Benefacts

Nonprofit Sector Analysis 2018

Understanding Ireland's third sector

BENEFACTS
Nonprofit Sector Analysis 2018: Understanding Ireland's third sector

This benchmark report on Ireland's third sector was produced by Benefacts in April 2018, using the published regulatory disclosures of 29,000 nonprofit entities.

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Data used in this report

This report has been produced by Benefacts, a nonprofit organisation established in 2014 to promote the transparency and accessibility of Ireland's nonprofit sector. The analysis is derived from all of the most up-to-date data currently available from public sources about Ireland's 'third sector' – meaning organisations that form part neither of the private sector nor of government.

Visit www.benefacts.ie where you will find the content of the report in digital form, augmented by more detailed sub-sectoral and other analysis.

Some of the data is updated daily. Each year we treat 31st March – the last day of Quarter 1 – as the date on which we take our "snapshot" of the sector. In 2018, data then available included the financial statements of about 8,500 nonprofit organisations (including 4,339 charities) for the financial year 2016.

We have highlighted a particular subset of nonprofits because they are outliers in a number of important ways. These are bodies we describe as "quasi-public." About 330 of these service-providing nonprofits account for 57% of the turnover, 69% of the government funding and 44% of the employees in the entire sector. Most are registered charities – see the list on www.benefacts.ie.

These may have been established as autonomous entities, with independent governance (voluntary hospitals, universities), but the nature of their funding agreement with Government qualifies their autonomy: Most of their employees enjoy the remuneration and other employment conditions of public servants; or they have been set up as special purpose vehicles (for example family resource centres, drugs task forces) by Government for the delivery of public services. In every chapter, we report separately on this group because not to do so would be to distort the picture of the third sector in Ireland.

Each chapter draws on a different set of data in the Dabatase of Irish Nonprofits, created and maintained up to date by Benefacts from open data sources. In each case, we explain where the data has come from, including any qualifications as to its completeness.

Where there is insufficient data, we qualify the results or don't report at all. For example there is no analysis of governance because the names of tens of thousands of charity trustees including school trustees are not yet available as an open dataset. Likewise, whereas summary financial information is available on the charities register, the full profile of religious charities will only emerge when the Charities Regulator provides public access to the financial statements of dioceses, congregations and other church bodies whose aggregate annual turnover is about €0.5b annually.

The main sources of data used by Benefacts for this 2018 report are

1   The **Charities Regulatory Authority** (CRA)
for certain data provided by charities as part of their annual report under the Charities Act, 2009

2   The **Clerk of the Oireachtas**
for the list of political parties and the **Standards in Public Office Commission** for their financial statements

3   The **Department of Education and Skills**
for lists of approved education institutions

4   The **Library of the Houses of the Oireachtas**
for the financial statements of statutory bodies

5   The **Revenue Commissioners** (Revenue)
for lists of charities and sports bodies that enjoy the benefits of tax relief

6   29 **local authorities** (out of a possible 31)
that publish lists of community and voluntary associations which are part of local public participation networks (PPNs)

7   The **Registrar of Companies** (Companies Registration Office/CRO)
for the constitutional documents, accounts and governance details of nonprofit companies

8   The **Registrar of Friendly Societies**
for industrial, provident or friendly societies including trades unions and employer associations

A summary of the data used in every case is provided at the start of each chapter, and the final chapter provides a detailed explanation of how this report has been compiled.

You are free to quote from this report so long as you acknowledge Benefacts as the source.

Benefacts works with partners in the public, private and third sectors to improve their understanding of Irish Nonprofits: contact us if you would like to know more about our analysis services.

Preface

This is Benefacts second annual report on Irish Nonprofits

Sometimes called the "third sector" by policy analysts to distinguish it from the public sector and the private sector, Ireland's nonprofit sector has more than 29,000 entities that are independently governed, autonomous of Government, constituted on a not-for-profit basis and whose purposes are for public (rather than private) benefit.

Providing a snapshot of the Irish Nonprofits sector

We produce these reports so as to provide a snapshot of the sector at the end of Quarter 1 each year. We believe it is important to provide Irish citizens with a way of understanding the forms that civic action takes in Ireland – a picture that is becoming clearer every year, and a profile that is continuously evolving.

Understanding the contribution of Ireland's third sector

The contribution of the third sector is important to understand not just because of the services provided by nonprofits, sometimes with public funding, but because of their impact on civic engagement, empowerment, advocacy and community building.

Analysing available data and providing information

We have created the Database of Irish Nonprofits using data that is available to any citizen and we have analysed it here in terms of some key variables: sub-sectoral and institutional profiles; intensity of regulation; geographic distribution; levels of employment and remuneration; trends in governance; sources of revenues, including philanthropy. Much more information is available on our free public website benefacts.ie

Providing systematic intelligence about the third sector

The full picture of the sector in Ireland has yet to emerge. Each year, we will report on these variables with fresh data as it is generated by organisations in the sector. Benefacts does not add to the reporting burden on nonprofits because it relies entirely on their filings with one or more of the public authorities listed on page 3. The better the quality of nonprofit disclosures, the more comprehensive the open data files released by the regulatory authorities, and the more authorities that release data, the more effective Benefacts will become as a provider of systematic intelligence to decision-makers, commentators and other sector actors.

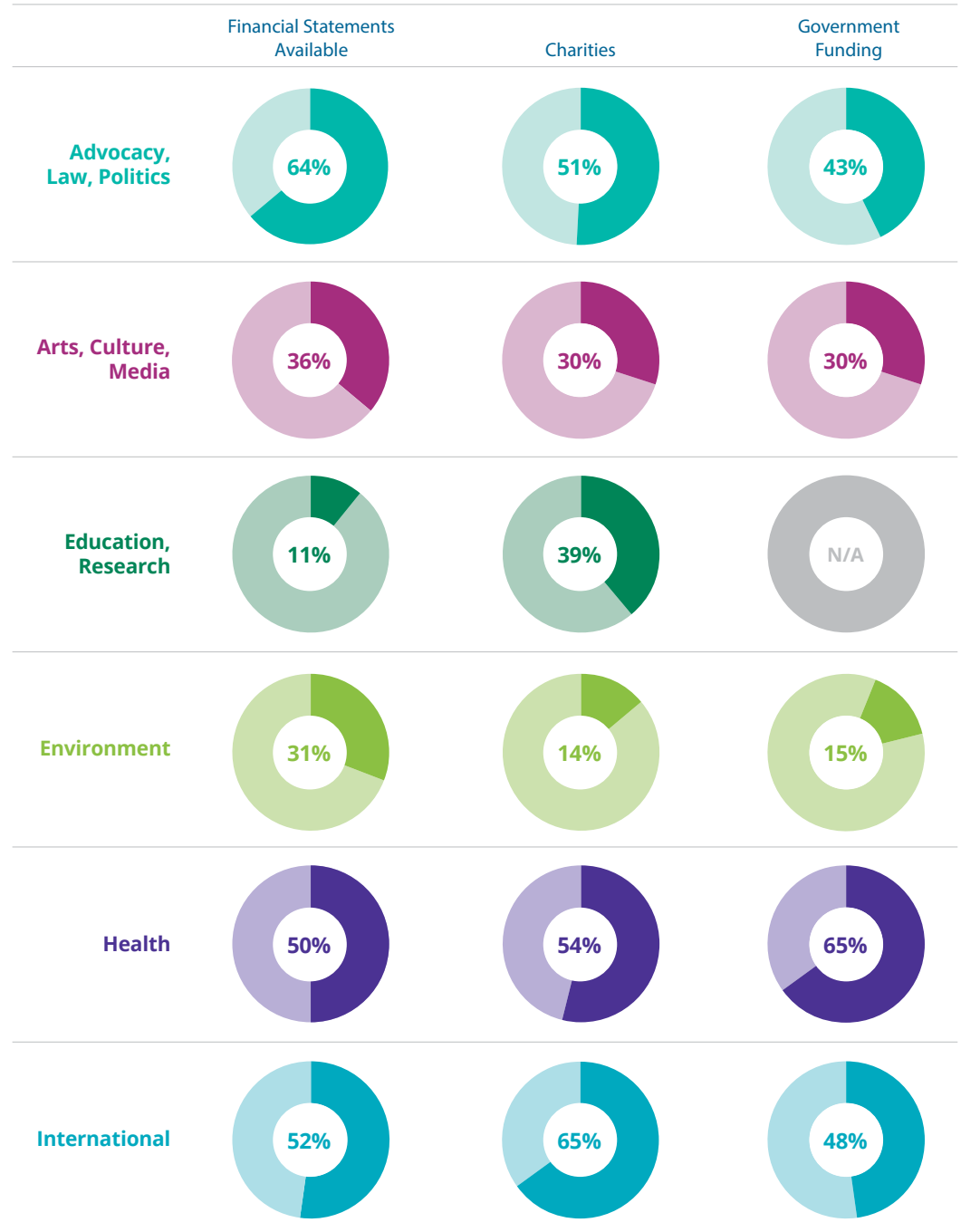**We're putting civil society online**

Putting civil society online in this way means that everyone – and not just funders and regulators – has access to better information which in turn informs our understanding of the richness of our society as defined by its voluntary institutions.

Key findings

1 While many nonprofits operate on volunteer effort alone, with little or no financial income, at least **80% of the economic turnover of the sector is concentrated in 3.5% of the largest organisations,** including universities and voluntary hospitals, dioceses and congregations, and other major charities involved in international development, health and social care, housing and homelessness relief.

2 **Government is the single greatest source of funding for nonprofits.** However, of all government funding of €5.7b, 63% is delivered under the terms of contracts or service level agreements. The value of government grant (non-fee) income is exceeded by income earned from other sources and fundraising by the sector.

