities for employee/corporate matched giving on their websites. Canada
has only recently begun tracking corporate donations, so the extent to which matched funding is provided to universities is not clear (Kelly, 2009).

6.5.2.4 Professional Fundraising Industry

The Canadian fundraising industry is becoming increasingly professionalized, particularly in the education sector. The Canadian Centre for the Advancement of Education is the professional association for university development professionals. It provides services and resources to assist practitioners working in fundraising. Many Canadian practitioners are being recruited to UK and Australian universities to manage fundraising efforts, due mainly to a shortage in the supply of local expertise (Kelly, 2009).

6.6 Conclusion

6.6.1 Features of Higher Education Philanthropy in Different Countries

International experiences can provide salient information for people to understand the world ecosystem of higher education philanthropy and to learn lessons for the growth of philanthropic income. The study of different countries and regions has manifested clear trends and common features of higher education philanthropy in terms of historical development and strategic planning such as government incentives and institutional advancement plans.

The United States indefinitely embraces the longest history of higher education philanthropy and is widely acknowledged as the benchmark for higher education
philanthropy, both in operations and in results. The US society has a relatively mature higher education philanthropy system in that the culture of giving to higher education has been widely accepted by the public and fundraising is considered to be a routine work to literally all American higher education institutions. In addition, higher education philanthropy is functioning effectively in the financial market without much newly adopted governmental intervention. Last but not least, higher education philanthropy has long been a field of profession that attracts much attention from scholars and financial professionals whom have provided significant suggestions to the development of higher education philanthropy.

Some other countries such as Canada, UK, and Australia although do not have a long history in higher education fundraising, have had achieved considerable success in this endeavor in recent years. Research on their success in fundraising indicates that government’s incentives including regulatory support and public promotion of philanthropy have been playing an essential role in encouraging philanthropy in countries lack the culture of giving to higher education.

Table 19 illustrates a summary of basic features of higher education philanthropy in different countries including China, comparing the current status of philanthropic funding to overall higher education finance, and governments’ incentives to increase philanthropic funding to higher education institutions.
### Table 19

Some Features of Higher Education Philanthropy in USA, UK, Australia, Canada and China

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<th>USA</th>
<th>UK</th>
<th>Australia</th>
<th>Canada</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Philanthropic Culture in Higher Education</strong></td>
<td>historically embraced</td>
<td>rebuilding</td>
<td>limited</td>
<td>limited</td>
<td>limited</td>
</tr>
<tr>
<td><strong>Percentage of Donations in Total College Expenditure</strong></td>
<td>6-8%</td>
<td>2%</td>
<td>1.5%</td>
<td>NA</td>
<td>3-5%</td>
</tr>
<tr>
<td><strong>Increase of Philanthropic Income to Higher Education</strong></td>
<td>5%</td>
<td>14%</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td><strong>Factors Affect Philanthropic Funding to Higher Education</strong></td>
<td><strong>GDP</strong></td>
<td><strong>the stock market</strong></td>
<td><strong>tax law</strong></td>
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<td>The Endowment Fund</td>
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<td>favorable regulations</td>
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<td>favorable regulations</td>
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Source: author self created

### 6.6.2 Key Findings of International Trend on Philanthropic Funding to Higher Education Institutions
The following paragraphs display findings of research to the development of higher education philanthropy in countries and regions that include the United States, Canada, the United Kingdom, and Australia.

**Finding 1. Philanthropic income contributes a small part to overall higher education revenue**

Philanthropic support of higher education finance is limited and slow to develop. Observations to different countries confirmed Johnstone’s assumption that the role of philanthropy is only an “important complementary” to the overall higher education finance (Johnstone, 2004, p. 1). In UK, for example, philanthropic income currently provides 1.36 percent of total collegiate expenditure, excluding Oxbridge, and 2.2 percent if Oxbridge is included. Similar to UK, donations and and other forms of private giving account for less than 1.5 percent of university revenue in Australia (ACG, 2007). Even in the United States, the world’s richest donation destination, philanthropic giving to higher education accounted for only 6-8 percent of total college expenditures. To many other countries, philanthropic giving represents too small a part and has seldom been counted separately.

**Finding 2. Most philanthropic gifts go to a small number of universities**

Observation indicates that philanthropic gifts concentrate at the most prestige universities in all countries. The potential is also not equal to all universities: funds raised through philanthropic activities cannot work for younger schools, particularly
for those that are not research-oriented or that do not specialize in areas considered to be conventionally fundable.

In the United States, The top quartile of institutions raised about 85 percent or more of the dollars each year. The next 25 percent account for under 10 percent. In the contrast, the bottom half of institutions attracted less than 5 percent of charitable contributions. The 20 schools that enjoyed the largest charitable contributions received more than 25 percent of all of the contributions people made to colleges and universities each year. In the UK, about half of philanthropic contribution has been given to Universities of Oxford and Cambridge. The situation is identical in Australia, and Canada.

*Finding 3. The primary source of donation to higher education institutions is alumni*

Alumni are the primary sources of donations for universities in most countries. Their connection to the university makes them more likely to identify its aspirations and contribute to its future. Successful fundraising universities recognize the importance of current students (as future alumni) and alumni and assiduously cultivate and maintain relationships with them, particularly those who are likely to be able to make significant donations (ACG, 2007).

In UK, the majority of gifts in number, and the majority of small gifts have come from alumni. Historically, alumni and foundations are the largest sources of donations to higher education institutions in the United States. Each source represented 25-30
percent of the total support over the past ten years. In the UK, the majority of gifts in number, and the majority of small gifts currently come from alumni.

Finding 4. An increasing number of universities have started global fundraising

As stated in Global Fundraising: How the World is Changing the Rules of Philanthropy by Cagney and Macmanus (2013), most large universities worldwide are engaging in fundraising to alumni and friends living across the globe to expand their development efforts. They are also reaching out to international foundations, international corporations headquartered in other countries, and unaffiliated individual donors (Cagney & Macmanus, 2013).

Higher education philanthropy in the United States, for example, had received over $200 million in monetary gifts from international sources in 2009. UK universities like Oxford raised over half of their philanthropic income in their last campaign from international sources.

As observed, the most generous donors to higher education institutions are located within the territory of the United States. Cambridge and Oxford are two leading universities in raising funds in the US. Their success paved the way for other European institutions, such as the French École Supérieure des Sciences and Economiques et Commerciales, and the German Freie Universität Berlin which have been actively engaged in fundraising in the United States (Labi, 2004, 2007).

Universities from other countries, such as Israel, Singapore and Malaysia, have been also aggressively searching for donations in the USA through their non-profit 501 (c)
foundations (Overland, 2008 & Watzmann, 1999). For example, Israel’s eight major universities have targeted to US donors for much of their non-government funds since the late 1990s. The Technicon-Israel of Technology and the Hebrew University of Jerusalem, the country’s oldest universities, have made particular success (Watzmann, 1999). Starting somewhat late but soon ranking as top international recipients of US giving have been the leading South African universities like Cape Town, Pretoria, Free State and Stellenbosch (The Foundation Center USA, 2010).

Finding 5. The role of government is essential to the development of philanthropy

Observations to countries which have similar attitudes toward giving to universities such as the UK, Canada, and Australia, indicate that cultural differences should not be used as an a priori justification for not increasing fundraising capacity, professionalism and effort. University expertise in fundraising in theses countries such as Canada has grown significantly from a low base in the early 1990s and the efforts to increase donations have been effective. UK and Australia have only recently begun to make a significant effort in this area as well. Their experiences are particularly instructive to countries which have strong similarities to these countries in terms of cultural attitudes about the role of the state in funding universities and philanthropic giving to universities.

The motivation of their success in higher education philanthropy came from a
variety of government incentives. The State Government plays an extraordinarily important role in promoting higher education philanthropy in particular in countries that traditionally do not embrace a culture of giving or hold the idea that financing higher education is solely a government’s responsibility. The commonly used governmental approaches to accrue private giving to higher education in different countries include:

- regulatory adjustment to require higher education institutions to take greater responsibilities for their own finance (e.g., the “UK 2003 White Paper — The Future of Higher Education and Universities Australia Code of Practice”);

- direct fiscal incentives such as the matched funding or endowment fund;

Government matching funding schemes have been implemented in several countries. Evidence suggests that they have been highly effective in providing an incentive for philanthropic giving to universities and in encouraging professionalism within institutions of their countries. Most fund matching schemes operate for a fixed term, and include limits on the amount of money available to any one university. The rate of matching can vary considerably between countries and programs from 1:1 to 9:1.

Some governments directly provide matched fundings to higher education institutions, while some other, such as Australian government, has established endowment fund and distributes dividends to universities to encourage them to use the existence of this endowment fund as leverage to increase their
philanthropic efforts. In some countries, governments are the only matching sources to higher education institutions, while in other countries like Canada, there are also corporate matching programs supporting higher education through partnerships with universities.

- fiscal policy—the tax and regulatory environment in which giving takes place.

All countries studied provided favorable tax adjustment to attract donations. However, the US have the most sophisticated incentives, including allowing donors to effectively arrange their superannuation through a university through ‘planned giving mechanisms’ (ACG, 2007).

- Indirect encouragement and celebration of philanthropic behavior (e.g., public information initiative to inform the public that higher education institutions are charities delivering wide impact to society in the UK).
CHAPTER SEVEN: SUMMARY TO THE ENTIRE STUDY

This chapter reviews the research question and sub questions of the study and then summarizes the major findings and provides recommendations for practitioners and researchers to reconsider the development of higher educational foundations in China.

7.1 Review of the Research Question

The overarching research question of the study is “what are the historical forces that have led to the development of philanthropy in China’s public higher education from 1999 to 2012?”. To understand it, five sub questions were created, namely:

1. What role do higher education foundations play in generating philanthropic income for public universities in China?

2. What organizational changes have taken place to the foundations since their establishment?

3. What forces and incentives have led to the changes?

4. What opportunities and challenges do the foundations face to increase philanthropic income?

5. What lessons can be learned from international experiences in terms of higher education philanthropy on a worldwide scale?

7.2 Findings
Findings to each question are addressed in the rest of the chapter.

7.2.1 What role do higher education foundations play in generating philanthropic income for public universities in China?

Findings to this question provide an overview of the current development of university related foundations in China. Currently, university related foundations have been playing as the major practice for generating philanthropic income for higher education in China. It is found that although there is a rapid growth in total number of university related foundations in China, their contribution, namely philanthropic income, plays as “important yet complementary” source to higher education finance in China. The study also found that the majority of donations has come from alumni with major purposes of supporting students, faculty and overall development of higher education institutions in China. Further observation to the foundations reveals that philanthropic gifts concentrate at top receivers. Also, foundations present different annual increase rates. A geographic analysis shows a heavily concentrated trend of private gifts in regions located in east China. Unlike most foundations which fundraise only in China Mainland, a few universities have began to seek for donations from international sources. In terms of financial investment, more than half of the foundations had never engaged in financial investment. The following paragraphs address these findings in detail.

In early 1990s, a few Chinese public universities had occasionally received philanthropic gifts from either wealthy alumni or eminent philanthropists. In early
1990s, Zhejiang, Tsinghua and Beijing Universities established the first higher education foundations in China Mainland. In the early stage of development, university related foundations were strictly supervised by the State and local governments. Universities faced a tardy procedure to establish a foundation, resulting in a very slow increase in both the number of university related foundations and the amount of incomes they received.

Due to a series of governmental incentives, particularly after the announcement of the State Government’s “Tentative Procedures of the Matching Fund to 111 universities attached to the Administration of Central Ministries” by the end of 2009, there has been an explosive increase in newly established university related foundations in China Mainland. Before 2010, there were about 50 university- or higher education related foundations (Gu & Dai 2010). The number quickly jumped to 214 by the end of 2011 (Foundation Center China, 2012).

Currently, philanthropic income raised by university related foundations accounts for 3 to 5 percent of the total operating expenses of each university. Due to a relatively small contribution that philanthropic income has made to the universities, university presidents usually consider it as an “important yet complementary” income source to their overall funding.

In the early stage of development, the majority of philanthropic donations came from philanthropists and entrepreneurs in Hong Kong and other overseas countries and regions and barely had any university related foundation had received donations.
from their alumni. Yet, as China’s rapid economic growth have created a great number of entrepreneurs, an increasing number of them have joint the third stream financing of higher education. In 2010, the majority of philanthropic income of higher education foundations came from China Mainland (66%), Hong Kong, Macao and Taiwan Regions (18%), and other overseas sources (16%). The map of philanthropic income sources to higher education in China had changed. Studies have also found that 80 percent of the total philanthropic contribution was dedicated by alumni of universities in China Mainland (Deng, 2012).

Currently, the common purposes of donations to university related foundations include and not limited to scholarship and grants to students and faculty members, research and teaching development fund, and campus improvement. Other than cash donation, Chinese higher education foundations have also received a variety of gifts such as real estate, companies’ shares, stock rights, bonds and legacies (Deng, 2012).

Statistics shows that by the end of 2011, the total net assets of all university related foundations in China was ¥11.6 billion, equaling to $1.8 billion\(^{39}\) representing nearly half of all non-public foundations in China (Foundation Center China, 2012). Net assets of the top five foundations, Tsinghua, Beijing, Zhejiang, Nanjing and Shanghai Jiaotong Universities’ foundations, account for almost half of the total assets of all university related foundations in China. Together, the five foundations owned a total of ¥5.4 billion ($860 million), representing 46.7% of total assets of

\(^{39}\) The exchange rate is ¥630 against $100 according to rate in 2011.
higher education foundations in China. Yet, the rest foundations owned an average of less than ¥20 million ($3 million).

In 2011, there were over 60 university related foundations received an average of more than ¥10 million ($1.6 million) representing the best performance in higher education fundraising in China. Among the 60 foundations, there were 10 that each received over ¥100 million ($16 million). Tsinghua University Education Foundation was the winner of 2011. It attracted more than ¥1 billion ($160 million) which was 1.7 times more than Beijing University Foundation which was at the second place.

Further analysis shows a geographic trend: philanthropic gifts to Chinese university related foundations concentrates at four places: Beijing City, Shanghai City, Jiangsu Province and Zhejiang Province. The four places are all in east China, with Beijing locates in further up north and the rest three are close together along the east coast.

Analysis also manifests different annual increase rates of university related foundations in China. By 2011, university foundations with the biggest increase was Nanjing Forestry University Foundation with 271 percent of increase since establishment. Similarly, the foundations of Beijing Jiaotong University, Nanjing Audit University, Beijing Normal University and Fudan Premium Fund of Management have grown fast from relatively small bases in recent years. Comparatively, top foundations by net assets, such as Tsinghua, Beijing, Fudan, Shanghai Jiaotong, and Zhejiang Universities foundations, have small increase rates
of about 30 percent annually during the period from 2005 to 2011.

According to data from Foundation Center USA, at least 158 higher education institutions from China Mainland have received over 1,000 times of grants with the total amount of $173,240,346 from foundations in the USA between 2003 and 2012. The top ten receivers, accounting for 6 percent of the 158 recipients, had attracted more than half of the total amount granted to all of the 158 higher education recipients in China. And 70 percent of the total amount has been given to the top 20 higher education institutions representing 12.5 percent of the 158 recipients. The results again manifested the fact that philanthropic contribution to higher education concentrates at top receivers.

Among the 158 Chinese higher education recipients of the US grants, 155 are universities or colleges, while the three exceptions are educational foundations of Tsinghua, Beijing and Shanghai Jiaotong Universities. Tsinghua and Beijing Universities had set up 501 (c)(3) foundations in Delaware in 1997 and in California in 2004 respectively. It is indicating that a small number of Chinese university related foundations, representing their universities but as independent legal entities, are connected to overseas wealth, while it is not yet known whether the grants were occasional or the results of active and regular fundraising activities targeting

\[\text{40} \text{ A 501(c) organization, also known colloquially as either a 501(c) or a "non-profit", is an American tax-exempt nonprofit organization. 501(c)(3) — Religious, Educational, Charitable, Scientific, Literary, Testing for Public Safety, to Foster National or International Amateur Sports Competition, or Prevention of Cruelty to Children or Animals Organizations}
\]

\[\text{41} \text{ Tsinghua Education Foundation North America and Peking University Education Foundation}\]
overseas donors.

Top US donors by total amount of donations to Chinese higher education institutions are Ford Foundation, China Medical Board, Inc., and Energy Foundation followed by Cyrus Tang and Intel Foundations. The majority of US donors locate in States alone both sides of the coast such as New York, New Jersey, Connecticut, Pennsylvania and California. While most US donors support various destinations in different parts of the world, there are also highly focused foundations targeting Asian and/or Chinese grantees only such as China Medical Board, Inc. Cyrus Tang Foundation, Give2Asia, and Lingnan Foundation.

By the end of 2011, 40 percent of China’s 214 university related foundations had entered the financial market through professional management and investment of a portion of their incomes. From 2010, foundations such as the Tsinghua and Beijing University Foundations had started to invite off-campus financial professionals to join their team. The commonly used investment channels include purchasing various bank financial products, and engaging in the investment in stock, bond, trust, venture capital, private equity and property assets. There were seven foundations that had an average annual return of 8 percent reflecting the highest return rate among all university related foundations in China (Jia, 2013).

\[42\] Tsinghua University Foundation had the highest annual return rate of 10.6 percent during the period from 2007 to 2011, followed by Beijing and Zhejiang University Foundations with the return rates of 5 percent and 6 percent respectively.
The rest 60 percent of university related foundations in China had never invested their incomes in the financial market due in part to a relatively small size of fund they had. Most of them owned merely some millions of Chinese RMB, most of which were non-expendable restricted donations. The only way they had and could was to save a small amount of their incomes as time deposits in bank (Jia, 2013).

Despite of the current disadvantages they face, China’s university related foundations are described as “untapped gold mine” by some financial experts. A report from China’s Harvest Fund indicates that by the end of 2020 the total assets of university related foundations in China will be ¥380 billion with a conservative estimation of an annual increase of 20 percent. By then, the amount that will be put into the financial market will reach ¥200 million (Jia 2013).

7.2.2 What organizational changes have taken place to the foundations since their establishment?

To date, there have been several significant organizational changes taken place including (a) the foundation’s separation from alumni association, (b) the establishment of the “second fundraising tier”, (c) the join of off-campus professional fundraising team by contract, and (d) the establishment of investment committee as well as overseas fundraising arms. Before elaborating on the changes, an overview to the basic organizational structure of university related foundations in China is addressed. Observation to different structures indicate that, first, higher education foundations in China are at different development stages, and second, the longer
history the foundation has, the bigger support it can provide to university and a more loosen relationship it has with the university.

Organizational development stages: Higher education foundations are at different organizational development stages according to Richard L. Daft’s organizational life circle. There are a few foundations had entered the Youth stage of organizational development, while the majority is at the Birth stage.

Basic organizational structure: A Board of Directors (the Board) acts as the highest administrative authority for each foundation. Members of the Board include university leaders and/or respectable alumni. The Board holds regular meetings governing the operation of the foundation. It receives supervision from the Board of Supervisors (members are usually the vice presidents of each university). Under the governance from the Board, each foundation has its major administrative body named as the Secretariat which usually consists of several sub-departments in charge of different duty such as project management, fundraising and financial management. Full-time staff members of the Secretariat, representing 90 percent of the staff, are official employees of the universities. Other staff members are hired by contract and may leave when the projects are finished.

Besides the basic organizational elements, different foundations have shown different structures reflecting various development stages. Foundations, which have

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43 Richard L. Daft’s organizational life circle indicating that there are five levels/stages of any organization: birth, youth, maturity, decline and death (R. L. Daft, H. Willmott Murphy (2010), Organization theory and design, p. 356
longer history, present a more complex organizational structure than younger ones. Apart from directors of the Board, old foundations also have large groups of honorary directors and supervisors who are normally significant donors to the foundations. Additionally, parallel to the Secretariat, old foundations have another important sector—the Investment Committee—which oversees another important business: fund management and investment which is absent in most young foundations. The Secretariat of old foundations is also responsible for a more complex division of work. There are currently six or more sub-departments of the Secretariat in old foundations, while there are only three or less in younger foundations.

Higher education foundations in China are all independent organizations yet in close relation with their universities. They support universities through continuous financial contributions while are nurtured by the universities. Research indicates that the longer history the foundation has, the bigger support it can provide to the university and a more loosen relationship it has with the university. Unlike young foundations which act more like administrative departments of their universities and are almost fully controlled by the universities, old foundations present a substantial independence from their universities in that leaders of these universities are only overseeing the foundations, instead of involving in their operation directly.

Organizational changes: In terms of organizational development, there have been several important changes taken place since the establishment of the foundations.
The establishment of foundations: Ever since the announcement of the State Matching Fund, a growing number of public universities in China established their foundations. At the beginning stage, some foundations overlapped with alumni associations of their universities, as they shared same offices, same working staff, and even similar obligation. To these foundations, the first important organizational change took place when they separated from the alumni associations. The foundations, although still keep close relationship with the alumni associations, have their own offices, staff members and clearly different obligation.

The “secondary fundraising tier”: The second important organizational change was the establishment of the “secondary fundraising tier”, namely the participation in fundraising of schools and departments of the entire university. Receiving support from the university foundations, as the “first fundraising tier”, schools and departments of some universities have started to build up their own fundraising offices with the purpose of discovering more fundraising channels.

Hired fundraising team: A third typical organizational change took place during major fundraising campaigns such as celebration of university anniversaries. Since preparation of the campaigns had stretched out foundations’ own resources, professional project management teams from off-campus consulting companies were then hired. Not only had the teams brought resources to the foundations, but they had built up long-term cooperation with these foundations.

Establishment of overseas foundations: Besides fundraising arms in China
Mainland, a small number of universities had started to seek for donations from overseas resources. This has lead to the fourth organizational change — the establishment of overseas foundations, initiated by alumni of Chinese universities and supported by the overseas Chinese diaspora and international corporations and foundations.

*Establishment of Investment Committee:* The last organizational change found to date is the establishment of investment committees of a small number of foundations. Currently in China, some university related foundations have started financial investment when they have accumulated a certain amount of wealth. Usually, each of them owns an Investment Committee taking charge of an investment fund of several billion Chinese RMB.

The above mentioned five organizational changes did not take place in all university related foundations in China. Foundations have shown different organizational changes reflecting various development stages and distinctive development paths.

**7.2.3 What forces and incentives have led to the changes?**

The study has found that university foundations in China had experienced several major organizational changes, and these changes were triggered because of a combined force of external and internal factors. **Internal factors:** (a) Demand for more funding. (b) Institutional ambition. **External factors:** (a) a substantial support from a variety of social resources in China, such as a growing number of
entrepreneurs and corporations participating in philanthropy, has provided the basis for the emergence and development of higher education philanthropy; (b) a powerful leadership favoring philanthropic income from leaders of universities in China had essentially facilitated the establishment of university related foundations and has been providing continues support to their development; (c) China’s State Government had also significantly contributed in the development of higher education foundations by offering a direct financial incentive—the State matching fund; (d) lastly, because of a strong supervision from governmental bodies, such as the Ministry of Civil Affairs, university related foundations have been positively influenced especially in terms of organizational development. Each of the forces are elaborated in the following paragraphs. Their relationship with university related foundations are shown in Figure 20.

These forces to organizational changes of university related foundations in China confirmed organizational change theory which states that (a) organizational change can occur because of external changes and/or internal features or decisions. Findings of this study has manifested that the external changes to organizational changes of university foundations in China can be a fast accumulation of private wealth ever since China’s economic reform from 1980s. External changes can be also found in the State Government’s recent incentives to higher education philanthropy as well as the supervision from the Ministry of Civil Affairs. The internal features or decisions that lead to organizational changes have come from the university presidents—they have seen the necessity for change. Internal features also include university’s demand for
more funding to meet university’s operating expenses, and university’s internal aspiration to move up in world famous universities or national renowned ones.

Organizational change theory also addresses that (b) the outcome of the change results in new structures or organizing principles. In the previous part of this chapter, I have outlined several new structures directly resulted from organizational change to higher education institutions in China, such as the establishment of university related foundations, the fundraising offices of schools and departments, the Investment Committee and company, and the overseas foundations; (c) organizational change theory also indicates that at the center of the process, leaders play the key role: they diagnose problems, search for solutions and set goals for addressing the change. This is also confirmed by findings of this study, as university presidents have been recognized as the crucial persons who fostered those changes, and leaders of foundations as well (Brill and Worth, 1997; Burke, 2002; Carnall, 1995; Kezar, 2001; Van de Ven & Poole, 1995; ).
Figure 20. Internal and External Factors led to Organizational Changes of University Related Foundations in China

Source: created by author

Demand for more funding: as stated in case study in Chapter Five, there was still a huge short fall in universities’ annual operating funding. University leaders decided to establish foundations due directly to the fact that foundations were the best channel to generate philanthropic income which was considered as a new and attractive funding source to universities in China.

Institutional ambition: the study to each university and its foundation revealed a strong aspiration for becoming better universities. The good Chinese universities hoped to become national best ones, while the best Chinese universities hoped to move up into world famous universities. University presidents and foundation leaders believed that foundations could play the role of connecting with alumni and friends.
They believed that the more closely they were connected with society, the more social resources they could attract to support universities’ development. They also believed that foundations could provide an opportunity to enhance the reputation of the universities to which they were related.

*Social resources*: the establishment of university related foundations in China are based upon a rapidly growing philanthropic culture in China, reflected by a growing number of private gifts to universities in China coming from their alumni, friends, corporations, foundations and other social sources. In order to better manage and allocate the gifts, universities decided to establish their own foundations. Social resources had not only contributed to the emergence of foundations, but they, in particular alumni, have significantly promoted organizational development of the foundations. For example, overseas alumni of University A set up Foundation A (USA).

*University leaders*: The establishment of the foundations should also give credit to a strong support from university presidents, as presidents had included foundations into their strategic planning of the universities. Foundations, with longer history, had also built up the “secondary fundraising tier”—participation of schools and departments in fundraising—with the help of administrative power from university presidents.

Foundations have also been receiving full backing from university presidents ever since establishment. The presidents had promoted the development of foundations, for instance, by offering the foundations with best office buildings on
campus. They had also strengthened ties between foundations and potential donors by, for example, actively participating in activities such as charity events and reciprocal banquets with donors.

*The State Government:* In addition to a rapid growth of private gifts to universities in China, the establishment of university related foundations should attribute to the State Government’s matching fund providing additional funding based upon a competitive mechanism to higher education institutions in China announced in 2009. In order to attract State matching, some universities accelerated the process of registration for their foundations, while some others immediately decided to build up one. Statistics indicates that universities that have foundations have received more funding from the State Government, compared with those that do not have one (Deng, 2012). Apart from direct financial support, the State matching mechanism had also promoted organizational development of each foundation, in that it reminds university leaders to rethink foundation as not only a channel to generate new income sources, but a platform for a better integration and professional management of the existing and future philanthropic income.

*Ministry of Civil Affairs:* At the beginning of each year, foundations submit annual reports to the Ministry of Civil Affairs (MCA) which acts as the primary supervision body for university related foundations in China. Foundations make adjustments according to feedbacks from MCA. For instance, some foundations recruited more staff members based on suggestions from MCA. Hence, although
MCA does not directly involve in management or governance of the foundations, it has positively influenced the foundations in terms of organizational development.

7.2.4 What opportunities and challenges do higher education foundations face?

The study found that currently there are two commonly faced challenges for university related foundations in China. First, because of a dependent relationship with universities, most foundations find it particularly inflexible in decision making and foundation’s operation. Second, the majority of foundations cannot afford further financial investment due in part to a relatively small size in expendable money they own. Despite of the fact of an explosive and continues growth in the number of foundations and their annual fundraising income, university related foundations will find the two challenges as major impediments for another rapid development. The two challenges are elaborated in the following paragraphs.

A dependent relationship: Although being individual organizations, higher education foundations in China are in close relationship with their universities which are in full responsibility for, for instance, the appointment and dismiss of foundation leaders such as Board Director and Secretary General. Foundation employees’ salaries and benefits are also payed by the University. Leaders of some universities are even involved in every important decision made for either fundraising projects, campaigns or important organizational changes. Such a close relationship had, on one hand, created a strong sense of belongingness of foundation staff to the universities. Foundations have also benefited from such a close relationship in that university
leaders can provide strong administrative power which is significantly helpful to foundations’ development because of the relatively small size and weak administrative strength they have at current development stages.

Yet, on the other hand, such a relationship has led to problems. For example, secretary-generals of foundations tend to avoid challenging decisions, such as financial investment, since any failure could lead to a serious blame to the university leaders in that every important decision made by the foundation is considered to be university leaders’ idea.

*No financial investment*: The majority of university related foundations currently demonstrate disadvantages in financial management and investment. This is due in part to a relatively small size of expendable fund they have. Most of them owned merely some millions of Chinese RMB, most of which were restricted donations which is non-expendable. The only way they had and could was to save a small amount of their incomes as time deposits in bank (Jia, 2013).

Besides the two commonly faced challenges, there is another problem mentioned by some university presidents whose universities were not the most top ones in China, or whose universities were not very attractive to donors compared to the higher education giants such as Peking and Tsinghua Universities. They have seen an unbalanced development of higher education philanthropy, meaning that more and more donations from social wealth have gone to and would continue going to those “giants”, because currently in China philanthropy chases reputation—donors would love to see their names to be engraved on walls of their donated buildings, for
instance. But the result is, the more money these higher education “giants” can raise, the more returns can be generated, and then the more quickly their total assets will grow. On the contrary, less and less social wealth can be distributed to institutions that are in need of immediate help. It is concerned that such a unbalanced development may (further) stratify the “haves” and “have-nots” in China’s higher education finance.

Experiences in other countries have also confirmed such concern. One very important lesson that was learned from international experience was that most philanthropic gifts go to a small number of universities. Such a problem may be referable to the limitation of philanthropy itself.

### 7.2.5 What lessons can be learned from international experiences?

Major lessons learned from international experiences include:

*Lesson 1.* Philanthropic income contributes a small part to overall higher education revenue.

*Lesson 2.* Most philanthropic gifts go to a small number of universities.

*Lesson 3.* The primary source of donation to higher education institutions is alumni.

*Lesson 4.* A number of universities have started global fundraising.

*Lesson 5.* The role of government is essential to increase philanthropic income for higher education institutions.
Lesson 1. Philanthropic income contributes a small part to overall higher education revenue.

Philanthropic support of higher education finance is limited and slow to develop. Observation to different countries indicates that the role of philanthropy is only a “complementary” to the overall higher education finance, which is identical to China (Johnstone, 2004, p. 1). In UK, for example, philanthropic income currently provides 1.36 percent of total collegiate expenditure, excluding Oxbridge, and 2.2 percent if Oxbridge is included. Similar to UK, donations and and other forms of private giving account for less than 1.5 percent of university revenue in Australia (DEST, 2005). Even in the United States, the world’s richest donation destination, philanthropic giving to higher education accounted for only 6-8 percent of total college expenditures. To other countries, philanthropic giving represents too small a part and has seldom been counted separately.

Lesson 2. Most philanthropic gifts go to a small number of universities.

Observation indicates that philanthropic gifts concentrate at the most prestige universities in all countries studied. The potential is also not equal to all universities: funds raised through philanthropic activities cannot work for younger schools, particularly for those that are not research-oriented or that do not specialize in areas considered to be conventionally fundable.

In the United States, the top quartile of institutions raised about 85 percent or more of the dollars each year. The next 25 percent account for under 10 percent. In
the contrast, the bottom half of institutions attracted less than 5 percent of charitable contributions. The 20 schools that enjoyed the largest charitable contributions received more than 25 percent of all of the contributions people made to colleges and universities each year. In the UK, about half of philanthropic contribution has been given to Universities of Oxford and Cambridge. The situation is similar in Australia, and Canada.

Lesson 3. The primary source of donation to higher education institutions is alumni.

Alumni are the primary sources of donations for universities in most countries. Their connection to the university makes them more likely to identify its aspirations and contribute to its future. Successful fundraising universities recognize the importance of current students (as future alumni) and alumni and assiduously cultivate and maintain relationships with them, particularly those who are likely to be able to make significant donations.

Historically, alumni and foundations are the largest sources of donations to higher education institutions in the United States. Each source represented 25-30 percent of the total support over the past ten years. In the UK, the majority of gifts in number, and the majority of small gifts currently come from alumni.

Lesson 4. A number of universities have started global fundraising.

As stated in Global Fundraising: How the World is Changing the Rules of
Philanthropy by Cagney and Macmanus (2013), most large universities worldwide are engaging in fundraising to alumni and friends living across the globe to expand their development efforts. They are also reaching out to international foundations, international corporations headquartered in other countries, and unaffiliated individual donors (Cagney & Macmanus, 2013).

Higher education philanthropy in the United States, for example, had received over $200 million in monetary gifts from international sources in 2009. UK universities like Oxford raised over half of their philanthropic income in their last campaign from international sources.

As observed, the most generous donors to higher education institutions are located within the territory of the United States. Cambridge and Oxford are two leading universities in raising funds in the US. Their success paved the way for other European institutions, such as the French École Supérieure des Sciences and Economiques et Commerciales, and the German Freie Universität Berlin which have been actively engaged in fundraising in the United States (Labi, 2004, 2007). Universities from other countries, such as Israel, Singapore and Malaysia, have been also aggressively searching for donations in the USA through their non-profit 501 (c) (3) foundations (Overland, 2008 & Watzmann, 1999). For example, Israel’s eight major universities have targeted to US donors for much of their non-government funds since the late 1990s. The Technicon-Israel of Technology and the Hebrew University of Jerusalem, the country’s oldest universities, have made particular
success (Watzmann, 1999). Starting somewhat late but soon ranking as top international recipients of US giving have been the leading South African universities like Cape Town, Pretoria, Free State and Stellenbosch (The Foundation Center USA, 2010).

Lesson 5. The role of government is essential to the development of philanthropy in higher education.

Observations to countries which have similar attitudes toward giving to universities such as the UK, Canada, and Australia, indicate that cultural differences should not be used as an a priori justification for not increasing fundraising capacity, professionalism and effort. University expertise in fundraising in these countries such as Canada has grown significantly from a low base in the early 1990s and the efforts to increase donations have been effective. UK and Australia have only recently begun to make an effort in this area. Their experiences are particularly instructive to countries which have strong similarities with the two countries in terms of attitudes for example people believe that financing higher education should be government’s job.

The motivation of their success in higher education philanthropy came from a variety of government incentives. The State Government plays an extraordinarily important role in promoting higher education philanthropy in particular in countries that traditionally do not embrace a culture of giving or hold the idea that financing higher education is solely a government’s responsibility. The commonly used
governmental approaches to accrue private giving to higher education in different countries include:

- regulatory adjustment to require higher education institutions to take greater responsibilities for their own finance (e.g., the “UK 2003 White Paper—The Future of Higher Education” and “Universities Australia Code of Practice”);

- direct fiscal incentives such as the matched funding or endowment fund;

Government matching fund schemes have been implemented in several countries. Evidence suggests that they have been highly effective in providing an incentive for philanthropic giving to universities and in encouraging professionalism of higher education philanthropy in their countries. Most fund matching schemes operate for a fixed term, and include limits on the amount of money available to any one university. The rate of matching can vary considerably between countries and programs from 1:1 to 9:1.

Some governments directly provide matched fundings to higher education institutions, while some other, such as Australian government, has established endowment fund and distributes dividends to universities to encourage them to use the existence of this endowment fund as leverage to increase their philanthropic efforts. In some countries, governments are the only matching sources to higher education institutions, while in other countries like Canada, there are also corporate matching programs supporting higher education through partnerships with universities.
● fiscal policy—the tax and regulatory environment in which giving takes place.

All countries studied provided favorable tax adjustment to attract donations. However, the US have the most sophisticated incentives, including allowing donors to effectively arrange their superannuation through ‘planned giving mechanisms’ (ACG, 2007).

● Indirect encouragement and celebration of philanthropic behavior (e.g., public information initiative to inform the public that higher education institutions are charities delivering wide impact to society in the UK).

7.3 Recommendations

Based on the stated problems of university related foundations in China, several recommendations are raised in light of lessons learned from international experiences.

7.3.1 Recommendations for Future Practice

Recommendation 1. Cultivate alumni donors.

Findings of both domestic and international experiences in higher education fundraising indicate that the majority of private gifts come from alumni. Higher education foundations, therefore, should consider alumni as their primary target for fundraising. In addition to directly asking for gifts from alumni and current students, foundations can also start to cultivate a culture of giving on campus by various developmental activities.
Recommendation 2. Establish a State Government owned higher education endowment or a common fund by a group of universities.

In light of the Australian State Government owned endowment which supports higher education finance, the Chinese government can also consider to establish a similar endowment as supplementary to its present matching fund. While the government owns the endowment and provides the initial fund, the annual earnings will be distributed to higher education institutions. Philanthropic funding from social sources is welcomed to add to the fund and will be tax deductible. Purpose of such an endowment is to utilize government power to encourage higher education institutions to use the existence of the endowment fund as leverage to increase their philanthropic efforts in getting endowments and donations from businesses and alumni.

To make a pilot program, a group of higher education institutions that are in a fraternal relationship can establish a common fund by putting their expendable savings together as the initial fund. Returns generated from professional investment can be distributed to each foundation based on their initial contribution to the fund. Such a common fund can serve as a solution to the existing problem that many university related foundations do not have enough money to generate more returns by investing in the financial market.

To maximize governmental support, the Chinese Ministries, that are in charge of a great number of higher education institutions such as the Ministry of Education and the Ministry of Industry and Information Technology, can also initiate such
fund/endowments with the names of “government or ministry owned higher education fund”. In view of the fact derived from international experiences that the role of government is essential to the development of philanthropy in higher education, such government owned endowments may significantly facilitate higher education foundations in China not only in generating additional income, but may also promote financial management capacity of individual foundations. Since the State matching fund has manifested effectively and efficiently in helping organizational development of higher education foundations in China based on findings from this study, it is believed that government owned endowments may also contribute in similar area.

**Recommendation 3. Global fundraising**

As top universities all over the world have began searching for philanthropic gifts beyond boundaries of their countries, top Chinese universities, for example the “985” and “211” universities, can also consider to reach popular donors from overseas sources. Findings of this study indicate that a small number of prestigious Chinese universities had already set up fundraising arms in countries such as the USA. There are also other top Chinese universities that have expressed interests in global fundraising. Leaders of these universities can consider to put global fundraising into the long-term strategic planning of their universities.

**Recommendation 4. Professionalism of higher education philanthropy**

The Chinese Government should encourage professionalism of higher education philanthropy through a variety of research activities, for example,
annual national surveys and reviews of philanthropy in China’s higher education. UK has provided a good example;

- a comprehensive study of philanthropy in world higher education.

### 7.3.2 Recommendations for Future Research

Findings of this study produced recommendations for further research. These recommendations combine research questions, methodologies, and populations, to examine higher education philanthropy and university related foundations.

