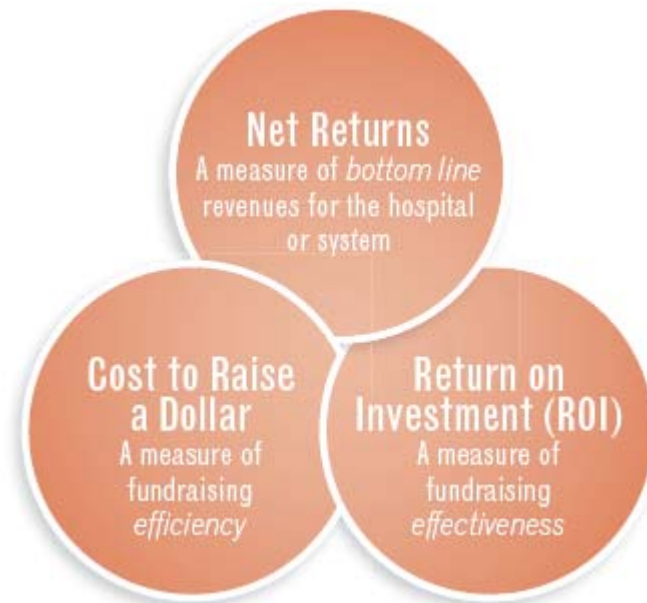


AHP Definitions for Calculating Productivity and Performance:

AHP relies upon the key measures of net returns, return on investment, and cost to raise a dollar that comprehensively study performance from three crucial angles.



Source: AHP Performance Benchmarking Survey

Fundraising expenses include costs related to direct fundraising activity, including human resources and operations expenses. These expenses include all costs related to direct fundraising regardless of whether or not the foundation or fundraising department is responsible for covering the expense. (For example: rent for the development office should be included as a fundraising activity expense even if it is paid for by the hospital and not the foundation.) They exclude any expense defined as non-fundraising administration, which includes activities such as hospital or system related tasks/meetings and non-fundraising related speaking engagements.



Source: AHP Performance Benchmarking Survey

Net returns (also referred to as Net FR Revenues) is the product achieved by subtracting fundraising expenses (as defined above) from fundraising returns.

Net returns cash represents all outright gifts made during the reporting year in the form of marketable securities and other liquid assets, including payments on pledges and planned gift maturities.

Net returns production includes total funds (less payments on previous years' pledges) actually raised and new gift commitments made in the reporting year.

Return on Investment (ROI) * is achieved by dividing gross fundraising returns by total fundraising expenses; report separately for cash and production.

Cost to Raise a Dollar (CTRD) * is achieved by dividing fundraising expenses (as defined above) by the gross fundraising revenue.

*AHP recommends that ROI and CTRD are reported separately for cash and production. AHP uses the same methodology in its reporting.

Source: *AHP Benchmarking Service, Report 1, General Overview – Fiscal year 2007*, p. 4.