3 **New public participation network (PPN) data indicates that the 2017 figure of 19,500 nonprofits in Ireland's third sector is a significant understatement.** It has already grown to 29,000. When registration of PPNs is up to full strength, local voluntary organisations – secular and religious – will grow the size of the Database of Irish Nonprofits to at least 40,000 nonprofit entities.

4 Outside of the quasi-public group of about 330 nonprofits, where pay and employment conditions follow Government norms, **fewer than 750 of the 89,500 people working in Irish Nonprofits receive remuneration above €70,000,** and the number of organisations offering pensions is about half the norm in the rest of the economy.

5 At about €103m, **giving by Irish and international philanthropic institutions to Irish Nonprofits represents a tiny fraction of the sector's €12.1b turnover.** However in 2016 for the first time, giving by Irish philanthropies exceeded giving from overseas sources by 52%, with most institutional donors giving to nonprofits already supported by Government.

Barometer: the profile of Irish Nonprofits today

This barometer shows the degree to which at the end of Q1 2018 in each sector, financial statements data is available, nonprofits are regulated as charities and Government is involved in providing funding.

	Financial Statements Available	Charities	Government Funding
Advocacy, Law, Politics	64%	51%	43%
Arts, Culture, Media	36%	30%	30%
Education, Research	11%	39%	N/A
Environment	31%	14%	15%
Health	50%	54%	65%
International	52%	65%	48%

"Financial statements data available" means the latest financial statements that are available from a regulatory source i.e. 2016. This excludes the financial statements of unincorporated charities.

"Regulated as charities" means reported as being on the public register of charities consulted in the open data file as published on the website of the Charities Regulatory Authority, on 31st March 2018.

"Government is involved in providing funding" means the amount of Irish and International Government funding as a % of total income in that sector as reported by recipients.

	Financial Statements Available	Charities	Government Funding
Local Development, Housing	38%	24%	53%
Philanthropy, Voluntarism	22%	81%	7%
Professional, Vocational	50%	29%	8%
Recreation, Sports	17%	3%	N/A
Religion	26%	75%	N/A
Social Services	38%	46%	70%
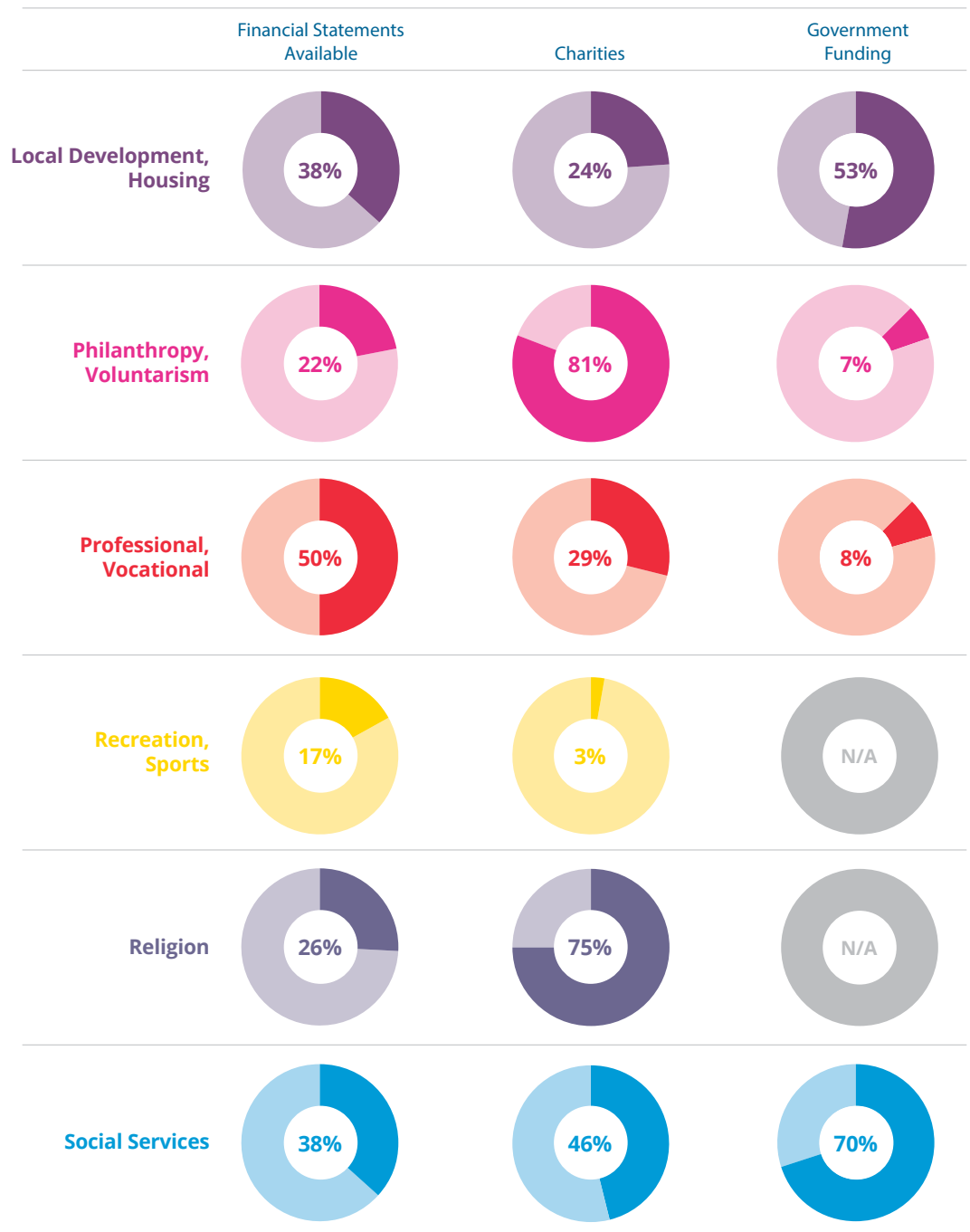
The features of the open datasets made available by public regulators means that we know more about some sectors than about others. In a few cases – education (with the exception of higher education and research), religion and sport – we have access to such limited data that it is not always possible to draw general conclusions.

Ireland's Third Sector

Using the principal sources of data listed on page 28 of this report, we are able to enumerate the full population of nonprofits registered with one or more public regulatory source at the end of Q1, 2018. Very detailed data, including financial statements, is available for 30% of the entire dataset. Abridged accounts are included in this number – aside from income analysis (which is absent in abridged accounts) they are an important source of financial and other data.

Address data published by local public participation networks allows us to identify their location (even where little other data is available), and the information provided on the charities register gives us summary information about turnover even where financial statements are not available from the Regulator.

Irish Nonprofits are a large, heterogeneous and widely dispersed sector of more than 29,000 organisations.

Figure 1 Public, private and third sector in Ireland

The term nonprofit is used to describe entities in the third sector that are neither part of Government nor of the private sector.

■ Private Sector ■ Third Sector ■ Public Sector
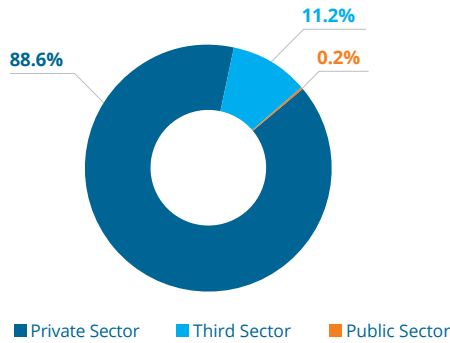
Sources: Register of Public Sector Bodies (including General Government Bodies) in Ireland October 2017 (Central Statistics Office/CSO); Business Demography at July 2016 (CSO); Benefacts Database of Irish Nonprofits

80% of the sector's income is confined to 3.5% of all nonprofits – most of them charities

Table 1 Income profile of nonprofits in Ireland

Most of the reported financial turnover in the sector is limited to the 259 largest nonprofits with nearly 18% of the sector's income – or just over €2b – attributed to 2,780, or 32% on nonprofits for which data is available.

Turnover	% of organisations	Income €m	% of total sector Income
€5m+	3.5%	9,654	79.8%
€250,000–€5m	32.2%	2,146	17.7%
€0–€250,000	64.3%	305	2.5%