The theoretical understanding of higher education philanthropy and university related foundations in China could be enhanced by quantitative and qualitative studies to investigate the nuances of China’s higher education philanthropy. With so few qualitative studies having been conducted on university related foundations, additional case studies on university related foundations would also assist researchers and practitioners to understand their organizational development. Based on this study showing the problems the foundations face, future researchers should consider understanding and solving these problems. Possible research questions can be, for example, what is the relationship between universities and their foundations, what prevent foundations from conducting effective financial investment, and how have philanthropy stratified the haves and have-nots?
These topics could be addressed by taking a case study approach to collect data from more participating higher education institutions and their related foundations, and even to include external partners such as corporate, alumni and friend donors.

Because of rich data gathered from interviews with the participating institutions of this study, I would recommend future researchers to also consider applying interview as their primary choice of research methodology. Because of the interactive nature of interview as a qualitative research approach, interviewees who attended this study had also firmly expressed their personal preference to interview.
REFERENCE


中央级普通高校捐赠收入财政配比资金管理暂行办法

第一章 总 则

第一条 为引导和鼓励社会各界向高等学校捐赠，拓宽高等学校筹资渠道，进一步促进高等教育事业发展，中央财政设立配比资金，对中央级普通高校接受的捐赠收入实行奖励补助。为规范资金和项目管理，根据《高等教育法》、《公益事业捐赠法》等有关法律法规的规定，制定本办法。

第二条 中央财政设立的普通高校捐赠收入配比资金（以下简称“配比资金”），用于对接受社会捐赠收入的高校实行奖励补助。

第三条 本办法适用于中央级普通高等学校，不包括独立学院、继续教育学院等。

第四条 配比资金的安排，采取“年度总量控制，高校分年申请，逐校核定”的方式。

中央财政根据财力状况等因素，确定年度配比资金总额度。各高校对上年接受的捐赠收入情况，按规定提出配比资金申请，报经主管部门审核汇总后，报送财政部，并抄送教育部、中国教育发展基金会。

第五条 财政部会同教育部根据主管部门提出的配比资金申请，对符合规定条件的捐赠收入总额采取分档按比例核定的方式，并综合考虑高校地理位置、财
力状况等因素，逐校确定配比资金数额，按部门预算管理程序拨付资金。各高校所获配比资金实行上限控制。配比资金适当向财力薄弱高校倾斜。

第六条 配比资金的使用管理要遵循科学合理、公开公正的原则，确保规范、安全和高效。

第二章 项目申报及评审

第七条 为规范配比资金的分配管理，中央财政仅对各高校通过在民政部门登记设立的基金会接受的捐赠收入进行配比。

第八条 本办法认定的捐赠收入，仅指高校上年度通过基金会接受的实际到账的货币资金。高校接受的仪器设备、建筑物、书画等实物捐赠，未变现股票、股权，以及长期设立的奖学金基金运作利息等投资收入，均不包括在内。为方便管理，只对高校申报的货币资金单笔捐赠额在 10 万元以上（含 10 万元）的项目实行配比，不足 10 万元的项目不予配比。高校申请配比资金还须同时符合以下条件：

（一）捐赠收入来源必须合法，必须有利于高校的长远发展且不附带任何政治目的及其他意识形态倾向；

（二）申请配比资金的项目必须具有真实的捐赠资金来源、数额及用途，具有明确的项目名称。

第九条 高校主管部门须在每年 4 月 30 日前向财政部提出配比资金申请。

第十条 配比资金申请程序如下：
（一）高校填写《普通高校捐赠收入中央财政配比资金项目申请书》（见附表 1，以下简称《申请书》），上报主管部门。

（二）主管部门对所属高校《申请书》进行审核后，填制《中央级普通高校捐赠收入财政配比资金汇总申请表》（见附件 2，以下简称《汇总表》），连同《申请书》，报送财政部，抄送教育部、中国教育发展基金会。

第十一条 财政部、教育部委托中国教育发展基金会对各主管部门《汇总表》和《申请书》进行评审。

第三章 配比资金的管理与使用

第十二条 高校要将配比资金纳入预算，严格管理，统筹使用，优先用于资助家庭经济困难学生、支持毕业生就业、开展教学科研活动等支出。不得用于偿还债务、发放教职工工资和津补贴、日常办公经费等。

第十三条 高校要建立配比资金预算责任人制度，加快配比资金预算执行进度。对于执行进度缓慢的高校，相应核减下年度配比资金数额。配比资金专项结转和净结余管理按照财政部关于财政拨款专项结转和净结余资金管理的有关规定执行。

第十四条 各高校要加强对配比资金使用的监督管理，并接受财政、审计等部门的监督检查。

第四章 项目监督与检查
第十五条 财政部、教育部对配比资金项目执行、落实情况进行检查与监督，对于项目申报、资金管理中的违规违纪问题进行严肃查处。有下列行为之一的，除暂停安排该校配比资金外，情况严重的还将追究有关人员责任：

（一）在申报项目中弄虚作假、骗取国家配比资金；

（二）截留、挤占、挪用配比资金；

（三）违反中央财政资金管理规定的其他行为。

第十六条 财政部、教育部委托中国教育发展基金会组织有关部门或委托中介机构加强对配比资金使用管理的绩效考评。

第五章 附 则

第十七条 本办法由财政部、教育部负责解释。

第十八条 本办法自发布之日起施行。
Appendix B: Key Rules of The Interim Regulation for the Matching Fund of Chinese State Government for National Public Universities

Key Rules

✓ In order to guide and encourage donations to higher education institutions from the wider society, to widen fundraising channels for higher education institutions, and to further promote the development of higher education, the Chinese Central Finance has established a matching fund which is targeting at rewarding philanthropic income generated by national public universities.

✓ The matching fund will be used to reward higher education institutions that receive social donations.

✓ The Regulation is applicable only to (regular) national public higher education institutions (which are supervised and administrated by the central ministries). Institutions such as Independent College and Continuing Education are excluded from the Regulation.

✓ The allocation of the funding is based on “a fixed annual funding, annual application by universities, and examine and approve of universities unu post alia by authorities .

✓ The Central Finance establishes the total amount of funding annually based on factors such as financial condition of the Central Finance. Higher education institutions (HEIs) can apply for matched funding in accordance with donations they have received from the previous year. Each administrative authority of the HEIs checks and collects all applications, submits applications to the Ministry of Finance, and copies to the Ministry of Education and China Education Development Foundation.

✓ Allocation of the funding is classified and has specific ratio to qualified HEIs. Geographic locations and financial conditions of the HEIs are of special consideration. Each HEIs can receive matched funding with a cap. The matched funding tilts towards HEIs with vulnerable financial condition.

✓ The Central Finance rewards only to donations generated by HEIs which have related foundations registered with civil administration departments.

✓ Philanthropic income that is qualified for applying for matched funding refers only to monetary income that is already received by foundations of the HEIs of the previous year. Other forms of donations are excluded from the funding, for example: (a)in-kind donations such as instrument, equipment, infrastructural
construction, book and painting; and (b) revenue from investment such as unrealized stock, stock right, and investment return from endowment. For the purpose of better management, only project with over ¥100,000 (or equals to ¥100,000) from single donation will be considered. Projects under ¥100,000 will not be qualified.

The matched funding should be used primarily to aid students with financial disability, to help employment of graduates, and to support teaching and research activities. The matched funding should not be used to pay debt, to pay salaries and benefits to faculty and staff, or to subsidize operational expenses.
Appendix C: Annual Increase of University Related Foundations in China from 2005 to 2011

<table>
<thead>
<tr>
<th>Foundation Name</th>
<th>Annual Increase (in percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nanjing Forestry University Education Foundation</td>
<td>271</td>
</tr>
<tr>
<td>Beijing Jiaotong University Education Foundation</td>
<td>178</td>
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<tr>
<td>Nanjing Audit University Education Foundation</td>
<td>141</td>
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<tr>
<td>Beijing Normal University Education Foundation</td>
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<tr>
<td>Fudan Premium Fund of Management</td>
<td>98</td>
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<tr>
<td>Nanjing University of Aeronautics and Astronautics Education Foundation</td>
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</tr>
<tr>
<td>Xiamen University Education Foundation</td>
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<td>Jiangsu University Education Foundation</td>
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<td>Soochow University</td>
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<td>Wuhan University</td>
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<td>Chongqing University</td>
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<td>Changzhou University</td>
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<td>Nanjing University</td>
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<td>Nanjing Normal University</td>
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<td>China University of Communication Nanguang College</td>
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<td>Peking University Education Foundation</td>
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<td>Dongguan University of Technology</td>
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<td>Ningbo University</td>
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<th>Recipient Name</th>
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</tr>
<tr>
<td>2 Tsinghua University</td>
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<td>$19,163,930</td>
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<tr>
<td>3 Beijing Normal University</td>
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<td>$9,126,154</td>
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<td>Xihua University</td>
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<td>Yan'an University</td>
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<tr>
<td>158</td>
<td>Capital University of Economics and Business</td>
<td>Beijing</td>
<td>$7,000</td>
</tr>
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</table>
Source: Foundation Center USA, created by author
Appendix E: Key Recommendations from Review of the Philanthropy in UK Higher Education: 2012 Status Report and Challenges for the Next Decade

Retrieved from:
http://www.hefce.ac.uk/pubs/reports/year/2012/philanthropyreview/

Recommendation 1: All universities should develop institutional advancement plans – including fundraising, alumni relations and communications activities – based on a clear understanding of their own distinctiveness, goals and particular opportunities.

Recommendation 2: Universities have a responsibility to engage actively with external supporters, in particular with major donors so as to enable philanthropic investments in the institution that are strategically aligned and satisfying to both parties.

Recommendation 3: The mechanism of matched funding is effective in incentivizing giving and in capacity-building. It would be good to construct a cost-effective follow-up HEFCE scheme whenever resources are available. In the meantime and additionally, the university sector and individual HEIs should work with donors to create imaginative local opportunities for challenge funding.

Recommendation 4: A stable and predictable fiscal framework is a requirement for a high level of giving. In this context, Government should:

- On income tax relief, continue its commitment to the Gift Aid and Payroll Giving schemes, and to the direct connection between the tax for which an individual is liable and the tax relief available on giving that income away.
- Support initiatives to make the administration of the schemes simpler and more transparent for donor and charity, and continue its welcome commitment to allowing charities to recognise the generosity of donors without compromising the Gift Aid status of the gifts.
- On capital tax relief, extend the classes of asset that can be tax-effectively given away to include unquoted securities and chattels, with a minimum value on the latter. The Capital Gains Tax threshold of £6,000 for disposal of chattels is a suggested starting place. Government should be open-minded towards schemes that allow significant gifts of capital with reservation, for example Lifetime Legacies.

Recommendation 5: HEFCE should launch and support a public information campaign promoting the value of universities as a powerful channel for philanthropic investment and a good cause of wide social interest. The higher education sector should actively support it.

Recommendation 6: The Government should continue to celebrate and honour the significance of philanthropy, and of the donors who make it possible. Coherent thinking and consistent messages across the third sector, including higher education,
are vitally important in valuing those who give while creating and sustaining a supportive environment encouraging a culture of generosity.

Recommendation 7: All universities should have clear processes and governance mechanisms for acceptance of gifts as part of their normal ethical and risk management frameworks. These must be underpinned firmly by the organization’s values, which should guide any decisions relating to the acceptance or otherwise of specific gifts.

Recommendation 8: In recognition of the key part that institutional leadership plays in successful philanthropic fundraising, Universities UK and the Leadership Foundation should identify champions of advancement within their membership who will promote the sharing of good practice and the education of those who have ambitions to become leaders of higher education institutions.

Recommendation 9: University governing bodies should strengthen their own competence and understanding of institutional advancement, expecting at least an annual report on the institution’s activities in this field and ensuring that the selection criteria for incoming vice-chancellors include active engagement with fundraising and alumni relations.

Recommendation 10: Institutions should consider how best to embed fundraising within their infrastructure, such as providing a programme of support, learning and reward for academic and other staff who play an active role in philanthropic activities, and draw up a rolling plan to do so.

Recommendation 11: In order to embed good practice in advancement within institutions, HEFCE should create a pump-priming fund to which HEIs can bid for bespoke programmes to facilitate education in fundraising expertise and culture change at a range of levels.

Recommendation 12: The university sector and individual HEIs should make better use of the data and benchmarking analysis that is increasingly available so as to improve their own fundraising performance and should continue to improve data collection. They are urged to take part in the Ross-CASE benchmarking survey of fundraising in universities.

Recommendation 13: Universities should take active steps to grow a culture of philanthropy in their communities whatever the funding environment. The new funding arrangements for England accentuate opportunities to emphasise and enrich the student experience and to build a coherent transition from the student years to alumni engagement.

Recommendation 14: Given the pressing need for experienced advancement practitioners in this maturing field – and the range and complexity of issues identified in this report – HEFCE should fund a thorough review of workforce and training issues to assist in developing a clear set of specific recommendations.
Appendix F: Key Recommendations from UK’s Increasing Voluntary Giving to Higher Education: Task Force Report to Government in 2004 (the Thomas Report)


Principles

There are two key principles that informed our views on voluntary giving. Firstly, the role of voluntary giving is to support the development of the institution towards achieving excellence, not on maintenance or core funding. It is not a substitute for other sources of higher education funding, particularly public funding. Secondly, institutions have a responsibility to build the commitment of stakeholders to their future success and to solicit donations from those that can afford it. Higher education institutions benefit from having a charitable purpose and should, in turn, take full advantage of this in asking for financial support.

Creating an asking institution

Creating a successful asking institution requires three key elements, all of which are within an institution’s control: strong institutional leadership; a committed and involved lay leadership; and a professional, well run fundraising office.

Selected Recommendations:

Recommendation 1: A national survey should be commissioned by the Government that examines attitudes towards voluntary giving to higher education and factors that would motivate donations, or greater donations, to the sector. [Chapter 3, page 24]

Recommendation 3: The recently established Leadership Foundation for Higher Education, working with organisations in the fundraising field such as CASE Europe, should include training in fundraising in its courses for current and future institutional leaders. [Chapter 4, page 32]

Recommendation 7: The higher education sector, drawing on practice from the wider charitable sector, should have transparent accounting for donations and share benchmark data on development activities. Governing bodies should review the progress of their institution against peer institutions, including charities managing comparable sums of money. [Chapter 4, page 40]

Recommendation 8: The Gift Aid scheme is complex for higher rate taxpayers. The Government should consider allowing those making large donations to claim full income tax relief through self-assessment rather than the current Gift Aid
arrangements. [Chapter 5, page 45]

Recommendation 9: The classes of assets eligible for tax relief when donated should be extended to include unquoted shares and personal property valued above a certain amount. [Chapter 5, page 47]

The most commonly quoted US examples of fundraising successes are the private Ivy League universities such as Harvard or Yale. They are also the least typical, even in the USA, and in some ways the least helpful examples for UK institutions. Over many decades they have raised endowment funds that would not disgrace a small country’s GDP, and they operate on a commensurate scale. Holding them up as an example simply reinforces the view in many UK universities that they are in a different world, operating to entirely different rules. It is unreasonable to expect many UK institutions to emulate them.

Below we illustrate five different types of gift that could be pursued,

a. operating funds: most frequently, the funds raised by HE development offices support the annual operating funds and are given to support specific purposes. These are commonly scholarships at all levels, research, support for key academic staff and purchase of various machines and hardware.

b. annual funds: annual fund gifts are those solicited by the institution, most often from alumni, on an annual basis. The expectation is that donors can give such a gift from their current income, not from savings. Annual funds are most often solicited by telephone or mail and provide the giving base for the institution’s overall development effort. This is how future big donors are identified, as such donors often begin their giving with smaller gifts. While these are expensive funds to raise, particularly for less mature development operations, the annual fund operation is key to building relationships with alumni and developing the habit of financially supporting their institution.

c. endowments: The term endowment refers to funds that are given to the university with instructions from the donor that the funds are permanently invested and only interest and appreciation used to support a project (usually elected by the donor). If properly administered, the principal may not be spent. Currently, endowment funds held by higher education institutions pay out approximately 4% of the principal, which can be given annually to the donor’s purpose. Any earnings over that level are returned to the endowment to build the principal. Gifts which can be spent in the near or distant future are not endowments but long-term contributions to operating funds.

d. facilities support: like endowment funds, gifts for capital purposes, most often facilities construction, build value for the institution. These gifts are given in support
of specific building projects and frequently involve the opportunity for naming such facilities after the donor, whether an individual or foundation.

e. legacy gifts: legacies can usually be directed toward very general purposes. Since the thoughtful donor who provides such support does not know his or her longevity when creating a bequest, he or she will often give the institution wider latitude than other donors. **Building an endowment, from which income can be drawn in perpetuity, is often viewed as the ultimate goal of successful development.** However, endowments are the most difficult gifts to raise as the donor must be convinced not only of the long-term purpose, but of the institution’s ability to invest wisely for future earnings. A few private US institutions have managed to achieve a significant share of their annual income from this source, as set out in Annex C. However, for most institutions it is voluntary giving in general that provides the main source of additional revenue to develop the institution. Any initial development strategy needs to recognise this.

d. the restriction on donors retaining an interest, or deriving an income, from donations should be lifted to encourage planned giving; and

e. the Government should use a matched funding scheme to pump-prime the establishment of development offices and provide further support in those institutions that have already invested in this activity.

We acknowledge that the Government has made significant improvements to the tax incentives that are available for charitable giving. The table below summarises the main tax incentives available. Overall, the tax relief for gifts from income are generous, although the system in place is complex. There is further scope for reforming tax relief for gifts of assets and capital to encourage giving.

**Tax incentives for individual donors**

*Income tax relief*

*Gift Aid scheme:* for donations from taxpayers under this scheme, the charity can reclaim basic rate tax (22%) on the gross donation. So for a donation of £78, a charity can claim £22, giving a gross donation of £100 to the charity. Higher rate taxpayers can reclaim the difference in tax between the higher and basic rates (18%) on the gross donation. So for a donation of £78, they can reclaim £18. The effective cost to a higher rate taxpayer of a gross donation of £100 is £60.

*Payroll Giving scheme:* where an employer has established a payroll giving scheme, employees can make donations from their gross pay and these are deducted before PAYE tax is calculated, giving donors relief at their highest rate. A gross donation of
£ 100 costs a basic rate taxpayer £ 78 and higher rate taxpayer £ 60 net.

*Income tax and capital gains tax relief*

Donors can reclaim income tax relief on the market value of gifts of listed shares, land and buildings. Appreciated assets are free from capital gains tax.

*Inheritance tax relief*

There is no inheritance tax liability associated with any of the gifts of income or capital above. For gifts made under a will, bequests are paid out on an individual’s estate before inheritance tax is calculated, thus reducing the inheritance tax liability.

*Tax incentives for corporate donors*

*Corporation tax relief*

The value of donations of cash, shares, land or buildings to a charity are deducted before calculating a company’s taxable profit, thus providing corporation tax relief. Donations of traded items, plant and equipment also reduce tax liabilities.

**Giving a charity £ 1000 for a higher rate taxpayer (assume same 40% tax rates)**

<table>
<thead>
<tr>
<th>US system</th>
<th>UK system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash donation £ 1000</td>
<td>Cash donation £ 780</td>
</tr>
<tr>
<td>Charity receives £ 1000</td>
<td>Charity receives (through Gift Aid) £ 1000</td>
</tr>
<tr>
<td>Tax relief to donor £ 400</td>
<td>Tax relief to donor £ 180</td>
</tr>
<tr>
<td>Net cost to donor £ 600</td>
<td>Net cost to donor £ 600</td>
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Appendix G: Recommendations from UK’s Thomas Report and Government Response

Government’s Response to Thomas Report Recommendations

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Government response</th>
</tr>
</thead>
<tbody>
<tr>
<td>A national survey should be commissioned by the Government that examines attitudes towards voluntary giving to higher education and factors that would motivate donations, or greater donations, to the sector</td>
<td>Agreed</td>
</tr>
<tr>
<td>The Committee of University Chairmen (CUC), Universities UK (UUK) and the Standing Committee of Principals (SCOP) should be encouraged to review the roles of the Vice-Chancellor and Principal, Chancellor, Chair of Council or Governing Body and senior academics to give greater prominence to the advancement of the institution and the development function</td>
<td>Agreed</td>
</tr>
<tr>
<td>The recently established Leadership Foundation for Higher Education, working with organizations in the fundraising field such as CASE Europe, should include training in fundraising in its courses for current and future institutional leaders</td>
<td>Agreed</td>
</tr>
<tr>
<td>The Leadership Foundation and/or the HE Top Management Program should consider a study visit to US institutions for current and future institutional leaders to see at first hand how institutional practice can transform levels of funds raised</td>
<td>Agreed</td>
</tr>
<tr>
<td>Governing bodies should examine the scope for greater involvement and recognition of lay leaders in supporting the institution’s fundraising efforts, for example as trustees of the institution’s development foundation or in advisory positions, and to apply to become members of the governing body if they have appropriate experience and skills</td>
<td>Agreed</td>
</tr>
<tr>
<td>There should be greater recognition and celebration of giving to higher education by institutions and national leaders</td>
<td>Agreed</td>
</tr>
<tr>
<td>The higher education sector, drawing on practice from the wider charitable sector, should have transparent accounting for donations and share benchmark data on development activities. Governing</td>
<td>Agreed</td>
</tr>
<tr>
<td>Bodies should review the progress of their institution against peer institutions, including charities managing comparable sums of money</td>
<td>Acknowledge validity but non-committal on concrete action</td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>The Gift Aid scheme is complex for higher rate taxpayers. The Government should consider allowing those making large donations to claim full income tax relief through self-assessment rather than the current Gift Aid arrangements</td>
<td>Acknowledge validity but non-committal on concrete action</td>
</tr>
<tr>
<td>The classes of assets eligible for tax relief when donated should be extended to include unquoted shares and personal property valued above a certain amount</td>
<td>Acknowledge validity but non-committal on concrete action</td>
</tr>
<tr>
<td>Planned giving vehicles should be available in the UK. HM Treasury and the financial services and charitable sectors, supported by Government Departments with an interest, should explore the best method of introducing these types of vehicles</td>
<td>Acknowledge validity but non-committal on concrete action</td>
</tr>
<tr>
<td>There should be a matched funding scheme to support institutions’ capacity building for effective fundraising. Consideration should be given to following this with a matched funding scheme for donations</td>
<td>Agreed</td>
</tr>
</tbody>
</table>
Appendix H. IRB Materials

Part 1. Interview Permission Letters

尊敬的伦理审查委员会官员，

我仅代表北京大学教育基金会批准郭力女士来我基金会，对我基金会其他工作人员进行访谈，并将提供必要的书面材料，以配合她完成博士论文《中国大学基金会的发展历程：基于三所大学的案例分析》。

郭力女士已同我们谈过她正在进行对中国大学教育基金会的调查研究，并选择了北京大学教育基金会作为该研究的案例之一。我们对她的研究计划书很满意，并将给予合作以协助她完成研究目标。

Li, Rong/Deputy Secretary-General

[signature]

北京大学教育基金会

[stamp]
Interview Permission Letter

Peking University Education Foundation of China
Jingchun Garden 75-76, 100871 Beijing, China
Tel. 86-10-62759066

Dear SHU IRB officer:

On behalf of Peking University Education Foundation of China, I hereby grant permission to Ms. Li Guo to interview me and other foundation staffs and to provide information and other materials to be used in connection with her doctoral dissertation The Development of Chinese University-Related Foundations: Case Studies of Educational Foundations of Three Chinese Public Universities.

Ms. Guo has shared with us that she is researching and writing on the subject of Chinese university related foundations development, and has selected Peking University Education Foundation as one of her case studies. We are fully satisfied with her proposal and would like to cooperate with her to fulfill her goal.

Sincerely,
Li, Rong/Deputy Secretary-General

Printed Name / Title

Signature / Date/ The Institution's Stamp
Certification of Translation Validity

Dear SHU IRB officer,

On behalf of Peking University Education Foundation of China, I have reviewed both versions (Chinese and English) of Ms. Li Guo’s Interview Permission Letter and found no problem regarding translation accuracy.

Sincerely,

Li, Rong/Deputy Secretary-General

Printed Name / Title

Signature / Date/the Foundation’s Stamp
北京航空航天大学教育基金会

访谈许可证明

尊敬的伦理审查委员会官员，

我仅代表北京航空航天大学教育基金会批准郭力女士来我基金会，对我及基金会其他工作人员进行访谈，并将提供必要的书面材料，以配合她完成博士论文《中国大学基金会的发展历程：基于三所大学的案例分析》。

郭力女士已向我们说明正在进行对大学基金会的调查研究，并选择了北京航空航天大学教育基金会作为该研究的案例之一。我们对她研究计划书很满意，并将给予合作以协助她完成研究目标。

Dr. Huang, Zheng, Secretary-General

[签名日期：2012.9.27]
Interview Permission Letter

Peking University Education Foundation of China
Jingchun Garden 75-76, 100871 Beijing, China
Tel. 86-10-62759066

Dear SHU IRB officer:

On behalf of Beihang University Education Foundation, I hereby grant permission to Ms. Li Guo to interview me and other foundation staffs and to provide information and other materials to be used in connection with her doctoral dissertation *The Development of Chinese University-Related Foundations: Case Studies of Educational Foundations of Three Chinese Public Universities.*

Ms. Guo has shared with us that she is researching and writing on the subject of Chinese university related foundations development, and has selected Beihang University Education Foundation as one of her case studies. We are fully satisfied with her proposal and would like to cooperate with her to fulfill her goal.

Sincerely,

Dr. Huang Zheng, Secretary-General

Signature / Date/the Foundation’s Stamp

[Signature]

[Stamp]

2012.9.27
Dear SHU IRB officer,

On behalf of Beihang University Education Foundation, I have reviewed both versions (Chinese and English) of Ms. Li Guo’s Interview Permission Letter and found no problem regarding translation accuracy.

Sincerely,

Dr. Huang, Zheng, Secretary-General

Signature / Date/the Foundation’s Stamp

[Signature]

2012. 9. 27
访谈许可证明

尊敬的伦理审查委员会官员，

我仅代表北京理工大学教育基金会批准郭力女士来我基金会，对我基金会其他工作人员进行访谈，并将提供必要的书面材料，以配合她完成博士论文《中国大学基金会的发展历程：基于三所大学的案例分析》。

郭力女士已同我们谈过她正在进行对中国大学教育基金会的调查研究，并选择了北京理工大学教育基金会作为该研究的案例之一。我们对她的研究计划书很满意，并将给予合作以协助她完成研究目标。

Guo, Dacheng/Chairman

郭力女士

2012.9.28.
Interview Permission Letter

Dear SHU IRB officer:

On behalf of Beijing Institute of Technology Education Foundation, I hereby grant permission to Ms. Li Guo to interview me and other foundation staffs and to provide information and other materials to be used in connection with her doctoral dissertation *The Development of Chinese University-Related Foundations: Case Studies of Educational Foundations of Three Chinese Public Universities.*

Ms. Guo has shared with us that she is researching and writing on the subject of Chinese university related foundations development, and has selected Beijing Institute of Technology Education Foundation as one of her case studies. We are fully satisfied with her proposal and would like to cooperate with her to fulfill her goal.

Sincerely,

Guo, Dacheng/Chairman

[Signature / Date/the Foundation's Stamp]
Certification of Translation Validity

Dear SHU IRB officer,

On behalf of Beijing Institute of Technology Education Foundation, I have reviewed both versions (Chinese and English) of Ms. Li Guo’s Interview Permission Letter and found no problem regarding translation accuracy.

Sincerely,

Guo, Dacheng/Chairman

[Signature / Date: the Foundation’s Stamp]
Part 2. Informed Consent

STATE OF FLORIDA
COUNTY OF MIAMI-DADE

CERTIFICATION

I hereby swear, under the penalty of perjury, that I am competent in both Chinese and English, and the attached is, to the best of my knowledge and belief, a correct translation into Chinese of the attached document(s) in English.

Yue WANG, Chinese translator
(ATA# 249363)
American Consulting and Translation Service

Sworn and subscribed before me this 13 day of November 2012

Notary Public of State of Florida

Personally known ___X___ OR produced Identification____
Type of Identification .None is required.
知情同意书

来自美国西东大学教育与人类学院，高等教育领导、管理与政策专业的博士研究生郭力同学，现正在进行一项名为“中国大学基金会的发展历程：基于三所大学的案例分析”的研究活动。

研究目标以及被调查对象的参与时长

近年来在中国，一批私立大学先后成立了大学基金会，希望以此吸收来自校友和社会各界的捐款，作为大学的又一新兴财政来源。郭力同学的研究，正是以此为方向，通过对三所大学基金会的调查访谈，力图摸清中国大学基金会的发展脉络。她将重点了解到底是那些历史因素和政策法规推动了中国大学基金会的发展。在此次调查访谈中，郭力同学将对每位受访者进行45-60分钟的访谈，具体访谈时长由受访者决定。

调查程序

此次调查访谈将主要运用深度访谈的研究方法。受访者（郭力）将会到受访者的工作地点，和受访者进行一对一的交流。访谈地点可以是受访者的办公室，也可以根据受访者的要求，安排在半公开的场合，如图书馆或咖啡馆内。在访谈过程中，受访者将会问受访者一系列开放性的问题，所有问题全部有关受访者所在大学基金会的发展情况。如果受访者允许，受访者将会用小型数字录音机对受访内容进行录音。如果受访者不希望采访被录音，那么采访者将仅仅把采访内容记到笔记上。

采访者将会就以下问题提问：

1. 大学基金会成立的背景以及它现在的发展状况是什么？
2. 有哪些来自政府或母体大学的政策影响了大学基金会的发展？
3. 大学基金会的组织架构是什么？
4. 您以及其它员工的职责是什么，日常工作是什么？
5. 基金会在推动大学成长中起什么作用？
6. 您认为基金会面临的机遇和挑战是什么？
7. 

除访谈外，收集各种文件和档案资料也是本次研究活动重要的信息/数据来源。采访者郭力同学去拜访的同时，将向基金会工作人员索取相关的文件、档案资料，比如基金会的年度报告。除此之外，郭力同学还将通过基金会网站（会议记录、年度报告、网站文章）、搜索大学图书馆数据系统（各机构备忘录）、搜索本地及国家图书馆数据系统（其他研究人员的研究报告、报刊文章和其他档案资料）等方法，获取研究资料。
研究工具

本次研究活动不涉及问卷或任何其它调查工具。

自愿参加原则

本次研究活动本着自愿参加原则。受访者可以在接受采访时中的任意时刻中止采访，并无须给出理由。

匿名原则

由于受访者需要知道受访者是谁，因此本次研究活动采取非匿名方式。本次研究活动产生的信息将仅用于本次研究活动以及由此产生的任何出版物。

保密原则

研究者将把研究笔记、采访整理稿，以及其它任何能反映受访者信息的物品锁入一放置个人用品的柜子里，以保密。一切电子版数据将被存入USB存储盘里。如不再需要这些材料，研究者将把全部材料销毁。

音频录音

音频资料将保存在一个单独的USB盘里，当录音设备中导出。当研究结束时，这个USB盘也将被锁在研究者的个人物品柜中。研究者以及研究者的指导委员会都将对收集到的数据进行检查。每位受访者都有机会得到一份访谈记录（包括音频和整理稿）。受访者需告知研究者是否需要访谈记录。

危险和不适

本研究几乎不存在危险和不适

利益

本研究对受访者没有直接利益
酬劳

本研究没有涉及钱的酬劳。

联系方式

如对本次研究活动有任何疑问，请与郭力联系，邮箱是liguo@student.shu.edu。或可联系她的导师Dr. Joseph Stetar，Joseph.Stetar@shu.edu。如果您对自己作为研究对象有疑问，请联系西东大学机构审查委员会主管Dr. May F Ruzicka，(973) 313-6314，irb@shu.edu。

每位参与者都将得到一份签署姓名和日期的知情同意书。

☐ 我同意对我的采访内容录音

☐ 我不同意对我的采访内容录音

签字________________________日期________________________

Informed Consent

Li Guo, a doctoral student in the Higher Education Leadership, Management and Policy Program at the College of Education and Human Services, Seton Hall University, is conducting a study called “The Development of Chinese University-Related Foundations: Case Studies of Educational Foundations of Three Chinese Public Universities”.

Purpose of Study and Duration of Subjects’ Participation

Recently in China, a number of public universities have established foundations to attract donations from alumni and other social sources as a new source of university finance. This study, employing case studies of three university-foundations, tries to explore the development of the foundations. Focuses are placed on the historical forces and policy changes that have led to the development of the foundations. Expected time committed by subjects for this study is 45-60 minutes/person, depending on their availability.
Study Procedures
This study employs in-depth interviewing methodology. One-on-one interviews will be completed by means of site visits. During the interview, which will be take place in participants’ offices or a semi-public place such as coffee shop or library, participants will be asked a few open-ended questions about the development of their university-foundations. With the participants’ permission, the interviews will be audio recorded with a digital audio recorder. If the participant does not wish his/her interview to be recorded, the researcher will only take notes in her memo book.

Some of the questions to be asked during the interview are the following:
1. What was the background of the establishment of your university’s foundation and its current status?
2. What policies from the government and the mother university have influenced the foundation’s development?
3. What is the organizational structure of the foundation?
4. What are your and other staff members’ responsibilities and daily work?
5. What role does the foundation play in supporting the university?
6. In your opinion, what challenges and opportunities do the foundation face?

Collected documents and/or archival information will also be important data sources for this study. During site visits, documents and archives, such as annual reports, will be retrieved from foundation staffs. Documents and archives will also be retrieved from the foundations’ websites (meeting memos, annual reports and web-based articles), data bases of university library (institutional memorandums), and data bases of the districts and state libraries (other researchers’ study results, newspaper articles and any related archival information).

Instruments
No questionnaires or survey instruments are used in this research.
Voluntary Participation
Participation in this study is voluntary. If the participant decides to take part, he/she is still free to withdraw at any time and without giving a reason.

Anonymity
There is no anonymity in this study because the researcher will need to know who the participants are. Information from this research will be used solely for the purpose of this study and any publications that may result from this study.

Confidentiality
Confidentiality will be ensured by keeping research notes, interview transcriptions, and any other identifying participant information in a locked file cabinet in the personal possession of the researcher. All electronic data will be stored on a USB memory key. When no longer necessary for research, all materials will be destroyed.

Audio Records
Audio records will be kept confidential on a separate USB memory key (transferred from the voice recorder). This USB memory key will also be stored in a locked file cabinet in the personal possession of the researcher until the study is completed. The researcher and the members of the researcher’s committee will review the researcher’s collected data. Each participant has the opportunity to obtain a copy of their interview (both audio and transcribed). Participants should tell the researcher if a copy of the interview is desired.

Risks or Discomforts
There are minimal to no risks and discomforts involved in this study.

Benefits
There is no direct benefit to the participant.

Compensation
There is no monetary compensation to the participant.

Contact Information
If you have questions regarding this research project you may contact Li Guo at liguo@student.shu.edu or her mentor Dr. Joseph Stetar at Joseph.Stetar@shu.edu. If you have questions about your rights as a human research subject, you may contact Dr. May F. Ruzicka, director of Seton Hall University Institutional Review Board (IRB) for Human Subjects Research at (973) 313-6314 or irb@shu.edu.
All subjects will be given a copy of the signed and dated Informed Consent Form.

☐ I agree to be audio-recorded during the interview for this study

☐ I do not agree to be audio-recorded during the interview for this study

Signature ________________________________ Date ________________
Part 3. Letter of Solicitation

Letter of Solicitation

Dear foundation staff member,

My name is Li Guo, a doctoral student in the Higher Education Leadership, Management and Policy program at Seton Hall University, USA. I would like to invite you to participate in my dissertation research project.

The purpose of the research study is to explore the development of foundation that you are working for. Focuses are placed on the historical forces and policy changes that have led to the development of the foundation. To be specific, I will need your help to understand the foundation in terms of its organizational change since establishment, operation, relationship with the university, and the opportunities and challenges that the foundation is facing.

As a valuable contributor to this research, you would be asked to participate in a 45 to 60 minute one-on-one interview (depending on your schedule) which will be conducted either in your office or a semi-public place (library, coffee shop, etc.) any day and time at your convenience between Jan. 1st and Mar. 1st, 2013.

During the interview, I will ask you a few open-ended questions about the development of the foundation. With your permission, the interview will be recorded with a digital voice recorder.

After the interview, the interview transcriptions, and any other identifying participant information will be locked in a file cabinet in my personal possession. All electronic data will be stored on a USB memory key. When no longer necessary for research, all materials will be destroyed.

Information from this research will be used solely for the purpose of this study and any publications that may result from this study.

If you would like to participate, please contact me at li.guo@student.shu.edu.

As a key member of the foundation’s daily operation, your knowledge in this research is vital. Therefore your contribution will be greatly appreciated! I look forward to hearing from you.

Regards,

Li Guo
Part 4. Certificate of Completion of “Protecting Human Research Participants”

Certificate of Completion

The National Institutes of Health (NIH) Office of Extramural Research certifies that Li Guo successfully completed the NIH Web-based training course “Protecting Human Research Participants”.

Date of completion: 11/12/2012

Certification Number: 1047824
Part 5. IRB Application Form

SETON HALL UNIVERSITY IRB APPLICATION SHEET

Application must be typed.

If more than one researcher, give information on a separate page for #1-4 for each researcher. Indicate who
is Principal Investigator.

1. NAME: Li Guo ___________________________________________ HOME PHONE: 0086-10-15010852266

   EMAIL ADDRESS: li.guo@student.shu.edu

2. HOME MAILING ADDRESS: Home mailing address not in USA. Please
   contact Jill Dippman for contact information if needed.

3. PLACE OF EMPLOYMENT:
   N/A

4. POSITION OR JOB TITLE: N/A ______________________ WORK
   PHONE: N/A

5. TITLE OF STUDY: The Development of Chinese University Related
   Foundations: Case Study of Educational ______ Foundations of Three Chinese Public
   Universities

6. Study is: (a) Thesis ________ (b) Dissertation __X__
   (c) Other [specify] ________________
7. **Does your research have a potential or actual financial interest** of any kind (e.g. any form of payment for services, equity interests, intellectual property rights, etc.)?

   ____ Yes. (Please complete the Financial Conflict of Interest form at the end of this IRB application and submit with the application.)
   
   X No

8. **Name of advisor, thesis or dissertation, class professor (If applicable):**
   
   Dr. Joseph Stetar

   Dept: College of Education and Human Services

   Phone: 973-275-2730

9. **Anticipated starting and completion dates:** Jan 2012 ________ to __Mar 2013

10. **What is the purpose of the study?**

    Recently in China, a number of public universities have established foundations to attract donations from alumni and other social sources as a new source of university finance. This study, employing case studies of three university-foundations, tries to explore the development of the foundations. Focuses are placed on the historical forces and policy changes that have led to the development of the foundations.

11. **What are the hypotheses or research questions?**

    **Research Question:**

    What are the historical forces and policy changes that have led to the development of Chinese public university-related foundations from 1999 to 2011.

    **Subsidiary Questions:**

    1. What organizational changes have taken place since the establishment of the foundations?
    2. What are the characteristics of the foundations’ operation?
    3. What role do the foundation play in supporting their mother universities?
4. What opportunities and challenges do the foundation face?

