



PRESS RELEASE

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Organisations receiving donations

THE HEC FOUNDATION

The Court's audit of the HEC Foundation, which was set up in 1972, is the first to cover this organisation. Through the collection and use of inputs raised from public generosity, its mission is to contribute to the excellence of the Hautes Études Commerciales (HEC) business school and to promote the social and geographical diversity of its students. This report examines the organisation's donor fundraising strategy and its compliance with the associated regulatory requirements for financial reporting. Finally, it analyses the social missions financed within this framework and the endowment of part of the proceeds collected.

Governance embodying the cross-relationships within the “HEC community” and an internal organisation largely devoted to fundraising

Created on the initiative of the HEC *Alumni* association, the HEC Foundation's governance reflects the close links that have existed since its inception with its historical partners: the school, the Paris Chamber of Commerce and Industry and the alumni association. The school's status underwent a major overhaul in 2015, with the creation of the Établissements d'Enseignement Supérieur Consulaires (EESC). Although the organisation's internal procedures appear to be under control, the Foundation must further develop its risk management procedures and ensure that the ethical rules it has adopted are fully implemented. Financially, the Foundation is in a favourable position. Reflecting the growing support for funding the school's projects, operating expenses increased by 50 %, while fundraising income rose by 68 %. Against this backdrop, structural surpluses are helping to strengthen equity, which in 2022 included more than €42m in EESC HEC shares and more than €80m in marketable securities and cash income.

Collecting inputs

The HEC Foundation's fundraising strategy relies heavily on major donors and corporate sponsors, who account for over 90 % of revenues. These funds are earmarked for strategic projects in line with the school's priorities. They focus on student affirmative action, teaching and research excellence and campus modernisation. The fundraising campaign launched in 2019 had already raised more than €152m by the end of the 2022 financial year, with costs under control and high profitability. The HEC Foundation is also home to seven umbrella foundations, which play a full part in the organisation's strategy of cultivating a long-term, individual relationship with its major donors. Although bequests and gifts are few in number,

they represent an average of more than €2.9m per year over the period, which is higher than the annual average for financial income.

Compliance with obligations relating to appeals to the public's generosity

Although the Foundation's audited accounts comply with the obligations relating to the monitoring of funds raised from public generosity, they nevertheless call for accounting adjustments. On the one hand, the appendices must give a better account of the contribution of sponsorship income and financial income to the foundation's inputs. Both their origin and their nature make them, in this case, products of public generosity and they should be classified as such, which is not the case today. In addition, all voluntary contributions in kind must be valued in accordance with the regulations. Finally, financial communication could be improved by providing more details on the foundation's endowment strategy and by explaining the internal rules for allocating donations.

Uses in social missions and endowment

The inputs collected by the Foundation from public generosity are used to finance student aid schemes, in particular bursaries, which account for 55 % of social mission uses. The Foundation's funding of teaching and research activities is also significant, totalling €22.6m over the period. It comes at a time when the EESC's other external funding is drying up, with the result that the school's balanced budget is being shifted to tuition fees. Finally, real estate is a crucial financial issue. However, the Foundation's contribution to the modernisation of the school's infrastructure involved only residual funding. The rapid increase in the Foundation's shareholding in the school bears witness to the importance of the funding provided through this channel over the period. The organisation's endowment strategy has also resulted in an increase of more than €18m in its marketable securities and cash. The financial assets portfolio of over €80m is actively managed and effectively overseen by the governing bodies, based on a tried and tested internal organisation.

[Read the report](#)

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