Source: Benefacts Database of Irish Nonprofits

Nonprofits are distributed
in every part of Ireland

Figure 2 Geographic distribution of Irish Nonprofits

Legend:
- Fewer than 2%
- 2.1%–4%
- 4.1%–6%
- 6.1%–10%
- 10% or more

Donegal 2.9%

Sligo 2.5%

Leitrim 1.4%

Cavan 1.8%

Monaghan 2.1%

Louth 2.3%

Mayo 4.1%

Roscommon 1.2%

Longford 1.4%

Meath 3.4%

Westmeath 1.3%

Galway 6.9%

Offaly 1.1%

Kildare 3.7%

Dublin 24.4%

Laois 2%

Wicklow 2.3%

Clare 2.4%

Carlow 1.8%

Limerick 3.3%

Tipperary 6.6%

Kilkenny 1.5%

Wexford 2.7%

Kerry 4%

Waterford 3.3%

Cork 9.7%

■ Unincorporated
Associations or Clubs
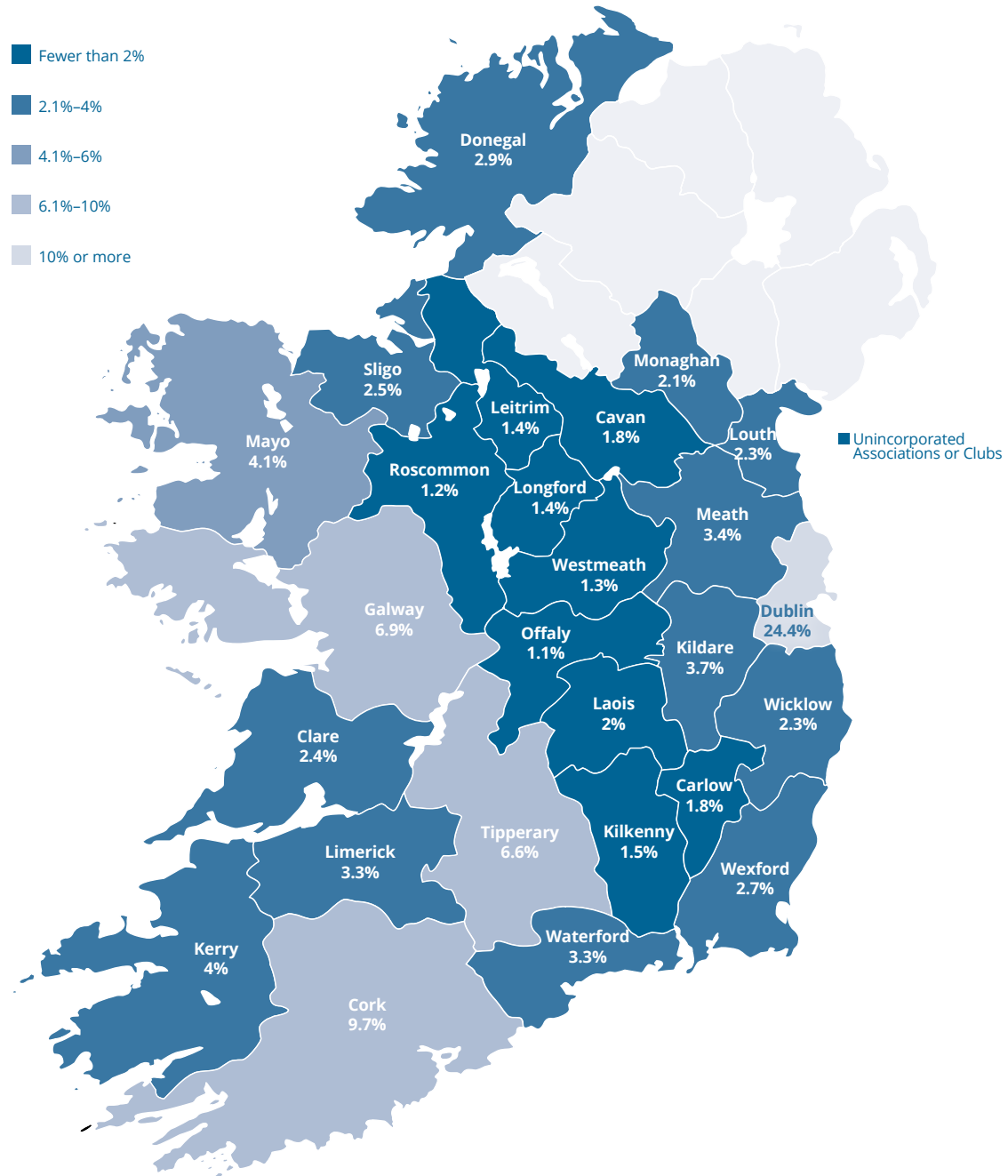
Source: Benefacts Database of Irish Nonprofits

Most Irish Nonprofits are not incorporated

Figure 3 Types of organisations in the third sector

About 8,500 are incorporated under the Companies Act, 2014 or some other provision of Irish law (for example friendly societies), and a small number are incorporated by statute: these include some voluntary hospitals and universities whose establishment precedes the foundation of the State, and some international organisations (for example the Red Cross).
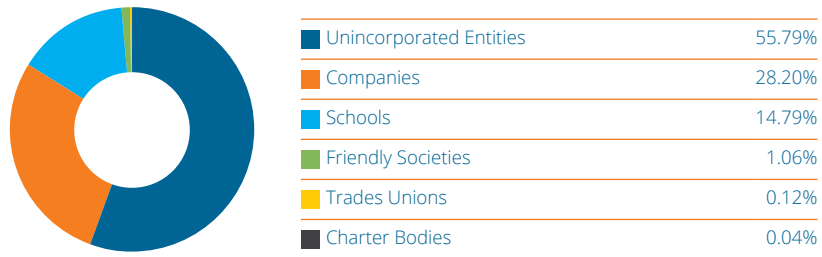
The rest include the schools, universities, trades unions, local divisions (parishes, select vestries), and other members (e.g. congregations, orders, chapters) of Churches and faith bodies, as well as thousands of local clubs, societies, and associations which usually have a constitution and rules, and are often constituted as members of their own national umbrella body – for sport, recreation, community or environmental benefit.

Unincorporated Entities	55.79%
Companies	28.20%
Schools	14.79%
Friendly Societies	1.06%
Trades Unions	0.12%
Charter Bodies	0.04%

Source: Benefacts Database of Irish Nonprofits

Today, about one-third of Irish Nonprofits are directly regulated as charities – a growing number

Figure 4 Charities as a proportion of third sector organisations

Charity regulation was introduced in Q4 2014. Since then the numbers of nonprofits (including schools) regulated as charities has steadily increased.

■ Non charity ■ Charity
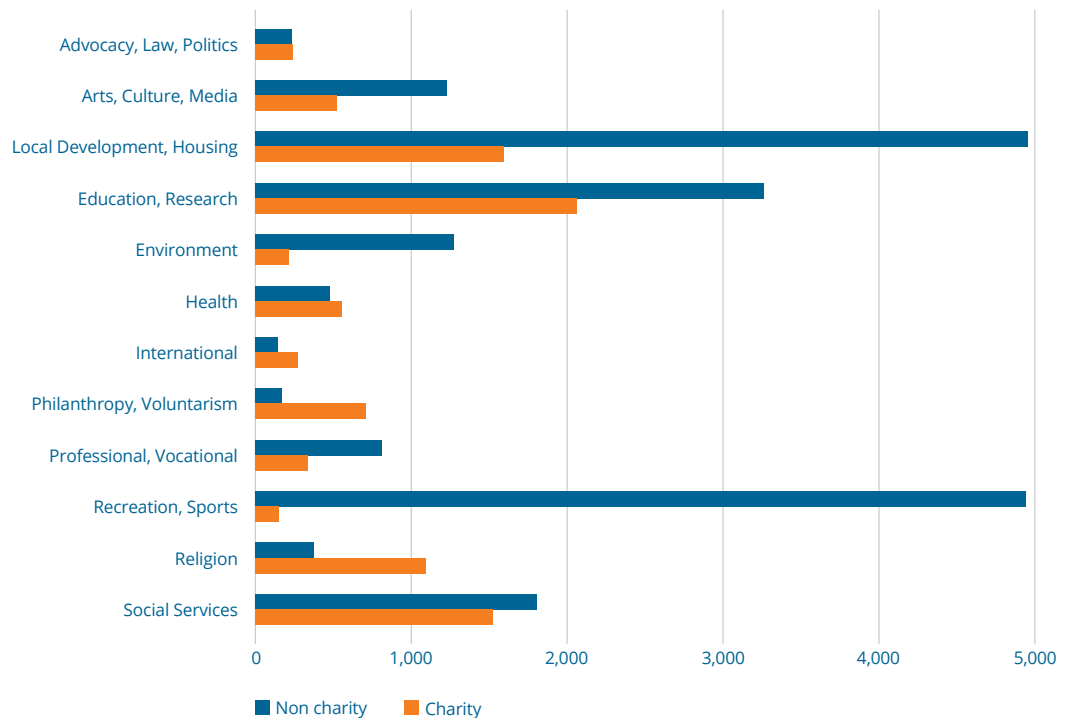
Source: Public Register of Charities open data file; Benefacts Database of Irish Nonprofits

Employment In Irish Nonprofits

There is a number of major nonprofits that we describe as "quasi-public," because even though they are nonprofit-distributing and voluntary, their governance and/or the terms of their relationship with government places limitations on their autonomy from the State, and their employees enjoy conditions analogous to those of public servants.

Employment data is reported in the notes to financial statements as a matter of compliance by all entities that comply with Financial Reporting Standard 102 – including all nonprofit companies. The same standards are adopted by statutory entities that publish their accounts to the Houses of the Oireachtas. Whether or not the accounts are published in abridged form, they must report

a) the number of fulltime equivalent employees,

b) total payroll costs, and

c) (since 2015) the numbers of employees whose remuneration exceeds €70,000, in bands of €10,000.

The publication of this data is a legal requirement which is why it is sometimes referred to as a statutory disclosure. This means that we can report with precision on the employment profile of people working in 8,500 incorporated nonprofits – including 4,340 charities – that file accounts with the CRO.

Where financial statements fail to provide one or other of the basic elements of the statutory disclosures on employment(employee numbers, payroll costs), we produce an estimate based on average employment costs where payroll costs are reported. Where neither payroll nor employee numbers are reported, we assume there are no employees.

Since the accounts of unincorporated charities filed with the Charities Regulatory Authority (CRA) are not yet published by the CRA, we lack precise information on employment profiles for these nonprofits. Charities report in their annual return to the CRA on the number of their employees and volunteers, but this information is not published by the CRA in the open data file of charity return data, it is provided only in bands (of 1–9, 10–19, 20–49, 50–249, 250+ employees respectively), it is not subject to audit, and it does not include payroll or salary level data. For these reasons we haven't included these returns in our 2018 analysis.

Figure 5 Nonprofit sectors with the highest levels of employment

The greatest number work in social services, health, higher education, local development and housing. This chart illustrates the numbers employed in each sector, highlighting "quasi-public bodies," where employment conditions are analogous to those of public servants.