12. Explain your qualifications for conducting this research.

For following reasons, I feel that I am competent to conduct this research:
1. As a native of Chinese, I have no language barrier for conducting the research.
2. As a doctoral student majoring in higher education, I have a very good understanding of China’s higher education system.
3. During my study at Seton Hall University, I have conducted several research studies regarding university-foundations with the help of my academic advisor Dr. Joseph Stetar.

13. Using citations from the professional literature, give the rationale and significance of the study. Attach reference list.

Organizational change theory will help to understand how strategic planning leads to institutional development. The theory posits that organizations are purposeful and adaptive (Burke, 1995; Kezar, 2011). Organizational change can occur because of external changes and/or internal features or decisions. For instance, external environment has changed, or organization leaders see the necessity of change. The outcome of the change results in new structures or organizing principles (Burke, 2002; Carnall, 1995; Kezar, 2001).

14. Describe the subjects, removing geographic identifiers that could compromise anonymity or confidentiality:

The subjects of the study are three Chinese university-related foundations. The three universities are identified as University A, B and C. University A is China’s top ranking university. It is the pioneer in educational fundraising. Having been actively engaging in fundraising for more than ten years, this university now has foundations not only in China mainland, but also has spread out arms to overseas financial sources. University B and C also represent highly selective ones in China. Their attempts in searching for philanthropic support began only in recent years, but have already achieved notable success. Data collection will be conducted primarily through semi-structured interviews. Participants will include university leaders, foundation staffs, and knowledgeable professionals.

Age(s) of subjects: _____ N/A _____________
Number of subjects: 3 of each university

15. From where and how will potential subjects be identified (e.g., outpatient list, class list, etc.)?

I will first talk to the foundations’ leader, typically the Secretary General of each foundation, asking their recommendations for potential subjects. I will also check the foundations’ websites, looking for potential subjects from their staff member lists.

How do you have access to this population?

All interview subjects will be introduced by the foundation leaders. I have received letters of permission for conducting interviews from leaders of all three foundations. They will help me to reach each subject and set up interview time.

16. Do you have a supervisory and/or professional relationship with the subjects? Yes _____ No X

If yes, please explain how this relationship will not compromise the voluntariness of the subjects’ participation in the study.

17. Will data be collected from or about any of the following protected populations:

- No _____ minors (under 18 years of age; specify age)
- No _____ prisoners
- No _____ pregnant women
- No _____ fetuses
- No _____ cognitively impaired persons
For additional requirements regarding these categories of protected subjects, consult and follow the IRB Guidelines.

18. What are your criteria for subject selection? Selection of subjects must be equitable and, in the case of protected populations [see #13 above], should reflect their special needs. IRB Guidelines also require researchers to be sensitive to the use of educationally and economically disadvantaged persons as subjects. If you are excluding women or minorities from your subject pool, you must include a scientific justification for such exclusion.

Participants involved in this research study include Presidents of all three universities, Secretary Generals of each foundation, and foundation staffs of leading positions (recommended by Secretary Generals.) Participation in this study will be completely voluntary.

19. How will subjects be recruited once they are identified (e.g., mail, phone, classroom presentation)?

Include copies of recruitment letters, flyers, or advertisements, or copy of script of oral request at time of recruitment.

After approval by the Seton Hall Institutional Review Board (IRB), formal written solicitation and consent letters will be sent to all participants as stated in Question #18.

20. Where will research be conducted? (be specific)

All one-on-one interviews will be conducted in the participants’ offices. To maximize participant comfort, the one-on-one interviews will also be considered to be conducted in a semi-public place such as coffee shop or library. Particular attention will be placed to privacy and easy flow of conversation.
21. Will deception be used? YES ___ NO __ X __ If YES, provide the rationale for the deception:

22. Please explain debriefing procedures, if any, to be used in this study: 
N/A

23. What methodology will be taken to insure the anonymity of the subjects and the confidentiality of the data (i.e., coding system, how and where data will be stored and secured, how data will be analyzed, who will have access to data, what will happen to data after the study is completed)?  [Note: For security reasons, data can no longer be stored electronically on hard drives of laptop or desktop computers. Data must now be stored electronically only on a CD or USB memory key, and kept in a locked, secure physical site.] Researchers should retain all data collected for at least 3 years after project completion.

There is no anonymity in this study because the researcher will need to know who the participants are. Information from this research will be used solely for the purpose of this study and any publications that may result from this study.

Confidentiality will be ensured by keeping research notes, interview transcriptions, and any other identifying participant information in a locked file cabinet in the personal possession of the researcher. All electronic data will be stored on a USB memory key. When no longer necessary for research, all materials will be destroyed.

Audio records will be kept confidential on a separate USB memory key (transferred from the voice recorder). This USB memory key will also be stored in a locked file cabinet in the personal possession of the researcher until the study is completed. The researcher and the members of the researcher’s committee will review the researcher’s collected data. Each participant will have the opportunity to obtain a copy of the interview (both audio and transcribed) if desired.

24. Is a subject follow-up anticipated? YES__X__ NO ___ If Yes, for what reason?
The researcher may contact the subjects again after the interview, with their permission, in order to clarify any uncertainties in collected data during transcribing or analysis.

25. Describe the design and methodology, including all statistics, IN DETAIL. What exactly will be done to the subjects?

Research Design
The purpose of this study is to investigate the development of Chinese university-related foundations and how they have impacted the financial environment of Chinese public universities. To be specific, the researcher will try to explore the historical forces, and policy changes that have influenced the development of the foundations. The researcher will also attempt to examine the operational characteristics of each foundation and to which aspects and to what degree do university foundations contribute to the university’s overall development. The case study methodology will allow the researcher to study the complexity of the historical development and current status of the university foundations. In depth data will be collected from a variety of sources, including: one-on-one interviews and documents and data bases of each university foundation.

Instrumentation:
This study will employ two dominate methods of collecting data used in qualitative inquiries: interviewing and document/record collection and review (Glesne, 1999). Research instruments to be applied in this study include: one-on-one interview protocols and retrieval of institutional documents and archival information.

One-on-one interview: One-on-one interviews will be conducted for the quality and comprehensive nature of the information they are able to provide (Patton, 2002). Interviews will be capture narrative data of participants’ opinions, knowledge and perceptions about the research topic (Glensne, 1999).

Documents: A variety of documents will be retrieved for analysis in this study. According to Glesne (2009), there are three important contributions that documents make in qualitative studies: corroborate observations or statements made in interviews, raise questions about hunches the researcher may have, and, provide historical perspective.
Retrieval of the following documents, records and archives will be completed in order to collect data for this study:

- Annual reports of each foundation
- Important meeting memos
- Newspaper articles
- Web-based articles
- Institutional memorandums
- Other researchers’ study results

Data Collection:

Data for this study will be collected primarily from one-on-one interviews, data bases and archives. One-on-one interviews will be completed by means of site visits. During site visits, documents and archives, such as annual reports, will be retrieved from foundation staffs. Documents and archives will also be retrieved from the foundations’ websites (meeting memos, annual reports and web-based articles), data bases of each university library (institutional memorandums), and data bases of the districts and state libraries (other researchers’ study results, newspaper articles and any related archival information).

Data analysis:

This study will utilize Thematic Analysis method to categorize and analyze collected data from interviews and documents. According to Boyatzis (1998), thematic analysis is a process of “encoding qualitative information” (p. vii). It allows researchers to development codes, words or phrases that serve as labels for sections of data in accordance with the research questions (Boyatzis, 1998). Patton (2002) also describes theme analysis as the process of identifying themes, patterns and core consistencies from a broad reading of qualitative material.

Analysis steps are as follow:

Step 1: After all interviews of each foundation, the researcher will review the data, make notes and sort them into categories from transcription.

Step 2: Data of each foundation retrieved from documents and archives will be reviewed, organized, and recorded.

Step 3: The researcher will determine theme codes of each case based on results from Step 1 and 2.

Step 4: After completing analysis of all three cases, the researcher will analyze themes to determine similarity, differences and possible relationships among cases.
26. Indicate how hypothesis/question of research fit methodology and design.

The methodology of this case study has been designed to address the following primary research question and four subsidiary research questions:

Research question: What are the historical forces and policy changes that have led to the development of Chinese public university-related foundations from 1999 to 2011.

Subsidiary questions:
1. What organizational changes have taken place since the establishment of university-related foundations?
2. What are the characteristics of university foundations’ operation?
3. What role do the foundations play in supporting their mother universities?
4. What opportunities and challenges do the foundations face?

One-on-one interview will be employed to find out answers to the research questions. In-depth interviewing enables an examination of nuances that may have been missed by many quantitative research instruments. In other words, qualitative methods are utilized in an effort to examine the research questions in sufficient depth so that one who has not experienced study abroad may understand its impacts (Patton, 2002).

During the interview, each participant will be asked the following questions:
1. What was the background of the establishment of your university’s foundation and its current status?
2. What policies from the government and the mother university have influenced the foundation’s development?
3. What is the organizational structure of the foundation?
4. What is your and other staff members’ daily work?
5. What role does the foundation play in supporting the university?
6. In your opinion, what challenges and opportunities do the foundation face?

Interview Question 1, 2 and 3 is designed to find out answers to the overarching Research Question.

Interview Question 3 is designed to find out answer to Sub Research Question 1.
Interview Question 4 is designed to find out answer to Sub Research Question 2.
Interview Question 5 is designed to find out answer to Sub Research Question 3.
Interview Question 6 is designed to find out answer to Sub Research Question 4.
With respect to the document retrieval and review instrument, all of the documents collected will inform all of the research questions.

27. Give reliability, validity and norming information on all instruments.

Reliability:
The researcher will accurately document responses and transcribe the audio immediately after each interview. This approach allows the researcher to create a clear trail of the evidence for future verification, making for greater credibility in the research findings (Patton 2002).

Multiple data sources and collection techniques will also increase the credibility and quality “by countering the concern that a study’s findings are simply an artifact of a single method or a single source...” (Patton, 2002, p.556).

Validity:
To ensure validity and trustworthiness of the data, a transcribed interview will be e-mailed to the respective participant (member check) and as previously stated, if permitted by the participant, follow-up contact will be made with a respective participant in order to readdress or clarify any ambiguities or questionable details in the data.

28. Describe any equipment that will come in contact with the subject. Brand name and model, as well as description of its function. If electrical equipment is connected directly to the subjects, as with GSR and EFF measures, assurances concerning the safety of the equipment (technician should certify that equipment was checked within the last month) should be included.

The only equipment will be a table top tape recorder. No equipment will come in contact with any of the subjects.

ATTACH ADDITIONAL SHEETS IF NECESSARY.

Include the necessary copies of any test instruments, questionnaires, etc.
DO NOT ATTACH COPIES OF SECTIONS OF GRANT PROPOSALS, DISSERTATIONS OR CLASS PROJECTS TO ANSWER THIS ITEM.
Appendix I. Interview Protocol

Interview protocol

1. What was the background of the establishment of your university’s foundation and its current status?

2. What incentives from the government and the mother university have influenced the foundation’s development?

3. What do you believe have been the most important forces to its development?

4. What are your and other staff members’ responsibilities?

5. What role does the foundation play in supporting the university?

6. In your opinion, what challenges and opportunities does the foundation face?

Interview Question 1, 2 and 3 was designed to find out answers to the overarching Research Question.

Interview Question 3 was designed to find out answer to Sub Research Question 1.

Interview Question 4 was designed to find out answer to Sub Research Question 2.

Interview Question 5 was designed to find out answer to Sub Research Question 3.

Interview Question 6 was designed to find out answer to Sub Research Question 4.
Appendix J. Research Journal

Memorandum One
From: Li Guo
Subject: Reflection on Advisers’ Review on Interview Questions

Based on research questions of the study, I composed quite a list of interview questions: almost 20 questions covering key problems and details as well. My initial thought was to have as much information as possible from interviewees.

However, after reading my interview questions, my advisers consider them to be inappropriate as, first, there is too many questions within a constrained interview time. One of the advisers asked me about my plan on time of each interview. I said “one hour”. He commented that normally people in high position do not have time for such a big interview. He recalled his experience on doing research interviews with presidents of American universities. There was merely 15 minutes available for each interview. After 15 minutes, interviewees started to look at their watches frequently, which hinted “time’s up”. He then suggested me to only include those very important questions—the ones must be discussed with interviewees, and to have a good control of time.

Secondly, some of the questions are too broad like “can you tell me the history of your foundation?”. To address answers to such a “big” question, interviewees may have to spend out much of the interview time, and there maybe no room for other questions. And interviewees may spend time on things that are irrelevant to research topic. Solution can be asking skillful questions with more specific details to key concerns, like “I noticed there is a remarkable increase in foundation income in 2008, can you tell me what happened exactly?” or “the foundation set up another sector in 2009, can you tell me why you decided to have a new sector?”

Thirdly, some questions are unnecessary like “what is the organizational structure of your organization?”. If answers for such kind of questions which can be found from other sources like websites and documents, there is no need to ask during interviews.

Fourthly, if interviewees are not able to provide enough information on what I wish to learn, I can let them to suggest people who may have the knowledge and resources for further research.

Finally, the advisers suggested me to conduct a pilot interview to determine the key questions, interview time, and other important concerns that may influence quality of the interviews.
Memorandum Two
From: Li Guo
Subject: Reflection on Pilot Test

What I planed was to conduct interviews after a careful review of all data and information available from universities’ and foundations’ websites. However, I got the invitation from the Secretary General of Foundation A very soon resulting in a hasty and unprepared interview which was the first experience visiting university related foundations in China. Fortunately, because of a thorough preparation on interview questions with my advisers, I had clearly interview outlines and key questions in mind. In case interviewee would not allow me to audio-record the conversation, I took an assistant to the interview with the aim of wring down and record as much information as possible on her notebook. Result of the interview provided important and clear background of foundation’s establishment, its current status, and major development stages and milestones of fundraising as well. It served as a good pilot test for further interviews. Lessons learned from this interview include:

1. Collect information about subjects as much as possible before going to the spot.

2. The interviewer should be subjective about subjects to be learned and should show respect to interviewees and great interest in subjects. Objective presumptions would deteriorate relationship with interviewers, resulting in noncooperation from interviewees.

I was told by interviewee that there were researchers learning similar subjects and had interviews with her before, but she was quite unhappy to hear the researcher talked about the foundation with negative comments like “I know a lot about university foundations in the USA which are much successful than yours.” and “Comparing with university foundations in the USA, the Chinese counterparts are not quite developed.” On the contrary, I found the interviewee showed pleasant smile when I praised the her foundation with words like “Foundation A does not have a long history comparing with university foundations in the USA, but has achieved great success in fundraising and overall development.” and “Comparison can not be easily made as there is quite a difference regarding culture, history and and other social influences in both countries.”

3. The pilot test confirmed that one-on-one interview works better than questionnaire or survey when researcher attempt to discover what is indeed going on with a phenomenon or a place. I was told that previous researchers tend to sending them surveys or questionnaire to let them fill out forms. However, my interviewee believed that such an approach can not help to learn much and the presumptions might be inappropriate.
4. What I also felt was that it might be even better to include other qualitative approaches in the study such as observation and several on-the-spot visits which allow researchers to stay in the place for longer time. Reason for such an idea is that I found my interviewee was reluctant to talk about anything negative related to the foundations and her work. Her response might related closely to the weakness of interview itself as a research methodology.
Memorandum Three
From: Li Guo
Subject: Interview Questions for Semi-Structured Interview (An Outline)

Subject One: As a newly emerging development in China, a few things need to be addressed regarding the establishment of the foundations.
2. What were the primary motive power for the development of university related foundations?

Questions to be asked could be:
- What was the university’s intention/purposes for establishing the foundation? (purpose, size of the initial establishment, who was the president of the university by the time of the foundation’s establishment? Any documentation available regarding the establishment?)
- What is the current status of development? What changes have taken place since establishment? Why did these changes take place?

Subject Two: Government’s support to higher education philanthropy
1. Is there any or what is the government’s supervision body for higher education philanthropy and university related foundations?
2. What have been important governmental policies or incentives regarding higher education philanthropy?
3. Is there any taxation incentives favoring higher education philanthropy?

Subject Three: Characteristics of university related foundations in China
1. What is the relationship do foundations have with their universities? Are they independent organizations or administrative departments of the universities?
2. How do university leaders perceive the significance of higher education philanthropy and university related foundations?
3. What role do the foundations play regarding the overall development of their universities?
4. What relationship does foundation have with other schools and departments in the university?

Subject Four: Additional remarks from interviewees
Questions to be asked could be:
1. What else do you believe are important things regarding foundation’s development that have not been addressed in our conversation?
Memorandum Four  
From: Li Guo  
Subject: Reflection on Interviews with Staff Members of Foundation A  

Eventually I had two official interviews and several talks with staff members of Foundation A. The following illustrates things that impressed me the most.

- Foundation A currently is trying to persuade donors to provide unrestricted and expendable monetary donations. The Foundation has established several programs targeting unrestricted monetary donations with ultimate flexibility with the purpose to provide help to recipients such as students and faculty.

- By 2011, 60% of total donations to Foundation A had come from donors from China Mainland.

- By 2011, Foundation A had 1.4 billion Chinese RMB as sedimentation fund.

- Ever since establishment, Foundation A has been receiving full backing from leaders of University A. Not only had the University President initiated the establishment of Foundation A, the university leaders had promoted its development by, for instance, offering the Foundation with the best office building on campus. University leaders had also strengthened the links between Foundation A and potential donors such as the alumni, friends, corporations and other related social sources. For instance, university leaders had actively participated in events organized by Foundation A such as charity events and reciprocal banquets with donors.
Memorandum Five

From: Li Guo

Subject: Reflection on Interviews with Staff Members of Foundation B

I met with the Secretary General of Foundation B twice and had also interviewed a staff member who was recommended by the Secretary General. The following record things that impressed me the most.

- Foundation B has not been involved in any kind of financial investment and does not plan to begin an endowment in the near future in spite of its fast growing fundraising income. A reason was found out to be the lack of experiences of both the Foundation and University in financial investment. University B, traditionally funded by the State Government, has not been involved in any kind of financial investment in the capital market and therefore prefers to stay in the comfort zone. A third reason was due to the previous mentioned secretary-general’s fear in affording the “expensive” failure.

- The Secretary General complained about the inflexibility of decision making for operation of the foundation. Although Foundation B is legally independent from the University, it is in fact acting just like an administrative department of the University, in that the Foundation is in the control of the University in various perspectives. University leaders are involved in every important decision made for either fundraising projects, campaigns or important organizational change. In addition, full-time staffs are in fact University B’s official employees whose salaries and benefits are payed by the University and there is seldom any rewards for their fundraising performance.

- Foundation B does not involved in the use of donations, instead, all donations are infused into the entire university funding which is taken charge by the financial department of University B.

- The Ministry of Civil Affairs has a rigorous requirement on university foundations in light of the recent scandals of philanthropy in China. Specific requirement for Foundation B includes: Secretary General must be full-time, cannot hold other concurrent positions, and requires Foundation B to have each of its donation clearly documented/profiled.

- For further research, staff member suggested to look at use of donations.
Memorandum Six
From: Li Guo
Subject: Reflection on Interviews with Staff Members of Foundation C

I was lucky to have interviewed three most influential persons to Foundation C: the university President, Vice Secretary General of Foundation C who is also the chief of the financial department of University C, and the chief of the Alumni Association of University C. The following paragraphs record things that impressed me the most.

- The annual expenditure of University C is 3 billion Chinese RMB: 1.8 billion from research funding, 0.2 billion from student tuition and fees, donations account for 0.1 billion, and the rest 1/3 from the State Government.

- University C has an affluent funding source from research funding and the State allocation. Hence, the university President, who spends half of his time working on generating research funding, does not worry too much to search for other funding sources. He was aware of the importance of philanthropic income only because of briefings from his personal connections about philanthropic donations supporting higher education institutions.

- But the President is happy to have the foundation and fully supports its development as he’s gradually found out that philanthropic contribution to university can provide money to areas that can not be funded with current funding scheme, such as subsidize faculty and staff’s income and benefits, and campus improvement.

- The President believes that prestige plays as the top reason that universities can receive large donations. He told me that universities in China like PKU and Tsinghua are unbeatable regarding philanthropic donations as their names attract donors most.

- The President commented highly on the State Government’s Matching Fund to the development of higher education philanthropy in China. He believes that even if the State Government stops providing matching fund in the future, universities in China will definitely keep working on fundraising and endowment management. The Matching Fund is considered to have provided the seed money to leverage the establishment of university related foundations.

- The chief of the Alumni Association was the responsible person to the establishment of Foundation C especially for the registration of Foundation C with the Ministry of Civil Affairs. She considers that PKU and Tsinghua
University were impacted by their overseas alumni who understand the importance of higher education philanthropy, and the returnees had in fact facilitated the establishment of foundations of the two universities. But University C, since has a military background, does not have such resources as the vast majority of their alumni stay in China.
Memorandum Seven
From: Li Guo
Subject: Predicted Findings and Possible Recommendations Before Data Analysis, Corrections after Data Analysis, and Reflection on the Significance of Data Analysis

This memo illustrates the significance of a carefully structured, step-by-step data analysis to findings of the study. Both findings and corrections before and after data analysis are presented in the following paragraphs. Corrections are those in **bold**.

Key findings to respective research questions:

1. What role do philanthropic income plays in China’s public university finance?
   Finding: Complementary role
   **This is correct, but there are other aspects found to be related to the role of philanthropic income to public universities in China, e.g., foundation provides a platform to integrate and better investment on previous and future donations to the university.**

2. What organizational changes have taken place since the adoption of philanthropy as an income source of Chinese public universities?
   Finding The establishment of educational foundations. A small number of universities have their own endowment.
   **There are other aspects related to the research question.**

3. What forces and incentives have lead to the changes?
   There are two models of organizational change were found:
   First, government has brought about organizational change to universities

Because of increasing social donations, a small number of Chinese public universities established educational foundations.

Government see the importance and made intervention, such as tax adjustment, matching fund

A nation wide revolutionary development of higher education philanthropy through the establishment of educational foundations in a great number of Chinese public
Second, university leaders have brought about organizational change to educational foundations. A thorough data analysis indicates that none of the foundations had been established or developed because of single force. There are four major forces found to be key motivators to foundations’ development: a growing support from the Chinese society to higher education finance, leadership from presidents of the universities, governmental incentives, and supervision from governmental bodies. Plus, not every foundation has followed the same development pattern, therefore the above illustrated figure does not show the right logic to understand the development of university foundations in China.

4. What opportunities and challenges do Chinese public university face to increase philanthropic income?

Recommendation 1. In light of the Australian national endowment fund which is founded and supervised by the State government, a similar national endowment fund can be established by the Chinese government as the ultimate goal. To initiate the national plan, joint endowment funds by several universities which are supervised by the same ministries can be created as pilot projects. This follows the pattern of organizational change of the Chinese society.

Recommendation 2. Global fundraising: universities can be and should be encouraged to seek philanthropic gifts from multinational cooperations and foundations.

Recommendation 3. Institutional support at the university level: participation of leadership at all level.

Recommendation 4. Government should encourage professionalism of higher education philanthropy through a variety of research activities:
- annual national surveys and reviews of philanthropy in China’s higher education.
  UK has provided a good example.
- a comprehensive study of philanthropy in world higher education.
- a comprehensive study of philanthropy in China, esp. Provinces and foundations with fastest growth like Jiangsu Province. **Most of the foundations in Jiangsu Province have been grown from a small base comparing with big university related foundations in Beijing and Shanghai. Although they had a fast growing speed, their overall development in terms of assets and annual fundraising performance can not compete with the big foundations.**

Recommendation 5. In light of Fudan Premium Fund of Management which was founded and developed fast due in part to the influence of famous alumni like the former Prime Minister Li, Lanqing, the famous alumni effect can ben extended to other foundations. **This is not included in the final report of recommendations, as Fudan Premium Fund has not been included in the research of this dissertation.**

**Summary:**

The most important lesson I learned before and after data analysis is that memory is unreliable and may produce incorrect findings.
A: 北大基金会呢是 95 年开始成立，那时候是最早的中国大学两家基金会之一，我们和清华，他们比我早几个月，我们就是最早的一批就这么两个学校，到现在 17 年了。

Q: 17 年了啊

A: 对，其实最早也就是中国改革开放时候吧，之前一直都是计划经济下大学的财政支持都是中央的就是政府拨款，也就是从那个 80 年代末 90 年代初中国改革开放之后开始有一些西方背景的华人，也有港澳台的，他们很关注内地的发展，就是学校里啊就会有一些奖学金捐过来，所以有这么一些项目。最早就是校长办公室呢来负责这个事情，后来渐渐有需求之后，基金会才开始，就是专门成立了这么一个机构，开始做起来了。最早是从两个大学开始的，项目也就是奖学金这样的。

第一次比较大的发展也就是 98 年北大百年校庆，当时也是很受关注的一件事。恩……呢个……那时候就是有一个中国的一个比较大的增长，那个前后大概每年，从 98 年往后的每个年头里头，北大基金会每年收到的捐赠款大概是三四千万人民币。

Q: 每年都有这样一个增长？

A: 对对，差不多。差的时候大概不太好的年头大概将近三千万，好的时候五六千万这样子。直到到了 05 年吧，我们一年到了一个亿，后来第二年，都很高兴哈因为数字有了一个突破。

Q: 那 05 年发生什么事儿了吗？为什么会一下上了一个亿？

A: 我觉得是一个长期的积累，另外，当年我们募集到了我们最大的一笔钱就是那个奥林匹克，那个就是乒乓球赛在北大举行，就是那个做乒乓球赛，奥林匹克运动会在北大做乒乓球赛的场馆，大家都知道这个事情是国家的大事哈，很多人都来申报到我们这儿来建场馆，其实国家她批准的时候是不给钱的，然后那么钱得自筹，那么北大基金会就在这个时候筹得了当时新加坡的背景的，他们这个家族曾经是过新加坡的首富，然后他这个家族的子女以父亲的名字命名了这个场馆叫邱德拔体育馆。它呢是总数当时算的是场馆 2.6 个亿的三分之二取得命名
权是1.73个亿，他呢就是在几年之内，第一年呢先到二分之一，后面呢是按比例陆续到款，所以当年是最大的一笔事情。

接下来呢06年就是2亿多，接下来就是连续几年都没掉下来过三个亿。

Q: 就是您刚才说的每年都有这么多的收益是吧？然后这个钱累计起来就越来越多是吧？

A: 对对，之后去年是我们的最高峰，现金入账是5.3亿，另外呢有一个一亿的房产捐赠，是共计6.3个亿。但是可以预见的是今年肯定达不到这个数字。

Q: 因为经济形势不好？

A: 对，我觉得可能也跟经济形势有关系，恩。

Q: 那您像您刚才说的那新加坡的一笔大捐款的话，他和北大有什么渊源吗？他为什么要捐给北大呢您觉得？

A: 他跟北大渊源是，实际上就是他，因为他是华裔，他父亲离开了之后可能是对中国的这个情结还是有的。另外呢可能中间的一些朋友可能和北大做过做过一些，有过一些合作，他们介绍来之后呢谈到过，就是在和朋友的交流中，我们和他朋友的交流和他朋友跟他的交流当中谈到过，以为他得经济实力在这儿，刚好有这样一个项目他很感兴趣。所以我们现在在场馆里头一进门有他父亲的这个全身的塑像，他特别想就是，他父亲好像也有这样一个心愿，就是对这个，对自己出生的国家有一个这样大支持，我觉得是了却父亲的一个心意。

Q: 哦，是这样的。

A: 恩恩。他父亲去世以后他们家族有一个基金会，这个基金会也做了一些慈善的事情。

Q: 那然后就是到今年是，那现在我们能不能大概问下下就是到今年大概沉淀下来这部分钱能够

A: （抢答）我们去年是14个亿，以为这个钱就是每年进来，我不知道其他大学呀，我们的很多项目也是有这个国内的慈善文化的原因哈，可能很多的捐赠人在捐钱的时候就写在协议里头有比较明确的事项。包括我们前期谈判的时候，为了争得这个捐赠人的信任吧，我们会把这个钱的用途写的非常的详细，所以通常来说他钱进来之后都会按照协议他的意愿，他的协议的规定，把这个钱及时的花出去。所以就是不动本的基金不多啊，但是会有，可能得看捐赠人的这个经济力量哈，有的就是觉得还可以的话他也愿意做一个不动本，就我们把我们的运作方式告诉他。比如就在去年，有一个百岁老人，他身体非常好，你都不
可以想象，他想在百岁生日的时候拿出 100 万美元资助 100 个学生，每人就是 1 万美元。当时就是跟我们电话联系，就说到这个事情。

Q：他是在中国吗现在？

A：在中国，但这个老先生他是在 49 年前后离开了，先后在日本、美国和非洲先后都有自己的生意。现在等于说岁数大了又回到，他上海人，又回到上海，在上海定居，但是他的资产就积累起来了。他就是把这个想法说了之后我们也想跟他，因为基金会这么多年下来我们的实施体系已经比较成熟了，学生资助项目也做的比较规范。因为他这 1 万美元就目前来看跟我们其他的助学项目相比有点太大，因为北大目前的学费只有 5000 块，他这 1 万美元，一个学生就能得六万六六万了哈，就有点太多，我们这个助学金通常都 cover 掉学费，或者如果家庭特别困难的话，我们给他双倍，就是把生活费也 cover 掉，我们只给她一万块钱人民币，这是我们目前助学金的一个额度，他这个就远远超过了，但是老先生的这个心意在这，所以我们这个，我们就专门过去到上海和他沟通，沟通的情况就是我们想希望他这钱，因为老先生吧实际上他想做一个他自己的一个纪念，就放到基金会，以这个不动本基金的形式存在，这样的话他能够那个什么

Q：还可以增长一些是吧？

A：我们给他介绍了一下我们目前资金运作的一个形式，就是说这个安全、有效这样一个，安全、增值、有效这样一个原则，就是说如果把它变成不动本基金的话，这个基金应该会永远在这个大学里存在来支持学生。后来老先生觉得很认可，所以呢他又增加了一些基金，完全作为不动本资金，大概就是产生的收益能够有一个人 5000 块，100 个学生，特别好。

Q：就是收益就能支持这些？

A：对对对，但是这个前提也是真正的钱数要足够大才能够够用嘛，对，现在也是有一部分是这样的钱，那这一部分就可以做沉淀资金，但是很多的还就是走掉了。你看就是去年吧，我们签了 360 份协议

Q：这么多？

A：恩对（笑），但是真正的，进了 1900 笔钱，但是总共你看这个数字，你可以平均算一下，这个一笔钱才有多少，没多少。来算一下这个数哈，我们是 5.3 个亿，回头再算吧。就这样一个情况，所以每一笔钱并不是特别大。

Q：那这一块，就是像小凡他们这一块做投资
A:  （抢答）对，这就涉及到工作区域的划分，我们现在就是三大块儿的工作，一个呢就是筹款这一块儿，目前我们就分亚洲部和欧美部这两块儿，实际上这两块儿都很大，亚洲部含中国国内，也含港澳台和那个那个亚洲地区哈，欧美部呢现在主要的来源是美国和欧洲很少哈，美国呢目前大概主要是校友这块儿，美国其他可能不会，不太会关注到中国的大学。

Q：也是在做校友这一块儿是吧？

A：对，对我们这一块儿，但是美国我们是有很大的一个工作，我们在做一个就是，美国那边我们有一个基金会，在美国注册的一个我们北京大学的基金会。

Q：恩，加州的

A：对，对，你都知道哈，和他们工作的一个对接，他们的宗旨也是支持学校的一个发展，但是他们完全是一个美国机构，美国的一种 501C3，所以呢他要服从当地的法律、当地的财务规定，所以如何让它完善，让它能够按照他的法律执行，又能够支持到学校，把学校这边的资源能够配合他们的工作，这也是欧美部的一个很大的工作。

Q：那比如说向美国部它自己是自发成立的吗还是北大

A：恩，他这个基金会主要的工作人员都是，就是美国身份，每年，就是这两年开始每年我们这边会派一个年轻的同事过去，也是学习，就是辅助他们做一些办公室事务，他们也还都是美国身份，对。

Q：那我是想再了解一些就是开始成立基金会时，是北大就是你们这个基金会时母体基金会自己想筹办一个国外部呢还是说

A：（抢答）不是，他不能说北大的基金会时母体，要是说母体的话只能说学校，是学校希望那边有一个机构，就是有一些人就愿意配合学校的发展，对这样做。

Q：学校和那边的校友联系，然后校友在那边做成的一个基金会？

A：对，对，对，学校这边就会有一些支持就像领导这边，因为很多东西不是基金会这边这样的一个秘书处能够有力量所达到的。

Q：那既然说到这里的话，那我想了解一些就是像基金会和北大的关系是什么呢？因为在美国的话，基金会做的比较大的话都是相对独立的。

A：我们也一样的，咱就说这边的基金会哈，那边的肯定是独立的哈，这边我们也是独立的法人，学校是另外一个法人，我们是在民政部注册的。
Q：那就不是像其他学校的，像我采访的北航、北理工这样的

A：实际上归根结底呢，就是他是两种，从组织结构上来看是这样的，是独立法人。其实北航、北理工也应该是一样的，但是我们这些工作人员基本上都是学校的正式员工。

Q：那算不算其他的一个职能部门呢？

A：不算职能部门，算学校的，就像公会一样，学校的一个附属机构，也不能叫附属，从法律关系上不是附属，但是从行政关系上来说，包括干部的任免，这也是学校，从人员就是基础，最基本的员工，是学校的人事部在管，完了干部的任免是组织部在管，他是这样的。当然我们也可以自己聘用一些自己的合同制的工作人员，但这个我们也都愿意纳入北大统一的合同制人员编制保证计划来统一管理，但是整个机构的运行是要在民政部统一管理下，因为我们每年的审计、年检、还有隔四五年一次的民政部评估，这都是属于，现在我们在准备第二次评估，对，第一次在民政部全国基金会评估当中，北大基金会是在非公共当中是第一名。

Q：他评的是：

A：他……各个方面，包括，现在评估就是涉及到筹款、管理、项目管理、财务管理、投资、你的规章制度、你的成就、你的项目的效果，各个方面。

Q：哦，明白。就是从国家政府的这个层面来讲，是民政部在管是吧？

A：对，是民政部。我们贡献于教育部下属的大学的发展（笑），对。

Q：但是跟其他的一些机就会，就是不是大学基金会，就是社会上的基金会时同样的一个

A：（抢答）对，按理说是这样的。

Q：明白了明白了，那就是想了解更多的就是更大的背景的话还要去到民政部

A：其实你可以看一下民政部的网站里头有一个社会组织网，那里头有很多基金会的信息。

Q：行，里面有关于大学基金会的介绍吗？

A：有，每一个大学基金会每年年检的结果要在里头，我觉得这些数据既然都放在网上就可以用的。
Q：这真是一个丰富的渠道。您刚才说就是最早的 95 年的时候就是改革开放这一块儿，就是因为国家的大背景是吧？然后有两个人开始主办的这个基金会，这两个人您能说一下他是什么人吗？

A：这两个人是这样的，一位是当时做外事，现在叫，原来也叫外事处，现在叫国际交流部，当时做外事的

Q：就北大的是吗？

A：对对，一位副处长，过来来做这边的秘书长，另外一位呢就是从国外回来的一位年轻的，目前呢这位年轻的已经是我们的秘书长，是北大的校长助理兼秘书长。

Q：哦，他既是创办人现在又是在做

A：对对，刚才说到筹款了，再说就是基金会很大的一块儿就是项目管理和后面的关系维护，这块儿呢我们有就是项目管理部，也有信息部，信息部呢就是一些数据啊一些，就是中国要求特别严的，我不知道美国也应该是吧，就是信息披露信息公开这块儿。项目管理呢就是整个项目后期实施，后期跟进、项目汇报，就是管理这一块儿。另外的一大块儿就是财务，财务就是，一个就是最基本的一个会计科目，财会这块儿，另外呢特别大的一块儿就是小凡这个投资，投资是这样的，就是投资下面目前我们在筹办一个公司，公司成立以前这么多年来，他们就是有个投资部，实际上相当于投资执行部门，他们上级再上一层有一个投资委员会，这个投资委员会受学校和理事会共同的委托，基金会理事会共同的委托，他们会做大的投资战略的一个制订，接下来就是这个投资小组来做基金会的这个基金的投资。

Q：那现在这个小组开始自己组建一个公司了是吧？

A：对，在筹办公司，还没有正式，还没有开始，理事会还没有通过。

Q：那现在为什么从一个小组现在打算办一个公司呢？因为我可能对这个发展的东西想比较深挖一点，看看有什么动力啊，是来自学校的啊还是经济环境的啊还是因为其他就是这个沉淀的基金多了？

A：因为对我投资就是，我的工作不涉及这块儿，我说不好。

Q：那行，那没关系，那我问问他。恩，就是项目管理这一个大部分是吧，然后您刚才说除了项目管理这部分还有就是

A：我们叫信息部，主要负责信息公开和宣传，一些慈善案例的宣传，捐赠人所需要的。
Q: 我觉得您这个北大基金会确实办的相对比较成熟一点相对于中国其他学校的基金会，有点类似于美国的，就是美国的也是，就是不光光是筹款和，就是教育基金会还是和学校发展是紧密联系在一块儿的。行行，我看一下啊，那我还得有一个就是比较大一点儿的问题就是北大基金会它每一次发展变化的推动力您觉得就是主要来自于学校内部呢还是？哎这个问题太大了不好回答。

A: 我觉得其实，其实很多的时候我觉得是大的形势的变化，即使是学校内部的，源自学校内部的变化，归根结底也是社会大环境的变化，就是从他最终开始设立的时候，我觉得是源于，先有捐赠，后有基金会，后面也是，你看那个捐赠资金的不断增长促使这个部门，就是我们一直是在被、被这捐赠推着走，我们有太多的工作要做，所以才会，像我们最初筹款和管理是不分的，最早我们叫业务部，只有业务部，行政、行政部那叫办公室了哈，业务部、财务部和校友，后来成立了校友，就是等于是他是不分的，业务部里头既要管筹款也要管管理，后期的事情他都要管。信息部当时也没有，所有的都是业务部来做，这个业务多笼统什么叫业务啊，但事实上从后来现在新成立的大学基金会有时候也出来交流，希望了解北大发展的情况看，大家都是这样过来的，最早就是只要有人管财务，有人来负责这些捐赠人，他事实上就是这两个部，但是呢由于这个工作的需求，这个捐赠款也在增多，当然了这个捐赠款增多的原因真的和工作互为因果，你做了才会多，所以真的是像滚雪球，互为因果的做起来了我们业务部才分出筹款，筹款又分成捐赠，那个那个欧美和亚洲，像我们管理又分出信息部这样子。

Q: 哪像北大如果说筹款的话就像你们现在在做一些什么样的工作呢？自己会不会就是主动的在外面做很多的宣传？

A: 恩，外面其实就跟学校，要建议学校的事情，就比如校领导的出访，有的时候基金会会一起安排一些酒会啊，或者安排一些校领导跟捐赠人的答谢见面，包括校庆的时候跟校友的这样的活动，那么其实就是一些公众活动的一些平台要建起来，包括在国内外的、包括在香港的和美国的，都会，一年都会有一些这样的活动。另外呢就是捐赠人的就是来访，他每次过来有的时候他过来的时候我们前期会有些策划，我们知道就是为了彰显他得贡献呀，感谢一下，就会做一些尽可能让他感觉会比较，希望他能接受的一些宣传活动，你们至于有的时候他会把自己的朋友带来，朋友接下来会参与进去这样的。那么所有的捐赠人我们都会放到我们库里头，那么我们会给他寄那个刊物、我们的年报、我们的北大发展通讯，像学校的近期的情况寄过去，我觉得他就会，只要你捐过钱，他就会永远的收到学校的消告，不管看不看总是一点联系哈。

