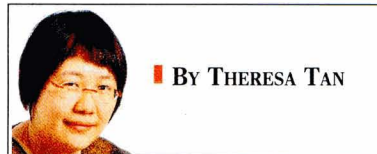


Rating plan benefits both charities and donors



NANYANG Technological University's (NTU) whopping \$150 million donation from the Lee Foundation is likely to bag the record for the largest single gift received by any single institution here.

The donation to fund the yet-to-open NTU medical school is more than five times the total amount NTU raised in its past financial year.

But the scale of the Lee Foundation's gift masks the fact that most of the money that pours into NTU and other universities' coffers comes from smaller cheques made out by thousands of donors. These donations add up to tens of millions every year.

The National University of Singapore (NUS), the country's most successful fund-raiser by far, collected \$94 million from 8,010 donors in the financial year ending last March.

In the 2005 financial year, it raised \$154 million from just 2,657 donors, which works out to \$58,000 each.

NTU received about \$26 million in its past financial year, from nearly 10,000 donors. Singapore Management University (SMU) netted an average of \$21 million a year from about 250 donors a year over the past three years. This figure does not include donations from alumni.

This inflow of support is the result of hard work from the university fund-raisers who cultivate relationships with alumni, well-heeled individuals and foundations like the Lee Foundation.

NUS alone has 47 staff in its development office responsible for the "cultivation, solicitation and stewardship of donors, as well as administrative support". Other senior NUS staff also help with "developing relationships".

NTU and SMU have significantly fewer fund-raisers - five and seven respectively. NTU hired fund-raising dynamo Chew Kheng Chuan in 2009. Mr Chew helped NUS raised \$1.5 billion in the five years he led the university's fund-raising efforts.

In the face of such concerted fund-raising efforts, and the high visibility universities enjoy, smaller charities here perennially complain that they face an uphill task getting donors.

Many small charities do not even have one employee dedicated to fund-raising; the boss and board members usually double up for the job, as well as a host of other duties.

However, there may be help on the horizon for such strapped charities. A new pilot initiative to evaluate local charities announced recently may level the playing field for well-run charities which lack fund-raising resources or expertise.

The National Volunteer and Philanthropy Centre (NVPC), the national body tasked with promoting voluntary work and philanthropy, will soon conduct an in-depth analysis of charities here. It plans to put out report cards on charities' performance, so donors can decide objectively which charity to support based on its effectiveness and efficiency.

Observers say its eventual aim is to make fund-raising here less of a marketing game - less dependent on how good you are at selling your product or how many staff you have doing so.

Funded by the Tote Board, this will probably be the closest thing Singapore has to a charity rating system.

The need for such a system came to the fore in the aftermath of the National Kidney Foundation scandal in 2005, when the donating public demanded more transparency from non-profit groups.

The NVPC has released scant details of how it will carry out its analysis, saying it is still fine-tuning its methodology. But it is understood that it will look at the financial health, leadership and governance, the internal controls of each charity, and its relevance to the community.

The last measure will be especially useful, given that charity work, no matter how earnestly undertaken, needs first to meet real financial, physical or emotional needs on the ground.

One foreseeable shortfall is that, unlike other international rating systems such as Charity Navigator in the United States, which analyses charities' financial health by going through their tax returns, the NVPC study will be strictly voluntary, The Straits Times understands.

It is likely to analyse only those charities that open their books to NVPC scrutiny. And the risk is that not many will be willing to put themselves under the microscope.

But the best thing small charities can do for themselves is to take part in and support the NVPC study. It will serve them best, going forward.

This is because a good report card by an independent source is the best calling card to win over potential donors.

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