- All other non profits
- Quasi public bodies
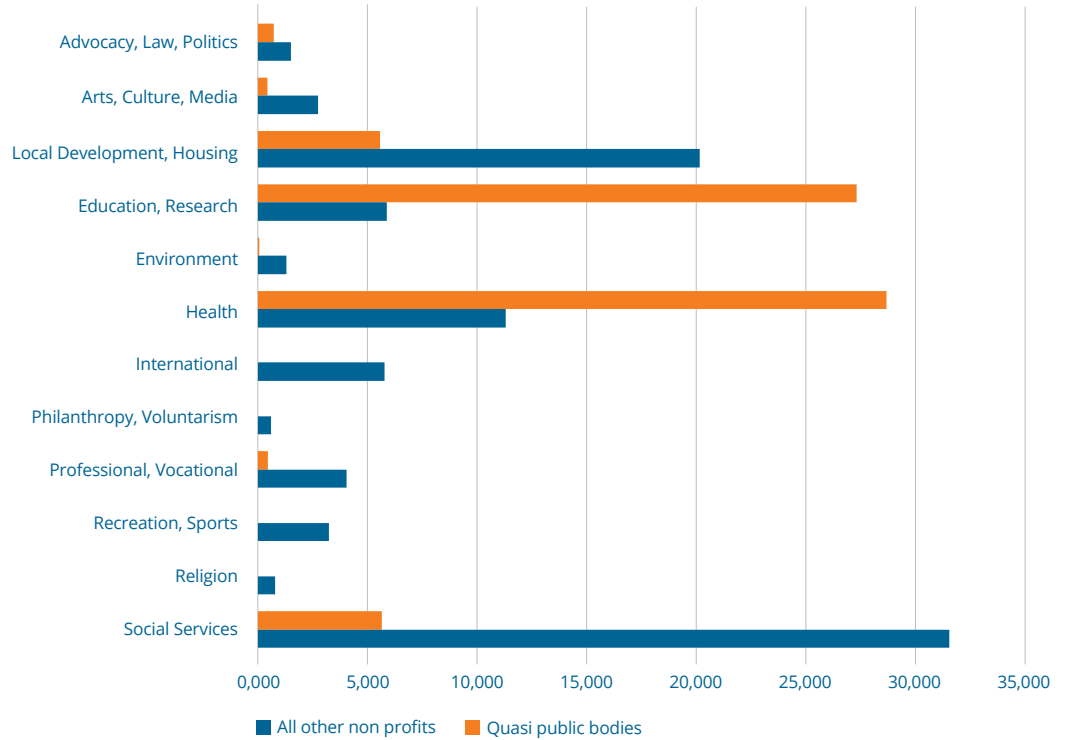
Source: Benefacts Database of Irish Nonprofits

Figure 6 Employment profile within quasi-public and other nonprofit organisations

There is a marked contrast as between the 69,000 people employed in 330 quasi-public bodies and the 89,000 employed in all 4,200 other nonprofits for which employment data is available, around 4,000 report having no employees.

44%   56%

- All other non profits
- Quasi-public bodies
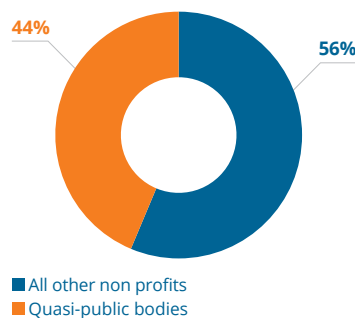
Source: Benefacts Database of Irish Nonprofits

Excluding the quasi-public segment, fewer than 1% of people working in Irish Nonprofits are paid more than €70k, compared to 13% of people in the economy at large

10% of people working in quasi-public bodies receive remuneration in excess of €70k

Here is the profile of higher paid employees in the economy at large, in quasi-public bodies and in the rest of the sector. There is a significant contrast between the remuneration profile of people working in quasi-public bodies and in the rest of the sector.

Figure 7 Profile of higher remuneration in the economy at large
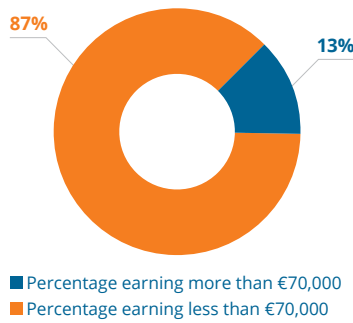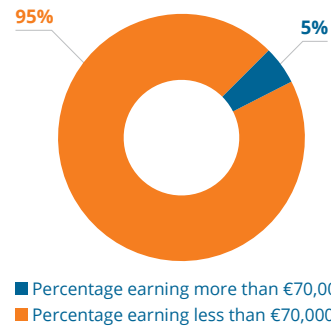
87%   13%

■ Percentage earning more than €70,000
■ Percentage earning less than €70,000

Source: Benefacts Database of Irish Nonprofits

Figure 8 Profile of higher remuneration in the third sector

95%   5%

■ Percentage earning more than €70,000
■ Percentage earning less than €70,000

Source: Benefacts Database of Irish Nonprofits

Figure 9 Higher remuneration in quasi-public bodies

90%   10%

■ Percentage earning more than €70,000
■ Percentage earning less than €70,000
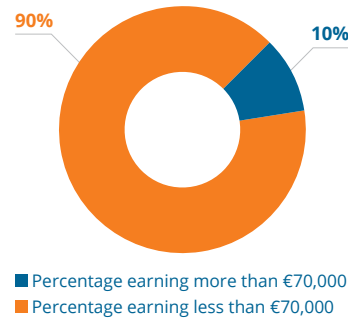
Source: Benefacts Database of Irish Nonprofits

Figure 10 Higher remuneration in the rest of the sector

99%   0.8%

■ Percentage earning more than €70,000
■ Percentage earning less than €70,000
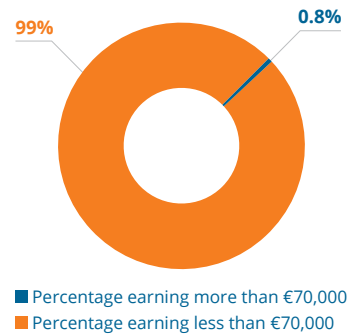
Source: Benefacts Database of Irish Nonprofits

77% of quasi-public bodies operate a company pension scheme; in the rest of the sector, only 25% provide a pension scheme

The contrast in pension provision is almost equally striking. Pension provision is in place in 77% of quasi-public bodies, reflecting the employment status of their employees in most cases as equivalent to State employment. This contrasts with the situation in the rest of the sector, where fewer than 25% enjoy the benefits of pension provision

How Irish Nonprofits are funded

About the data on how Irish Nonprofits are funded

The profile of nonprofits' revenues is different from that of for-profit organisations in a number of important ways. Their reliance on current revenues is much greater: few Irish Nonprofits enjoy the benefit of endowments and they have members rather than owners so there is no equity or investment in the commercial sense.

Data about how Irish Nonprofits – including charities – are funded is derived by Benefacts from their financial statements. 8,500 of these are in the public domain because they have been filed by incorporated entities – including charities – with the Companies Registration Office or the Library of the Houses of the Oireachtas.

The financial statements of unincorporated charities have been filed with the Charities Regulator but these are not yet been made public. The net income of unincorporated charities making returns to the Charities Regulatory Authority, for which data is available from no other public source, exceeds €1bn, based on the summary financial information (gross income, total expenditure) provided by them and published by the Regulator. Most of these are religious dioceses and congregations, or philanthropic foundations.

Since 2015, smaller nonprofit companies (with turnover <€12m) in growing numbers have availed of a change in company law permitting them to file accounts in abridged form. In 2017, 38% of nonprofit companies (32% of charities) filed abridged accounts for 2016 – these are listed on benefacts.ie. The organisations electing to file in this form are mainly in the local development, sport and arts sectors. Abridged accounts provide a balance sheet, directors' and auditors' reports and notes including details of employment numbers, payroll costs and numbers of higher paid employees, but they don't provide any analysis of income and expenditure.

Public fund-raising is an important source of revenue for many nonprofits. At least 545 – most of them charities – engage in fund-raising of some kind. In general it isn't possible to use financial statements to analyse the cost of raising these funds because the salary costs of this effort can't be disaggregated from other payroll costs. The exception is dedicated fund-raising organisations: charities that have been established solely for the purpose of fund-raising for a particular organisation (for example a university or hospital). In these cases it has been possible to analyse the income generated relative to the salary costs, as well as the number of higher-paid employees and thereby provide trend data about this particular cohort of professional fund-raising charities.

Irish Nonprofits reported current income of €10.8b from a variety of earned and unearned sources

Figure 11 Profile of third sector revenues

Government fees are subject to contract and in some cases to competitive tender. Government grants are discretionary in nature but are often awarded on the basis of public competition. Earned income is from many sources that vary by sub-sector. Donations and fund-raised income is received by nonprofits from individuals and institutions. "Other income" is used to describe income for which little or no analysis has been provided in the accounts: it could fall into any or all of the other categories.
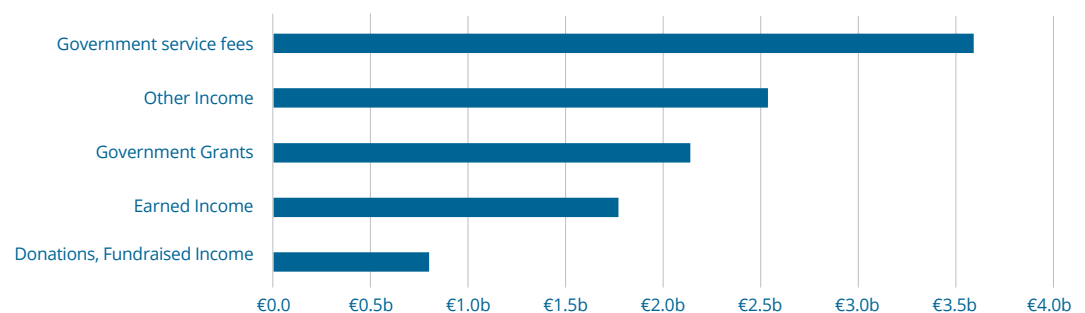
Source: Benefacts Database of Irish Nonprofits