Q: 那现在捐赠人的话他自己就是会得到除了向您说的那样每一年给他寄刊物以外，还有什么其他的？比如说我看北大好像是一千万以上是有校董啊
A：现在我们校董会没有就是很规范的建立起来，因为校董会是中国原来没有的，目前有很多中国大学已经做起来了，但是即使做起来它跟美国私立大学的校董会肯定是完全不一样的，从权利上它可能不会有这么大的权利。

Q：名誉性质的哈

A：对，荣誉性质的，可能顶多会，啊可能会有对学校制度的建议啊，会有些监督啊这些可能会有。目前北大是还没有做校董会，我们会授名誉校董，也会有一个数字就是超过多少钱的，但是仔细看我们的文件写的是可授予，那么是否授还要学校再讨论。

Q：看具体情况再定

A：对对对，还有其他的一些问题，他个人的背景啊，他得一些社会影响力啊、声望啊，学术方面的成就啊。

Q：明白了。那这样的话我就想另外一个问题就是，我看北大的那个网站上也有政府关于就是国家政策的材料，但是抱歉我还没有细看，我想了解的一部分就是在税收上对这些捐款、捐赠人有没有一些免税的政策呢？

A：就是目前中国的捐赠他是，只要他是通过，就像是北大基金会，现在这个范围已经很广了，就是慈善机构他的免税的优惠政策是，企业捐款如果在他利润的 12%以内可免税。

Q：12 是吧？

A：啊对。

Q：那这 12%您觉得就是力度大吗？就是我问过北航的基金会，他说就是 12 企业还是觉得有点少。

A：我觉得可能会。因为有的企业就是他的利润做的并不高。

Q：对。

A：恩对。

Q：对，就是在美国可能是三四十，有的时候到五十。

A：也是免税吗？

Q：对。

A：不可以抵税是吗？都不可以抵税吧。
Q：恩……呀我还真是不是特别清楚，等我再了解一下给您反馈一下。

A：他好像是，我们是在这个区域，这个范围内可以免税，那个跟美国的，因为我也对美国的了解不多，但是也是跟那个不同的做基金会的同事也交流，就是美国各个州也不一样，我们这个并不是最差的（笑），还不错。这是企业，还有个人，个人是个人应纳税额的 30%部分可免税。

Q：现在的捐赠人对北大的捐赠是不是还是更多的是一种情感？或者说是就是对北大的这种支持？他个人的这种愿望多于他就是他的，就是像企业就是想得到税收上的这种好处？可能是不是前者比后者要稍微更多一点儿？

A：我觉得可能从税收的好处来说，一定是捐钱，不管税收目前他是不是免税的情况下，无论怎么样，他捐都比不捐。

Q：要好

A：不是，要损失的要大嘛，他不捐的话，假设纳税，他这 12%的位置纳 25%，他不还有很多钱可以留给自己嘛！他只要捐了的话，那他哪怕全免税，这笔钱不也就都没有了吗？所以不管，即使从税收的角度考虑，他捐赠都是一种贡献，绝对不会说我捐了我反而什么都没损失，我还怎么样了，不会的。固然有情感，但这两年哈，我们已经连续，这是第三年了，这一年的数还没出来，我们头两年开始，北大基金会收到的来自中国内地的捐赠多于来自境外的，我说境外就含港澳台哈，以往都是港澳台很多，香港占我们捐赠来源的一大块儿，这两年开始，就是 10 年和 11 年，来自中国内地的捐赠数超过 60%，对，我觉得这是一种新的，就中国经济力量的一种变化哈，今年还不太知道因为我们还没有做统计。

Q：是不是也是跟就是国际，从 08 年以后金融危机，像海外来讲 08、09 年的捐赠额度，就是他们本地都下降很多，会不会有这种考虑？

A：可能是复杂的，恩对，有可能，有可能是

Q：就是一方面是北大这几年的捐赠额度一直在稳步提升，内地的捐赠额度更是提高的很快，比较显着的这两个特点。

A：哦对内地是，在内地的企业家他可能因为在本地嘛，他们和大学的合作可能也会多一些，他有的时候一方面也是捐赠就是情感，另一方面呢他可能也希望跟学校有更多的合作，可以到学校包括毕业生输送啊，包括科研的一些，他可能会。

Q：明白了明白了，那就税收这块儿讲完了，还有一个就是除了税收这种政策以外，国家还有哪些推动基金会成长的，比如说像那种配比基金有吗？

A：对对
Q: 有，是吧？

A：恩，我觉得配比基金对于大学基金会的发展真的是促进特别大，配比基
金就是从 09 年下半年吧开始，教育部、民政部联合就是有每年会拨出一大块资
金来，给大学基金会筹集来的这个捐赠款配比，这个总数我说不好，那个因为每
年我们作为大学基金会来说我们的任务就是告诉你你可以把你的捐赠项目申报，
他会平衡，就是各个学校报上去之后他会有一个平衡，完了之后每年发，每年会
根据这个情况来给大学这个不同的基金，恩，大概的一个政策就是，筹款力量弱
的小一点的学校配比的力度、比例会大一点，筹款的能力强的他可能会，恩，先
有一些基础数你配多少，剩下的再有乘个系数啊之类的，总之比例会少一些，当
然了即使比例少他得到的钱也会多。

Q：筹款总额大哈

A：对，比如去年北大就得到了 1.93 亿的配比

Q：那是从多少开始，就是纯粹配比在 5.3 亿

A：没有 5.3 亿不在里头

Q：都不算是吗？

A：对，这 1.9 个亿没有进基金会，他直接就给到大学财政，就等于算做国
家下拨基金给到学校的财务，所以就等于又是基金会的另外一笔贡献，直接给到
学校财务。

Q：那这 1.9 个亿能够作为基金会的沉淀资金吗？

A：不不，不能，而且它的用途很限制，不能返还到捐赠项目里头，它会用
到学生、老师，就是更直接的，里面的要求是有限制的，不可以当做劳务费发
了，或者怎么样，是有财产要求的。

Q：行，那这个就是，像每年北大就像 5.3 个亿这样的进钱，进资金，大概
能够占到北大每年他，就是全校的总共的就是总收益的多少呢？

A：不多，不多，很少还是，因为学校这块儿除了国家正常下拨的运行经费
之外，学校科研拿到的钱，还有那个中央政府重点项目什么呢“985”“211”这样的
工程拿到的钱，挺多的，准确的数据我没有，但是，恩，还远远不够，对对。

Q：明白明白，那您觉得会，发展的话会越来越好了是吧？

A：我觉得国家投入也越来越多，所以我们就不同的、不同岗位的人做不同
的贡献吧，基金会也应该再继续努力，但是我觉得，我个人觉得国家对高等教育
还是，投入还是真的增长挺快的，也很重视，从“科教兴国”，什么那个“科技强国”啊这些，就是战略出来他也不会是仅仅停留在口号之上的，对国家给予的经费也越来越多。我觉得每个人做好自己的事儿吧（笑），基金会这边做我们这块儿，恩。

Q：那基金会如果想长期来讲的话，他对大学最大的贡献应该是什么呢？联系校友？或者是给学校就是更好的宣传？

A：我觉得还是这个资金支持还是最直接的，而且这个资金支持他可能就是，社会各界因为他既然是想给学校捐赠资金，他一定是看到了学校这个比如正常经费，正常运作所不能达到的一个缺口，会关注到不同的项目，所以基金会的这样的捐赠款对学校的发展还是有意义的，比如我们很多的大楼上都是有命名的，这样的话，很多的楼开始没有这样的下拨经费的。

Q：是这样学校可以把更多的钱投入到科研中

A：对啊！对啊，包括给这个贫困生的支持，到现在越来越多的学生海外交流、奖学金。

Q：我看到网上写的了

A：对，现在那个

Q：还有学生研究，做博士论文的时候

A：对对，这些钱实际上可能钱不多，但是学校正常的经费里头他就没设这一块儿，我觉得所以很有意义。

Q：明白了明白了，就是非常有意义的补充是吧？

A：对对。

Q：那北大这个学校母体的话他对基金会很重视吗？

A：我想是

Q：他对基金会有什么就是比较优厚的待遇啊或者福利啊？

A：没有，我们的办公经费是我们自己来养自己的，对只有办公经费是，但是我觉得对人员的支持很重要，我们这些人现在是学校的人，我觉得大家对学校的感情，对这个事业的感情也是不一样的，首先是人的支持，另外呢，就是其实基金会的工作就是捐赠人为什么会想到捐钱，肯定不仅仅是看到这些工作人员才给你捐钱，校领导出面这是很重要的，很多活动就是一定是就是我们做了辅助工作，校领导来出面，来增进关系增进，我觉得这种支持很重要。
Q：比如说有没有来自于民间的或者媒体的对北大的支持？北大基金会的支持您觉得？
A：媒体？
Q：就比如说媒体会经常报道的这些事儿？
A：我们信息组是负责媒体工作这一块儿的，有的时候也会有一些比如说那个哪一笔捐赠的意义比较重大的话，我们也会主动联系他们请他们过来，然后特别报道宣传，每年都有。
Q：然后北大的话就是对校友，就比如说就是有没有对每个校友毕业了，就是毕业校友北大基金会有一个宣传活动？劝捐的这种活动？
A：会有，现在我们校友工作是这样的，就是专门成立了一个、学校成立了一个校友工作办公室
Q：不在基金会
A：不是在基金会。同时还有一个叫校友会，校友会也是一个单独注册的社会团体，校友工作办公室同时也是校友会的秘书处，他们来负责校友的联系，这个联系很多，不仅仅是捐赠这一块儿，包括就是，是整个这个校友和学校母校的这个关系的维护的所有的相关的工作，其中捐赠这一块儿他们也是有的，那么这些经费在有捐赠的时候会跟他们有个合作，因为我们毕竟是捐赠款接收的机构，他们不是，所以有的时候他们会，他们会策划一些就是可以群体参加的一些项目，包括毕业生离校的时候，他们会给学生办校友卡，校友卡办的时候就等于是把他的资料给留下来了，然后他们的校友库也不断的增大。
Q：基金会和各个院系有没有一些交流因为我在北航了解情况的时候，他们说北航他现在好像是把基金会和各个院系联系，希望各个院系通过院系的力量自己筹集
A：我们也在，我们从 08 年开始做这个工作，08 年我们也是在全校开了一次筹资工作的一个大会，完了在各院系建立了叫院系的筹款的小组，包括分管的领导，包括具体的工作的执行人，每个院系都会有这么两三个在做这个工作。
Q：那院系和你们基金会有直接的联系吗？行政上的？
A：没有很行政的关系，但是是工作合作的关系，因为那个我们是要负责这个捐赠款的管理的，包括捐赠人的关系因为他们毕竟力量不足，他们需要支持的时候甭管是这个捐赠活动我们也会协助，捐赠款的当然管理啊，包括捐赠款的使用啊这些肯定都在基金会这边。
Q：哦，就是他们筹集到的款还是总和一块儿拿到基金会来用。

A：对对，因为基金会他的机构的职能他要对捐赠款，学校所有捐赠款的管理，对，所以他会拿过来。

Q：学校除了像我们说的校友会、基金会还有各个院系的话，还有什么其他部门也在做这个筹款的工作吗？

A：就这些，应该就这些。

Q：恩行，那等于说就是基金会协助学校慢慢把这种捐赠的文化慢慢渗透到各个院系里头去了哈。

A：对，其实捐赠，院系的工作一旦做起来实际上是很容易开展起来的，因为他们筹来的款实际上会直接给他，基本上还是，绝大部分都是他本院系的花掉，所以他们是有热情做这事儿的，更何况还有基金会在帮助他们，实际上我们是给他提供了一个捐赠款的管理平台，捐赠人的一个协助的维护。

Q：那这个就是从08年开始就是，就各个院系他们自己筹款的总额度能够占到？

A：我们一直都没分太清因为分不出来，有很多的关系就是，比如基金会认识的捐赠人，他说他想支持哪个学科，我们就跟院系的联系都一起就做起来了，也许今后他们既然想支持这个学科，他一定是对这个学科有希望有，会继续保持关系，也许关系他们就维持下来我们就不太介入了，也有的院系的关系找到基金会，那就我们共同做下去，实际上是学校的整体发展了，也就可能就特别不好分，就没分过。

Q：就是回到刚才说配比基金的这一块儿，就是如果以后北大的筹款能力越来越强的话，你说就是国家的配比基金会不会以后慢慢的减少甚至就没有了呢？

A：我现在觉得国家配比基金可能总量是按照国家的一个大的一个财政的预算计划来做的，但是得到北大，北大在发展别的学校也在发展，现在每年清华都比我们多，包括一些后起的一些学校。自从09年开始有这个配比激励政策之后，大学基金会“哗”起来了很多，以为是什么他这个配比激励政策他有一个要求，必须进民政部，民政部门批准成立的机构这样的资金才可以申报，所以说如果进到学校财务这个钱是不行的，他是不符合资格申报的，所以说就是说大学都注册了基金会。

Q：他也有一个制度上的

A：对对，我觉得真的是这个配比基金不仅使对筹款的激励，也是对这个机构完善的一个激励。
Q: 那除了像这个配比基金以外，您觉得国家还有没有对大学基金会的一个比较有利的推动政策？

A: 我觉得现在哈，就是今年暑假的时候，民政部新发布了一个《关于规范基金会行为的若干规定（试行）》，我们网上也有，我放到网上了，括号试行还是试行版，这个规定我觉得更细化了基金会发展过程中的很多就是原来没有明确的约束的一些东西，我觉得这种规范性的一些条款他实际上是对基金会发展的一个促进，否则老会出为题，为什么会出问题？就是中国的慈善领域总是今天这样明天那样，我觉得监管要加强，很多事情你监管加强了之后他就会防范于未然，所以我觉得国家这个慈善领域法律法规的不断完善实际上是对基金会一个特别大的促进。这里头就是今年这个规定里头几大块儿，一个是捐赠管理，再一个是投资，再一个是信息披露，比过去更加的细化，有的时候要求的非常的具体，所以这样具体的要求这个基金会，大学基金会，其实不止大学，国家的慈善机构的健康发展是个保障。

Q: 那就是 09 年之前有没有出现大批的，就是像配比基金这样的，就是一个政策出来之后有一个大批的基金会开始成立，有这样的情况吗？

A: 好像没有，这个配比基金对大学真的是影响很大，推动很大。

Q: 明明白白，这些政策我也得回去再去研究一下。我今天所想了解的差不多了。

A: 问的挺全面的，我们工作中涉及到的也都在里头了。
Interview Transcript: Foundation B
Interviewee: Secretary General of Foundation B
Date: September 27, 2012

A: 比如说今年赔钱了，明年挣钱了，总体挣钱也行了。咱们是挣钱是没问题，赔了钱归我们挺。我觉得凡是基金会可能在也一块上面，北理工可能放在财务处下面，财务出哪有理财的功能？没有。谁又敢去理财，赔了钱算谁的呢。

Q: 那你说现在像清华、北大他们开始理财了，发展到什么规模才开始理财呢？

A: 他们有十多亿了，沉淀基金。一个是他们成立早，他们大概是 1995 年成立的，比我们要早 10 年，另外他们那个结构我觉得应该更成熟，更完善，可能参照国外的东西更多，特别是清华。北大可能跟学校的关系更紧密一点，清华他的理事长退休的一个书记在做理事长，这样他就相当于重新一个法人，不是学校限制人，他的独立性应该强一些。另外他自己拍板自己做，我们所有事情做完后，还得上校长同盟会，我们成了一个类似部门。就是说我们决定的事情我们自己做不了主，我们得上校长同盟会，然后学校说行。但是反过来学校行不行不是我们的责任，就把责任传送给学校了，这也是各个学校在做一些带有风险性的，他做不了的。不管是你筹集资金还是后面投资理财，只要运作就有风险，包括你前期募集的资金，来年合不合适也有风险，但是这种传导就传导到学校了，因为基金会本身做事就属于比较谨慎的，在市场的运作这一块，运作能力方面肯定就削弱了。他不像国外的，国外基金会是完全独立的，我反而这钱是你学校作为支撑，然后为你学校服务，就是我独立运作的功能发挥了。而在我们这儿是发挥不出来，因为你做了就出了风险，因为你想做一件什么事，他有传导，那么就到了学校，学校就要考虑风险，那么学校就看你成一个部门，因为你出了风险就是我的风险。

Q: 所以实际上就是外面看的话基金会还是一个独立的法人？

A: 对，但实际操作在国内可能不是，就像你刚才说的北理工那个操作比我们还紧密，因为他是放在财务处，处了变成财务处的。他们问过我这个事，那你不就是财务处一个部门了，就成了这样一个。

Q: 下面工作纯粹只有吸收捐款这一项功能，别的好像没有任何的活动？

A: 我们也一样。

Q: 那校庆的话搞一些活动，我看北航网站上还有一些什么倡导？

A: 我们还是那种募捐，主要还是说吸引资金进来，我们不往外做。
Q：那吸引资金这一步你们是有？
A：那就是做项目策划，你新有一些审批项目，对学发展规划。觉得哪些地方能够和社会一些资金能够在一块，他可以参与进来。

Q：还是跟学校挂钩，学校的项目，比如说什么呢，奖学金？
A：奖学金这一块，比如说联合实验室都主要是这些。

Q：航空馆？
A：航空馆，什么音乐厅。

Q：有没有学生这一块，撒网下去劝捐的，比如说手机？
A：没有，那个做不了，因为他们有推荐过这样的。

Q：我看北理工在弄手机支付宝那个东西，几个月只有三项。
A：是这样的，校庆的时候，他们校庆办和组委会做过。他们通过网上就说有的校友想捐钱，大概就是说通过这样的方式大家容易来做这件事，我说我们可以接收，但是就是说这个组织工作由校委会组织，因为我们不能去组织这个事。比如说我发布信息让校友捐赠这些，这个东西我不这样做。

Q：为什么呢？
A：因为这种事情校友比较敏感，感觉不好吧。因为前期我做过校友会，比如我和校友很少去跟人谈钱的事，所以始终相当于这种捐赠比较难做。

Q：还是没有尊重传统和尊重文化？
A：对，他就是说你和校友一见面，特别是我刚接手不长时间，一见面你就找人要钱，这不是做校务工作。所以我们当时我力推了把这两个分开，我说分开的好处是，一个就是职能分清，你校友可以做一些交流，包括给校友服务。我们基金会，同样我要跟校友见面，从基金会的角度，我怎么为校友服务。我可以告诉你我们有什么样的方式方法，我们有什么项目，你看你，你愿意不愿意参与，你愿意参与你就进来，你不愿意参与就算了，我们只是提供一些信息。但如果作为校友工作我不能上去就给人去提信息，所以这两个配合必须是两个人，当初我是说的，对院来说，实际上当时我们推的学院兼校友峰会，一开始学院没什么积极性，觉得找了一个活。后来因为基金会的这个工作下去了，我告诉他你们也多少成功的效果，实际上他们愿意回学校做事，只是你们需要和他们联系。所以你们借一个什么跟他们联系，相当于借校友峰会这样一个平台，比如说要理事会，把你们学院一些需求告诉项目，这样来推，这样相关之间是一个推动，我基
金会有一个项目，特别是校庆我们有一个任务，你去完成任务，你们最捷径的方法就是你联系校友，看看校友，首先校友对学校是有信任感的，他知道你学校怎么回事。第二个有同学的情谊，有师生的情谊，他也比较容易接受。这样你说我有任务，我也有项目，你看我们互相支持一下，就比较容易。这样实际上基金会这个工作，对各个校友峰会设备也起一个推动作用，反过来他们募捐过来的，我们把我们整个业务就做大，实际上相互支撑。

Q：他们募捐的话还是统一放在总会基金会管还是他们分院系自己吸收掉了？

A：不是，他是这样的，我们管理都是统一，最后上至到学校。

Q：由学校统一调配是吧？

A：不是学校统一调配，按照捐赠的协议，他捐赠的意愿来进行。

Q：那这么说的话，像北航的情况跟各个院系的联系还是很紧密的，就是通过这次校庆活动，把这件事推动下去的吗？

A：之前我们就开始推动，推了差不多 2 年吧。

Q：当时你想推这个事是为什么呢？是为校庆做准备呢？还是说就是想办法。

A：一个是因为校庆做准备，再一个推这个工作，因为学校在我们这儿两个编制，两个人。你说和校友联系，一有 15、16 万校友，你不用说联系，一个人根本就不可能，你就接待都接待不过来，你就聘请的人，他也得有一个适应过程，所以就是说这是一个。那么我们说真真正正校友的联系在院系，当时我们均说，真真正正校友的联系在院系。因为他的老师在院系，他的同学在院系，他和我们联系说实话我们也联系了一批校友，大概前前后后转圈也就 400 号人，你不可能上万校友，几十万校友就几百人在那儿转圈，那肯定是不行。所以我们说，作为学校他只是一个平台，那么你需要有其他的平台来支撑，所以我们就是在各个推了一件事，就是在各个学院。推了两年多，才把这个事完成。后来他们接的人也在做这个事。

第二个事我们在学院就说基金会不可能靠我一个人来做。比如说我今年联系项目成了他们就成了，联系不成他就不成，就像基金会什么活都不干，所以我们就定位就是说，说实话都是起步阶段。我们定位就是，我们把大家动员起来一块做。就是相当搭一个平台，推一些政策，方便大家去做这件事。我们就在各个学院设立了基金工作小组。

Q：什么人管呢？
A: 基金工作小组，我们当时想的就是说谁对外联系多，谁有积极性谁来参与。结果我们推下去基金工作小组，上来的名单全是学院的领导，我们做这样子挺好。但我们始终叫学院基金工作小组，没有叫领导小组。像校友我们最早推的不是校友峰会，我推的是校友工作领导小组，先通过行政形式，他比较快。然后再去安排人来做这件事，最后再推这个峰会。因为你的领导小组和工作小组在某种意义上，他只是校内的这个系统，你校外没有。但是你作为峰会，你就需要有校友，那么这些校友就是他们自己去选，而且校友会和基金会不同，基金会是有人数限制的，你不能随便。校友会是社团，社团他是靠人来做，所以你这些峰会都是属于你总会，他多少人也无所谓，所以当时推的就是这个。基金会这边就推工作组，但是工作组报上来的名单都是学院的领导。所以真正来说就变成学院的工作，所以推还可以。当时的想法一个人做不了靠大家，然后我们就只是在学校这个层面上协调这件事，答应一个平台，制定一些政策，逼大家去做这件事。这可能是中国特色，但是这样一个作法也有一个问题，就把自己做成了一个校内的一个部门，完全行使的是行政职能，你协调的是学院，而不是你独立的，结果学校也把你逐渐看成了你是他们这个。

Q: 你说的这个我估计跟国外也有点相似，因为国外的话，他基金会可能跟学校的关系也是属于学校的校友基金会，然后学校的公关整体一个大部门还是跟这个大部门联系特别紧密的，而且他们也是推到各院系去做，跟校友联系然后募捐这样的活动，我估计发展的轨道还是有点相似的。

A: 这就属于组织策划募捐这一块，他肯定是利用自己的资源，因为我们又是非公募的，我不可能对社会募捐，所以我们只能通过这种项目，针对就是特定的人群来。

Q: 非公募讲的是只能针对校友？

A: 不是的，你不能召开发布会，不能做拍卖，做慈善晚会，不能做社会做这样的，非公募不能对社会进行公募，就是募集。你可以对哪个企业，你说我一个项目，我可以和你合作，这是可以的，不一定是校友，但是你不能在社会上去做广告，就是这么一个意思。你不能上电视台说我经销会有一个什么活动。

Q: 为什么学校这种基金会定位在这块？

A: 他就是叫非公募，公募和非公募的区别。你像红十字会这些都是公募型的。实际上在某种意义上非公募更多的来源，比如说像企业，他可以设立基金会。他的基金来源就是他企业，他可能连社会都不行。就是你企业做慈善，你可以做理财，但你不能上社会去募捐。除非有人愿意给你这个基金会募捐，主要是他的来源。我们主要来源可能是校友，但是社会上因为他要对学校，比如说教育真是
一个公益，他和企业不一样，企业本身不是公益的，教育本身是公益的，所以你
投给学校任何一笔钱，无论是直接投给学校还是投给基金会反而目标都是一样
的，所以在这样层面上我感觉可能是比企业更放宽一些。企业是这样的，他就是
说我们募集来的钱给了学校是做公益，企业我要捐到你这个基金会，也是不能投
给企业的，你只能去做慈善，做公益，所以你也可以投到学校，也可以投到其他
的慈善里面。我们这个在某种意义上走的可能就是说，无论你是到学校还是到我
这儿都是一样的，实际上是这么一个概念，可能和企业当中非公募还是有点区别。

Q: 比如说你基金会手底下有几个能干活的人呢？
A: 我们现在按照基金会管理条例，我们现在一块参与这个，应该算 5 个半人，6 个
人。

Q: 那算是学校编制吗？
A: 不算学校编制。

Q: 就你一个人，剩下都是签合同的，合同制的。
A: 嗯。

Q: 那你底下除了上面总管的话，下面有几个部门，几个分块的事？
A: 分块我们现在是三个部门，一个综合，就相对行政、财务、理事。一般
我们财务是在学校，他帮代管，专门有一个人管。有项目管理，还有一个开发，
就资源的开发。

Q: 那他们主要还是协助你的工作？三个部门。
A: 对，主要是根据项目这些策划，然后联系等等。

Q: 我就每一点都问一下，然后你有什么就跟我讲一下。还是想转到北航最
开始建立基金会的时候，2005 年就开始建了，2005 年是走在其他学校之前，是
什么想法要建基金会，你知道吗？
A: 当时就觉得有很多企业想给学校捐钱，学校当时就是有这么一个需求，
当时可能北大、清华、浙大都有基金会，最早提出来是党政办，为什么我们现在
挂靠在党政办就是提出来这个事，就是其他学校都有。基金会建了对学校发展也
好处，可能就处于这么一个，正好 50 周年校庆。

Q: 2002 年校庆？
A: 2002 年有一批捐款沉淀在那儿，所以作为一个原始基金，就从这个角度。
比较一个简单考虑，就是别的学校有，我们学校有。然后别的学校当时有企业想
来做捐赠，当然以前的捐赠是这样的，还不像现在，现在为什么各个学校都在做，是因为有配比的事情，以前没有配比。他只是设这么一个基金会，似乎也是设立了一个部门，那么设立了一个部门，他可以专门管理这个事情，说不定可以找到更多的捐赠，当时可能从这个角度。所以他一开始设立就似乎是一个部门，他就没有按照独立机构。那么后来做实际上我们就是说行政这块能力越来越强，包括代表学校你起草文件什么的，最后都是以学校的名义发过来，你也成了一个行政部门。但是刚才说的制约了他很多其他方面，也这是我们后面可能要做的时候主要参照一下看看（21:44）怎么做，让这些去了解了解。因为你整个基金会是一个专业，不说一个行政性的东西。行政这一块应该说这两年走完了以后，也就这样了，你在怎么去挖掘，大家都知到有这件事，你政策也出台了，各方面也都有了，那么以后怎么走，你可能还得靠他自身的。所以行政这一块我觉得也就这样吧，校友峰会只是提供一块，现在我们在各个院系他们都有基金工作一些要求，无非就是说一开始大家不接受，到现在比较接受，以后就作为一个任务，作为一个指标下去了，行政的功能就完了，以后他就带个一个任务去成完。

Q：那这个任务要是完不成呢？

A：完成不了可能就完成不了，我觉得他不是学院一个主要职能吧，只是一个要求。大家像以前走的比较困难的是学校领导也不想把这个作为学院一个任务下去，所以我们只能是和学院来协商。

Q：其实北航的话有这么多工科院系，他如果募集捐赠？

A：现在捐赠最好反而是学社会科学。

Q：这些人可能接触这些东西早，你上次跟我说过历史、经济、搞房地产这样的。

A：真正哪个学校一捐4、5个亿全是房地产的，或者是搞资本运作，很少说是去做一些什么其他的。更何况北航大多数人都是在国企里面没什么可捐，所以他们有时候就是说，有的学校校友都是校内要捐款，什么（24:07）负责人，学校领导，我们当时没做。我这个东西是这样，就是做了以后，就那以前我也看不上，因为你学校定的指标很高，就上化的，我把所有的人都动员起来也就百八十万就没什么用，最后弄的大家还很抵触，有意见。别的有的学校搞校友是发钱，我跑去收人钱，我回头走哪儿人得骂死我，我说没有必要。就像校友一样，你说他愿意捐，他自动会捐。我不需要给他开一个网什么，开什么。他只要想有这份心，他会给学校来，坐着飞机过来就为捐这笔钱，我有必要给他开网。像网上，你说他捐100块钱我还得给他记一笔，我就这么几个人，我记都记不过来，我谢谢他。

Q：对，还是得靠大头的？
所以就是说还是靠一个项目策划，你策划好了有企业感兴趣，觉得这个事情很好，他自然会来做。所以我觉得可能这是一个，如果要是靠这种几百上千的这没法做，而且这工作量太大了，因为我每一个捐赠，我得有捐赠协议，要得给捐赠纪念，就这些东西我得给他开捐赠发票，这一套下来，好像我就这么一两个人，我成天不用做别的的，这样做完了到年底，你看就百八十万可能都没有，这个东西做不了。所以像这样的事情，谁给我提项目，这个事情很好，我说没事，你们做吧，我帮你们做后面接收的，就完了。我保证他用是规范的，剩下谁是组织谁来做。我们要组织的就是比较大的，我们可以协助院系帮助跑一下，跑了好几个几千万的，就是帮着院系和对方来聊这个事情，来说这个基金怎么管理，对方怎么放心，这个学院可能有事他说不清楚这些事，别人愿意来做。你说成天开票，包括校庆设点。

Q：校庆怎么样？

A：我们校庆也设点也捐了一些，也帮我们操练的很惨，后来我把整个都放在财务处，这个收钱我们收不了，我就一个人还比较清楚，剩下人我还有接待，因为我们还有一批捐赠的回来，我们邀请了一批。我说这个事情，所以当时财务处派了20多个，没拿多少钱。还有捐物，捐物我不收，你收了以后我没地方存，这是一个。第二个谈不上我开票，我可以帮着开，但是接收这个我不能接收，有的大的设备都作为固定资产，都实验室设备处来登记，建帐，这个东西别倒手。所以物是由党政办和实验室设备处来管，他们来建帐，统一捐了学校，实际上是学校也能开捐赠发票。我说钱呢，你要愿意帮我们做我们也做，他因为是统一管理，实际上真正来说他们捐过来钱，因为又没有配比，又没什么，你直接捐到学校和捐到我都是一样的。

Q：没有配比吗？

A：十万以下的都没有配比，你整个校庆临时来的拿着支票，一般上十万的别人都汇款了，没有拿支票来的。拿支票来最多5万，只是单位里面。然后个人的几千块钱，这个东西我捐到学校也行，捐到我这儿也行。不过从统一管理那儿，资金到我这儿，我可以帮着做。当然你要说，主要是从管理的角度，现在在某种意义上，我们无形中就成了学校捐赠管理的一个部门。

Q：明白了有各种原因造成的现在这种情况？

A：对，还有一个就是现在人太少，你除了这个管理忙不过来，你没法去开别的，更何况开别的还有一个探索过程。所以你要说北理工这一块他起步的更晚一点，另外资金量也小。

Q：那现在的话，就是沉淀下来北航能有多少？
A: 我们现在今年捐了好几个亿。

Q: 是通过校庆？

A: 对，通过校庆，今年还可以。

Q: 以前的话，就是前几年会上亿吗？

A: 我们钱曾经上过亿，学校要用钱我们又把它给…

Q: 比如说捐的多那一年的话，除了像校庆这种大型活动的话，其他的上亿那一年他有什么特殊的事情或者什么别的发生了，还是刚好有那么一些？

A: 刚好有大的项目愿意参与。

Q: 那还是跟着学校项目走，学校哪一年推一个好项目，他就给机会接收这些钱。

A: 对。

Q: 那北航基金会跟国外有联系吗，像北大、清华他们给我的感觉？

A: 没有。

Q: 他们给我感觉就是，像我去北大谈的时候，他们基金会是由美国的他们推动建立起来的。然后北理工也谈到这个事，北理工没有这种捐赠的习惯，可能跟自己的校友没有海外有关系？

A: 他是这样的，你在外面设分会，你比如说北航、北美什么基金会最早他们也说过，后来我们到清华了解。他在北美有好多基金会，实际上他是从操作层面上来说的，他就是在那边有一些校友希望捐赠，但同时需要免税。因为他直接到国内来的发票是免不了税，所以他们在那儿做。

Q: 捐给美国人还不如捐给学校？

A: 通过基金会捐，捐了然后给学校。就是说在那面设立基金会，这个基金会可以开票，就可以免税。你要是直接捐到清华的基金会，他开的票国内不免税，所以他们从操作层面上来做这件事。但是你如果没有这个需求，你建它没用，建了你是一个负担，他在那边操作。因为他们是你的分支机构，因为不管怎么样用你的名。出了问题不得担着，所以有这个操作需求才有。我们更多在那边的校友，他没这种大额的捐赠，你说捐这一点钱他又没什么免税的要求。

Q: 但有校友会在美国？
A: 有校友会，那个校友会我不知道注册不注册，校友会可以不注册，他就 是几个人像联谊组织，他不像基金会，基金会你必须是一个正式注册，你要不是 正式注册的，你最后开不出票来。

Q: 另外你刚才说配比基金的问题，配比基金现在还配吗？

A: 现在还配，一直到 2013 年。

Q: 2013 年以后要改吗？

A: 2013 年以后怎么样没说，我现在只看到 2013 年。所以这个里面也有一 个问题，就说到了 2013 年以后没有配比了基金会还得几操作方式。

Q: 这个配比弄起来好多基金会？

A: 对啊，以前是这样各个学校是可以直接接收捐赠的，他是有捐赠发票的， 不需要基金会。以前我们的捐赠是五花八门的，就是我来之前，我们的各种捐赠 是到学校，到基金会的很少，因为基金会本身没有行使他这种管理，这就是后来 各个学院起来了以后，在加上有这个配比。因为配比你们指定的就是基金会募集 到学校的资金。

Q: 但是问题是这个配比的钱是给基金会的？

A: 不是给基金会，直接给学校。实际上他是给学校一个追加预算，追加预 算的基础是通过基金会募集来的资金，做基础。

Q: 当时这个运用配比基金国家想法还是希望通过自己途径找到别的资金。

A: 最早我们做时候的时候，开始起草文件的时候，我参照的是北大一个校友捐 的一个，最早是浙大一个美国校友捐赠的，他就是配比。只要是谁拿了钱他给他 配比，就叫配比基金，那时候国家没有。所以上来的时候，最早我是参照他们的 做了一个，做了以后。当时做的比例比较低一点，因为自身沉淀的资金少，当时 我们是想把沉淀下来的资金带动大家去做这件事。后来我们起草这件事，大概是 2009。

Q: 反正在他们之前？

A: 对，大概差半年的时间，我们的文件因为要动用钱，所以就在学校里面 来回讨论这个文件花了很长时间，讨论了半年。正在讨论过程中，正好赶到国家， 一看这个很好。就是说凡国家给我配钱了，我们正好换一种说法。一个是把我们 把它力度加大了，我们原来准备做的大概是 10%左右，这也是参照当时浙大的作法。 后来就加成了 30%，因为国家有钱配过来，我们不是用国家的钱，我们用的是学 校自筹的钱。
Q：那就是学校，你这块来一个配比，国家也配比双管齐下是吧？

A：对，实际上国家配比学校，我们配给院系、学院了。然后按照项目来配的，就是吸引这个项目。

Q：到现在还在做30%。

A：现在还在做。

Q：要不然没有积极性，也算是推动院系积极性。

A：对，然后这样的院系愿意来做这件事，实际上这笔钱下去之后，更多的有相当一部分是作为学院的行政经费了，那学院就有钱可以活动了，他就愿意去做这件事。最早我们是想推项目，后来我们发现推项目就相当于给了课题组，个人等等这样一些。后来我们觉得推的力度还不如推学院，另外我们管理没法管理，我们给谁不给谁，我们也不知道这个项目到底有多少人参与，涉及到哪些，你要单给也有问题，所以我们给学院来给。然后你学院怎么去调整，那是学院的事，所以学院在制定政策。

Q：好，基本上想了解的这些都说上了。

A：基金会的事也简单，没太多的事。

Q：内容清晰，任务清晰。你是从成立的时候就在这儿？

A：没有，我来三年吧，我2009年底过来的，正好换届。

Q：2009年之前是谁在做基金会的事？

A：2009年之前有一个做的走了。

Q：也是学校的人？

A：对，学校的，离职走了。

Q：太不好干了还是怎么回事？

A：个人原因，他可能在外面找更好的工作，说的做到最后像行政管理部门，不像市场运作，所以做起来没有什么创意。现在前前期比如说行政这个框架搭完了以后，你要再找创意，那就是在市场上找创意，否则你就成了一个管理者，就是说没意思了，很多人不太喜欢这东西。有点像机关部处，没有什么意思。

Q：为什么清华、北大可以做到现在相对独立的，可以自己运作资金这块，因为量大吗？
A：他一个是沉淀的基金比较大，另外赶上股市和楼市特别好的时候，就是 2007 年他们做的非常好，整个基金都翻番了，一下子就挣钱了。在这之后谁做谁赔，你整个市场都不好。你看 2008 年，2009 年下来。

Q：那没办法就等吧。

A：你想 6000 点变成 2000 点了，原来 1600 变成 6000 点，你想他赚多少，那时候是闭着眼都能摸着钱过来的。但是他 2008 年就赔了，赔的时候他可能比较谨慎了，所以他不像有的人 2007 年挣的，2008 年赔光了，他肯定还有一部分。但这一部分在后面再赔，就赔的不是很大了。但是有一点就很难挣钱了，他不管赔多少，他挣一个亿，是一个难度。比如说一个亿里面我一开始赔了 5000 万我还能剩 5000 万，我到现在还剩 500 万，人也不让你赔了。因为我对他运作机制我还是，因为我的关注度都在募集资金方面，并没有在市场上，实际上我觉得他们应该体制、机制上有一些不一样的地方，否则他们不能够吸引人。当然他也是因为他沉淀资金比较大，你没有三个亿的沉淀基金你没法做，首先你引不来好的团队或者操作的人，引不来已经没法操作，因为几千万根本就没法操作。而我们现在主要是给学校在用钱，另外是别人捐来的钱，不是自己赚的钱，我们也不敢随便动，我们万一赔了。所以这里有一个运气，他正好赶上 2007 年挣了，我挣了上亿的挣，我后面赔，几百的赔。

Q：成功无法复制？

A：对，你现在还没赚钱，你想拿这个钱去，你又没赶上那个好的时候，但什么时候有那么一个时候你又说不清楚，你要是万一赔了。你哪怕几亿赔个 500 万不算赔，在某种意义上 1%2%这不算赔，但是这也算一个事，你没法挣，所以这个是相对纠结的，特别是你和学校黏的在一块，我们上学校，学校就告诫，这个东西不能这个不能那个，就说了一大堆，那就不能做。

Q：比如说像清华、北大，他们有了这些沉淀资金以后，他们下面再成立一个投资公司，这样的话投资公司赚了话当然算学校好，那赔的话。

A：他们那个公司可能就是基金会全资的嘛，赚了赔了都是基金会的。

Q：跟学校也拉开了，也没有学校责任在里头。

A：他只要不违反国家法律就行了，我们的问题出在什么地方，不是按照国家法律这个东西来要求的。比如说，首先就是说能不能做这件事，可以做。可以做在安全条件下，谁不想不安全，又不是有意要赔。但是这个事情一上到学校层面，学校本身他没有这种投资功能，那么他一讨论起来，他就是说比如像校长办公室决策或者党委、常委会决策，这里面有没有决策，要是万一赔了，那不就是决策失误了吗？决策失误得担政治责任，他不是经济上问题。但作为基金会来说，
他本身就有这么一个任务，就是要保值增值，你不理财，你怎么保值增值。而学校校长办公会和党委常委会是没有这个功能的，你这个决策我同意不同意，你要不给他，你自己做，赔了说是经济损失的问题，一旦上了学校层面是个政治上的损失，所以弄的我们不敢做。我们还没开张，学校也有影响。我们干脆就一门心思去筹钱，实际上就是这样的，就少一个功能，所以他们的钱是越滚越大，他领导这个团队应该是很成功。

Q：清华还是北大？
A：清华的，北大一般吧。

Q：北大没有公司这块？
A：北大做的太一般。

Q：清华的话？
A：清华孵化器原来都是学校在做，学校在投资，后来学校不投了，把整个股权转给基金会，基金会可能买了他的股权，再把钱给学校，本来是学校的钱。

Q：基金会每年赚的能占到清华总体比例多少？
A：他当时还真说了，好像还可以吧，肯定比存在银行多，有 10% 就很好了。

Q：那很多，他们能到 10%吗？
A：应该能到，你说有 10%，每年能保持 8%、10%，他每年就有一个亿的进帐，稳定十几个亿，他有 1 个亿的进帐，比我们募集资金还多。

Q：就是管这十几个亿就有一个亿的进帐？
A：对，他每年要理财理的好，就是投资理财这方面，他们做的理财品种还挺多的，我们当时也想做，但后来一个资金量小，还有一个大家觉得好像挣的钱和自己没关系，但是出了事和大家全有关系，这也是有一个体制机制。因为我们都是关注募集资金，募集资金没有什么风险，只要不是 (46: 42) 你要说绝对有问题，我给退了就完了，很简单。理财这块肯定有机制，因为他是市场运作，所以在这一块里面，他怎么做市场运作。

Q：那北航的话，像基金会募集的钱，每年能占到北航的百分之几呢？
A：募集的钱占不了多少，整个北航一年整个运转 40 个亿，1 个亿 (47: 16)
Q：我有一个人写的东西，他好像是 2010 年写的，前两年的时候在国内平均下来，除了学费和科研费还有国家这些费，之外基金会的钱，和学校自筹的钱加起来一共占到 3%，平均的，你觉得这个数怎么样？

A：占总数的 3%。

Q：对，平均下来。

A：我不知道他还募集别的什么钱包

Q：那没说？

A：我不知道他什么叫自筹，自筹算科研的自筹，算什么自筹，我不知道他怎么看，他这个说的不清楚，他这个有点太含糊了。他要么是说社会捐赠来的钱，包括我们校庆筹资多少这也是一个虚的，因为校庆像清华他们说的，我们所说的校庆这个捐赠筹资和其他筹资不一样，而且是入基金会的，清华就比较直白，入基金会的才叫捐赠，剩下的不到基金会那都不是捐赠，那不算。因为合作费用，很多合作费用就是介绍信我们来做合作，但他最后写的是事业，就类似于横向课题，那课题费用谁知道，每一年都不一样。说的捐赠就是到基金会来算捐赠，不到基金会不算。

Q：那这个数更大了？

A：对，比如说我们当时去东南大学，包括南京大学，他们说我们那个校庆筹资十几个亿，十几个亿像南京大学有六个亿是没法进基金会的，不说了。那还有五个亿，五个亿有四个亿是一个校友捐的，他有一个校友捐四个亿，还有一个亿是筹资筹来的，这个基本上是靠谱的。

Q：东南大学？

A：不是，南京大学，他就说了这么一个，东南大学也是 110 周年校庆，他说南京大学原来是同一个学校，分开来的。他说我们也筹了十几个亿，他就说不清楚，后来我说你十几个亿。后来我们看了，像上奖奖学金这些大体有 5 千多万，他就公布了一个数，剩下的都没公布，但他就告诉我有十几个亿。后来我说那你说最大一笔捐赠是多少，因为从我们知道，你十几个亿的话，你没有 5、6 上亿的项目是不可能达到的。人就不告诉你，我们就是十几个亿。

Q：他也不会公布说，国家像民政局管的话，每年要向上?