Quasi-public bodies (91% of them charities) account for €6.2b of this; in the rest of the sector, income from all sources is more evenly distributed

Figure 12 €6.2b income profile of quasi-public bodies

Source	
Government Service Fees	
Other Income	
Government Grants	
Earned Income	
Donations & Fundraising	

€0.0   €0.5b   €1.0b   €1.5b   €2.0b   €2.5b
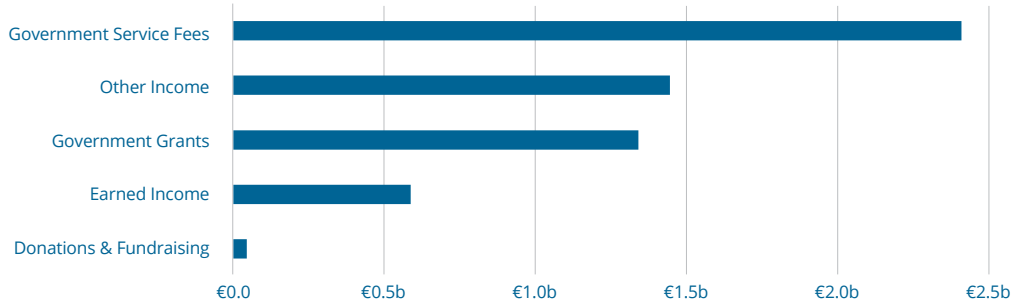
Source: Benefacts Database of Irish Nonprofits

Figure 13 €4.7b reported income profile of all other nonprofits

Source	
Earned Income	
Government Service Fees	
Other Income	
Government Grants	
Donations & Fundraising	

€0.0   €0.4b   €0.8b   €1.2b

Source: Benefacts Database of Irish Nonprofits

Government funding – in the form of fees or grants – is the biggest single source of nonprofits' revenue, but this varies from sector to sector

Figure 14 Government income analysed by sector

Sector	
Religion	
Philanthropy, Voluntarism	
Professional, Vocational	
Environment	
Recreation, Sports	
Arts, Culture, Media	
Advocacy, Law, Politics	
Education, Research	
International	
Local Development, Housing	
Health	
Social Services	

0%   20%   40%   60%   80%   100%

■ Government Funding   ■ Earned Income   ■ Donations & Fundraising   ■ Other Income
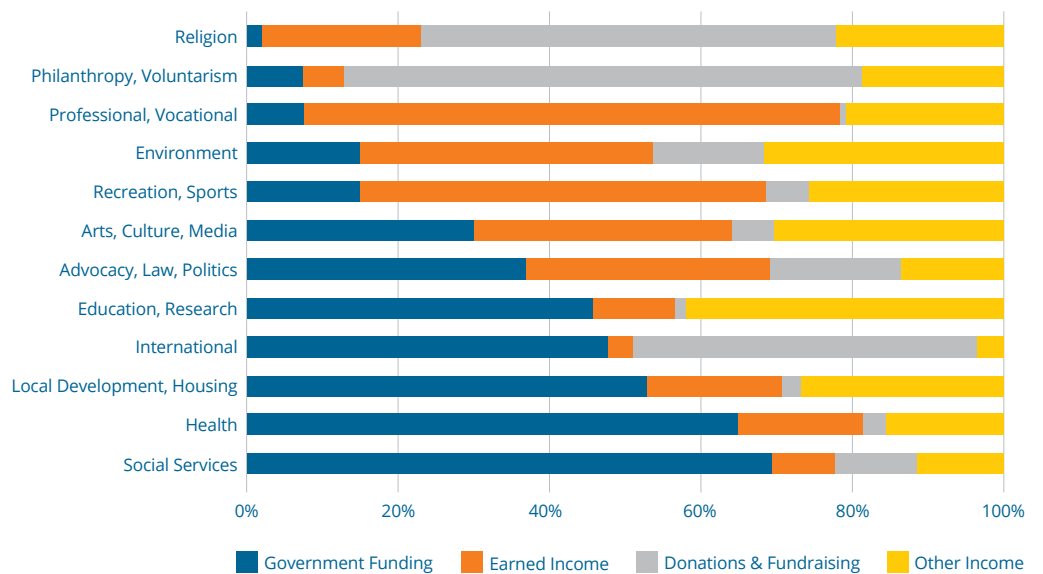
Source: Benefacts Database of Irish Nonprofits

Thousands of Irish Nonprofits including charities receive no government funding at all

Table 2 Nonprofits that report receiving no government funding

Government Funding	% of organisations	% of gov funding
More than 50%	29.6%	78.8%
10% to 50%	11.0%	21.1%
Less than 10%	2.2%	0.2%
Zero Funding	57.2%	0.0%

Source: Benefacts Database of Irish Nonprofits

Donations are a more significant proportion of the income profile of certain sub-sectors than others

Figure 15 Sub-sectors where the highest percentage of funding is derived from donations and fundraising

Sub-sectors where donations in aggregate amount to >€1m in value, and represent 5% or more of the aggregate value of that sub-sector's income

Non charity   Charity   Source: Benefacts Database of Irish Nonprofits
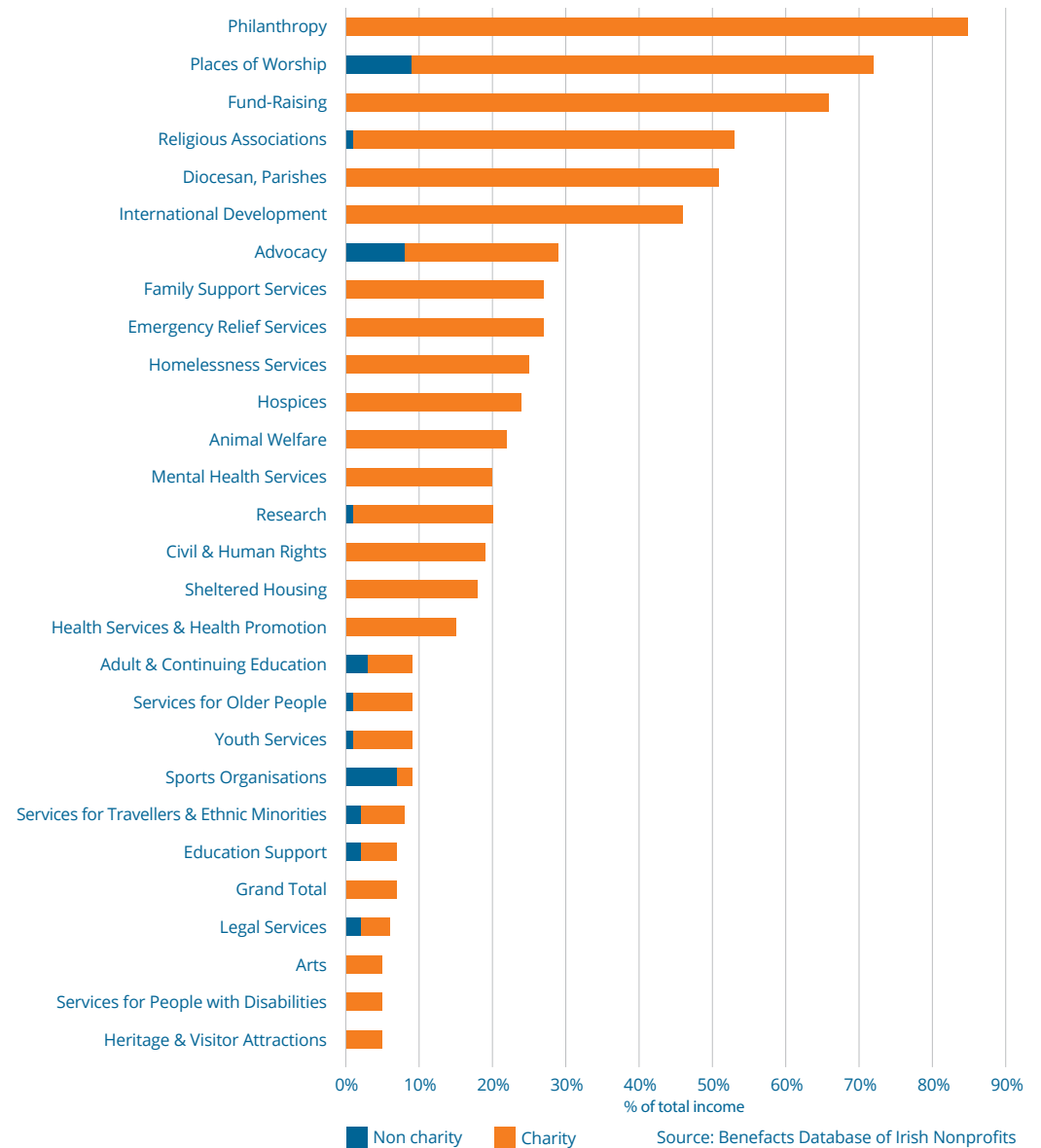
Within dedicated
fund-raising charities,
professional fundraising
costs about 14% of the
value of income raised

Table 3 Cost of fundraising in dedicated fund-raising charities

A small number of charities are established solely to raise funds for other charities. An analysis of the expenditure of these dedicated fund-raising organisations shows that fundraising has a disproportionate number of higher-paid employees relative to the sector as a whole, and that in this segment, fundraising costs about 14% of the value of funds raised, using payroll as an indicator of fundraising costs. The small number of nonprofits in this dataset are subject to some variability affecting comparisons with previous years: some have filed abridged accounts, some have not yet filed or have changed the reporting period, others have been dissolved.