A：他不是民政部管，他是地方管。

Q：就外界没有办法去监督他这个到底是怎么回事？
A：他说的是校庆筹资，不一定是捐赠。我有一个项目，我是一个和别人有一个合作，人家说你给我 5 个亿，行，好。就说你学校有 5 个亿，就这么一说。在某种意义上现在这个里面也算是一个好的理念，以前谁说通过社会捐赠代表学校的某一个方面或者某一个指标，没有。

Q：现在开始有这个意识了？

A：现在开始有这个意识了，现在你一个学校如果在社会上筹不来钱。

Q：影响力太小了？

A：第一影响力，第二你培养人的最起码方向不行。你为什么没有这么强大校友，你这么多校友里面没有上亿给你捐赠是不是有点…

Q：除了民间说法以外，有没有大学排名真的把这个放在？

A：不会。

Q：在国外可能还真有？

A：国外是，但是因为有这么一个，所以我们校长说了嘛，主管这一块就说，你要弄不来钱，就说明两个问题，要么你培养的校友不行，要么就是你培养校友对你没感情，反正都是失败的。有是说他行了，他不给你捐，说明他对你没感情。我觉得说的有道理，当然我们现在不完全靠校友。所以有时候就是说，这个里面就是说在国外认为捐赠这个事情不完全靠单指标，他是看有多少人参与，看凝聚力，就是有多少校友参与。耶鲁大学搞一个耶鲁之春还是什么东西，他就是做了 5 年捐赠了 36 个亿，参加的人数，按人次数的话都是几十万人参加，就这个捐赠，他是靠人来，他就是各种各样的，但咱们现在还是比较单一的，就是捐了多少钱。每个人捐 100 块钱就累死我，这里面某种层面上也是凝聚力，问题是校友人数没在里面，更主要是看钱数。他说以各个学校，可能各种指标，就像你刚才说他是组织大量的校友，包括学生家长。我们现在可能的目标还在那儿，因为那个都是小的捐赠特别多，我们现在主要组织还是企业，大的捐赠来做。因为你的捐赠时第一没配比，第二就是说多了半天这个钱还挺难管，小额的特别难管，就像章红十字会他为什么出事了，我捐的人百，八十块，但是目前也上亿，上亿了这些人你稍微用的不好就出问题。我们大额的项目说实话我们比较好管，按项目管理。你这笔钱很大，用的时间也相对长，然后有些事情一下说不清楚，你们先做一个就是管理的办法，管理章程，做完了以后，设立一个管理委员会或者管理组，你们一块来管，错了是你们自己的事和我没关系，否则我还担这个责任。所以就是说我们要求的，只要一看大额的，我们在后面肯定加一条，由双方共同制定，就是成立一个基金管理组制定相干的管理办法，按照办法来使用这些资金，我就给他们了，剩下用错了，用对了，都是你们双方的事。我们只在中
间有一个监管，就是我保证这个钱进出是按照协议走就完了。你要是说几百号人捐来的钱，这个协议太少了，也不可能有一个管理组，有人满意，也人不满意反而不好。比如说像我们（56:27）他的帐面上都没动，就没用。为什么呢？我要用，我就得有一个整体规划，然后把这个问题投进去，投完了所有捐赠人能看得着，而且对捐赠人还有一个纪念意义，你不能说我捐了钱，我们说我认捐了是定一个牌子，但不表示这个钱就随便花了，所以到现在他帐面上我都没让出去，这就是因为大家 3 千、5 千、6 千这样捐起来的，捐了十几，也有 20、30 万了，我就没法要。除非每一块要绿化，因为他是捐的校名，我们绿化，那行，这一片的建设你拿规划，我们所有的捐赠有一个整体的概念，知道我的钱用在什么地方，而不是吃喝。所以真正来说大额的好管，小的反而不好管。

Q：对，有道理。

A：所以我不太愿意干那些，原来我们很高兴，最早没钱的时候，谁来了，大家都特别愿意去帮着，认个树，钉个牌子。现在学校要求高了，所以现在这个我们让校友会去做。

Q：那么这个也是发展？

A：现在就是说这种事情，总共就这么几个概念，实际上他真正国外的基金会，就是你刚才说的，那个作法实际上校友会和基金会里面走，基金会只作为一个接收平台，但更主要的基金会也是说说罢了，在国外他不应该是前端的目的制定，而是在后方的管理运作这一块，就是怎么增值、保值，实际上关键是在后一块，而我们现在变成我们在前面一块，后面一块没人做，和国外的不太一样，像清华是前面后面都在做，北大还是以前面为主，后面机会也没什么，他们两个学校介绍的时候，都不一样，清华介绍国外的校友基金怎么做，怎么理财，怎么运作。北大介绍的是前面我怎么在港澳开展活动、募集资金。

Q：你是网站上看的？

A：不是，我们经常有交流会，他们两个说的东西都不一样。

Q：所以工作重点就完全不同，这东西的话，对我来说研究是很有意思一件事，每个学校都不一样，而且发展初期都有很多问题。

A：实际上真正来说，我觉得在这个教育基金这一块可能更多要作为一个真正地，就是整个社会环境的研究，实际上在法律层面上，实际上这个研究可能更好一些。

Q：本来北航这个情况也反应出来上面的具体法律，政策这些方面。
A：对，现在就是说，因为我们整个社会环境可能大家不太愿意走捐赠这块，他不像在国外，国外遗产这一块大部分都给纳税了，所以他干脆捐了，咱们又没有这个，咱们留下来都往后留。我捐了以后，我的利润受损了，实际上我在税收上没什么优惠，只是我把这一块拿走了，而且还有一个限定就是 12%，所以企业做的积极性也不那么高，所以整个大环境改变。

Q：但是这两个都有关系，除了社会环境文化上，捐赠文化两个都有问题。

A：捐赠文化，比如说像厦门大学他本身是捐赠型的学校，所以他的捐赠文化就比我们好的很多。

Q：南方这一带的都会比北方好一些。

A：他因为有相当多的学校都是人捐赠的，就是华侨、捐赠、捐建，所以他一开始就有这个氛围。

Q：那不能除了清华、北大你觉得还有哪些学校在做，做的还可以。

A：好像我就知道清华、北大。因为是这样的，我们现在可能开这个。

Q：北航算很早？

A：基金会他是这样，也很多学校一个是后成立的，还有一个他也是地方的，都是在当地民政局注册的，就是交流的比较少，我们交流比较多的都是带中字头这样的，就是在民政部注册的交流比较多。而在民政部注册的高校又很少，像北理工是最近注册的，哈工大都不是的，哈工大和北理工是同期的，都是 2009 年。

Q：哈工大不是在民政部吗？

A：不在，他是在省里面，省厅注册的。

Q：那这两个注册有什么不一样的吗？

A：层面不一样，那个是国家层面上，他跟民政部有一些什么规定，有一些什么新的政策。还有一个，那个就是说交流比较多像清华、北大、浙大几个高校 4A 级的嘛。

Q：像航大既可以放在部委，也可以放局？

A：他有一个注册资金要求，需要 2000 万，地方只需要 200 万。所以凡地方范围窄一点，还有一个要求可能也不太一样。你要民政部的要求，他完全按照国家的这种要求，因为他管的，他给我们所有评估指标都是公募基金会的，就完全像公司这样一些基金会，所以中国青少年这些，带中字头这样基金会，他完全是按照这个要求来要求我。所以我们现在就感觉到压力比较大的地方是什么？他
用公募基金会的指标来评估我们非公募。那我们的人数，我觉得北理工要凑人还凑不出 5 个人来，我们一开始我们两个会在一起大概有 6 个人，后来还分散了以后，前面的人都走了，然后我们又重新组，这是后来组的，我们又组到一个 6 个人，基本上达到他的基本要求。

Q：行，好的，这些已经是很多的资料可以供我消化一下。从你这了解更构成多，需要找一个别人聊一聊。

A：行。

Q：我再跟他约一个时间。

A：行，你先忙着吧。

Q：我再跟你打电话，跟他的话最多问一下，学校就像他的工作，他有什么具体工作。

A：他现在具体工作可能更多的可能就是在准备各种各样的文件，他在管理方面吧，就是各种文档、协议，包括理事会一些材料。

Q：他每天都在。

A：每天都在。

Q：那我可能找一个礼拜四或者礼拜五下午过来聊一聊，就用十几分钟。
Q: 我想问一下，像你们基金会有几个人呢？
A: 王老师秘书长、白老师副秘书长，我们办公室是 4 个人，总共是 6 个人。
Q: 但是白老师负责都是校友会的事？
A: 对，基金会这边也会跟着一块做。
Q: 你们两家经常一块工作是吧？
A: 对，因为以前都是校委会后来是分出来的。
Q: 什么时候分出来？
A: 2009 年。
Q: 校友会由白老师负责？
A: 白老师要退休了，所以白老师会协助基金会的事。因为很多校友他们都认识白老师。
Q: 那比如说你在你们这几个办公室的同事，他们都是只管基金会的事？
A: 对。
Q: 不会掺着来？
A: 不会，部门主要是项目开发部、综合管理部，还有外联三块。我跟另一个同事就是做项目开发，或者说项目管理的综合管理。项目管理主要是各个项目管理，比如说这个协议怎么签。
Q: 捐款人过来问你们怎么签？
A: 是学院那边，因为下发到各个学院，学院那边可能会有具体合作项目，学院负责人就会过来问我们，比如说具体协议怎么签，注意什么问题。之后有一个比如说开发票，还有一系列的资金使用，整个流程。
Q: 是你负责这个，还是你们几个一块负责？
A: 主要是我，其实大家都明白这个事，但是可能分工又有一点点不太一样。就是这个事自然是放在项目管理里来说，但是具体问到谁，谁就说。然后综合管理可能像民政部每年要年检，还有工信部那边开发票等等一些事情，就是综合管理。

Q: 民政部这个事我知道，工信部这？

A: 工信部不太清楚，是另一个同事做的，你有什么问题可以问他。我们这边比如说因为整个项目要管理嘛，开发票我们这边有一个具体负责财务的老师，刘老师他去负责。

Q: 这个财务老师是学校财务还是你们基金会？

A: 如果是学校财务的话我们也有，学校财务室作为监督，然后基金会的账全都是学校财务专门的走会计证，资格证的去管理。

Q: 其实你们自己没有财务？

A: 对，我们没有财务。

Q: 学校一块统一管理。

A: 对。

Q: 项目管理这个部门是做什么的？

A: 宣传册，这边也是我们做，维护什么的，网站都是我们来维护。再比如说我同事是学法律的，一些规章制度都是他来做。

Q: 就是各人有所长，重点管的不一样，你们对日常工作都熟悉。

A: 对。

Q: 那除了有学法律的，还有学什么的？

A: 有工业设计，他是综合管理

Q: 不太涉及他本专业的东西？

A: 对。

Q: 那你们一共几个人？

A: 6 个人

Q: 你们 4 个人话，现在三个部门？
A：对，还有一个是资源开发部。我不知道你了解清华那边，清华那边前几年炒的比较火真维斯楼，就是冠名楼。所以说清华卖楼，冠名什么的。

Q：其实他们给清华筹资建一个楼，就是冠名是吗？

A：只是冠名。像校友资助，捐了两千万。

是他们自己捐的款，因为他们是董事长，因为他们自己准备，不太清楚。像其他的楼，比如说我们之前想做一些，五星楼当时想冠他名，北航体育馆叫什么体育馆，我们去找一个公司，这也是他们给清华，这个公司是广州的。

Q：他们是主动过来的？

A：我们是有一个资源开发部他们去联系的，具体什么方式也不太清楚，我觉得他们这样子，就是说企业够大了，用一部分钱去做一些善事。

Q：但这个资源开发部现在还在吗？

A：校庆之后他们就回那边了。

Q：回那边是什么意思？

A：就是他们之前公司在广州。

Q：资源开发部不是你们一个部门？

A：不是。

Q：是北航外面请的一部分人来做个事。

A：找一家合作公司，找一个合作公司专门让这个公司来给我们做。

Q：公司专业就是干这个事？

Q：等于是咨询公司？

A：应该是。

Q：你知道哪个公司的吗？

A：网上对这个介绍很多。

Q：其实北航的特色，我觉得学校自己在找，就是自己出去跑，你们这么做的话有自己特色。

A：应该从清华那边学过来，清华75%都是.
Q: 75%捐赠？
A: 假设他们有100个楼有75个楼都冠名了。
Q: 清华里面校园里的？
A: 对还有操场、音乐厅有的可能跟有一些合作的规定,捐一些实验室合作的东西...
Q: 拓展一些新的项目？
A: 对。
Q: 我昨天在网上看了一下，你们这个网站，我看了一下两个简报。
A: 应该也五期简报了。
Q: 我在网站上看一下简报好像写的捐赠企业比较多的都是外企，我不知道我这个印象对不对？
A: 还好，就是像外企这块主要是像中美有几家,这企业不太清楚怎么找过来的。
Q: 因为我看网站上，是不是因为国外捐赠文化因为这些多一点，或者北航自己的毕业生进到国企比较多，但是国企不可能把国企的钱投到基金会里来？
A: 我个人觉得还是，如果是项目的话，就自己做一些。
Q: 但不是外企？
A: 对，比如像国企这样的一些企业，捐奖学金比较多，数额不会特别大。
Q: 那你觉得国企他意图在什么地方呢？
A: 不知道。
Interview Transcript: Foundation C
Interviewee: President of University C
Date: April 3, 2013

A: 学生中间的，为学生捐款的这种比例在增加。虽然钱不一定很多，但是它反应了学生对母校发展建设的关心和支持，主要是解决这个问题。

Q: 有人开始捐吗？

A: 有，采用短信捐赠，钱不多，10块、20块。但是确实反应了学生们对母校发展建设的关心，增强了向心力，这是一种新的活动。

Q: 有学生捐吗？

A: 有捐。另外我们根据学校发展建设的情况，想了很多办法。比如这次咱们开始搞带有学校 LOGO 这样标志的戒指，就是有金的成分戒指，上面有校徽、有班级甚至有他学生本人的名字。

Q: 这应该都是跟美国学的，纪念品。

A: 纪念品。

Q: 就是卖？

A: 就是认购的意思，这也是一种捐赠的办法。

Q: 然后就把这钱放到基金会里头？

A: 放到基金会里面，再下一步可能还是学校纪念品，比如 T恤、各种包，这样带有纪念性质，带有捐款性质的这样纪念品。

Q: 如果要是做这些东西的话，投入要多吗？

A: 一个是基金会投钱，一个也是可以通过校友捐赠的办法来做这事。

Q: 你们现在很重视这一块吗？

A: 很重视。

Q: 为什么？

A: 现在所谓的公立大学，国家给的钱实际上也只能是总体运营费用的三分之一左右，学校发展建设经费一直是不足的，得靠学校教师、学生工作人员去争取经费。

Q: 另外三分之二怎么解决？
A: 三分之二里边有一些是学费。

Q: 学费能占多少?

A: 学费是国家给一半，学生们交一半。每年学费大概能占不到 3 个亿，两个多亿，实际上是 25%-30%左右。

Q: 你说两个亿是国家和自己收的一块加起来?

A: 你可以算，现在我们比如说每年在校生是 2 万多学生，2 万多学生国家每人给 1.2 万，学生大概还是交 5000、6000 元，就是算下来，大概能合多少钱。

Q: 你说两个亿是国家和自己收的一块加起来?

A: 你们大学的主要的经费来源还是科研经费，科研经费大概到 3/5，我们学校每年的科研经费 18 个亿，现在总运行经费大概 30 个亿左右，不到 30 个亿，25、26 亿这个样子，你说它占多少，它占大部分。现在捐赠的是很小一部分，捐赠就几千万，不超过 1 个亿，像总量差不多有 27、28 个亿，科研经费 18 个亿，那你下步还有将近 10 个亿，捐赠不到 1 个亿，其他也靠一个是学费政府给的，再加上自己有一些创收，比如说对外培训，对外服务这些经费大概是这么多。那么这些钱实际上中国科研经费都是专款专用，不能用于日常经费，所以日常经费，特别是搞一些新的建设，必须得大学自己想办法筹钱，现在中国有钱人不断多起来，他们愿意做一些公益性的事业，支持教育事业的发展。现在我们是准备加大这个力度，包括校领导分工，也准备集中校领导中间全力以赴干这个事情。

Q: 我最近读的东西里面有一些挺好玩的发现，就是我看了其他国家的作法。我觉得现在国内学美国的太多了，但是学美国的意义不大。像其他国家，英国、澳大利亚、新加坡、香港这些国家都是从缺乏捐赠基础这样一个文化里面发展出来的，他们特别强调政府的作用在里面。像英国搞的就是配比基金?

A: 中国也有。

Q: 亚洲国家有配比基金，但是澳大利亚特别好玩，他是政府做了一个基金，就是他出了一个基金，全社会的人往政府基金里投钱，用政府的力量推动基金成长，得到的回报，再通过竞争的关系分配给各个大学。你说这个事在中国能不能行，这就不是直接给配比基金。

A: 我倒觉得在中国能干这个，你说这个事我还是第一次听到，这个事倒可以提出建议，政府可以采纳，因为中国老百姓对政府还是信任的，包括捐赠的人，他有时候担心，我给一个具体学校，他不一定按照他的想法去办，但是政府诚信度还是挺好的。
Q：还有一个问题像你们这种学校还有北航本身这个盘子小，要是请一些专业团队运作这个事，花销太大了。还不如一块联合起来做一个?

A：对。

Q：这个没问题?

A：没问题。

一个是国家建立基金，一个是多校联合建立基金。

比如说我们是属于工信部七所学校，这七所学校就相当于兄弟姐妹一样，是一个家庭里出来的，因为一直在系统里面，为系统服务的学校，而且他这种投入，他的学生培养以及他的就业都是相对定向的，很紧密。像这样的几所学校联合起来搞可以。还有现在几大联盟也可以，比如说华院、北院、还有我们卓越联盟，比如说我们九个学校都是以工科见长的学校。就是我们一共九个理工科学校，全国比如说北理工、天大、同济、哈工大、西工大你网上可以查到，一共九所学校。像这九所学校开始从招生开始联合，现在全方位地合作，包括人才培养，科学研究、社会服务这些东西，包括学校的管理都在，你说这个我倒觉得可以思考。可能我刚才说我们那七所学校一点儿问题没有。另外教育部直接管的，也没什么问题。另外还有各省有省管学校也可以建立。

Q：你们不一定跟北大、清华一块做，他们自己已经弄起来了?

A：我倒觉得这样讲，一个就是像北大、清华这样的学校，他已经有很好基础做起来，另外那些正在成长中的可以采取联合，这样可以节省成本。另外大家觉得确实可信，能够操作起来也比较容易，互相补充，几种类型。北大、清华、上交大、南大这些学校也可以独立去运作。像我们正在成长中的，而且原来有历史上联系比较紧密的学校，而且有相近学校可以组织起来，组成这种基金。我们卓越联盟可能重点在工程师的培养，工科人才培养，有共同点。

Q：其实我觉得你们的基金会特别有优势，虽然你们可能没有北大清华现阶段发展得好?

A：坦率地讲中国大学很重要就是吃政府饭，都靠着，好像我们靠家长一样，所以没有这样的意识，也没有危机感。现在一旦推到市场上之后就有问题了，就 知道要靠自己弄钱了。但是我们学校好过得多，就在于我们现在科研经费多。

Q：科研经费从哪儿来的?

A：有纵向的，国家项目，我们也去争国家项目。横向的我去给各家企业服务，他给我的研发项目，包括产学研合作，包括共同开发项目，包括基础研究，各种研究加在一起。我们可能在全国能排在前十。

Q：那这个科研经费的话是谁去争取，是分配到各个院系？
A：教授，现在就是以教授团队很重要，现在中国讲团队，一般都是一个团队里专业相近，同时里面有领军人物，就是学术水平比较高的教授。他们有敏感性，有能力，他们组成团队，下面有年轻的教师以及研究生团队，还有整体项目。而且持续做，因为多年了一直在做、不断地去做，所以他们的信誉、成果以及社会的认可度都很高，认可度高了以后他们就能不断地推进下去。

Q：关于大学基金会捐赠？

A：现在中国大学情况多半还是首先从校友起步，就是从校友里面，原来瞄准的就是在毕业之后，成气候有实力的人，把他吸引到基金会来。现在逐步的就是量更大一些，通过校友会，也通过校友中间有影响的人带头去宣传。从校友反馈到校内，这是一种趋势。

Q：校友反馈到校内是什么意思？

A：一个是已经离开学校的毕业生，一个是在校生。

Q：那就是说这个影响是从外到内的影响，是自发的还是你们推的？

A：可能开始是合作方式，就是校友本身他想做事情，那么他本身需要学校在知识、科研储备方面给他帮助，然后联合开发一些项目。这个过程中校友投入资金，学校投入技术。到一定程度之后，他赚了钱，他又支持学校，给学校一些投入，这种情况是开始阶段。

Q：从什么开始？

A：这个我想 90 年代以后。

Q：90 年代以后，你说全国来讲？

A：我只是粗略判断，从我们来看大概是这样，因为基金会大概是 2000 年以后。

Q：基金会你们正式弄是 2009 年。

A：那就是 2000 年以后，我说不太准。还有一种情况，他不是捐给基金会，那时候没有捐赠会，他是捐给学校，设立奖学金，一般这种比较早。比如他有了钱之后，他给自己原来专业设立奖学金，奖励学习好的，贫困生什么的，然后奖励教师。在这个基础上，中国成立基金会，捐赠者就开始向基金会捐赠。但前一个更加多，现在还是有的。他就没有往基金会送，但是他给学校投。

Q：那他原来给投这一块没有免税的优惠？

A：没有，他赚了钱他就想给学校，就想给后面的师弟、师妹们解决问题。
Q: 那为什么你们后来还要办基金会？
A: 后来实际上我觉得启动是在国家这一块，因为他有配比，都忽悠起来。然后把有一些捐赠东西都放进来，引导他进来之后就可以拿到配比了。

Q: 还是政府力量很大？
A: 政府力量，中国靠政府。

Q: 那你觉得从 2009 年成立了以后到现在 2013 年有没有什么显著的变化？
A: 有变化，反正我知道有一些学校很厉害的，这几年清华、北大翻番得很厉害，速度很快。我们现在很重要的问题，就是一直是在国内，在国防口，在军队口。但这几年也有了，原来就是老一代人做官的比较多，毕业生在国企里面、在公务员队伍里多，所以他们本身都是属于收入不是很高，所以他捐赠学校不是很明显。但是像你们这样大的人很有钱了，35、36 岁的人很有钱了，开始有。像我们搞化学、化工的，在广东，那都很有钱，好几百亿的资产。

Q: 那给你们捐款吗？
A: 捐款。

Q: 也是以合作方式吗。
A: 合作方式，索报的也有，但是多半还是合作为主。

Q: 这几年你们也在往前进？
A: 对，下一步还得大做。

Q: 为什么要大做呢？你觉得这一块是以后增长点了吗？
A: 对，就是增长点。

Q: 那我就想问一下，什么促使你们向这个阶段要大做呢？
A: 现在就是感觉到你需要的发展，需要经费还是这个问题。现在就是靠国家给是不现实的，他都是按照你承担任务给你钱，现在只有你招多少生给你多少钱，其他建设都是你承担这样那样的项目，国家给你解决。比如承担的科研项目，需要一定条件，他给你钱，建立实验室，然后给你这个项目本身一些成本花销给你，其他的全靠自己去筹。你比如说我们有了土地，那没钱建是不行。我在珠海有了土地，没钱建怎么行，你怎么弄。另外一个校内的这些教职工的收入也得提高，没有钱也不行，本身发展也需要。而且学校本身教师的生活各方面成本越来越高，不给他们提升也不行。
Q: 那这一点我应该归结成为什么？校领导意识到必要性？

A: 可能我觉得还是校领导，中国大学还是靠校领导，其他人没有这么进步的思想。

Q: 其实全球都是这样的吧？

A: 都是这样，这里还有一个意思，国外都主要靠校领导去筹资，现在国内也开始，主要领导要考虑这个。

Q: 比如说你自己多少百分比的时间用于干这个事？

A: 这个还是比较少，但是我们间接地，比如我们搞科研项目，这个可能起码50%以上，因为有了科研项目就有了钱。

Q: 对校领导来讲最主要就是多弄钱？

A: 对，实际上科研项目就是钱，我们现在靠科研积淀这些钱去发展。是多方面的，科研的钱，基金会的钱，学费的钱，服务的钱都是收入。就是从这一点，中国大学主要领导精力很大一部分用于筹资，现在已经变化。原来靠国家计划经济的时候不是这样的，那时候是给多少钱干什么。

Q: 跟美国一样的，有一个美国大学校长问，你知道美国大学校长最关心什么事？大家说，学生？教师？学校名誉？她说都不对，就是筹款

A: 美国大学就是这样的。

Q: 现在中国也一样？

A: 一样，你首先得有这个，你老不给老百姓找钱，老不改善，像我们在想买房子，你没钱能行吗？我先拿出3个亿给开发商搞建设，他那个钱，等于我们利息给老师了，3个亿利息就给老师，这样老师等于说他便宜了。到目前刚刚定之后就涨了5000元，老师便宜5000，再加上我们有利息在里面，所以学校给了很多钱，大学没有实力干不了的，旁边学校眼着干着急，这个是很重要，这是国内国外都是一样，只不过形式不一样。

Q: 你说大概方法的话，现在你们所想的就是通过发动学生，发动校友以及校友的朋友，社会上一些比较有实力的人？

A: 现在也包括在校的教职工，这个意识增强，在中国大学这个意识还不强，我们得宣传。现在实际上要把领导班子和主要领导这个想法灌输给每一个教职工，你得想办法给职工增加收入，你才能发展得好。

Q: 那怎么做呢？
A：这个我想中国特色还是这样，基金会只是一块，我想只是一块。他下工夫能拿到项目我本身就有收入，现在中国这个事。像我们这个学校比搞基金还来得快，轻车熟路，我们一直都这样，今天我参加一个答辩会，一个项目就是3个多亿，每年3个多亿，干3年的话，一年也得1个亿进学校，那你说解决问题多了。

Q：对，其实基金会这一块捐赠的收入最多，在全世界也就是美国，平均就是6%到10%根本就没有多少？

A：所以我脑子里没有把它看的很重，因为这个事情肯定我们积极性在哪块，在于国家配比，这个机会不抓不行。实际国家配比不是以后长久，他启动，现在越来越少了。现在钱弄多了，越来越少。但是这个非常重要，相当于一个杠杆一样，他撬动了这个事。

Q：那从配比基金以后，国家没有什么别的动作了？

A：现在国家加大财政投入。

Q：加大到配比里头去了。

A：不是。他就是说国家基金投入，财政投入的，到他总收入4%，这已经很高了，已经到世界通例发达国家入门线。

Q：就是对捐赠和高校基金会这块没有更新的东西出来？

A：现在没有，就是配比这块是有最大的动作。我知道像北大清华他们这个，他们很重要一个就是，确实他的名誉。我给北大、清华反正是不一样，包括很多开会，拿一个名片，我那天看人民大学董事会理事，他肯定捐钱了。他同样的钱就捐给北大、清华不会捐给我了，就社会力量，他肯定打一个名片比如清华大学基金会董事，和北理工不一样，所以学校名誉。美国也一样，你给哈佛肯定不会给别人钱。

Q：对，所以这一点的话，我最开始说，虽然在这一方面比不上北大清华，但是科研经费这块是你们优势？

A：对，是我们优势。

Q：像以前周就是说，他特别想要你们跟国外大的基金会联合，然后有一些钱进来，这个也可以再看一看。

A：对，现在实际上，作为我来讲，我很重视这一块，但是我从脑子里面，如果你不去来谈这个问题，我根本就没有把它占太大份额，因为我脑袋精力还是
争取更大的科研经费，争取国家给予这方面配比支持，就那些事。我说那些东西都是专门有人去鼓捣，作为一点补充。实际上我想你不能把他看的太重。

Q：对，你这说法是很对？
A：太重，本身占的比例。
Q：对。

A：它影响力不大，但是这个事都是好事。这个东西的话，你有一点，我倒觉得你应该记一下。就是说大学得到这种捐赠，就是基金会这个，就是刚才说校友们给他所在学科、专业、院系捐了很多专项的钱，小的基金没有进入到我大的里面来，他就建这种专项使用的。

Q：那你们进入到什么地方？
A：现在开始进入，原来都没有进入。
Q：就现在这种捐赠也全都归到基金会管理了。
A：归到基金会里了，因为这累计起来也可以配比吗。但现在实际上院系都没有动起来，他被动捐就捐了，他根本就没有动员去干什么。

Q：那这个配比还推动了你这个学校里面内部改变。
A：内部整合。
Q：这点很重要？
A：而且就是说确实相当动员了大家去想这个问题，去发挥这个作用，原来没有这个意识。

Q：那钱归到哪儿，不可能不记帐。
A：就在学校，实际在学校过一下，但花都是他们花了，一年就花没了，没积累。

Q：那你觉得他们自己单打独斗地好，还是这样积在一块好？
A：积累一块好了，现在我们这里面有两种情况，一种叫定向的投入，就是我捐给你钱，但是我说明我就干这件事，这种基金可能还大一点。但是总量的进入学校，学校拿这个总量就可以向国家配比，这是我们的积极性。原来的没管，反正你花我，我记一个帐就完了。因为基金会那个钱，就是投入基金给学生了，学校的支出就少了，你奖学金、助学金可以省一点。
Q: 那你觉得国家以后可以减少配比还是财政？

A: 他不是减少配比，就是说量大了，他整个量没有增加，原来可能你启动少，他觉得挺多的。现在多起来之后，他总量没有增加，那就显得少了，越来越感觉少了。

Q: 但是国家配比一直都在吗？

A: 今后很难说，估计是起码今年来他不会增加很多，他主要启动一个撬动的作用。

Q: 你觉得以后不会往上加的话，学校还会自己往下做吗？

A: 这没问题，这个启动之后，可能对学校来讲就相当于有一个长远的意义。起码增加这个意识，另外工作逐步地规范，逐步地有经验了，这样可以持续地投入。包括我讲的，下一步虽然我不多，下一步包括领导的力量，包括专业人员的力量，也包括动员更多的人，包括我扩大基金会的人员组成，我每次开会都要增加一些。比如对学校投资有贡献的人，我们都增加一些。

Q: 现在你们基金会多少人?

A: 基金会是这样，基金会办事机构有几个人，固定大概有3、5个人。我们理事现在大概有十几位吧，有校内的主要领导，分管领导，另外就是可能有一些老的领导，就是我们在校友中间选择的一些人，主要还是校友为主。最近我们还是增加了一个叫做咨询委员会，一些也是校友还包括外边的人，帮助我们理财，开始搞一些咨询委员会。

Q: 这一点很重要，你说帮助理财是从什么时候弄的？

A: 这个刚刚成立。

Q: 刚刚是什么

A: 就是昨天。

Q: 昨天你们是刚开会定这个事，还没往下做呢？这是一个变化，这是很重...

A: 这个就是专业化了，就是我有这个钱怎么运作，也不能说钱生钱，他可以做一些投入，这个基金会一个变化，原来就是拿了钱之后怎么去花，现在要运作，让它钱生钱，让它滚大。

Q: 那这一点是因为什么而想到这件事，是因为钱足够多了吗？
A: 就因为钱不够，就让他生钱这是一个出发点，但是相对来讲原来没有搞，因为原来基数少，现在基数大了，那么原来就有这个想法，再加上基数大了，条件成熟了。

Q: 现在有多少基数能够说明？
A: 现在有上亿，也就这一个亿左右的量，不是很大。

Q: 这一个亿就不动了。
A: 他动态的。

Q: 什么叫动态？
A: 就是他有一些

Q: 但是你打算先期做投资这块能有多少钱进行投资呢？
A: 大概有5000、6000。

Q: 那就是有一半？
A: 一半的要运作。

Q: 那一年大概能回报多少呢？
A: 这个说不太好。

Q: 你们也开始做了，不知道北航做了没有，北航比你们钱多。
A: 他比我们先做。

Q: 对，钱多但他们不愿意留？
A: 黄正就是这个意见，他们是全力以赴争国家配比，这个思路是对，他肯定想我们也想把学校钱揉到让国家认为你是进了钱给配比，他们做这个事。就是这个融资用这个钱赚钱不干，黄正（音）他公开讲他们不干这个事，因为这个风险是有的，你投入之后能不能回来，但这一点北理工有基础，原来没有搞，他就干过，财务部门就干过。因为当时老的管财务就投进去或者借出去然后回来，这种事他干过，他有点经验。现在要想干得话，因为基数大了，他就请了一些校友中间搞基金的人。另外外面也比较熟悉的人，靠得谱人，大概就请了十个，就这个叫资金什么融资咨询委员会，就是下一步我们在运作的时候，请他们给出主意把关，这个形态变化。这是董事会、理事会下边一个 专业咨询主任。

Q: 那你们发展起来了？
A：对，这没问题。

Q：我想了解特别明显的变化。

A：就是这个变化，这个更加专业。

Q：那北航以前没做过这个事。

A：他没做过，我估计现在也没做。

Q：另外最开始那一次跟你们那位女士，她校会。

A：小段吗。

Q：对，段她说像北航理工这种学校，因为出去留学的校友少，所以提供这些信息也少。他觉得北大清华是从校友从国外推进来的这件事，也有一定道理。

A：对，有道理。我们完全从自己校内推起来的，现在我们在国外校友会陆陆续续都建起来，其实到现在为止还没有国外校友的捐款。

Q：也是没有宣传，国外校友也少？

A：一个少，也没有太大气候，可能多半在学校里面，一般的职员，不如国内有做大的。

Q：我问最后一个问题，如果像周说的那个事，作为像国外的基金会和公司融资是什么态度？

A：那肯定积极态度，他能够拿的钱当然积极了。

Q：没有那些想法，他会对你的科研有什么左右？

A：因为没有收到过，对这方面也没有经验，但总得感觉如果能够投入，没有更多的学校损失那肯定干了。那肯定首先得需要利益，这个捐赠可能左右我了，肯定不干，这点肯定的。他如果有政治经营目的肯定是要，他如果只是我们在教育教学方面能够发展，那肯定是愿意。

Q：行，可以了。
Q: 产生的背景？


这就回答了为什么在 2010 年前后中国大学教育基金会发展特别迅猛，现在国家政策主要涉及到国家的部委或者教育部支持的大学所成立的教育基金会，这个大概有不到 100 所，在 100 所以内。中国大学应该是有，包括各个省的大学有 700 多所，我印象中应该有 700 左右，剩下的差不多，包括高职。那么剩下的这些地方上大学教育也成立了很多大学教育基金会，我印象中好像没有享受到国家政策。

A: 可能有的省会根据国家政策出台一些地方性扶持政策。

Q: 有吗？

A: 有的省有，有的省不一定有。特别是南方一些城市基本上那些高等院校都有教学基金。较大型的学校教育基金会应该是主力军了，规模比较大。

A: 我们的基金会是段主任成立的，2010 年 1 月 11 号。

女: 我们实际上是很早之前就有这个想法，但是原来一直就没有申请，原来我们属于科工委，后来就划到工信部，正好 2008 年底我到这儿，12 月份申请。我们是因为部委和院校，就是要通过部委，我们先写申请到工信部教育司，完了
之后工信部批复以后给我们介绍到民政部，拿上这个批复。如果是教育部所属的学校，就通过教育部，再到民政部。我们申请的时候还没有很多的学校意识到，因为配比刚刚开始，2008 年底，2009 年刚刚开始，但是有一些，我们老跑民政部就知道。在我们后期快批复我们的时候，很多学校就开始申请这个了。完了我们抓紧时间，基本上前前后后一年，因为整个民政部的程序就是这样，你前面做不完，后面就做不了，就是一环扣一环的，每一个环节做完差不多一年左右。1月 11 号终于批下来，但是还有什么组织机构代码什么这些，最后申请开户实际是 4 月份左右全部都弄好，就可以正常运行了。

A：中国基金会一个公募，一个非公募，我们大学里面教育基金会都是非公募，非公募基金会注册形式，两种。一种是在民政部注册，一种是在省的民政局注册，也就是国家队跟地方队。在民政部注册要 2 千万的注册资金，并且在年检中不能低于这个数，地方只需要 400 万。

女：地方 200 万。

A：但是在哪儿注册跟注册资金多少，并不代表基金会的地位，大家都一样，在民政部那些全都是一样的，不管你在北京注册的。

女：国家注册是 2 千万，地方注册资金是 200 万。

A：就这点差异，没有任何别的差异。

Q：那这 2 千万的话，最开始注册的资金从哪里来？

A：捐赠学校，到学校的资金，拿出来注到基金会去。

女：这个基金当时跟我们这么说的，这是夜里跟我们说的。当时就是这样，如果你要是用国家国库里面给你拔点钱，那你还需要一些手续，比如说要通过财政部批复，800 万以上就要财政部批复，后来我们就把以前捐赠的东西往一块就归拢，就够这么多钱。如果用捐赠资金的话，就不需要走那个手续。因为你用不是财政下拨这个钱。

A：财政国有资产的处置权。

Q：你刚才最早说了一个 2010 年开始就批下来了，但是你说很早就有成立基金会的想法是吧？

女：是的，学校领导调研过这个想法，后来是考虑到底要通过北京市报还是通过国家报。实际上上报完之后享受的政策没有什么区别，但是现在地方基金会享受不到配比。但是从来没有这个配比政策的话，就是比较下来，接受捐赠或者其她运作好像没有太大差别。曾经一度想如果申请部里头困难的话，就申请地方的。
Q：我还想知道一下，你二位觉得为什么校领导会觉得想要成立基金会这么一个部门？

女：就觉得吸收社会资金。

Q：那时候已经也校友捐赠了吗？

女：有，但也有一些校友有这方面的需求。

A：到国外考察过。

女：对，就是领导们也感觉到吸纳社会资金，包括校友资金，尤其是国外，像校领导经常到国外考察，国外这块咱们跟他没法比，清华、北大这些好一点。像咱们的学校，通过看国外学校的发展，自己学校在这一块上是占很大的比例，所以咱们开始做这块工作。

Q：比如现在从 2010 年成立以后，到现在你二位觉得基金会发展情况怎么样，有些什么重大的捐赠或者这几年有什么变化，或者是配比基金你觉得力度怎么样？

A：配比资金基本上都是 1:1，超过 5 千万以上 1:1.5，就 1 千万、5 千万以内都是 1:1，好像还没有超过 5 千万，就是这个。

女：当年正好是 70 周年。

A：那么 2010 年，2012 年。

Q：也是借 70 周年校庆的机会基金会成立。

A：这 3 年下来，我们累计捐赠基金应该 9 千多万，配比应该是在 7 千多万。

Q：累计下来 3 年？

A：对。

Q：那你觉得这个速度在发展，在中国基金会发展速度应该是？

A：我觉得应该还是比较快的，因为校庆那一年捐赠资金应该是全校人们共同的努力，那年都很多。今年北航达到 4 个亿，校庆。我们那年是 5 千万，关键是要看他在校庆借这个东风，然后这个人员会增加，编制会增加，可能办公条件会改善，他后续的经营可能有发展后劲。我们是在 2011 年的时候，我们给自己定的任务是 1500 万，完成 2000 万，将近百分之三十多。那么 2012 年我们给自己定的任务是 2 千万，我们完成了 2500，也百分之二十多。而且在 2010 年，2011 年的时候，我一个，一个会计，我还是一个兼职的，有一个会计。我说基
基金会内部管理，到了2011年底的时候又增加了一个，到今年7月份的时候又增加两个。像中国所有的高校教育基金会差不多，通过基金会自身的工作去募集资金这种情况也不多，大部分还要靠校领导，校委会的工作人员还有各个院系的老师跟各个院系的领导做工作，我不知道国外情况，没去过国外教育基金会不太了解。通过基金会自身从项目策划到市场培育，到项目实施，到资金的去年活动，资金拿到手，这一套完整的过程能够做下来，在中国应该说没有，应该不是很多。这个正是衡量一个基金会是否成熟一个重要标志，光靠领导。你要是有好的项目，你可以整合你自己的资源，我会找校长也行，找校委会的人也行，大多数还是靠偶发性的，或者是校长们出去了，通过做思想工作，做校友工作钱拿到手，那种有计划，有系统的从铺垫到成熟过程，完整的筹资活动。这也是目前大学教育基金会的弱点，最弱的一个软肋。

Q：但是从2013年发展，3年不到时间？

女：对我们自己来说还不错，但是跟人家发展成熟的，咱们就不举国外了，国内的像清华他是九几年就有了。

A：应该1994年，北大1995年。

女：北航是2005年成立，他比我们早几年。还有一些像北外什么的，他就是原来在北京市民政厅这样注册的，他也比我们早，就是在国内一些学校。再加上还有一些南方的学校，地方发展比较好。南方像南大、复旦、东南大学这一带他们基金会发展也比较好，比我们快一些，因为起步也比较早。

Q：但是总体来讲基金会不管是北理工、北航还是南方这些学校的话，自从建了以后发展速度都很快？

女：对。

A：他基数低。像南开做了将近10年了，7、8年，不过2千万左右。

Q：就是整体捐赠的力度还是不够？

A：基数低你发展就快，上升50%也没多少。

女：浙大也挺厉害的。

A：有那么几十年的校友资源，你在这段时间你突击使用，你都用了以后，以后怎么办。

女：基金会是啥，广泛效用，还有吸引社会的捐赠。

A：我们是非公募基金会。
女：你不是校友也可以捐赠，爱心人士。

A：我说的是如果你要策划捐赠行为的时候，你的目标群体应该是以校友为主，他非公募的，你是不能在公开场合发广告，那是违法的。

女：不是，你说两个概念，劝募是两回事，但是捐赠范围不只是这个，你都可以，只要愿意给我们做贡献。

A：主要工作对象应该是学校为主，再针对一些特定的人群才可以。

Q：像你说的话现在北理工的状况还是偶发性的多，策划的少？

A：嗯。

女：而且也是校友多，大头还是校友的。

A：还是偶发性。

Q：那往后的话，这个发展会走上那个？

A：必须走上这条路。

Q：要走上这条路缺乏什么东西呢？

A：缺乏队伍，因为我们这个学校的基金会人员包括（17：08）都来自于事业单位，都花财政的钱，跟上级去要钱。现在你募集社会的钱，社会的钱属于全体人民，不属于国家，要有所转变。

Q：这个募集的技巧挺难的。

A：这是一个，钱拿到这是完整的系统，拿到了钱，钱怎么花，这个钱的支出是否透明，是否公益，又牵扯到基金会的形象，一个基金会完全是靠形象来进行工作，所以形象也很重要，形象一旦败坏我们就彻底完了。

Q：一点问题得不能出？

女：这个每年都有一个年审这一套严格的东西，现在又评级，基金会都在评级，咱们也报了。

Q：现在开始评了吗？

A：我们今年是可以选择评。

女：五年评一次吧。

Q：是民政部的评级吗？
A：嗯。

Q：像你说队伍这个事，如果队伍能够慢慢建立起来的话，社会上有这些多，校友有这么多，有没有这些资金进来，有没有大量的资金可能捐赠到校友会、基金会里？

A：这个可捐赠性都是潜在的，第一个不是投资，他捐赠是没有回报的，就没有什么利益回报，等于是没有的。这样的话，第一个他的钱并不等于是他可捐的，主要靠企业家，慈善家，他的钱主要是用来投资的，他可投资的钱变为可以（19: 17）那叫工作，要有好的项目吸引人。

女：关键是项目。

Q：比如什么项目。

A：比如要用感情去联络人，比如我们做了一个大爱基金，给有大病的学生，大灾大难的学生，大灾大难的校友，包括学生家族，有灾难的时候拿较多的钱，不是少的钱，要一次帮助解决困难的钱，这个项目对校友还是挺有吸引力的。因为他当过学生，有的校友也经历过这种自然灾害，比如一个农村的学生家里遭了灾，可能有人得了大病以后，可能对家庭是灾难性的，可能这两辈子都翻不过身来。比如你换一个肝需要 40、50 万家里就根本解决不了。

女：解决特别大，家庭根本解决不了。

A：这种项目比较好，有一些校友比较热心投一些钱放在这儿了。

Q：那除了这种东西以外，还有一些什么用途，就讲到基金会钱的用途？

A：奖学金，很大一部分就是奖学金。

女：还有一些其他学校有成功的作法，比如对捐赠一个建筑物，建筑物以他命名了，那是老的作法。

Q：体育馆、楼什么？

女：这个是什么，我自己体会不一定对，对咱们这样的学校，因为咱们是自然科学院，中国共产党成立第一所理工科大学，很早以前这些校友很少是到国外发展的，所以对咱们这样学校来说比较难。比如对北大、清华老一些学校，他早期那些校友到国外发展了，国外他的一些资产对你捐赠税这个免除可能有一定的优惠，所以他有很多校友。因为我们原来跟他们熟就聊，你们怎么就能有这个，他就跟我们讲这样子。比如说 80、90 岁校友。一方面当然是爱母校，爱国家，另一方面是有这方面的因素，他们就回来。咱们这个群体的校友，在咱们学校，北航应该也有，因为今天是 60 周年，咱们是 70 周年，当时是那种状态，我们是
隶属于兵器，他们隶属于航空。当时就业这些学生多数在行业内，而且出国这种的比较少，我觉得是这样方面制约了很大一批。

Q：北大、清华他们有一个很重要的推动力国外的因素。
女：国外有很大的因素。

Q：你刚才讲税收的问题，难道北理工没有这样的优惠？
女：因为我具体没有比较过，国外在这方面的优厚要比咱们大一些。

Q：我查一下国内好像是 12%。
女：是税前抵扣，就像我们前面捐 1 千万。

Q：不是免税。
女：不是真正地免税。

A：是这样，比如说你有 100 万利润，你捐 12 万可以不上税的，你捐 13 万，你 1 万是要上税的。

女：我自己觉得不太优厚。

A：捐大额有问题，你要想捐 1200 万，你必须得有 1 个亿的税前利润才可以。

Q：这个要求很高。

A：你只有 2 千万的利润，捐 1200 万，那你要上交 1000 万的 25%税，还不很到位。

女：我觉得这个跟国家税政策也有一定的问题。

Q：在国外我知道，很多就是个人捐款他也有税收的优惠。

A：30%。

Q：30%个人的。

女：国内，怎么个 30%。

A：收入 30%捐了就不用纳税了。

女：但是一般情况不会发生大量的，大额捐 1 千万，或者几千万。

Q：除了这个奖学金像你讲大爱的话，还有没有其他的用途？
A: 没有了，学生活动。

Q: 第三个问题就是和母体大学的关系，他不是独立的吧？

A: 独立的。

Q: 独立法人和母体大学，就跟北理工？

A: 独立法人，叫社会组织法人。

Q: 但是员工还是学校派的是吧？

A: 员工是学校派的。

Q: 像清华会招一些合同制。

A: 我们也可以招。

女: 你看咱们校长就是学校的法人你不能在做这个基金会，咱们是书记就不能当咱们这个法人。为什么这样子，就很形象的举例子，先进性教育这些东西了，你学校是一个，他就跟你学校平等，实际上教育基金会，但是他把他看作一个大的单位。就是你比如说有这些大的活动的话，你要当作一个学校来汇报之类。

Q: 行，那我现在主要看一下，除了国家就配比对基金的支持以外，学校这个母体大学对基金会是什么态度，是支持还是说，你是怎么看的呢？

A: 支持肯定是支持，你基金会的收入都由学校老师，他怎么会不支持呢，不存在这个问题。

女: 实际上他还是支持了学校，前期的时候。

A: 学校里也有，包括我们的人，包括清华、北大也是一样，他聘的人，我们叫非事业编制，他的骨干还是清华大学的老师过去的，在那边兼职干，都是这样的，所有人都是这样。

女: 尤其前期成立的时候，也得学校支持。

A: 否则学校老师是不会过去干的，我会把我的事业放弃了，我去干一个合同东西怎么可能呢？不可能的。

把你调到基金会工作，跟北理工没关系，你去吗。

女: 对，要是事业编制的话还是有这个。还有包括前期的，那肯定是学校大力支持，否则的话肯定不行。

Q: 基金会网站上都有相关的资料是吧？
A：有。

Q：关于成立和后来年度报告都有。

A：有。

Q：因为你二位信息量都挺大的，你觉得校友会和基金会都是互相捆绑在一块，互相合作？

女：合作是肯定的，但是单位我们还不是。

A：他是学校单位，基金会是另外一个单位。基金会跟北理工是两个单位，在法律上两个单位。

基金会要执行基金会理事会决议，学校要执行常委会的决议。

Q：最后一个问题，像你刚才说的基金会自己主动来做活动，就是劝捐这种活动目前有吗？

A：正在谋划中。

Q：明白，比如说一些大型的活动？

A：有这个想法。

Q：等到以后真的再实行一些新的东西话，再向你了解，谢谢。
Appendix L: Translation of Interview Transcript

Translation of Interview Transcript: Foundation A
Interviewee: Vice Secretary General of Foundation
Date: September 15, 2012

A: The foundation of Peking University was founded in 1995, which is one of the first two foundations among China’s universities. The other one is the foundation of Tsinghua University, and it was founded several months earlier than us. Both of them have a history of 17 years.

Q: 17 years?

A: Yes, in fact, it started when China adopted the policy of reform and opening up, before that, the financial supports for the universities under the planned economy were from government allocations. Since China started the reform and opening up in late 1980s and early 1990s, there had been some Chinese people with western background, some were from Hong Kong, Macao and Taiwan, they were very concerned with the development of Chinese Mainland, so they donated some money as the scholarships in universities. Then there were some relevant projects. This project was originally in the charge of the Headmaster's Office, and with the increasing growth of demands, a specialized institution of foundation was established. In the early stage, the main project was scholarship, and it firstly started in those two universities.

The first big development was Peking University’s 100th anniversary in 1998, and it was an event drawing lots of attention at that time. From then on, there was a growth in donation in those several years, and the foundation of Beijing University received about 30 or 40 million yuan as donations every year.

Q: Is there a growth like that every year?

A: Yes, almost. The yearly donation could reach 30 million yuan if the situation was bad in that year, and if the situation was good, it could reach about 50 or 60 million yuan. Till 2005, it reached 100 million yuan, we were very glad about that breakthrough in number.

Q: What happened in 2005? Why it could reach 100 million yuan?

A: I think it was the result of a long-term accumulation, in addition, at that year, we raised the largest amount of funds that was for the Olympics. The Olympics Games decided to build the stadium of table tennis matches in Peking University. As we
known, it was one of national affairs, so lots of people came to our university to apply for building that stadium, as a matter of fact, no money would be given by the government, so all money required shall be raised by ourselves, and then the foundation of Peking University raised the money for that. That is a big family from Singapore, and they used be the richest family in Singapore, later, this stadium was named Khoo Teck Puat Stadium after the father in this family. The stadium cost 260 million yuan, and the family paid 2/3 of the total amount, that is 173 million yuan, to obtain the naming tight. They paid 1/2 in the first year, and then they successively paid the rest in proportion, therefore, it was the largest amount in that year.

The next year, it reached more than 200 million yuan in 2006, after that, the total amount was always more than 300 million yuan in several successive years.

Q: Do you mean so many benefits can be received every year? Then there will be more and more money when they are added up, right?

A: Yes, the peak appeared last year, the cash accounted reached 530 million yuan, besides, there was a donation of real estate, 100 million yuan. So the total amount was 630 million yuan. However, it can be predicted that it is impossible to reach this amount this year.

Q: Is it because the economic situation is not good?

A: Yes, I think it has something to do with the economic situation.

Q: You said there was a big donation made by a family from Singapore, does he have any relationship with Peking University? Why he donated to Peking University?

A: In fact, he is a Chinese-Singaporean, and his father still had a hometown complex after leaving China, besides, some of his friends may had cooperated with Peking University, and he was introduced for us by his friends. In the process of our communication, we knew that he had such a strong economic strength that he could do this better, and there was also a project that he was interested in. We can see a statue of his father now when we enter this stadium. His father had a wish to try his best to support the country where he was born. He really wanted to realize the dream of his father, so I think that is a reason for his donation.

Q: Oh, I see.

A: Yes. After his father passed away, their family set up a foundation, and this foundation also have done some charity.
Q: Then till this year, can you tell me what does the accumulated money can do?

A: (Rush to answer) The total amount we had last year was 1.4 billion yuan, I don’t know the situation in other university, but in our university, the money arrives every year, and many of our projects are domestic charity, so many donors add quite specific items in agreements when they donates. Besides, in order to obtain the trust of donors, we also specifically introduce how we will spend the money in written form when we are in the stage of early negotiations, therefore, generally speaking, we will spend those money in accordance with their willing and the regulations in agreements after their money arrives. Actually, there are not many nonexpendable funds, but we still have some, maybe it depends on the economic strength of donors. Some donors also want to set up a nonexpendable fund by themselves, so they ask me to tell them our operation model. For example, last year, a one-hundred-year old man in good health wanted to take out 1 million dollars to support 100 students, that means each student can get 10 thousand dollars. He got in touch with us by phone and mentioned this matter.

Q: Is he living in China now?

A: Yes, he is in China now, but he left China about in 1949, and developed his business in Japan, America and Africa successively, now he chooses to come back to homeland because he thinks he is old. He is from Shanghai, now he settles in Shanghai. After he told us his idea, we also made further communication with him. Because our implementing system is quite mature after we have many years of experience, and the project of student financial assistance is also quite standard. Based on the current situation, 10 thousand dollars per student is quite large in comparison with other projects of student financial assistance. Because the current tuition fee in Peking University is only 5 thousand yuan, and his 10 thousand dollars is equivalent to more than 60 thousand yuan, that is too much, generally speaking, our student financial aid can cover tuition fee, for students whose families have serious economic problems, we will double our financial assistance for them, so their living expenses can be covered. There is a limit in our financial assistance, that is 10 thousand yuan for each student, so his donation is far more than our limit, but we know that is his kindness, so we made a special trip to Shanghai to Communicate with him. We knew he wanted to regard those money as a souvenir, so we suggested that he could put those money into our foundation, and then the money could exist in the form of nonexpendable fund, so his money can get.

Q: Another growth, right?
A: We introduced a form of our current fund operation for him, and the form is safe and effective. The operation follows the principles of security, added value and effectiveness. In other words, if it can be changed to nonexpendable fund, this fund will always keep in our university to support students. He was very supportive about our suggestion, so he added another funds to make up an nonexpendable fund, which can provide financial assistance for 100 students, and among them, each student can obtain 5000 yuan. It’s so great.

Q: Do you mean the benefits can support those students?

A: Yes, but it depends on the premise there should be enough money. Right, we have some funds like that now, so those funds can be used as precipitation funds, but many of them still lose. You know, we signed 360 agreements last year.

Q: So many?

A: Yes (laugh), but in fact, we received 1900 sums of money, but the total amount was 530 million yuan, so there is not too much in each sum, OK, you can calculate it later. The situation is just like what I have introduced.

Q: So they do investments like Xiaofan in this part.

A: (Rush to answer) Yes, it involves the division of working regions, and we are working in those fields. At present, there are three main regions, one is to raise money. We have two major regions including Asian region and European and American region. In fact, those two regions are large, the Asian region includes Chinese Mainland, but also include Hong Kong, Macau, Taiwan and other regions in Asia. For the European and American region, it mainly comes from USA, rarely from Europe, besides, for American part, it mainly focuses on alumni, and other groups in USA may not pay attention to the universities in China.

Q: Do they also involve the field of alumni?

A: Yes, they are also involving in this part, however, we have a foundation in USA, a foundation of Peking University registered in USA, so there is some important work for us to do there.

Q: Yes, in California.

A: Yes, you know it. Our work shall be connected with their work. Their aim is to support the development of university, but that is an American organization, a 501C3 of America, so it has to follow the regulations of local laws and local finance. How to
make it be perfect, and make it not only can be implemented in accordance with relevant laws, but also can support the university, therefore, we have to use the recourses in our university to cooperate with them, and it is a major work we have to complete in American and European regions.

Q: So was the foundation of USA set up voluntarily, or by Peking University?
A: Actually, major staff in that foundation are from America, every year, we send a young colleague to USA to learn from them as well as help them do some office affairs. They are American, right.

Q: Then I want to know when that foundation was set up, did Peking University or your foundation as a parent foundation want to found a foreign division? Or because?
A: No, the foundation of Peking University can not be said to be the parent foundation, if you want to use the word “parent” to describe, only the university can be regarded as the parent organization, it was because the university wanted to set up an organization there, besides, there were some people were willing to promote the development of university.

Q: So the university got in touch with the alumni there, and they successfully set up a foundation in USA, right?
A: Yes, you are right, there are some supports from the university, because it does not have a department like the secretariat we have, so many things can be finished like we do.

Q: Since we have mentioned this topic, can you tell me what’s the relationship between that foundation and Peking University? Because I know big foundations in USA are relatively independent.
A: We are the same, it is sure that the foundation in USA is independent, and actually we have the status of an independent legal person registered in the Ministry of Civil Affairs, and the university is another legal entity.

Q: So the situation is different from that in other universities, like Beihang University and Beijing Institute of Technology I have interviewed, is that right?
A: Ultimately, there are two models, but from the perspective of organization structure, it is an independent legal person. In fact, the model in Beihang University and Beijing Institute of Technology also should be the same, but the staff in our foundation are basically the regular employees in our university.
Q: Is it a functional department?

A: Not really, it belongs to the university. Just like a union, it’s a subsidiary of the university, maybe it’s still not correct to call it as a subsidiary. In terms of legal relationship, it has no affiliation to the university, but in terms of administrative relationship, the appointment and dismissal of cadres and so on, are implemented by the university, and the employees at the basic level are managed by the ministry of personnel in our university. Of course, we hire some personnel based on the contract system, but we all are willing to make it be included in Peking University’s unified size and plan of personnel force, and the entire organization should run under the unified management of the Ministry of Civil Affairs, because our annual audit, annual inspection as well as an assessment of the Ministry of Civil Affairs every four or five years. Now we are preparing for the second assessment. Right, in the first assessment for the China’s foundations, the foundation of Peking University won the first place among the non-public foundations.

Q: What is the content of assessment?

A: Various aspects, and the current assessment involves raising funds, management, project management, financial management, investment, rules and regulations, your achievements, effect of your project, and so on.

Q: Oh, I see. From the perspective of national governments, it is managed by the Ministry of Civil Affairs, right?

A: Yes, the Ministry of Civil Affairs. We make a contribution to the development of universities under the Ministry of Education (laugh).

Q: So the foundations in society also can…

A: Yes, By rationality, it is right.

Q: I see. Going to the Ministry of Civil Affairs can obtain more background knowledge.

A: In fact, you can surf on the website of social organization in the official website of the Ministry of Civil Affairs. There are lots of information about foundation on this website.

Q: OK, is there any introduction about the foundations in universities?
A: Yes, you can find the results of annual inspection from each foundation in university, and I think those data can be used now that they have been released on the Internet.

Q: It is really a profound channel. You said two persons started to found this foundation in 1995, under the big national background of reform and opening up, can you tell me who they are?

A: One was from Foreign Affairs Department, also known as the International Communication Department.

Q: From Peking University?

A: Yes, one used to be the Deputy Director, and acted as the Secretary General here, and the other one was a young person coming back from abroad, now he is our Secretary General, besides, he is also the assistant to the president and Secretary General of Peking University.

Q: Oh, he used to be founder and now he assumes other work.

A: Yes, we just talked about raising funds, besides, another important work of the foundation is the project management as well as the relationship maintenance later, so we have a project management department, an information department for data management, but China are very strict with this area, I don’t know the situation in USA, but I think it may be similar in the field of information disclosure. Project management includes the implementation of project in the late stage, follow-up in the late stage, project presentation and other relevant management. The other part is about finance, a most basic accounting subject. Another big field is Xiaofan’s investment. We are preparing to set up a company under this investment. Before the foundation of company, they have been an investment department for many years, equal to a implementing department of investment, above them, there is an investment committee. This investment committee is entrusted by the university and the board of directors, and they will prepare investment strategies, then the investment group will do investments for the foundation.

Q: Does this group start to set up a company?

A: Yes, they are preparing, but it has not started, because the plan has not passed by the Board of Directors.
Q: Why does this group decide to set up a company? Because I want to have a further understanding about the motivations for this behavior, does it come from the university or economic environment, or because there are more precipitation funds?

A: For this problem, I can not give you a good explanation because my work does not involve in this field.

Q: OK, no problem, I can ask him later. It is a part of project management, and you just mentioned there is another department.

A: We call it as the Information Department, mainly responsible for information disclosure and publicity, the publicity of some charity cases required by donors.

Q: In comparison with the foundations in other universities in China, the foundation of Peking University is relatively mature, and it is similar to that of USA in some points. In addition to raise funds, education foundations are also closely related to the development of universities. OK, I have another big problem, where does the driving force for each development in Peking University come from, do you think it is from the university or other aspects? Maybe it is difficult to answer this question.

A: In my opinion, the most important factor is the change of situation, even if it is from the changes in universities, ultimately it is still the change in social environment. I think it begins with donation, and then a foundation is set up. The increasing growth will promote the development of this department, in other words, we are being pushed by donations. We have a lot of work to do, for example, raising funds in the early stage is closely related to management. At the very beginning, we called it as the Business Department. There were various departments including the Business Department, the Administrative Department and Finance Department, then we established an organization for alumnus. The Business Department was not only responsible for raising funds, but also responsible for management, besides, it also should manage different items in the late stage. there was no information department at that time, so all related work should be completed by the Business Department, and all relevant work was collectively known as business. In fact, the foundations in universities founded later also came to us to communicate, and they hoped to know the development situation of Peking University. In fact, all foundations develop from this, at the very beginning, some people are responsible for finance, some are responsible for donors, and they belong to two different departments, but with the requirements of work, the amount of donations is increasing, of course, and the increasing of donations and the work interact as both cause and effect, so it’s really like a snowball. Based on that interactive effects, the Business Department was
divided into an department for raising funds, and then it was divided into the development of donation again. Such as in Europe and America and Asia, our management was divided into the Information Department.

Q: For raising funds, What are you doing in terms of the situation in Peking University? Do you have a lot of publicity on by yourselves?

A: In fact, we have some external activities, such as the visiting of university authorities, sometime, the foundation organizes some wine parties together with the university, or organizes some thanks meetings, including the activities with alumni on anniversary celebration. So, once some platforms are set up, including in Hong Kong, Chinese Mainland, USA, they have similar activities every year. In addition, donors also visit us, and we also have some preparations before they visit us every time, that is to carry out some activities of publicity to help donor understand more about us, and help them make a decision to donate. Sometime, they come together with their friends, and their friends may get involved in relative projects later. We keep the data related all donors in our database, and we will send publications, our annual reports, development communication of Peking University, recent situation in our university to them. If they have donated to our university, they will always receive messages from our university. No matter whether they read or not, we always keep in touches in some ways.

Q: So donors can obtain those publications you mentioned every year, anything else? I heard that if a person donates more than 10 million yuan to Peking University, they can be regarded as members of university board.

A: Our university board hasn’t been established in a standard form, because the universities in China don’t have their own university boards at first, at present, many universities start to build, but even if they are established, they are still totally different from the boards of private universities in USA.

Q: So they are honorary members.

A: Yes, honorary, or to the most extent, they may provide suggestions for the systems in universities, and maybe some supervision. At present, Peking University doesn’t involve in the field of university board, but we will award honorary members of board if their donation exceeds an established number. Read our documents carefully, you can find we have clearly described that they are just awarded, and the university will discuss about whether they can be awarded again.

Q: It depends.
A: Yes, there are also some other problems, such as their background, social influence, reputation, academic achievement and so on.

Q: I see. Then I have another question. I found there are lot of documents related to national strategies on the website of Peking University, but I am sorry I didn’t read them carefully, so I want to know whether donors have some policies of tax free for their donation.

A: Many donations in China are through the foundations similar to the foundation of Peking University, and now, the scope is large. As for the preferential policy of tax free for charity organizations, an enterprise can be exempt from taxation if its donation is less than 12% of its profits.

Q: 12%, right?

A: Ah, yes.

Q: Do you think it is strong enough? I have asked a person from the foundation of Beihang University, and he said enterprises still think 12% is a little less.

A: Maybe. Because some enterprises don’t have high profits.

Q: Yes.

A: That’s right.

Q: Yes, in USA, it can reach thirty or forty, and sometimes can reach fifty.

A: Tax free?

Q: Yes.

A: It isn’t tax deductible, is it?

Q: I am not very clear about that, please allow me to give your feedback after I know more about it.

A: It seems we are tax free in this region and in this scope. I don’t know much about that situation in USA, but I have communicate with the colleagues of foundation, and I know the situation varies in different states in USA, we are not the worst one, and I think we are relatively good. For individuals, 30% of the tax amount payable can be tax free.
Q: Is the emotional factor becoming more important for donors to donate to Peking University? Or it is a support for Peking University? If his personal wish is stronger than others, it will belong to him, just like enterprises want to get this benefit from taxes, right? Is it likely that the former is a little more than the latter?

A: From the benefits of tax, it must de donation, no matter it is tax free or not, in comparison no donation, his donation is…

Q: Better

A: No, it may lose more. If he doesn’t donate, and he pays tax, he will need to pay 25%, rather than 12%, so he will still have some money left for himself! If donates, even if it is totally tax free, no money will be left. So even from the perspective of tax, his donation is just a contribution, we can’t say he hasn’t lost anything after he donates, or he may benefit and so on. It is impossible, even if there is an emptional factor, but these two years, it is the third year in succession. We haven’t obtained specific data of this year, but since two years ago, the foundation of Peking University has received more donations from Chinese Mainland than that from overseas. The overseas I just mentioned refers to Hong Kong, Macao and Taiwan. In the past, most of them were from Hong Kong, Macau and Taiwan, and Hong Kong account for more than a half. But from there two years, that is 2010 and 2011, the donations from Chinese Mainland are more than 60%. Yes, I think it’s a new change in China’s economic strength. We haven’t carried out a statistics, so we don’t know the situation of this year.

Q: Is it affected by the situation in the world, after the financial crisis in 2008, the donation amount at aboard in 2008 and 2009 decreased, in terms of their local situation, there also was an obvious reduction, will you consider that factor?

A: The reasons may be complicated, so yes, maybe.

Q: The donation amount of Peking University is always going up in recent several years, especially the donation amount in Chinese Mainland is increasing quickly. They are the two obvious characteristics.

A: Oh, Yes, the situation in Chinese Mainland is like what you said. The entrepreneurs in Chinese Mainland may have more cooperations with universities, maybe because they are from the Mainland. Sometimes they donate to universities due to emotional factors on the one hand, on the other hand, they may hope to have more opportunities for cooperation with universities, including selecting graduates, scientific research and so on, it’s possible.
Q: I see, that’s all I want to ask you about taxes. In addition to the policies related to taxes, are there any other policies to promote the development of foundations, such as matching fund?

A: Yes

Q: So we have, right?

A: Yes, I think the matching fund really has a great promoting function for the development of foundations in universities, and the matching fund started in the second half of 2009. The Ministry of Education and the Ministry of Civil Affairs jointly allocates a large fund every year, to match the donations raised by the foundation of university. I can’t clearly tell the total amount, as a foundation of university, we have the mission to declare donation projects. After the declaration from various universities, there will be a balance, and it will allocate every year after that. Different funds are allocated to universities every year based on that situation. The policy is that the matching effort and proportion for the universities with weak strength of raising funds is relative large, while for the universities with strong ability to raise funds, the situation is in contrary. Firstly, there should be some basic values about how much you can match, and the rest can be multiplied by a coefficient, and so on. In a word, the proportion will be smaller, but they still can obtain a large amount of money even though the proportion is small.

Q: The amount of money raised is large.

A: Yes, for example, Peking University received 193 million yuan as a matching fund last year.

Q: How much it began? The pure matching fund was included in 530 million yuan.

A: No, not included in 530 million yuan.

Q: All are not included, right?

A: Yes, the 190 million yuan didn’t enter the foundation, and it was allocated directly to the finance department of university, that is the State allocates funds to the university’s finance, so the foundation can obtain another contribution, which is directly allocated to university’s finance.

Q: So can the 190 million yuan be used as the precipitation fund of foundation?

A: No, it can’t. Besides, there are many restrictions in its applications, and it can’t be returned to donation projects, actually it will be used in students and teachers more
directly. There are also some requirements, for example, it can be distributed as service fees and so on. There are financial requirements.

Q: OK, how much those funds raised account for the total benefits of the university?

A: Not too much, we also can say it’s just a little. In addition to the operating fees allocated by the State under the normal condition, the university also can receive the money for scientific researches, the money for the major projects of central government, such as projects of “985”, “211” and so on. I don’t have accurate data, but, it is far from enough.

Q: I see, do you think it will develop better and better?

A: I think there will be more and more investments. So different people make different contributions in different positions, and the foundation also should make more efforts. But in my opinion, I think the State’s investment in high education really grows very fast, paying more and more attention to it. Various strategies such as developing the country through science and education and so on, are not just slogans. So the country will allocate more and more fees. I think everyone has to do what they have to do (laugh), and we will do better in the foundation.

Q: From the perspective of a long term. What’s the largest contribution that the foundation can make for the university? Get in touch with alumni? Or do better publicity for the university?

A: I think this financial support is the most direct. If different sectors of the society want to donate to university, they must have seen there is a gag caused by different factors, including normal funds and normal operation, and they will pay attention to different project, therefore, the donations in the foundation make sense to the development of university. For example, we have many named building, so many buildings didn’t have such allocated funds at the beginning.

Q: So the university can input more money to scientific research.

A: Yes, yes, it includes the support for poor students, and now, there are more and more overseas exchanges and scholarships for students.

Q: I have seen that information on the website.

A: Yes, now it is also for…

Q: Students’ research and doctoral thesis.
A: Yes, the money for those may be not too much, but the normal funds of university has established this field, so I think it’s very meaningful.

Q: I see. It’s a meaningful supplement, right?

A: Yes, yes.

Q: Does Peking University pay much attention to the foundation?

A: I think so.

Q: Does it have any preferential treatment or benefit for the foundation?

A: No, our office expenses are paid by ourselves, in addition to office expenses, I still think it is very important to provide supports for personnel. We belong to the university now, and I think everyone’s feelings for the university as well as their feelings for this business is also different, firstly, it includes the support for personnel, in addition, why donors have the idea to donate, it is not only because they see those staff, and it is important that leaders in the university can show up. For many activities, we do some supporting work, and then leaders in the university show up to promote the relationship. I think it’s very important.

Q: Are there any supports for Peking University from the civil society or medias?

A: Medias

Q: For example, do medias report those event?

A: We have an Information Group to be responsible for the work in this field. Sometimes. If there is a donation with important significance, we will voluntarily contact them to ask them to do special reports and publicity. We have those events every year.

Q: Does Peking University have a publicity campaign for alumni? An activity to persuade people to donate?

A: Yes, the situation of our work for alumni is like this, our university specially set up an office for doing the work related to alumni.

Q: So it is included in the foundation.

A: Yes, not include. Meanwhile, we have an alumni association. Alumni association is a social organization registered separately, and the office for the alumni association to carry out specific work is the secretariat. They are responsible for contact. The kind
of contact includes a lot, it not only includes the contact related to donation, but also cooperate with them when they donate. After all we are an organization to receive donations, but they are not, so they sometimes plan some projects for collective participation, for example, they give alumni cards to students when students graduate, so students can leave their information when they go through the procedures for those cards, and then the database of alumni becomes larger and larger.

Q: Is there any communication between the foundation and various schools and departments? I was told that Beihang University has linked the foundation with various schools and departments, hoping all schools and departments can raise funds based on the their own strength.

A: So do we. We have begun to do this work since 2008. We held a meeting for the whole university about the work of raising funds, and then established special groups for raising funds in schools and department, including the leader in charge, and the implementers of specific works. There two or three people who are doing the work in a school and department.

Q: Does your foundation have any direct relationship with those schools and department? In administration?

A: No relationship in administration, but in cooperation of work. Because we are responsible for the management of donations, and the relationship with donors. But their competence is limited after all, so we will provide assistance for donation activities when they need supports. Our foundation is responsible for the management of donations, the application of donations and so on.

Q: OK, all funds raised by they will be handed in to the foundation for applications.

A: Yes, because the function of the foundation is to management all donation. That’s right, they will bring them to the foundation.

Q: In addition to the alumni association, and the organizations in schools and departments, is there any other departments involved in the work of raising funds?

A: Actually that’s all.

Q: OK, that means the foundation assist the university in gradually permeating the culture of donation into all schools and departments.

A: Yes, actually, for donation, it’s easy to carry out once the work of schools and departments is established. In fact, most of the money raised by them will be spent on
their own schools, so they have passion to complete their own work, moreover, the foundation also provide assistance for therm. In fact, we provided them with a management platform of donation, as well as the assistant maintenance for donors.

Q: After 2008, how much the total amount of funds raised by each school and university could account for?