Year	Number of dedicated fundraising charities	Total number of employees	Number of employees whose remuner- ation greater than €70,000	Total payroll €000	Total income €000
2013	66	136	–	6,211	55,735
2014	64	154	5	7,020	69,854
2015	63	152	8	7,744	64,375
2016	64	160	7	8,083	59,655

Source: Benefacts Database of Irish Nonprofits

Philanthropic giving to Irish Nonprofits

About the data on philanthropic giving to Irish Nonprofits

This chapter describes the profile of philanthropic giving to Irish Nonprofits derived from data produced by philanthropies (where available), rather than from the reports of their beneficiaries. The main reason for reporting philanthropic giving this way is the lack of analysis of sources of income in the financial statements of so many Irish Nonprofits. Even the highest charity reporting standards (Charities SORP) don't require donations from individual sources to be itemised. For this reason, we have used reported gifts rather than reported receipts to analyse the profile and trends in philanthropic giving from Ireland and overseas.

Not all philanthropies report the uses of their funds. Benefacts has availed of the detailed analysis of reported giving by international philanthropies which flows from the disclosure rules in other countries (accessed via the Foundation Center in New York). In Ireland this data is only available as voluntary disclosures (in their annual report/on their website) on the part of three larger philanthropic organisations.

In our analysis, we don't use 'philanthropy' to describe the work of dedicated fund-raising charities that have been set up to support a particular organisation or cause, because the funds these organisations raise (from philanthropic sources among others) are usually distributed exclusively to the entity – for example a university or hospital – that they serve, and in this sense they are an extension of that charity, and a target rather than a giver of philanthropy.

Likewise, we don't include volunteering support organisations, or benevolent funds established for the benefit of a particular class of individuals or families in the definition of philanthropy.

We have based our analysis of philanthropy types on the list of foundation types devised by the Foundation Center and augmented it to reflect the profile of philanthropic giving to Irish Nonprofits. The categories listed below are descriptive and exclusive – a philanthropic organisation belongs to one or another.

Table 4 Kinds of philanthropic institutions

Community foundations are nonprofit organisations that make grants for charitable purposes in a specific country, community or region. Funds are usually derived from multiple donors and held in independently administered endowment or current funds. Income earned from this endowment, as well as targeted gifts, or "donor-advised funds" is then used to make grants.

Corporate or company-sponsored foundations are independent foundations associated with, and whose funds are derived primarily from a for-profit corporation.

Endowed funds and memorial trusts take a variety of forms. Many have been established using a legacy from a person who has died, or in the name of a dead person. Some have been established to provide funds for scholarship or education, or to relieve poverty among a particular cohort or community.

Family foundations are independent foundations whose funds are derived from members of a single family. Family members often serve as officers or board members of the foundation and usually have a significant role in grant-making decisions.

Independent foundations are nonprofit organisations with funds and programmes managed by their own trustees or directors, that generally set out to promote public goods by making grants. Some are exclusively voluntary in their operations and a small number operate in Ireland with professional staff. Their funds are derived from various sources: legacies, donor-directed funds, and fund-raising.

Operating foundations' primary purpose is to conduct research, support innovation or promote other social goods as determined by their governing body or establishment charter. Operating foundations may make some grants, but they also engage in direct programme activities as well.

Payroll/employee giving schemes are distinguished from corporate giving because they are under the direct control of employees, who take a role in governance and decision-making.

Philanthropy intermediaries are professionally-run firms or programmes – secular or religious – established to manage the assets of philanthropists or philanthropies or to provide advice or professional supports for philanthropic giving.

Source: Benefacts

Table 5 Sources of data on philanthropic giving

The analysis in this report is derived from the latest available data from four distinct sources:

1. the **audited financial statements** of 27 philanthropies incorporated as companies in Ireland.

2. **summary financial data** derived from the published annual returns to the Charities Regulatory Authority (CRA) made by 76 unincorporated philanthropies, whose financial statements have not yet been published by the Regulator. Note that Benefacts does not include Public bodies or intermediaries that are included on the Charities Register (for example the HSE, the Arts Council, Pobal – see the full list on benefacts.ie) in its analysis of philanthropic giving.

3. the publicly available **tax disclosures** of 94 US and other overseas-based philanthropies, which reported gifts to Irish Nonprofits in one or more of 2014, 2015 and 2016. At the end of Q1 2018, 2016 disclosures stood at 83% of the level of 2015 disclosures (meaning certain philanthropies had not yet reported – or might not report).

4. **voluntary disclosures** about the targets of their giving made by 3 major philanthropies whose giving exceeds €5m annually – the Atlantic Philanthropies, the Ireland Funds and the Community Foundation for Ireland. The disclosures about targets of their giving are published by them on their own website or provided directly to Benefacts.

Source: Benefacts

Here is an analysis of the Irish and international philanthropies that report giving or providing support for giving to Irish Nonprofits

Philanthropies are independently-governed, separately-constituted nonprofit bodies with their own established sources of income, sometimes but not invariably from an endowment. They distribute their financial resources for educational, cultural, religious, social or other public-benefit purposes by supporting nonprofits or individuals, and/or by operating their own programmes. Larger foundations have their own professional staff whereas managed funds, trusts and giving schemes tend to be run by volunteers.

Note that philanthropic giving is not confined to donor organisations, although that is all that we are able to report on in detail here.

Trend data in 2016 about philanthropy from international sources reflects two notable trends: the withdrawal from grant-making after 2014 by the Atlantic Philanthropies (scheduled to make its last grant in Ireland in 2020), and the completion in 2015 of the Ireland Funds Promising Ireland Campaign.

Table 6 Types of philanthropies active in Ireland

| Philanthropy Type	Irish	International
Community foundations	1	3
Corporate foundations	12	3
Endowed funds and memorial trusts	134	–
Family foundations	6	7
Independent foundations	41	25
Operating foundations	10	4
Payroll/employee giving schemes	9	–
Philanthropy intermediaries	12	–
Total	225	42

Sources: Benefacts Database of Irish Nonprofits; Foundation Center

Figure 16 Trends in giving by international philanthropies

Largely reflecting the wind-down of the Atlantic Philanthropies' grant-making in Ireland, and the completion of a major giving campaign by the Ireland Funds in 2015, the aggregate trend for international philanthropy over the last three years shows a contraction each year from 2014 (€79m), 2015 (€70m) 2016 (€41m).

At about €103m, giving by Irish and international philanthropic institutions to Irish Nonprofits represents a tiny fraction of the sector's €12.1b turnover. However in 2016 for the first time, giving by Irish philanthropies exceeded giving from overseas sources by 52%, with most institutional donors giving to nonprofits already supported by Government.

The breakdown by philanthropic source is below.
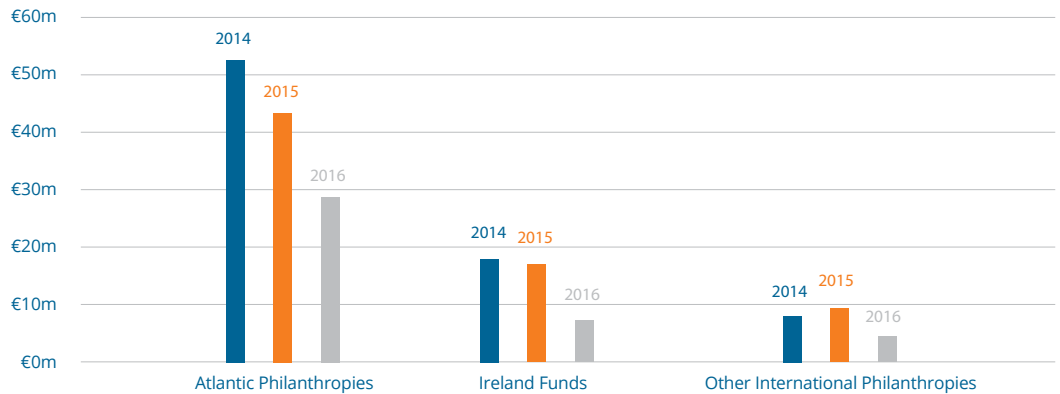
Sources: Benefacts Database of Irish Nonprofits; Foundation Center; disclosures by certain Irish philanthropies

Independent foundations
are the biggest
source of institutional
philanthropic donations

Figure 17 Analysis of philanthropic giving by institutional type

In 2016, giving by Irish philanthropies @ €62m overtook giving from international philanthropies @ €41m.
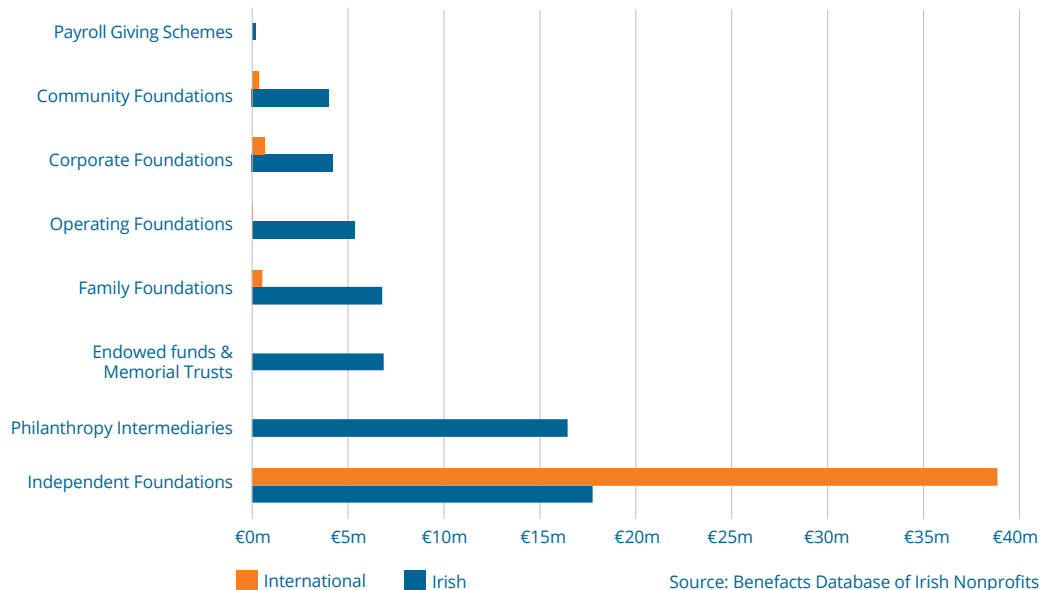
Sources: Benefacts Database of Irish Nonprofits; Foundation Center