A: We haven’t divided them clearly, because it is impossible to divide. There are many reasons for that, for example, if the foundation knows a donor, and this donor wants to support to a discipline, then we will contact with corresponding school and department to complete this project together, later, if they want to support this discipline, they will keep this relationship, so they may maintain that relationship by themselves, and we won’t get involved a lot in that process. Some schools and departments come to our foundation, and then we continue to work together, in fact, the university can develops in that process, so it is hard to divide, and I think there is no necessary.

Q: Let’s come back to the topic of matching funds, if the ability of Peking University to raise funds becomes stronger and stronger, do you think the matching funds provided by the country will gradually become less?

A: I think the amount of matching funds is in accordance with the national budget plan in finance. But for the amount to Peking University, in fact, other universities are also developing while Peking University is developing, at present, the funds raised by Tsinghua University every year are more than ours, besides, there are some other newly developed universities. Many foundations of universities have been founded since the matching incentive policy started in 2009, but there is a requirement in that matching incentive policy, they must go through the Ministry of Civil Affairs, and only the organizations approved by the Ministry of Civil Affairs can apply for those funds, so the money can’t enter the university finance, and thus, foundations are founded in universities.

Q: It also has its own regulation in system.

A: Yes, I think the matching funds is not only an incentive for raising funds, but also an incentive for the improvement of this organization.

Q: In addition to the matching funds, does the country have any other policy to promote the development of foundations in universities?
A: This summer holiday, the Ministry of Civil Affairs released Some Provisions on Standardizing the Behaviors of Foundation (Trial Implementation), and I have uploaded to our website, so you can find it on our website. It is still an edition of trial implementation, and I think some items used to be have no specific restrictions, and those provisions make those items into details in the development process of foundations. In my opinion, those standard items will promote the development of foundations, otherwise, there will be some problems, why? The charity field in China always changes every day, and I think it is necessary to enhance supervision. If the supervision is enhanced, you can take preventive measures, therefore, the continuous improvement of laws and regulations in the country’s charity field can greatly promote the development of promotion. There are some regulations, one is donation management, one is for investment, and another one is for information disclosure. All provisions are more detail than they used to be, so those specific requirements can guarantee the healthy development of foundations, foundations of universities, universities and even national charities.

Q: So a lot of foundations were founded only after the policy of matching funds appeared in 2009, is that right?

A: I think so, and the development of universities is greatly affected and promoted by matching funds.

Q: I see, I have to study those policies later. That’s all what I want to know today.

A: Your questions are quite comprehensive, and our work has been involved in those questions.
A: For example, if it is at a loss this year, but it has profits in the next year, it will be OK as long as there are profits as a whole. We will be responsible for those losses. I think all foundations may get involved in this issue, Beijing Institute of Technology puts it under their Finance Department, in fact, how can the Finance Department have financing function? No, no one dares to manage financial affairs, and who can assume the responsibility for losses.

Q: You said some universities like Tsinghua University and Peking University have begun to manage financial affairs, and when did they begin to manage financial affairs?

A: When they had more than one billion yuan as precipitation funds. On the one hand, their foundations was founded in 1995, which was 10 years earlier than us, on the other hand, their structure is more mature and perfect than ours, and they may learn a lot from foreign countries, especially Tsinghua University. The foundation of Peking University may be more closely related to the university, and in Tsinghua University, a retired secretary acts as the direct of foundation, so the foundation is a new legal person, rather than a person limited by the university, and it has stronger independence. What’s more, they can make decisions by themselves, but we have to report to the President Association after we complete all matters, we have founded a similar department. In other words, we have to go to the President Association when we meet some matters that we have no right to make decisions, and then the university will tell us whether they are OK or not. In turn, we needn’t assume the responsibility for whether the university will approve it or not, so we pass on this responsibility to the university, that why many universities can not implement the projects with some risks. In fact, no matter you raise funds or do investment and financing, there are some certain risks as long as it is in operation, including the funds raised in the early stage. The risk can be transferred to the university, because all relevant decisions are made by university, what’s more, the foundation is always careful in operation, for the operation in market, the ability to operate in market is weakened. The situation is different from that in foreign foundations, because all foreign foundation are completely independent, but I think the money is a support for university, providing services for the university, which show it has played the role of independent operation. But we can’t give full play this function, because everything is required to be approved by university, and the university should consider risks.
Therefore, the university will regard it as a department, because you are at a risk means I have to assume the risk.

Q: So in fact, the foundation is still an independent legal person in terms of external situation, right?

A: Yes, but in terms of practical operation in China, the situation is different, just like you said the operation in Beijing Institute of Technology is tighter than ours, because the foundation was set up in the Finance Department, it seems to be a part of the Finance Department.

Q: The work only includes the function of absorbing donations, it seems there is no other activity, right?

A: We are the same.

Q: For some activities carried out on the anniversary celebration, are there any other advocations on the website of Beihang University?

A: We raise funds, mainly including attracting funds, but we don’t do projects out of university.

Q: So you have the step of attracting funds, right?

A: It refers to project planning, when you have some approved projects, it is required to carry out scientific development planning. Consider where can integrate with some social funds, to let them get involved in those projects.

Q: They are linked to the projects, can you give some example? Such as scholarships?

A: Scholarship is a part, besides, they mainly include associated laboratories and so on.

Q: Aviation Pavilion?

A: Aviation Pavilion, Concert Hall and so on.

Q: Is there any project for students to persuade them to donate, such as mobile phones?

A: No, we can’t do that even though they have recommended us to do like that.

Q: I know Beijing Institute of Technology was doing a project of mobile phone Alipay, and there were only three items in several months.
A: In fact, their Anniversary Office and Organization Committee have carried out this project. They said there were some alumni hoping to donate. Maybe we can do this work easily based on this method. I said we could accept, but for specific work, it is required to be organized by the Board of University, because we have no right to organize. Such as releasing the information to make alumni donate, I won’t do like that.

Q: Why?

A: Because this event is quite sensitive, I think it’s not very good to do like that. I used to participate in the alumni association, but I hardly discussed with other people about money, therefore, it always means it’s difficult to implement this kind of donation.

Q: It also doesn’t respect our tradition or respect culture, right?

A: Yes, I think it’s not good to ask them for money as soon as you see alumni, especially because I just took over this matter not long ago. It has little to do with the work of university affairs. Therefore, I strongly recommended to separate them at that time. I said it has some advantages, one is to distinguish the functions, you can communicate with alumni, including providing services for alumni. In our foundation, I also should meet our alumni, and consider how to provide services for them from the perspective of our foundation. I can tell them about our methods and our project, and they can decide whether they are willing to participate in. We just provide a kind of information. However, if it is regarded as a part of university affairs, I can’t mention those information when I meet them, so I think there must be two persons to cooperate in this work. For schools and departments in our university, we recommended school and Alumni Summit at that time, at first, the schools wasn’t very positive about that, and they thought we just found another job for them. Later, the work of foundation was implemented, so I told them they could achieve some successful effects, actually, they are willing to go back to do something for our university, but you have to get in touch with them. So how can you contact with them? We rely on the platform of Alumni Summit, for example, the board of directors should tell the requirements of schools to projects, so there will be a driving force between them. If our foundation has a project, especially we have a mission for the anniversary celebration, I think the most convenient way is to get in touch with our alumni. Firstly, they have trust for our university, and they know the situation in university. Secondly, there is friendship among classmates, as well as the relationship between teachers and students, so they can accept our mission easier than others.
Therefore, we have a mission, and they have a project, then we can support each other. The work in our foundation can promote the Alumni Summit, in turn, their donation also can help us develop our business, so in fact, we can support each other.

Q: Are those donations managed by the foundation of university or absorbed by various schools?

A: No, actually, we have unified management, so all should be submitted to the university.

Q: They are under the unified allocation of university, right?

A: No, they aren’t allocated by our university, actually, all is implemented in accordance with donation agreements as well as their donation willing.

Q: So different schools in Beihang University have a very close connection with each each, and is this event promoted through this anniversary activity?

A: No, in fact, we started to promote it two yeas ago.

Q: Why did you have that idea at that time? Did you make preparations for this anniversary? Or just to find a solution.

A: On the one hand, it was to make preparation for anniversary, because our university has an establishment of two persons here. You know, we have more than 150 thousand alumni, it is impossible for one person to get in touch with so many people. If we hire another person, but he needs an adapting process. In addition, we said the true connection is in schools, because both their teachers and students are there. In fact, we have contacted about 400 persons, and it is impossible for us to contact thousands of alumni. Therefore, we said we needed other platforms to support. Then we promoted this event in all school two years ago. This event was completed after two years of promotion. The personnel taking over this event also continue to carry out this activity.

On the other hand, we told the schools that it was impossible to complete all work of foundation just by myself. For example, if we successfully contact a project this year, then they will succeed, and if we fail, then they will fail too. It seems that the foundation has done nothing, therefore, we explained the positioning problem at that time. Frankly speaking, we are in the beginning stage, and our positioning is to mobilize all people to work together. It is similar to build a platform and implement some policies, so as to provide convenience for all people to complete this task. We set up a working group of foundation in each school?
Q: Who are in charge of those groups?

A: For the working groups of foundation, we had an idea that anyone who has much external connection and enthusiasm for participation can join those groups. We put forward the working groups of foundation, but the result was that, all names in the lists submitted by schools were the names of leaders in schools, and we thought it was not bad. However, we always call them the working groups of foundation in schools, and never call them leading groups. For alumni, what we pushed at the every beginning was not the Alumni Summit, actually, and what we pushed was leading groups for alumni, because we thought it would be much quicker through an administrative form at first. Then we sent relevant personnel to do this affair, and finally the summit was pushed forward. In a sense, the leading groups and working grouping are the systems in university, but not out of university. But as a summit, we need alumni, so they have to select alumni by themselves. In addition, the Alumni Association is different from the foundation, and the foundation has a restriction in number, so you can’t decide the number casually. The Alumni Association is an association, and its work should be completed by people. Therefore, the summit belongs to the general association, without limitations in number. The foundation pushes working groups, but the name lists submitted by working groups are the names of leaders in schools. Therefore, it becomes the work of schools in fact. We thought a person couldn’t do all work for all people at that time, then we decided to coordinate it at the level of university, promised to set up a platform, and prepared a series of policies, to try best to make everyone participate in it. I think it may be one of Chinese characteristics, but the method also has one problem, because it regards itself as a department in the university, to implement administrative functions, besides, you coordinate the work in schools, and you are not independent, so the university will gradually regard you as one of its departments.

Q: I think what you said is a little similar to the situation overseas, because in foreign countries, their foundations may also belong to the alumni foundation of university, and the public relations department in a university is also closely related to this big department. They also push this work into all schools, and they contact alumni to carry out various activities to raise funds, so I think the development tracks are a little similar.

A: It belongs to the field of organizing and planning to raise funds, and they must make full use of their own resources, because we don’t raise funds from the public, we are only for some specific crowds through this kind of project.
Q: Is the non-public raise only for alumni?

A: No, it isn’t. Actually, it means you can’t hold a press conference, auction or charity party, and it can’t raise funds from the public. But you can focus on an enterprise, and you can tell them you have a project and want to cooperate with them, that’s OK. They needn’t to be our alumni, but you are not allowed to do advertising in society, for example, you can’t say you will have an activity on TV.

Q: Why does the foundation of university focus on this field?

A: It’s called non-public raise. For example, the Red Cross is a foundation of public raise. In fact, foundations of public raise may have more sources than foundation of non-public raise, for example, an enterprise also can set up a foundation, but its source of funds is the enterprise, and it is not allowed to raise money from the society. In other words, an enterprise can manage financial affairs, but it can’t raise funds from the society, unless someone is willing to donate to this foundation. Our main source is our alumni, but education is different from enterprises, because enterprises are not a kind of charity, while education has the nature of charity. Therefore, if you input a fund to a university, no matter it is directly for the university or the foundation, its goals are the same. So I think it may relax some restrictions in this level in comparison with enterprises. In addition, if the raised funds of enterprises are for charity in universities, they also will not be allowed to be input in an enterprise, and you only can use it for charity, so you can input them to a university, or do other charities. In a sense, for us, it is just a concept, no matter the funds arrive in the university or our foundation, the situation may be the same. In terms of this point, it may be different from the non-public raise in an enterprise.

Q: How many personnel does your foundation have?

A: According to the Foundation Management Regulations, we have six personnel participating in our work.

Q: Do they belong to the establishment of university?

A: Not really.

Q: Only you belong to the establishment of university, and the rest sign contracts with the university, right?

A: Yes.
Q: In addition to the supervisor departments, how many departments do you have under you?

A: We have three departments now, one is a comprehensive department, taking the responsibility for administration, finance and directors. Generally speaking, our finance is established under the university, and managed by the university. A special person is sent to manage it. One is for project department, and the rest one is for development, the development of resources.

Q: Are those three departments mainly responsible for assisting in your work?

A: Yes, mainly responsible for planning based on projects, and then contacting and so on.

Q: I want to ask you about every point, and I hope you can tell me what you want to say. Let’s turn back to the foundation established by Beihang University at the very beginning. I know the foundation was founded in 2005, and it was earlier than many other universities. Why did your university decide to establish a foundation, do you know about that?

A: At that time, many enterprises wanted to donate to our university, and our university also had such a demand, maybe Peking University, Tsinghua University and Zhejiang University had foundations at that time. The party government office was the first to put forward this idea, that’s why we are attached to the party government office now, and the situation is similar to that in other universities. The establishment of foundation is good for the development of our university, in addition, it happened to our university’s 50th anniversary.

Q: The anniversary in 2002?

A: Our university had a sum of precipitation funds, so they could be used as original funds. There was a relative simple consideration, that is other universities had founded those foundations, we also could have one. In some other universities, some enterprises wanted to donate. Of course, the donations in the past were not like the donation today. At present, why so many universities are working on their foundations, one main reason for that is the existence of matching funds. In the past, we didn’t have matching funds. Setting up a foundation just looked like to found a department. The department founded could be responsible for the specialized management of this matter, and maybe this department could find more donations. At that time, they might consider it from this perspective, so our university just set up a foundation similar to a department, and it wasn’t an independent agency. With the
development of this department, our administrative ability became stronger and stronger, including drawing up documents on behalf of our university. We developed to be an administrative department actually. However, what I mentioned also restricted many aspects, and the work needs to do later should mainly refer to others, to know more. Because the foundation is a professional, but it can’t be said to be an administrative item. After experiencing two years, there won’t be a greater development, no matter how you dig in it. As we known, once your policies are issued, you can have various aspects. How it will develop in future, you have to depend on it on your own. So I think the administrative work is similar. The Alumni Summit just provides a type of them, and now, all schools in our university have some requirements in their foundation work. The process has always been similar to that people couldn’t accept it at the very beginning, and then it is more acceptable now for people. Later, it can be regarded as a mission, and released as a indicator, so the administrative function is completed, and it will carry a mission to complete in future.

Q: So is that mission impossible to complete?

A: Maybe, I think it’s not the main function of a school, and it’s just a requirement. Even the leaders in our university also don’t want to regard it as a task of schools, therefore, we have to negotiate with schools.

Q: I know Beihang University has many engineering schools and departments, how about they raising funds?

A: Actually, the schools of social sciences do best in donation.

Q: Maybe because those people knew those events earlier than others, and you told me the situation happened in the field of history, economics and real estate.

A: If one university receives a donation of 400 or 500 million yuan, this donation is very likely to come from real estate industry, or capital operation, seldom from other industries. What’s more, most of people from Beihang University are working in state-owned enterprises, so it’s impossible for them to donate a lot of money. Therefore, sometimes, they told us to hold donation activities in our university just like other universities, but we didn’t do that at that time. In fact, I didn’t have any thought about that, because out university set a very high index, more than 100 million yuan, even though I could mobilize all people to donate, I thought we only could receive 1 million, and it’s useless. Besides, this measure may make others complain about that event. Other universities may hand out money, but I come to collect people’s money, it’s very likely that I will be scolded by them. So I said it’s
not necessary. Just like alumni, if they are willing to do donate, they will donate automatically. I needn’t open a website for them. If they make up their mind, they will fly to our university to donate. If I establish a website, I will have to write it down if a person donate 100 yuan, you can imagine, we just have several staff, how busy we will be, so we only can say thank you to them.

Q: Yes, so the foundation still depends on a large amount of funds, right?

A: Yes, so we say it still depends on project planning, if you have a good planning, enterprises may get interested in it. If they think the project is good enough, they will do it. I think it’s may be one reason. If we just depend on the donation of several hundred yuan, we have to do a lot of work, because we have a donation agreement for each donation, together with souvenirs for donation, and we have issue invoices for all those things. You know we only have several staff, it seems we can’t do anything else every day, maybe we have to work till the end of year to finish this work. It’s difficult for us to collect one million yuan just depending on this work. Therefore, if someone put forward a project, and we think the project is good, I will tell say, OK, you can do it, and I will receive it later, that’s all. I guarantee it is normative, and the rest work is the person who organizes it has to do it. What we have to organize is relatively big activities, we can help schools and departments to raise funds, so we can talk to the donors about the projects, tell them how we manage this fund, try out best to make them rest their heart. Sometimes, it is difficult for schools to explain this matter. Issue invoices every day, and set up services on anniversary celebration.

Q: How about the anniversary?

A: We also set up services to raise some funds on anniversary, which made us be very tired, finally, I put all under the Finance Department, because we couldn’t collect those money, if only I did it, the situation would be clear, and I could ask the rest staff to do reception, because we had to collect a batch of donation at that time, and we invite a batch of people. I told them this issue, so the Finance Department sent more than 20 people to deal with this matter. Some people donated materials, but I refused to accept, because we have no space to store them. The other reason was about invoices, I could issue invoices, but I refused to accept. Some big equipments could be regarded as fixed assets, so they could be registered in the department of laboratory equipments. In other words, materials are managed by the party government office and the department of laboratory equipments, and they are responsible for establishing accounting books, so all materials will be donated to the university. In fact, the university also can issue donation invoices. For funds, I said it’s OK if they are
willing to help us, because all are under the unified management. In fact, the money donated by them, has no matching funds, so it’s the same no matter it is directly donated to the university or donated to me.

Q: No matching funds?

A: No matching funds for the project of less than 100 thousand yuan, generally speaking, if a donation is more than 100 thousand yuan, the donor will choose remittance, seldom carry a check. For carrying a check, the amount is generally lower than 50 thousand yuan, just for organization. For a donation of several thousand yuan from an individual donor, it can be donated to our university, or donated to our foundation. But in terms of unified management, if the fund arrived at me, I can help manage the fund. Of course, from the perspective of management, we virtually become a department of donation management in our university in a sense.

Q: I see, the current situation is caused by various factors, right?

A: Yes, another reason is that there is too few staff, we have been very busy with management, so we have no time to develop other projects, what’s more, developing other projects is still a exploring process. Therefore, you said Beijing Institute of Technology developed late in this field, besides, the amount of funds is small.

Q: So now, how many precipitation funds does Beihang University have?

A: We have received hundreds of millions of yuan of donations this year.

Q: Through anniversary?

A: Yes, through anniversary, the situation in this year is quite good.

Q: How about the last several years? Was it more than one hundred million yuan?

A: Yes, but we gave them to our university when the university needed those money…

Q: For a year when you received more than one hundred million yuan, was there any special events in addition to large activities such as anniversary?

A: Some big projects happened to participate in.

Q: So it still follows the projects of university, and the university has opportunities to receive more money when the university has a good project.

A: Yes.
Q: Does the foundation of Beihang University have any connection with foreign foundations, like Peking University and Tsinghua University?

A: No.

Q: When I talked to the staff in Peking University, I felt that their foundation was founded under the driving force of USA. Besides, we also mentioned this issue when I was in Beijing Institute of Technology, they don’t have this donation habit, does it have something to do with the situation of few alumni overseas?

A: The situation is like this, if you have a branch at abroad, for example, they have a foundation in North America, we also went to Tsinghua University to ask relevant issues. Tsinghua has many foundations in North America, in fact, it was based on the operational level. Tsinghua has many alumni there, hoping to donate, but meanwhile, they need to be free of tax. If they directly donate to China, their invoices can’t be free of tax, so they decide to donate at abroad.

Q: Donating to their own universities is much better than donating to American people, right?

A: They donate to the foundation at first, and then donate to the university. So if a foundation is established at abroad, the foundation will be able to issue invoices, and they can be free of tax. But if you directly donate to the foundation of Tsinghua, the invoices issued by them will not be able to be free of tax, so they implement this matter from the operational leve. But if you don’t have this demand, it’s useless to found a foundation at abroad, maybe it will become your burden. Because those foundation use your name, so if there is a problem, you have to assume the responsibility for it. Therefore, this kind of foundation shall be founded according to demands. We have lots of alumni there, but there is no large amount of donation, so those alumni have no requirement on free tax.

Q: But you have an alumni association in USA, right?

A: Yes, we have, but I don’t know whether that foundation has been registered or not. There is no registration required for an alumni association. It seems to be a social organization, and it doesn’t like a foundation which needs a formal registration. If the foundation isn’t registered formally, it will have no right to issue an invoice.

Q: In addition, you just mentioned the issue of matching funds, do you still have matching funds?

A: Yes, we do, till 2013.
Q: Will it be modified after 2013?

A: For the situation after 2013, we have no idea now, and we only can know the situation in 2013. So here is a problem, if there is no matching fund after 2013, how about the operational methods of foundations?

Q: Were many foundations founded because of those matching funds?

A: Yes, in the past, various universities were able to directly accept donations, meanwhile, donation invoices could be issued, no foundation was required. Our donations were various in the past, before I came, our various donations arrived at the university, and seldom arrived at the foundation, because the foundation could not execute this management, so after that, all schools developed in this area, together with the matching funds. Because matching funds specify the funds raised the foundation for university.

Q: However, there is a problem, are those matching funds for the foundation?

A: No, not for the foundation, they are directly for the university. In fact, they are supplementary budgets for university, and the base of supplementary budget is the funds raised through the foundation.

Q: At that time, the application of matching funds was hoped to find more other funds through your own approaches.

A: At the very beginning, when we drew up documents, I learned from a donation of Peking University’s alumnus. The earliest one is a donation of Zhejiang University in USA, he is the matching. Any person who takes money, he will give him the matching, we call it matching fund, and China didn’t have this kind of fund at that time. So we learn from to found one at the very beginning. The proportion was relatively low at that time, because we didn’t have too many precipitation funds at that time, we wanted to use those precipitation funds to motivate all people to work for this event, we drew up this project about in 2009.

Q: So, earlier than them, right?

A: Yes, about half a year, our document had to use money, so we have discussed this document for a long time, about half a year. In the process of discussion, they just came back to China, and they thought it was very good. The country would support us with money, and we also could change a saying. One is we enhanced its strength. We planned to do about 10%, and we learn from the measures of Zhejiang University. Later, it was changed into 30%, because the country would give us some matching
funds, and we didn’t use the money provided by the country, so all money we used was from the funds raised by university.

Q: So you have the matching funds both from your university and from the country, right?

A: Yes, actually, the country gives matching funds to our university, and then our university gives matching funds to schools and department respectively. Besides, the funds are allocated according to specific projects, and the purpose is to attract this project.

Q: The proportion is still 30%.

A: Yes.

Q: Otherwise, they won’t have enthusiasm, and it also can be regarded to promote the enthusiasm of schools and departments.

A: Yes, in this case, schools and departments are willing to do this work, but in fact, a substantial part of allocated money is used as the administrative costs in schools, so schools can have money to carry out activities, and then they agree to do this work. At the very beginning, we wanted to carry out projects, but later, we found it is equivalent to give projects to research groups or individuals when we carry out projects. Then, we thought it was better to push schools in comparison with pushing project, in addition, it’s hard for us to manage, and we can’t decide who can receive the project, because we don’t know how many people will participate in this project, and what content will be involved, so we decide to pass this to schools, and schools can decide how to make adjustments, for specific policies, they should be formulated by schools.

Q: OK, basically, I have known what I want to know.

A: The work of foundation is quite simple, and it doesn’t involve too many affairs.

Q: Both the content and tasks are clear, did you started to work here when the foundation was founded?

A: No, I have been here for three years. I began to work here at the end of 2009 when the leadership of foundation was changed.

Q: Who were in charge of the foundation before 2009?

A: A person who left the foundation before 2009.
Q: Did he also work in the university?
A: Yes, but left the university.

Q: Why he left? Was it because the work was too hard?
A: Personal reasons. Maybe he found a better job outside the university. The work in our foundation is similar to that in an administrative department, not like market operation, so there is no creativity in work. For example, if you want to look for creativity when you have built an administrative frame, what you can do is to look for creativity in markets, otherwise, you will be an administrator, and it will be boring, so many people don’t like this work, because the foundation looks like a department of governmental agency, people will lose their interest on it.

Q: Why can Tsinghua University and Peking University be relatively independent? They can operate their funds by themselves, is it because they have large amount of funds?
A: One reason is they have a large amount of precipitation funds. In addition, they did very well in 2007, when both stock markets and housing markets were good. They earned a lot of money at that time, after that, anyone who do this work lose money, because the entire market is not good.

Q: So what we can do is only waiting.
A: You can think about it, now 6000 points become 2000 points, but in the past, 1600 became 6000 points. At that time, you could touch money even if your eyes were closed. But they lost money in 2008, so they may become more careful when they lost money. Even if they lost money in 2008, they still could have one part left. But if this part still lose after that, the amount is relatively small. However, there is a point, that it is difficult to earn money. No matter how much they lose, it is very hard to earn 100 million yuan. For example, I had 100 million yuan, and I lost 50 million yuan at first, so I still had 50 million left, besides, I still lose 5 million yuan, then I am asked to stop losing money. Our operating mechanism is different from theirs, because I mainly focus on raising funds, not on markets, in fact, I think they may have some differences in their systems and mechanisms, otherwise, they can’t attract people’s attention. Of course, it is also because they have large precipitation funds. If you don’t have 300 million yuan as precipitation funds, you can’t do that. Firstly, you can’t attract good teams and operating personnel, if they fail, they have no idea to operate it, because you can’t do that if you only have tens of million yuan. However, we mainly use the money for our university, besides, the money is from other people’s donations, not
earned by ourselves, so we also don’t dare to use it casually. Luck is an important factor in this event, and they happened to earn a lot in 2007.

Q: It’s impossible to copy success, right?

A: Yes, you don’t earn money, and you still want to use that money, in addition, you also don’t catch up a good opportunity, and you also can’t clearly tell when is a good opportunity, maybe you will lose money. If you have hundreds of million yuan, and if you lose 5 million yuan, it’s nothing serious, in a sense, 1% or 2% can’t be regarded as a loss, but it’s still an event, and it’s difficult to earn it back, so it’s very tangled. Especially we are connected with the university, and our university often tell us not to do this or not to do that, so we can do nothing.

Q: Such as Tsinghua University and Peking University, when they have those precipitation funds, they founded an investment company under them respectively, so if the investment companies earn money, of course, it is good for their universities, but if the companies lose money.

A: Their companies are wholly owned by their foundations, so if they lose money, their foundations should be responsible for that.

Q: So their universities don’t take any responsibility for that.

A: As long as they don’t violate national laws, but we have a problem, we are not only required by the national laws. For example, firstly, whether we can do this event, the answer is yes, but it should be under safe conditions, of course, everyone wants to operate it under safe conditions, and nobody wants to lose money. But one this event gets to the level of university, the university doesn’t have the function of investment, so once the university discusses about that, the university will consider whether there is any decision to be made. When it loses money, a mistake will be regarded to be in decision-making, such as a mistake in decision-making of the Headmaster's Office or decision-making of CPC Committee or Standing Committee. They have to assume the political responsibility for decision-making mistakes, rather than a problem in economy. But from the perspective of foundation, it has such a mission, that is maintaining and increasing the value, if you don’t manage your finance, how can maintain and increase the value. But the Headmaster's Office or CPC Committee or Standing Committee doesn’t have this function. If you do this project on your own, and you lose money, you can say it’s just a problem in economic loss. But once it comes the the level of university, it will be regarded as political loss, so we don’t dare to do that. We don’t start our business, our university is also affected. So we decide to
just focus on raising funds, in fact, the situation is like this, we just lack a function. Therefore, its funds become larger and larger, and the leadership of its team is successful.

Q: Which foundation do you mean? Tsinghua University’s or Peking University’s?
A: Tsinghua University’s, and Peking University is just so so in this field.

Q: Doesn’t Peking University have their own company in this field?
A: Peking University’s does too general.

Q: How about Tsinghua University’s?
A: Tsinghua incubators were managed by the university, and their university invested on that project, but later, that university decided not to invest, and they transfer the whole equity to their foundation, and the foundation may brought their equity, and then returned the money to their university, actually, those money belong to university originally.

Q: What is the percentage of the foundation’s profits in the entire Tsinghua University?
A: He did tell me about that, it seems OK, more than the benefit from keeping in a bank, 10% is quite good.

Q: That’s quite good, can they reach 10%?
A: Yes, you said 10%, it can keep 8%, 10%. They can receive 100 million yuan into their account every year, which is more than our funds raised, besides, they have more than one billion yuan as stable funds.

Q: Can they receive 100 million yuan every year based on that more than one billion yuan?
A: Yes, they should do better in their finance management every year. In terms of investment and finance management, they have many varieties of finance management. We thought about doing like this, but because our funds are not large enough, in addition to that, it seemed all people felt the money earned had little to with themselves, but if there was a problem, they had to assume the responsibility for that, it is also a problem because of system and mechanism. Because we all focus on raising funds, actually, there is few risk in raising funds. It’s OK as long as there is no situation like you said. If there is a problem, we can refund the money, so it’s very
simple. Of course, finance management also has its own mechanism. Because they have market operation, they can operate funds in market in this field.

Q: What about Beihang University? What’s the percentage of the money raised by their foundation in the entire Beihang University every year?

A: Not too much, it’s just a small part in the whole operating funds of Beihang University.

Q: I read an article, and the author wrote it in 2010, according to the average amount in the last two years, the money of their foundation excluding tuition fees and scientific research fees, with the money raised by their university by itself accounts for 3%, an average value, how do think about this value?

A: Account for 3% in the total amount.

Q: Yes, an average value.

A: I don’t know whether they raised other funds.

Q: He didn’t say anything about that.

A: I don’t know what does raising by itself in his opinion. I have no idea about how he worked out this figure, and in my opinion, he didn’t explain it clearly, even a little ambiguous. He can say it is the money from social donations, in fact, how much money we raised on anniversary is virtual. We said raising funds through donation on anniversary is different from other methods of raising funds, and those funds will be added to the foundation. Tsinghua is more straight about that, they call the funds added to their foundation as donation, and that isn’t added to the foundation will not be called as donation. Because lots of cooperation fees are just for introducing cooperation, but they will write business at last, similar to latitudinal projects, so who can know the costs of those projects, they are different every year. Donation refers to the donation having arrived at the foundation, while the donation having not arrived is included.

Q: So the value become larger, right?

A: Yes, for example, we went to Southeast University, including Nanjing University, they said they raised more than one billion yuan on anniversary, but in fact, among those more than one billion yuan, like Nanjing University, 600 million yuan couldn’t arrive at their foundation. In the rest 500 million yuan, 400 million yuan was from a alumnus, and 100 million yuan was raised. This situation was reasonable.
Q: Do you mean Southeast University?

A: No, Nanjing University, he just mentioned that example. It was also the 110th birthday of Southeast University. Both of them are separated from the same university. He said they also raised more than one billion yuan, but he didn’t explain it very clearly. Later, we also paid attention to that information, all scholarships were more than 50 million yuan, but they just released this value, and for the rest information, they didn’t release. However, he told me they have raised more than one billion yuan. I also asked him how much money in their largest donation, because we know, if they have more than one billion yuan, they must have a project of 500 or 600 million yuan, otherwise, they can’t reach that value. But he refused to tell me about that. He just insisted on that they did raise more than one million yuan.

Q: So they also wouldn’t release how many funds if they were regulated by the Bureau of Civil Affairs.

A: Actually, they aren’t under the management of Bureau of Civil Affairs, and they are under local management.

Q: So the external world can’t supervise the specific situation, right?

A: He referred to the funds raised on anniversary, not only donation. I had a project, in this project, I cooperated with another person. He said he could give me 500 million yuan. OK, I would tell him we have 500 million yuan on anniversary. In a sense, it is a good concept, in the past, no one said that social donation represented an aspect or an indicator of university. Nobody.

Q: Do they start to have this concept now?

A: Yes, it’s hard for a university to raise funds from the society now?

Q: Because the influence is too small?

A: The first reason is influence, secondly, the basic direction for training personnel isn’t correct. Why you don’t have very strong alumni, you have so many alumni, but you don’t receive a donation of more than 100 million, so it seems a little …

Q: In addition to folk belief, are there any university ranks really put that into their consideration?

A: No.

Q: The situation may exist at abroad, do you agree with that?
A: Yes, but our principle said if you can’t raise many funds, it shows there are two problems, one is the quality of your alumni is not very good, the other one is the alumni you have development don’t have deep emotion with you, in a word, you fail. If they have enough economic strength, but they refuse to donate, so it shows they have no feeling about you. I think it’s rational. Of course, we don’t completely depend on our alumni. Therefore, in foreign countries, they think donation doesn’t completely depend on single indexes of donation, it should be based on how many people participate in donation, in other words, it also should be based on how many alumni participate in donation. Yale University held an activity named “The Spring of Yale”, the activity lasted 5 years, and the donations they received reached 3.6 billion. Hundreds of thousands of people participating in that activity, so the number of participators is an important factor. Our participators is relatively single, and it means how much money they donate. If everyone donates 100 yuan, I will be very tired. It also represents our cohesion in a sense, but the problem is the number of our participate is not large, what’s more, the amount of donation is also not large. Just like you said, they organized a great number of alumni, including parents of their students. We still have the following goal, we used to have a lot of small donations, now we mainly focus on enterprises, organizing them to have big donations. Because there is no matching fund for small donation, secondly, it’s difficult to manage them. Especially those small amounts of donations, that’s one of reasons why the Red Cross has their problems. We have lots donors who only donate about 100 yuan per person, but the total amount also reaches more than 100 million yuan. It is easy to have a problem if we make a very small mistake in application. Frankly speaking, it’s much easier to manage the project with large amounts, because the amount is large enough, it also can be used for a relatively long time, we can prepare a method of management, and management regulations, after that, set up a management committee or management group, so they can work together to manage those funds, if there is any problem, it has nothing to do with me, otherwise, I have to assume that responsibility. Therefore, we have a requirement, that is when we find it is a large donation, we must add one item, means it should be prepared by both parties, so a fund management group should be found to prepare related management methods, and use those funds in accordance with those methods. I give those funds to them, and both their parties should be responsible for the use of funds. We just play a supervising role in this process, and what we need to do is to guarantee the flow of funds is in accordance with agreements. If the money is from several hundred people, the agreements for that are too few, and it’s also impossible to have a management group. Some people are satisfied, but some people aren’t satisfied, I think it’s not good to have this phenomenon. For example, we don’t use the funds on the account, why? If want to
use it, I have to have a overall planning, then I can use those money, but I should guarantee everyone can clearly see it, and it should be memorable for donors. They donate to you, it doesn’t mean you can use their money casually. The money on our accounting book is from a lot of donors, they donated 3 thousand, 5 thousand or 6 thousand yuan, the total amount is 200 thousand or 300 thousand yuan. I have no idea about how to use it. Except we use it in greening, because they donate to our university, before you use it, you can make a planning in this area. Our all donation is a overall concept, they can know where we use those funds, not for beer and skittles. Therefore, we say it’s much easier to manage a large donation than a small donation.

Q: Yes, I agree with you.

A: So I am not willing to do that, at the very beginning, we were glad about that, because we didn’t have money, we were very willing to help them whoever comes. At present, the university have more and high requirements, so we ask the alumni association to do it.

Q: Does it also represent development?

A: For this event, we have several concepts, actually, for the real foreign foundation, just like you mentioned, their alumni associations and foundations work together, their foundations work as a receiving platform, and they focus on the management and operation in the late stage, that is how to maintain and increase the value, rather than the formulation of objectives in the early stage, but we focus on the work in the early stage now, and no one work in the late stage, so the situation is different from that in foreign countries. For Tsinghua, they work both in the early and late stage, Peking University still mainly focuses on the early stage, and the work in the late stage is just so so. Those two universities are different when they introduce themselves, Tsinghua introduces how their foreign alumni do, including how to manage finance and how to operate. Peking University introduces how they carry out activities and raise funds in Hong Kong and Macau.

Q: Did you see it on websites?

A: No, we often hold communication meetings, both of them talked different content.

Q: So their focuses are totally different, for this point, I think it’s very interesting. Each university is different, and there were many problems in the early stage of development.
A: In fact, I think the education foundations shall be studied as the entire social environment. Actually, this research may be better at the level of laws.

Q: The situation in Beihang University also reflects specific laws and policies.

A: Yes, in terms of the entire social environment, maybe all foundations are not willing to focus on donations. The situation is different from that in foreign countries, because in foreign countries, a large part of inheritance should be paid as tax, so they decide to donate. But we don’t have that policy, we can keep by ourselves. If we donate, our benefits will lose a part, in fact, we can’t get any preference in tax. Donation just takes a part of our benefit, besides, there is a limit of 12%, therefore, enterprises don’t have too much enthusiasm for that, so we say the large environment changes.

Q: But both of them have something to do with that, in addition to the culture of social environment, there are some problems in donation culture.

A: For donation culture, for example Xiamen University is a donation-type university, so its donation culture is better than ours.

Q: The donation culture of the universities in south are better than that of the universities in north.

A: Many universities were founded under the donations from people, such as overseas Chinese, therefore, they had this atmosphere at the very beginning.

Q: In addition to Tsinghua University and Peking University, do you know are there any other universities are doing like this?

A: It seems I just know Tsinghua University and Peking University, because of this, we may launch this now.

Q: Did Beihang University start it long time ago?

A: The situation of foundations is like this, many universities founded their foundations in the late stage, besides, some foundations are in local places, and they were registered in the local Bureau of Civil Affairs, so there isn’t too much communication. We communicate more with the foundations registered in the Ministry of Civil Affairs. However, the number of universities’ foundations registered in the Ministry of Civil Affairs is small, such as Beijing Institute of Technology was register lately, even Harbin Institute of Technology isn’t registered there.

Q: Isn’t Harbin Institute of Technology registered in Ministry of Civil Affairs.
A: No, it was registered in the Provincial Department.

Q: Are those two registrations different?

A: Their levels are different, one is on the national level, and they should follow the regulations and new policies of the Ministry of Civil Affairs. Besides, we communicate more with several universities of level 4A, such as Tsinghua University, Peking University, and Zhejiang University.

Q: For example, Beihang University can be under either the ministry or under the bureau, right?

A: It has a requirement on registration capital, 20 million yuan, but for registration in local department, only 2 million yuan is required. Therefore, if the local scope is smaller, the requirement may be also different. For the requirements of the Ministry of Civil Affairs, they are completely in accordance with the national requirements. Because all our evaluation indicators from them are for public-raising foundations, and it is completely similar to some foundations of companies, therefore, the foundations whose names begin with China have those requirements on me. So there is a point making me feel very stressful, they use the indicators for public-raising foundations to evaluate our non-public raising foundation. For our number, I think it’s hard for Beijing Institute of Technology to have 5 personnel, actually, the number of all personnel in our two foundations was about 6 at the beginning, later, we were separated, the former personnel left, then we reorganized our group, so this group is a new group, we have 6 personnel, so we can basically meet their requirement.

Q: OK, I have obtain lots of information from you, more about structure, later, I will talk to another person.

A: OK.

Q: I will make an appointment with him.

A: OK. You must be busy.

Q: I will call you, and for him, I may just ask about his work.

A: For his specific work, he’s more likely to prepare various documents, in terms of management, including various documents, agreements and some materials from the Board of Directors.

Q: Is he here everyday?
A: Yes, everyday.

Q: I may visit him on a Thursday, or an afternoon of Friday, and I think it will take more than ten minutes.

A: What are you busy with now?

Q: My paper, as well as other affairs.

A: About work?

Q: My professor is in China, and he has some projects of communication and cooperation, so I am helping him do something relevant. My paper is still my focus, I have to do a lot of interviews and find many materials. I lost my driving license, so I have to apply for a new driving license later. I had a car accident two days ago, so I have to determine the car damages with another person this afternoon, but I can’t find my driving license, so I will go there after this interview. Thank you so much for your time.
Interview Transcript: Foundation B
Interviewee: Staff Member of Foundation B
Date: September 27, 2012

Q: Can you tell me how many staff members in your foundation?
A: Secretary General Mr. Wang, Deputy Secretary General Mr. Bai, and there are four personnel in our office, so we have six personnel.

Q: However, Is Mr. Bai responsible for the affairs of Alumni Association?
A: Yes, our foundation also works together about that.

Q: Do you often work together?
A: Yes, both of us belonged to the University Committee, and then we were separated from it.

Q: When were you separated from that?
A: In 2009.

Q: Is the Alumni Association in the charge of Mr. Bai?
A: Mr. Bai is retiring, so Mr. Bai will assist in the affairs of the foundation. Because lots of alumni know Mr. Bai.

Q: So your colleagues in your office are only responsible for the affairs of your foundation, right?
A: Yes.

Q: Your work is not mixed together, right?
A: Yes, departments include Project Development Department, Integrated Management Department and Public Relations Department. Another colleague and I are responsible for project development, or the integrated management of projects. Project management mainly refers to the management of various projects, for example, how to sign an agreement.

Q: Do donors come here to ask you how to sign an agreement?
A: Actually schools, because they are allocated to various schools, and schools may have specific cooperation projects, and the persons in charge of schools come to us to ask us, for example, how to sign a specific agreement, what kind of problems should
be paid attention to, and later, there may be some problems about issuing invoices, a series of applications of funds, as well as the whole procedures.

Q: Are you responsible for that on your own or together with other colleagues?

A: I am the main person in charge, actually, all people know about this, but the division of labor is a little different. Of course, this event belongs to project management, but actually, the person who is asked about this should tell. Then, in integrated management, the Ministry of Civil Affairs may carry out an annual inspection, beside, the Ministry of Industry and Information Technology may have some affairs such as issuing invoices, and all of them belong to integrated management.

Q: I know the affairs related to the Ministry of Civil Affairs, how about the Ministry of Industry and Information Technology?

A: I am not clear about the Ministry of Industry and Information Technology, because my another colleague is responsible for that, so if you have any problem about that, you can ask him. Because we have to manage the whole project, we have a teacher taking the specific responsibility for finance, and Mr. Liu is responsible for that.

Q: Is the teacher from the university finance or your foundation?

A: We are also under the supervision of your university’s Finance Department, and all accounting books are managed by the university’s Finance Department based on specialized accounting certificate and qualification certificate.

Q: So you don’t have your own finance, right?

A: Yes, we don’t have one.

Q: The finance is under the unified management of university.

A: Yes.

Q: What does the project management department do?

A: Brochures and maintenance, including the maintenance of websites. For another example, my colleague was majored in Law, so he is responsible for formulating some rules and regulations.

Q: So everyone has his own advantages, and you have different focuses, but all of you are very familiar with daily work.
A: Yes.

Q: In addition to major in Law, what did your other colleague learn?

A: Industrial Design, he is responsible for integrated management.

Q: It doesn’t involve too much his professional knowledge, right?

A: Yes.

Q: How many personnel do you have?

A: Six.

Q: Four personnel in your department, and now your foundation have three departments, right?

A: Yes, we have another department called department of resources development. I don’t know the situation in Tsinghua, there was a hot topic about Tsinghua in the last several years, about the Jeanswest Building. It was said that Tsinghua sold a building, actually, it’s a naming building.

Q: In fact, they raised funds for Tsinghua to build a building, and then they obtained the naming right, right?

A: Yes, just naming right, for example, alumni donated 20 million yuan.

The funds were donated by themselves, because they are presidents. I am not very clear about that because they prepared by themselves. For example, we used to do like this, at the beginning, the Five-star Building was designed to be named by others, BUAA Gymnasium was designed to be ××Gymnasium. We went to a company in Guangzhou.

Q: Did they come here on their own?

A: We have a department of resources development, and they got in touch with them, for specific methods, I am not very clear, in my opinion, I think they want to use a part of funds to do charity when their enterprises develop well.

Q: Is the department of recourses development here now?

A: No, they went back to their place after the anniversary.

Q: What do you mean about going back to their place?
Their company is located in Guangzhou.

Do you mean the department of recourse development isn’t a department of your foundation?

Yes, they don’t belong to us.

Beihang asked some people outside of university to do this work.

We found a cooperative company, and asked them to do this for us.

Is that company engaged in that work?

Equivalent to a consulting company?

It should be.

Do you know which company?

You can find a lot of introduction about this on websites.

In my opinion, Beihang has a characteristic that you go out to look for development.

We learned it from Tsinghua, 75% in Tsinghua are like this.

75% of donations?

Assuming they have 100 buildings, among those buildings, 75 buildings are named due to donation.

Are they in the campus of Tsinghua?

Yes, playground and Concert Hall are also included, some may have some regulations related to cooperation, or they may donate some items for the cooperation of laboratory...

To explore some new projects?

Yes.

I visited your website yesterday, and I read two brief reports.

There should have been five brief reports.

One of reports I read introduces many of enterprises donating to you are foreign enterprises. I don’t know whether my impression is right or not.
A: For this part, foreign enterprises mainly concentrate in several Sino-US companies, and I don’t know how they found those enterprises.

Q: For the information on the website, is it because of foreign donation culture, or because there are more graduates of Beihang entered state-owned enterprises, but it’s impossible that state-owned enterprises put money into foundation?

A: In my opinion, for projects. We can do some on our own.

Q: But not for foreign enterprises, right?

A: Yes, for example, state-owned enterprises choose to donate scholarships, but the amounts are not very large.

Q: What do you think about the purposes of state-owned enterprises?

A: I don’t know.
Translation of Interview Transcript: Foundation C
Interviewee: President of University C
Date: April 3, 2013

A: There has been an increase in donation for students. Although the total amount does not account for much, it reflects the fact that students care about the development of their alma mater.

Q: Did anyone donate?
A: Yes, we used text message as a tool for fundraising from students. Not much, usually 10 or 20 yuan from each donation.

Q: Did student really donate?
A: Yes. Besides, we have also adopted other approaches, like rings with university’s logo. The rings contain gold and have school badge, name of classes and name of the student who buy the ring.

Q: As souvenir?
A: Souvenir.

Q: For sale?
A: Purchase.

Q: The money earned will be put into the Foundation?
A: Yes. We are planning to provide more souvenirs representing our university, like T-shirts, backpacks, and many others.

Q: Do you need to pay a lot for manufacture?
A: Funding used to make these souvenirs can be derived from the Foundation, and also can be raised from alumni.

Q: Do you value fundraising and voluntary giving to your university?
A: Yes, we do.

Q: Why?
A: For public universities in China, in fact, only 1/3 operating expenses comes from the government. Public universities have insufficient funding for overall
development, therefore, they need to depend on faculty, students, and staffs to compensate the rest.

Q: How do you deal with the rest 2/3?

A: A part of the 2/3 comes from student tuition and fees.

Q: Account for?

A: Student tuition and fees are actually paid by both students and the government. Each provides half. For University C, the total income from tuition and fees accounts for less than 300 million, more than 200 million Chinese Yuan, accounting for 25-30% of total funding.

Q: The 300 million comes from both of students and government?

A: You can count. For example, there are 20,000 students each year, each paying 5,000 to 6,000 and the government paying 12,000 for each student.

Q: Ok, I can count it back home.

A: The major funding source for University C is from research funding, accounting for 3/5 of the university’s total annual income. For example, this year University C has a total expense for operation of 3 billion (2.7-2.8), including 1.8 billion from research funding accounting for a big part. The rest, about 1 billion, has to be generated by the university from other sources. Funding from voluntary donations is less than 100 million, accounting for a rather small part. Others include training and services provided for personnels in the society. The research funding, eventually, can be used only for research, and can not be used for others such as daily operation. So, for daily operation, especially for some new constructions, university needs to figure out other funding sources. Now, there are more and more rich people in China who are willing to devote in philanthropy and to support education. For these reasons, we are planning to work hard on fundraising.

Q: From what I read recently, I found very interesting approaches from other countries. I feel that universities in China learned too much from the USA. But USA is not a good example for universities in China to raise funding from donation. On the other hand, other countries, like UK, Australia, Singapore and Hong Kong have been growing fast regarding fundraising for higher education from a tradition which lacks a philanthropic culture. They emphasize very much on governments’ support. The UK has adopted matched funding.
A: China also has that.

Q: Yes, there are also Asian countries adopted matched funding scheme. Australia is more interesting that its State Government created an endowment for higher education. The Government puts forward its development. The returns are given to universities on a competitive bases. Do you think such an endowment is also feasible in China?

A: I think it is feasible in China. This is the first time I heard about such an idea. You can raise a recommendation. The government can consider. The Chinese people, also refer donors, trust government. Donors worry sometimes that a single university would not strictly follow donors’ expectation, but government has much better credibility.

Q: Another approach is that universities like yours and University B have small foundations. To hire professional financial management team cost too much. How about these universities have a cooperative endowment?

A: Yes. One is that the State Government establishes an endowment, the other is a cooperative endowment from some universities.

A: We are belong to the seven brother universities under the administration and supervision of the Ministry of Industry and Information Technology. The seven universities are very close as a family-they are in and serving the same system. Universities like the seven universities can have one endowment. Some other university associations, like Huayue, Beiyue and Excellence Alliance (nine universities specialized in science and technology including Beijing Institute of Technology, Tianjin University, Tongji University, Harbin Institute of Technology, Northwestern University of Technology). The nine universities have been working together starting from student admission. Now the nine universities are cooperating in many aspects, like student cultivation, research, social services and university administration. The cooperative endowment that you mentioned can be a good practice for the nine universities, in my point of view. The seven universities I mentioned just now do not have a problem to have such an endowment as I believe. There are also universities which are directly administrated by the Ministry of Education can be good practice. Besides, local universities supervised by local governments can also be considered.

Q: You don’t need to follow Beida and Tsinghua’s pattern, as they’ve already established their own endowments.
A: I think universities like Beida, Tsinghua, Shanghai Jiaotong, and Nanjing Universities already have very good foundations. They are able to operate their own endowment. Other universities that have developing foundations can consider to establish cooperative endowment which helps to save costs. If they are trusted in each other, are historically related closely, and have quite a few similarities, than such endowments would be easily established and operated. Take Excellence Alliance as an example, it focuses on the cultivation of engineers. This is the similarity of the nine universities of the Alliance.

Q: To be frank, I think your foundation has a special advantage, although you’re not as developed as Beida and Tsinghua.

A: Frankly speaking, universities in China are depending on government. All are dependent with no crisis awareness and don’t know they have to find money on their own, just like children depending on parents. Now, they are all pushed to markets, than problems occur and they start to realize that they need to earn money on their own.

Q: Where does research funding come from?

A: Vertically, there are national projects. We compete for national projects. Laterally, we also try to serve corporations in each province. Corporations gave us research and development projects including cooperatively developed projects and basic research. By adding up all research projects, we ranks in top 10 nationally in terms of research funding.

Q: Who are responsible for competing for these research funding? Allocated to each school and department?

A: Professors. Professors’ teams are very important now in China. A team is consisted of members of similar professions. Meanwhile, there are leaders who are professors of excellent academic record. They are sensitive and capable. They form a team. There are young faculty and graduate students in the team. They are doing for years, have accumulated good reputation, results and credibility. And they will do even better.

Q: How about fundraising?

A: Universities in China start to do higher education philanthropy from alumni, meaning that universities have been trying to attract powerful alumni to foundations.
Now, they are doing more than that. They try to send out messages to a broader society from influential alumni. From alumni to the outside.

Q: What do you mean by alumni to the outside?

A: One refers to alumni who have left school, the other refers to student currently enrolled.

Q: Was it spontaneous or you promoted?

A: It was cooperative at the beginning, meaning that alumni wanted to cooperate with school to have support in terms of knowledge and research in their projects. In such a cooperation, alumni provided money and we provided technical skills. To some degree, they earned money and then pay back to school. This is the starting period.

Q: From when?

A: Late 1990s.

Q: You mean the whole country?

A: I just roughly estimated, cause foundations were from 2000.

Q: You started to establish foundation in 2009.

A: Then, it should be around 2000. There was another earlier situation. Alumni didn’t donate to foundations, they donated to the school for scholarship. When he had earned money, he donated to the specific department where he studied for scholarship and award on a need- or merit-base. Or, for faculty members. On such a basis, China started to establish foundations to receive contribution from donors.

Q: Was there tax-exemption before the foundations?

A: No. He earned money and wanted to give back to his university and students after him.

Q: But why you still wanted to have your own foundation?

A: Actually, it was because of the matched funding from the State Government. Because of the matching, all donations were put together to attract matched funding.

Q: A powerful government.

A: The power of the government. China depends on government.
Q: Any remarkable changes from the establishment of the matched funding in 2009 to it is now in 2013, in your opinion?

A: Yes, there is changes. At least I know some universities achieved quite a lot. Tsinghua and Beida have doubled or tripled. Growing very fast. The problem that our university has is that we are always stay in China, serving national defence and the military. Yet, we have rich alumni recently. Old graduates normally traced a career path toward government officials. The majority of alumni work in state-owned enterprises, as civil servants. They are not highly paid, and therefore do not donate to university very much. But, generation like yours, 35 or 36 years old, has a great number of rich alumni. Alumni from our university, especially in Guangdong Province doing chemistry or chemical engineering, are rich usually with several hundred billions of assets.

Q: Do they donate to you?

A: Yes, they do.

Q: Cooperatively?

A: Cooperatively. Some ask for return, but mostly are cooperative.

Q: You are going forward in recent years?

A: Yes, indeed. We’re planning to develop quickly.

Q: Why do you plan to develop quickly? You feel this is a point of growth?

A: Yes, a point of growth.

Q: I wanna know what made you decide to grow quickly at this stage?

A: Now I feel that funding is still a problem as the university needs further development. It is unrealistic to depend on the Government to provide enough funding. The Government offer funding based on how much works you undertake. The Government pays only for students, meaning the Government pays for exactly how many student you recruit. Other constructions on campus are all based on projects given by the Government. For example, if universities undertake governmental projects and needs certain conditions, like labs and basic costs, the Government will pay for these conditions. Other than these are all earned by the universities themselves through various ways. Like us, we have land but without money nothing can be worked out. We have land in Zhuhai, but we don’t have money for constructions. How can we deal with it? Another example is that faculty and staff
members need pay-raise. The cost of living has raised, we can’t not to pay more to our faculty and staff.

Q: How should I conclude on this point? University president are aware of the necessity?

A: I do believe it is the university leaders. Universities in China rely on university presidents. Other people do not have such outlooks.

Q: I guess it’s the same everywhere in the world, isn’t it?

A: Everywhere is alike. Here got another thing. University presidents take the major responsibility for fundraising in other countries. It is emerging in China as well meaning the chief principals should consider on it.

Q: Like you, for example, how many percent of your time has been put into this?

A: Quite small. But we do it indirectly. For example, we do research projects which take up at least 50% of my time, as we’ve got money once we have research projects.

Q: So, for university presidents, the major responsibility is to get money for the university, right?

A: Yes. Actually, research projects equals to money. We are now all relying on sedimentation from research funding to make any development for the university. Funding for university’s operation comes from many ways, like research funding, from foundation, student tuition, and services we provide to the society. Looking at this point, university presidents in China are devoting much of their time in fundraising. Not like the old times when universities were relying on the Government in the planning economy.

Q: This is quite the same as universities in the USA. I heard an American university President once asked “do you know what do university presidents care the most?” The audience said “the students? Faculty? Reputation?” She said none is correct. The answer was fundraising.

A: American universities are like this.

Q: Is it the same in China now?

A: It’s the same. We have to have more money. We can’t not to get pay-raise and improvement in living for faculty and staff. Like, we are trying to buy apartments for
faculty and staff. Without money, what we can do? The university paid 300 million at first for buying building from constructor, and the rest will be paid later by faculty and staff who want to buy apartments. The 300 million in fact has been given to faculty and staff who can buy the apartments with much lower prices. Immediately after we made the payment, there was an increase of 5,000 yuan per square meter which means faculty and staff have bought the apartments for 5,000 yuan lower than market price. Plus, the university has interests in it. We have actually spent quite a lot. A school without money can’t do it. The neighbor universities worried since they don’t have moeny, and can do nothing bu only looking at us have new buildings. This is the same either in China or in other countries, only are formally different.

Q: Fundraising approaches as you discussed are through motivating students, friends of alumni and potential donors in the society, aren’t they?

A: Now, we have included faculty and staff in the plan. We want to let them know the importance of fundraising. The awareness of fundraising is weak in universities in China. We have to publicly encourage it. Actually, we are hoping that the ideas from chief leaders of the university can be inculcated in faculty and staff. We are trying to have better development only if we can get pay-raise to faculty and staff.

Q: What will you do?

A: The characteristics of having something done in China is feasible for increasing university funding. Foundation is only one perspective for increasing overall funding. Once we successfully competed for projects, we can have income. For my university, funding from research projects is even easier than fundraising through foundations. It’s kind of piece of cake for us. I’ve been doing it all the time. Like today, I took part in a defence for a research project which values more than 300 million. If there are 300 million each year multiplied by three years, there will be at least 100 million contributed to the university. With such amount of money, the university can do many things.

Q: Right. Actually, income from fundraising does not account for much. In the United States, which have the largest philanthropic income for higher education in the world, income from fundraising only represent 6-10% on average.

A: So, I am not placing it on the most important position. The most attractive point of this is governmental matching which we can’t miss. But, governmental matching will not be forever. The State Government started it and has gradually
reduced it. As we raised more, we can get less from the governmental matching. But, such a matching is so important that it triggered philanthropy in higher education.

Q: Is there any other approach by the State Government other than the matching fund?
A: Now, the government has increased input.

Q: Into the matched funding?
A: No, I mean the government has increased overall funding to education by 4% of total GDP, which has reached the entry level of such funding in developed countries.

Q: So, there’re no new incentives for higher education foundations?
A: No. The matched funding has been the biggest action by the government. I want to raise another point which is that a good reputation can bring wealth to universities. Good examples can be Beida and Tsinghua. I saw someone with the title of “member of the Board of Directors of Renmin University”. I guess he must have donated. People prefer to donate to Beida and Tsinghua in China than our university. It’s the same in the USA. People prefer to give to Harvard than others.

Q: You can’t compete with Beida and Tsinghua for donation. But your advantages lie in research funding.
A: I value fundraising very much. But, it does not bother me much if it was not you who have told me its importance. In my mind, the biggest task is to compete for more research funding and more matched funding from the government. I think we can rely on professionals to deal with foundation. It is complementary and can not be taken over seriously.

Q: I agree.
A: Too much by percentage of total funding.

Q: Yes.
A: It is not so influential, but eventually is a good thing. One thing, I think you can write it down. Donations to our university do not all go into the foundation. They, especially small gifts, go to specific disciplines, departments, and schools.

Q: How will small gifts be counted and record?
A: I mean they didn’t go into foundation before, but they are going to foundation now.

Q: You mean all donations are going to foundation now?

A: Yes, because getting together they can generate more matched funding from government. But schools and departments are currently working passively, not to actively promote fundraising.

Q: It means that the matched funding has actually promoted internal changes of your university.

A: Internal integration.

Q: Is it very important?

A: Yes. Donations to schools and departments were only recorded simply by the university before the matched funding was available. And then they spent them out within a year without deposit.

Q: Which do you think is better, play alone or together?

A: Together is much better. There are two types of donations. One is directed (restricted) meaning restrictively donated to certain areas. Directed donations are normally larger. But as the total donated money eventually go into the university, the university can compete for matched funding from government based on the total donated money. This is what we are interested in.

Q: Do you think the government will reduce the amount of matched funding.

A: It does not mean a reduction in the amount but comparatively universities would feel they are getting lesser funding than the very start of the matched funding schedule, since the size of the foundations have grown.

Q: Will the government continue to provide matched funding.

A: It’s hard to tell. For this year only, I guess there’s no much increase. Principally, it plays the role of leveraging.

Q: Will the university continue doing it even if the government no longer provides matching?

A: This is no problem. It has quite meaningful to the university in the long term. At least, we are aware of it. Besides, the foundation has been gradually on the right
track and there’s expecting more input into its development. Like I said, our next step involved endeavor from all aspects including the presidents, faculty and staff and professionals. On meetings, I always encourage the foundation to do more.

Q: How many people are there in your foundation?

A: 3 to 5 staff members. More than 10 members serving as directors of the Board, including current and old leaders of the university and selected alumni who are the majority. Much recently, we have a new sector: the investment committee which responsible for financial investment by alumni who are professionals in such area.

Q: This is important. When was the committee started?

A: Very recently.

Q: What do you mean by very recently?

A: Yesterday.

Q: I get it. You had a meeting regarding have the new committee yesterday, and will do it, right? It is a change. Very important.

A: This will need professional help in financial management and investment. We are trying not to just spend money raised but generate more returns.

Q: What made you decided on it? Because of enough money you have for further investment?

A: It was because that money we have is not enough and we want more. Comparatively, we do have more money than before, and historically we are having such an ideas. So this could be the right time.

Q: How much money can give you confidence?

A: There are almost 100 million. Not a great amount.

Q: The 100 million just stays there?

A: It is dynamic.

Q: How much would you like to put into the financial market now?

A: 5000、6000。About half.

Q: How much can you get from return annually?
A: It’s hard to estimate.

Q: Do you know if other universities also start to do it? Like University B?

A: They don’t want to save anything even if they have bigger assets than us. Huang Zheng (Secretary General of University B’s foundation) makes a concentration effort to compete for governmental matching by using all money from donations. His idea on it is right. But he does not involve in financial investment by using donated money, because it is risky. He had publicly delivered such decision. But we have done something in relation with financial investment long before we have the endowment. It was by the financial department of our university through lending university’s funding.
Translation of Interview Transcript: Foundation C
Interviewee: Vice Secretary General of Foundation C and Secretary General of Alumni Association of University C
Date: March 22, 2013

Q: How about the background?

A: The foundations of China’s universities and the education foundations were founded. For the first education foundation in China, it should be the foundation in Tsinghua University founded in 1984 as I can recall, but I am not sure, so it still needs to be confirmed. Peking University’s foundation was founded in 1985, with a history of more than 20 years, but it hasn’t made much progress for more than 20 years since it was founded in 1985, they gradually raised some funds, but the amount was not large. Education foundations developed very fast around 2010, especially after 2010. 2010 should be a divide, and 70% or 80% of university foundations were founded after 2010, even if this number isn’t correct, but I think it’s pretty close to. Why those foundations developed so fast in 2010 and after that year, especially in 2010, they developed very fast, the main reason for that is national policies. The country gave matching funds to the social donations of university foundations according to the ratio of one to one or one to a few tenths. What does it mean? For example, if you receive a social donation of 50 million yuan, and it is confirmed from enterprise or individuals, but not from any public agencies or the country, the country will accordingly give you another 50 million yuan, and this money should be used in the construction of universities, but not for the salaries of staff. The construction of universities includes cultivation of students, construction of laboratory, scientific research and so on.

Q: That’s why the education foundations of universities in China developed so fast around 2010, at present, the national policies mainly involve the education foundations founded by universities with the support of the national ministries and commissions or the Ministry of Education, and the number of those foundations is less than 100. In my impression. there are more than 700 universities in China, including higher vocational colleges, besides, many local university also found many university education foundations, as far as I can remember, they haven’t enjoyed the national policies.

A: Some provinces may issue some local supporting policies according to relative national policies.

Q: Really?
A: Some provinces have, but not every province. Especially in south, those colleges and universities in some cities have their own education foundation. The education foundations in some large universities have become major driving forces, with relatively great scale.

A: Our foundation was founded by our Director Duan on January 11th, 2010.

Female: In fact, we had this idea long ago, but we didn’t apply for that. We originally belonged to the State Commission of Science and Technology, and then we were grouped to the Ministry of Industry and Information. I happened to work here at the end of 2008, and we applied for that in December of that year. We had to submit an application to the Education Department in the Ministry of Industry and Information, and then our application was approved by the Ministry of Industry and Information, after that, we were introduced to the Ministry of Civil Affairs, to get an approval. If the university belongs to the Ministry of Education, it should be through the Ministry of Education at first, and then to the Ministry of Civil Affairs. When we applied for that, many universities hadn’t have this concept, because matching funds just began at the end of 2008 and at the beginning of 2009, but some universities knew that information, because they often went to the Ministry of Civil Affairs. In the late stage of getting our approval, many universities started to apply for that. So we rushed up, and it took about one year. According to the procedures required by the Ministry of Civil Affairs, if you want to enter the next stage, you must finish the former stage first, so it takes about one year to complete all links. We obtained our approval on January 11th, but we didn’t get our organization code and so on, so it was April when we applied for opening an account and completed all relevant procedures.

A: China’s foundations can be classified to two types, one is public raising, and the other one is non-public raise. The foundation in our university belongs to non-public raising. There are two models for the registration of non-public raising foundations, one is to register in the Ministry of Civil Affairs, and the other one is to register in a provincial Bureau of Civil Affairs. The relationship is similar to that between the National team and local troops. If a foundation is registered in the Ministry of Civil Affairs, it is required to have 20 million yuan as its registered capital, and its capital mustn’t be less than this value, but for a foundation registered in a local bureau, only 4 million yuan will be needed.

Female: Actually 2 million yuan for registration in a local bureau.

A: But the registration place and the amount of registered capital don’t represent the status of a foundation. For the statue, each foundation is the same, no matter where it
is registered, even if it is register in the Ministry of Civil Affair, it is also the same as other foundations.

Female: For national registration, the registered capital should be 20 million yuan, and for local registration, the registered capital should be 2 million yuan.

A: It’s the only difference, and there is no any other difference between them.

Q: For the 20 million yuan, where did it come from at the very beginning?

A: Donations to university. The arrived funds were put into the foundation.

Female: At that time, the ministry told us, if we needed the the country to allocate some money to us from the treasury, we would go through some other procedures, such as being approved by the Ministry of Finance. According to relevant regulations, more than 8 million yuan should be approved by the Ministry of Finance. So we put all donations together, and we found we were able to reach 20 million. If we used our funds from donations, we didn’t need to go through such a procedure, because the funds we used were not allocated by the Ministry of Finance.

A: Disposition for state-owned assets.

Q: At beginning, you mentioned you obtained an approval in 2010, but you have had that idea for a long time, right?

Female: Yes, the leaders in our university studied and investigate this idea, later, they also considered how to submit our application, to Beijing or to the State Government. In fact, there is no big difference between them about the available policies after application, however, local foundations couldn’t enjoy the matching funds. But if there was no policy for matching funds, there would be no big difference between receiving donations and other operation modes. We used to consider applying for a local foundation if it was difficult to apply for one in the ministry.

Q: Could you tell me why the leaders in our university want to found a foundation as a department?

Female: They thought it could absorb social funds.

Q: Did you have any donation from alumni at that time?

Female: Yes, but there were also some alumni having demands in this aspect.

A: They also traveled abroad for studying.
Female: Yes, the leaders also felt it was necessary to absorb social funds, including the funds from alumni, especially overseas. The leaders of our university often travel abroad to investigate and study, we can’t compete with foreign foundations in this field, and Tsinghua University and Peking University do better in this aspect. According to the development of foreign universities, we found our university also had a big proportion in this field, so we decided to start this work.

Q: How do you think about the development of your foundation after being founded in 2010? Is there any important donation or any big change in these year, or how do you think about the strength of matching funds?

A: For matching funds, it is basically 1:1, and 1:1.5 for more than 50 million yuan. 1:1 is for more than 10 million and less than 50 million yuan, but it seems that no fund is more than 50 million yuan.

Female: It happened to the 70th birthday of our university.


Q: You seized this opportunity of 70th anniversary to found your foundation.

A: For these three years, we have had more than 90 million yuan of accumulated donations, and the matching funds should be more than 70 million yuan.

Q: Accumulated for three years?

A: Yes.

Q: How do you think about the development speed of China’s foundations?

A: I think it's quite fast, due to the efforts of all people in our university, we raised a lot of funds in the year of anniversary. Beihang have raised more than more than 400 million yuan this year, because this year is the anniversary of their university. We raised 50 million yuan in the year of our anniversary. I think the key is to seize the opportunity of anniversary, and then the number of personnel may increase, office conditions may be improved, and the subsequent operation may develop better. Our target was established to be 15 million yuan in 2011, and we raised 20 million yuan, exceeding the target more than 30%. In 2012, our target was established to be 20 million yuan, but we raised 25 million yuan, exceeding the target more than 20%. Besides, for the internal management of foundation, I was the only accountant in our foundation in 2010 and 2011, and I was part-time at that time, then at the end of 2011, we had another accountant, and then in July of this year, we had another two
accountants. Among all education foundations of universities in China, there are just a few foundations can raise funds through their own work, most foundations still depend on the leaders of their universities, the personnel in the university board as well as teachers and leader of various schools. I am not very clear about the situation in foreign countries, but I know just a few foundations in China can complete the entire procedures including project planning, market development, project implementation, fund raising and obtaining funds. I think it’s a sign to measure whether a foundation is mature enough. If you a have good project, you can integrate your own recourses, and ask the principal of your university for help, but it happens by chance. I think the education foundations of universities have a weakness, that is their work depends on their leaders.

Q: But you have been developing for less than three year, right?

Female: For us, we have achieved quite good achievements, but we still can’t compete with those mature foundations. We don’t talk about foreign foundations, and we can see the foundation in China, Tsinghua’s foundation was founded in 1990s.

A: It should be in 1994, and Peiking University’s foundation was founded in 1995.

Female: Beihang’s foundation was founded 2005, several years earlier than ours, in addition, such as the foundation of Beijing Foreign Studies University, it was originally registered in Beijing Bureau of Civil Affairs, also earlier than ours. Besides, some university foundations in south also develop well because of their good local economy, such as the foundations in Nanjing University, Fudan University, Southeast University and so, they all develop quite well, and faster than us, because they were founded earlier.

Q: But on the whole, all foundations no matter in Beijing Institute of Technology, in Beihang University or those university in south, have been developing very fast since they were founded, right?

Female: Yes.

A: Their base is low, for example, Nankai University has been developed for seven or eight years, but the amount is only about 20 million yuan.

Q: Do you mean their overall donation isn’t strong enough?

A: If you base is low, you will develop fast, but in fact, it’s not too much even if you grow by 50%.
Female: Zhejiang University also do very well in this field.

A: If you have alumni resources of several decades, but you use all those resources in this period, how about future?

Female: What is a foundation? Wide effectiveness, as well as attracting social donations.

A: We are a non-public raising foundation.

Female: You also can donate if you aren’t our alumin.

A: But when you make a plan for a donation activity, your targeted group should be mainly based on alumni. A non-public raising foundation is not allowed to make adverting in public, it’s illegal.

Female: No, actually, persuading other people to donate is another concept, and the scope of donation not only includes this, so you can this as long as you are willing make a contribution to us.

A: Our main object is university, based on that, we can focus on some specific groups.

Q: Do you mean the situation of Beijing Institute of Technology is mainly based on contingency, and less planning?

A: Yes.

Female: Most of donations are from alumni.

A: Still contingency.

Q: What about future, will this development walk on that road?

A: Yes, of course.

Q: What do you lack if you want to walk on this road?

A: Lack a team. Because all personnel in our foundation are from public institutions, and we have to ask our superiors for money. At preset, we raise funds from the society, and the money in the society is from all people, not belong to the country, so we need a change.

Q: These skills for raising funds are quite difficult.
A: This is one of the reasons. After obtaining funds, we have to consider how to use those funds, whether the expenditure of funds is transparent, whether they are for public affairs, all of them have something to with the image of our foundation. The operation of a foundation is totally based on its image, so the image is very important, once the image is damaged, our foundation will be over.

Q: Do you have to guarantee there shouldn’t be any problem in this field?

Female: There is a series of strict system for annual inspection each year, now many foundations participate in rating, and we also have applied for that.

Q: Do you begin that rating now?

A: We can choose to participate in the rating this year.

Female: A rating every five years.

Q: Is the rating activity held by the Ministry of Civil Affairs?

A: Yes.

Q: You just mentioned the factor of team, if the team can be gradually established, and you have so many alumni in the society, will it be possible that your alumni association and foundation will receive lots of funds?

A: For this aspect, of course, we also have potential donations. But this donation is not an investment, because donors can’t get any financial returns. Besides, not all money they own can be donated. It should mainly be based on entrepreneurs and philanthropists, but their money are mainly used for investments, so we should have good projects to attract them.

Female: The key factor is project.

Q: What kind of projects? Can you give me some examples?

A: Such as using relationship and emotions to keep in touch with other people. For example, we established a fund named Big Love Funds to help students with serious illness, and students and alumni going through big disasters, including their families. The money we provide can help them solve their difficulty in one time. For alumni, this project is quite attractive. Because they used to students, and some alumni also experienced some natural disaster. For example, a student whose family experiences a disaster, maybe a member of his family have a serious illness, and it’s impossible for
them to solve this problem by themselves. For example, you can’t afford the operation fee to change a new liver, about 400 or 500 thousand yuan.

Female: It’s very helpful, for such a problem, it’s impossible for such a family to solve this problem by themselves.

A: This project is quite good, and some warm-hearted alumni are willing to put their money into this kind of project.

Q: In addition to this application, do you have any other applications about the funds in your foundations?

A: Scholarships, they account for a large proportion.

Female: Some universities have some successful projects, for example. Donors can donate a building, and the building can be named by them. It is an old project.

Q: Such as gymnasium and other buildings?

Female: I can tell you my opinions, but it may be wrong. For our university, we are an academy of natural sciences, the first university of science and engineering founded by the Communist Party of China, and many rare alumni went abroad for development at the very beginning, so it is quite difficult for our foundation to develop in this area. For example, some universities with a long history such as Peking University and Tsinghua University had many alumni developing abroad at that time. Foreign countries may have some certain preferential measures for donations, such as tax exemption, so they have more alumni abroad. We used to communicate with them, and we also asked them how they could do that, so they told us the reasons. For example, an about 80 or 90 years old alumni, on the one hand, they love their old university, their own country, on the other hand, they want to help others, so they came back. We have also some alumni like this, and Beihang also have. We used to belong to weapon filed, and they used to belong to aviation filed. At that time, most student were engaged in those industries after graduation, and they have fewer opportunities to work abroad, so I think this aspect restricted a large batch of alumni.

Q: Both Peking University and Tsinghua University have an important driving force, that is foreign factor.

Female: It’s an important fact.

Q: You just mentioned tax, does your foundation in your university have that preference?
Female: Because I don’t compare them in details, maybe there are more preferences in foreign countries.

Q: In China, it seems to be 12%.

Female: It’s pre-tax deduction, it’s similar to we donate 10 million yuan at beginning.

Q: It doesn’t mean tax exemption.

Female: Not tax exemption in a real sense.

A: For example, if you have a profit of 1 million, and you donate 120 thousand yuan, you will be free of tax, but if you donate 130 thousand, you have to pay tax for 10 thousand yuan among it.

Female: In my opinion, that’s not enough, and there should be more preferences.

A: There will be some problems you donate a large amount of money. For example, if you donate 12 million yuan, you must have a pre-tax profit of 100 million yuan.

Q: This requirement is very high.

A: If you only have a profit of 20 million yuan, and you donate 12 million yuan, you have to pay 25% of 10 million for tax, so I think it’s not very good.

Female: I think it has something to do the national tax policies.

Q: As I known, many foreign countries have some tax preferences for individual donations.

A: 30%.

Q: 30% for individuals.

Female: How it can be 30% in China?

A: If you donate 30% of your income, you will be free of tax.

Female: But generally speaking, rare individuals donate a large amount of money, such as 10 million yuan or several decades million yuan.

Q: In addition to scholarships and the Big Love Funds, do you have other applications?

A: No, but we also use them in students’ activities.
Q: The third question is about the relationship between your foundation and your university, are you independent?

A: Yes, independent.

Q: Are you an independent legal entity?

A: Yes, an independent legal entity, we call a legal entity of social organization.

Q: But your personnel are sent by your university, right?

A: Yes, they are sent by our university.

Q: Some universities such as Tsinghua hire some personnel through contracts.

A: We also can hire some personnel from outside.

Female: You can see, our principle is the legal person of our university, and the party secretary of our university can’t work as the legal person of our foundation. Why? For example, for advanced education, university is a unit and the foundation is also a unit, in fact, education foundation regard the university as a bigger unit. So if you have a big activity, you have to make a report as a university.

Q: OK, in addition to the support of matching funds from the country, I want to know what’s the attitude of ar university for a foundation? Support?

A: Of course, they support that. All incomes of your foundation are in the charge of teachers of university, why don’t they support it? There isn’t any problem about his.

Female: In fact, foundation also supported the university in the early stage.

A: We also have some personnel working in our university. The foundations in Tinghua University and Peking University hire some personnel from outside, but their key personnel are from their own universities, and they do part-time work in foundations.

Female: Especially in the early stage of foundation, the foundation also obtained the support of university.

A: Otherwise, no teacher would take on this work. Give up their original work to be a contract worker, it’s impossible. If you are sent to work in the foundation, and the job has nothing to with Beijing Institute of Technology, will you agree?
Female: Yes, if the personnel can be regarded as the staff of public organizations. In the early stage, it is necessary to obtain the support of university.

Q: Is there relevant information on the website of your foundation?

A: Yes.

Q: All information about the establishment of your foundation as well as annul report?

A: Yes, you can find all information you mentioned.

Q: Both of you know a lot of information, so I want to ask, do you think the alumni association and the foundation are bound together to cooperate?

Female: Of course, they cooperate with each other, but we are a unit of university.

A: The alumni association is a unit of university, and the foundation is another unit. So the foundation and Beijing Institute of Technology are two units, two units at the legal level. The foundation has to implement the resolution of Foundation Council, and the university has to implement the resolution of the Standing Committee.

Q: The last question, you just mentioned that the foundation can carry out some activities voluntarily, so do you have any activity to persuade other people to donate?

A: We are planning for that.

Q: I see, such as some large activities?

A: We are considering that idea.

Q: I will ask you for further information when you carry out some new activities. Thank you so much.