Health, education
and youth services
are the biggest targets
of philanthropy

Figure 18 Principal targets of philanthropic giving

Note that "philanthropy" is reported as one of the targets of giving here because there is at least one case where a large philanthropy has gifted money to a smaller one for local disbursement.
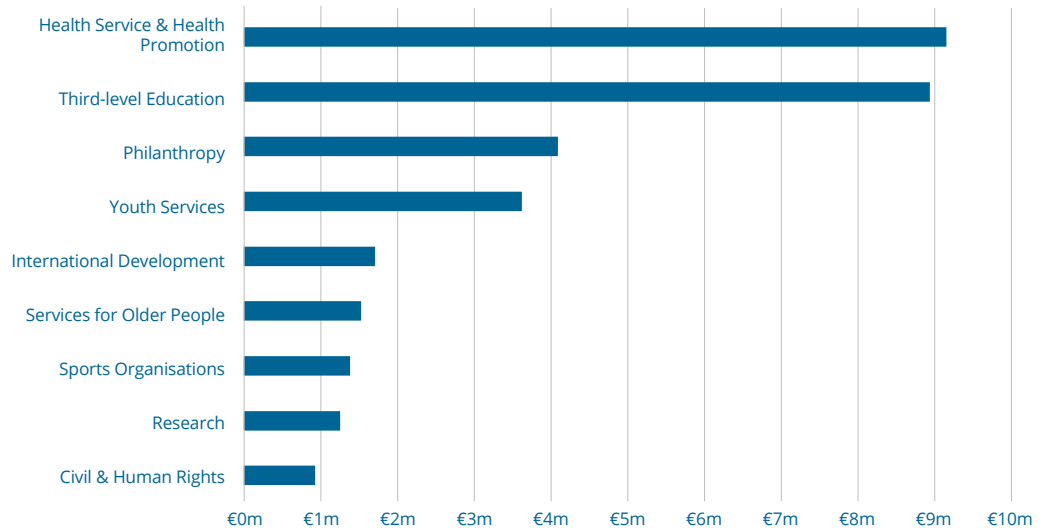
Source: Benefacts Database of Irish Nonprofits

About the data in this report

The scope of the Benefacts Database of Irish Nonprofits

The third sector in Ireland is a large, diverse and heterogeneous group. At least 4,500 nonprofits employ professional staff, many more are run entirely by volunteers.

While some may rely in part on earned revenues, none is constituted for profit.

Many are regulated in one or more ways, but none of the organisations included in the database is directly controlled by government, although some are more concerned than others with the delivery of public goods or public services in return for fee income from Government.

What is a "nonprofit"?

Our definition is derived from a highly influential international exercise – the Johns Hopkins International Comparative Nonprofit Sector Project (CNPSP) – which has in turn has influenced the approach to recognising nonprofits adopted by the UN, Eurostat and the European Commission.

Table 7 Definition of a nonprofit body in the Database of Irish Nonprofits

To be included in the Database of Irish Nonprofits, an organisation must be:

1. **Organised** or institutionalised to some extent. What is important is not that the organisation be registered or legally recognised, but that it have some institutional reality with a legal charter of incorporation or a constitution and rules which have been agreed by its members. Excluded are purely ad hoc and temporary gatherings of people with no enduring structure or organisational identity.

2. **Private,** meaning institutionally separate from government. This does not mean it may not receive significant government support or that government officials may not sit on its board. Rather it must be "nongovernmental" in the sense of being structurally separate from the instrumentalities of government, and in not exercising governmental authority.

3. **Non-profit-distributing** – in other words, not returning profits generated to owners or directors. A nonprofit may accumulate a surplus in a given year but this must be reinvested into the basic mission of the entity and not distributed to the organisation's owners, members, founders or governing board.

4. **Self-governing** in the sense that it is equipped to control its own activities. Some organisations that are private and nongovernmental may nevertheless be so tightly controlled either by governmental agencies or private businesses that they essentially function as parts of these other institutions even though they are structurally separate. To meet the self-governing criterion, an organisation must control its activities to a significant extent, have its own internal governance procedures, and enjoy a meaningful degree of autonomy.

5. **Voluntary** means involving some meaningful degree of voluntary participation. This involves two different but related considerations:
    *   the organisation must engage volunteers in its operations and management either on its board or through the use of volunteer staff and voluntary contributions;
    *   "voluntary" also carries the meaning of "non-compulsory." Organisations in which membership is required or otherwise stipulated by law are excluded from the nonprofit sector. These include some professional associations that require membership in order to be licensed to practice a trade or profession.

This five-way definition means that the Database of Irish Nonprofits includes most registered charities, as well as philanthropies, and all entities customarily thought of as falling into the "community and voluntary sector." In addition, we include other non-governmental, non-private bodies not traditionally thought of as nonprofits, including employer bodies and trades unions, political parties, professional institutes, chambers of commerce and group water schemes.

Sources of data

The Database of Irish Nonprofits has been created by identifying nonprofit organisations and extracting information about them from public records, where they are usually provided under the terms of the Re-use of Public Information Regulations. Benefacts does not "scrape" information from the websites of regulatory bodies or individual nonprofits. Nor does Benefacts publish personal data other than the names of nonprofit company directors and the dates of their Board appointment or retirement.

Following the publication of an influential report produced in 2011 by the National Statistics Board, there has been growing recognition of the statistical potential of administrative records. Public policy now expressly requires public bodies to make non-sensitive data available to the public, and in formats that can easily be processed by machines.

Although the actual adoption of open data practices across the public sector is uneven, more and more information about all kinds of organisations – including nonprofit ones – is becoming accessible from a variety of public sources.

Benefacts acquires data from the same sources as those that are available to any other member of the public – although having done so, it cleans, amalgamates, digitises and stores large volumes of data (especially financial data) that is not otherwise available in digital form.

Because Benefacts is exploiting the statistical potential of all available administrative and regulatory data, the information used in its reports can be considered to represent the full known population of data at the end of Q1, 2018. Because it uses these datasets for its analysis, Benefacts' reports on the nonprofit sector are unique because other reports rely on sample or survey data.

Mapping Irish Nonprofits

Besides identifying nonprofits in scope, and re-using public data from various sources under the provisions of the Re-Use of Public Information regulations, Benefacts assigns a Unique Identifier as well as a primary and – where relevant – secondary classification, drawing on the CNPSP already referred to.

With the benefit of this classification, Benefacts is able to describe the world of nonprofit activity in Ireland, in terms of the scale and scope of activities being undertaken, the kinds of institutions involved, the people who work in them or take responsibility for their governance, and the ways in which they are funded.

Table 8 Sub-sectoral classification

Benefacts accesses various public data sources for current data about nonprofits to create the database on which this analysis is based, and keep it up to date.

Classification Code	Classification Name
1	Arts, Culture, Media
1.1	Arts
1.2	Museums and libraries
1.3	Heritage and visitor attractions
1.4	Media, Film
2	Recreation, Sports
2.1	Recreational clubs, societies
2.2	Agricultural fairs
2.3	Sports organisations
3	Education, Research
3.1	Pre-Primary education
3.2	Primary education
3.3	Secondary education
3.4	Vocational and technical education
3.5	Third-level education
3.6	Research
3.7	Education support
3.8	Adult and continuing education
4	Health
4.1	Hospitals
4.2	Residential care centres
4.3	Residential mental health services
4.4	Health services and health promotion
4.5	Mental health services
4.6	Addiction Support
4.7	Hospices
5	Social Services
5.1	Pre-school childcare
5.2	Family support services
5.3	Youth services
5.4	Services for older people
5.5	Services for people with disabilities
5.6	Services for Travellers and ethnic minorities
5.7	Homelessness services
5.8	Emergency relief services

Classification Code	Classification Name
6	**Development, Housing**
6.1	Local development
6.2	Job creation
6.3	Social enterprise
6.4	Sheltered housing
6.5	Social housing
7	**Environment**
7.1	Animal welfare
7.2	Group water schemes
7.3	Environmental enhancement
7.4	Environmental sustainability
8	**Advocacy, Law, Politics**
8.1	Politics
8.2	Advocacy
8.3	Civil and human rights
8.4	Legal services
9	**Philanthropy, Voluntarism**
9.1	Philanthropy
9.2	Fundraising
9.3	Voluntarism
10	**International**
10.1	International development
10.2	International affiliation
11	**Religion**
11.1	Places of worship
11.2	Religious associations
11.3	Diocesan, parishes
12	**Professional, Vocational**
12.1	Trade unions, employer organisations
12.2	Chambers of commerce
12.3	Professional or sector representative bodies

Chief nonprofit institutional types
Note that many nonprofits fall into more than one of the categories below.

Some nonprofits are incorporated as **companies limited by guarantee** (CLG) without share capital or as **designated activity companies** (DAC), and others as **friendly, industrial or provident societies**. All of these are required to file returns to the Companies Registration Office which republishes company data in various formats online in a searchable database and indirectly through data resellers – although not the documents of friendly, industrial and provident societies which Benefacts accesses as image files.

Primary and secondary schools and **higher education institutions** are regulated by the Department of Education and Skills which publishes regularly updated lists.

Bodies **established by statute** file returns to be laid before the Houses of the Oireachtas and these are collected and republished by the Library of the Houses of the Oireachtas.

Charitable organisations including sports bodies that enjoy the benefit of tax relief are listed on Revenue's website,

Registered charities are required to make an annual return to the Charities Regulatory Authority.

A register of **political parties** is maintained by the Clerk of the Oireachtas, and all political parties are required to make an annual return to the Standards in Public Office Commission.

About Charities

Since the Charities Act, 2009 came into force in October 2014, every organisation that has been established wholly for charitable purposes as defined in Section 3 of the Act must register as a charity with the Charities Regulatory Authority.

Section 2 of the Act lists nonprofits that are excluded from the definition: political parties and bodies whose purposes are to promote a political cause, sports bodies, trades unions or employers' representative bodies, and chambers of commerce. All of these however do fall within the international definition of non-profit used by Benefacts and hence they are included in the Database.

Every organisation that had previously been granted charitable tax exemption by Revenue was deemed to be a charity on the Register's commencement and included on the register. After 14th October (the day when this part of the Charities Act came into force) there is no automatic registration of bodies receiving tax relief. Charities must first apply to the CRA to be registered as charity and then may apply separately for charitable tax exemption to Revenue.

The list of approximately 8,000 organisations that were deemed to be charities in October 2014 includes certain bodies that are excluded from consideration in this analysis, because they are State agencies or intermediaries and therefore fall outside the definition of nonprofit used in compiling the Database of Irish Nonprofits. Benefacts has consulted the regularly-updated list of public bodies published by the Central Statistics Office in identifying entities not in scope, although it distinguishes between public bodies that are controlled by Government and quasi-public bodies that have some degree of autonomy from Government. For more on the latter, see below.

The profile of available data

The table below indicates the extent of open data available on Irish Nonprofits from national regulatory sources. Many nonprofits are registered with/regulated by more than one source.

The forms in which data is made publicly available vary widely. Some files – like lists of schools and the bodies that enjoy tax relief from Revenue – are published in machine-readable formats on the Government's open data portal Data.Gov.ie. Others are published and periodically updated on the websites of individual registrars/regulators. The financial statements which are the source of most of the available financial and employment data are presented in the form of image files, which are highly variable in their layout and structure, and from which the data is manually extracted by Benefacts.

While all reasonable care has been taken in the preparation and completion of this report using documents retrieved from regulatory sources (including financial statements prepared by third parties) and input by us into our database, we do not guarantee the accuracy or completeness of the information contained in it and accept no responsibility for errors or omissions.

Table 9 Sources and range of data accessed to create the Database of Irish Nonprofits

Type of Organisation and Source	Name and reg. number	Address (Eircode)	Consti-tution	Trustee/ director names	Financial statement	Employee numbers
Companies ltd. by guarantee w/out share capital (CLGs) & Designated Activity Companies DACs). Source: Companies Registration Office	Y	Y	Y	Y	Y	Y
Friendly, industrial or provident societies. Source: Registrar of Friendly Societies	Y	Y	N	N	Y	Y
Primary and secondary schools (not companies). Source: Dept of Education & Skills	Y	Y	N	N	N	N
Higher Education Institutions. Source- Library of the Houses of the Oireachtas	Y	Y	N	N	Y	Y
Bodies established by statute. Source: Library of the Houses of the Oireachtas	Y	Y	N	N	Y	Y
Charities availing of tax relief. Source: Revenue	Y	Y	N	N	N	N
Sports bodies availing of tax relief. Source- Revenue	Y	Y	N	N	N	N
Registered charities which are not CLG or DAC. Source: Charities Regulatory Authority	Y	Y	Y	N	N	N
Political parties. Source: Standards In Public Office Commission	Y	Y	N	N	Y	Y

Source: Benefacts

*Note: Following the amendments made by the Companies Act, 2014 companies limited by guarantee are permitted to file abridged financial statements if all of their members approve, and as at the end of Q1 2018, 38% of these (including 1,377 incorporated charities) elected to do so in their 2016 statements (the latest full year for which financial statements are available). This compares with 27% for 2015 (including 1,044 of charities) respectively.

Table 10 Regulatory sources of data used in this report

There are three aspects governing the availability of public data:

- the filing requirements of regulators,
- the publication policies of regulators and
- the disclosure practices of nonprofits.

Each regulator specifies the data and documents that it requires from entities subject to its regulatory control, but only the Companies Registration Office publishes all or virtually all of these materials.

The following publication norms prevailed in 31st March 2018, when this report was prepared:

Revenue provides lists of charities that benefit from Sections 207, 208 and Section 848 respectively of the Taxes Consolidation Act 1997 and assigns a CHY number to each one. Under S.235 of the Act it also publishes the names of sports bodies enjoying tax relief, with a number and the county where they are based. In no case does it disclose the charitable purpose for which charitable tax relief has been granted, nor any of the materials provided to it by charities, sports organisations or schools sustaining their claim for tax relief.

The **Registrar of Friendly Societies** publishes lists and entity types together with registered numbers but it does not publish trustee names, nor does it make the constitutions or financial statements of industrial, provident or friendly societies publicly accessible on its website: these are available from the Companies Registration Office on request as paper files.

The **Companies Registration Office (CRO)** provides a searchable database on which anybody can search for companies and access company returns as well as lists of documents filed, each of which can be downloaded for a small fee. (Benefacts purchases thousands of files every year from a re-seller licensed by the CRO).

The **Department of Education and Skills** provides lists of approved education institutions at all levels together with roll numbers and contact details, published on its own website and on data.gov.ie, but it does not publish any governance, financial or employment information about schools.

The **Office of the Clerk of the Oireachtas** provides a list of political parties on its website but does not publish the names of their trustees; the **Standards in Public Office Commission** publishes their financial statements (starting in 2015) but it does not provide access to their respective constitutions

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The **Charities Regulatory Authority** publishes an open data file on its website, periodically updated, including some but not all of the data provided on the online register of charities: the names of charity trustees are not included in the open data file, nor are the numbers of reported employees. A summary of the gross expenditure and total income for every charity is provided, but the Authority does not publish the financial statements of unincorporated charities filed under the provisions of Section 54.1 of the Charities Act, 2009.

The full scale of the third sector

At the end of Q1 2018, although data on 29,000 nonprofits is available from the national registers or regulatory sources listed above, we know that this number is a substantial understatement of the true scale of the third sector in Ireland.

This is because many thousands of locally-based organisations – church parishes and congregations, sports and recreational clubs and societies, social, political and environmental volunteering organisations of all kinds – are not yet to be found on any national public register, although this situation is changing thanks to new legislation.

Public Participation Networks (PPNs)
Under the provisions of Section 46 of the Local Government Reform Act 2014, local authorities are responsible for creating frameworks for local participation in decision-making. These frameworks include Public Participation Networks, of which there are 31 nationally – one for every local authority area.

Each one of these new PPNs is required to publish extracts of the data submitted to them by local voluntary organisations – usually their name and the 'pillar' or voluntary activity they contribute to (social inclusion, environment or community) – and sometimes the geographic scope of their activities locally.

Adoption of the new registration process is not universal with different counties having published more or less extensive registers. At the end of Q1 2018, 29 PPNs are a source of basic data on 9,000 local nonprofits, only 17% of them already in the Benefacts Database of Irish Nonprofits – i.e. because they are registered with or regulated by another public body.

Public and quasi-public bodies

Distinguishing between a nonprofit and a public sector organisation is not entirely straightforward. Whereas all of the entities in the database are organised, nonprofit-distributing and voluntary, not all are fully autonomous of Government and/or self-governing.

Public bodies
There are 36 bodies which Benefacts does not include in the Database of Irish Nonprofits, even though they are registered charities as at Q1 2018. These were deemed to be charities when the provisions of the Charities Act were commenced in October 2014, because they had previously been granted charitable tax relief by Revenue, but the fact that they are Public bodies means they cannot be considered autonomous of Government.

Quasi-public bodies
There is a number of major nonprofits that we describe as "quasi-public," because even though they are nonprofit-distributing and voluntary, their governance and/or the terms of their relationship with government places limitations on their autonomy from the State, and their employees enjoy conditions analogous to those of public servants. Almost all are charities and they are not counted as part of the public sector – although statistically the universities and voluntary hospitals are included by the CSO in their analysis of the higher education and health sectors respectively.

Quasi-public bodies continued

In aggregate, this relatively small group of about 330 quasi-public bodies receives more than 57% of the reported receipts from Government of all nonprofits for which data is available, and accounts for about one-third of paid employment (and a disproportionate number of the higher-paid employees) in the sector. Note however some qualifications to the available dataset. The financial statements of a number of the major voluntary hospitals funded under S.38 of the Health Act, 2004 are not yet publicly available from any regulatory source; 86 of the nonprofits in this group filed abridged accounts to the CRO for 2016; in certain other cases, entities in this group do not use their published accounts to report in detail on the sources of their revenues.

Having consulted with stakeholders, Benefacts includes these entities in the Database of Irish Nonprofits despite certain qualifications to their autonomy from Government, but presents the analysis of their data in a way that is disaggregated from the analysis of the rest of the sector in various parts of this report. Included in this dataset of "quasi-public bodies" are:

- **All of the hospitals or social care providers** funded under Section 38 of the Health Act, 2004. Their directors/trustees serve in a voluntary capacity and are independently appointed but in their governance they are expected to comply with the Code of Practice for the Governance of State Bodies, and under the terms of their service level agreements, they do not have discretion over the remuneration of their employees, who are considered by Government to be analogous to public servants, subject to public service remuneration terms.
- **Higher education institutions** including universities and institutes of higher education. Their governance may be autonomous of Government but like "Section 38" bodies their employees are considered public servants.

In addition there is a number of special purpose companies established by Government departments or agencies for the purposes of distribute funds, or to act as local centres for certain government programmes. Learn more about these on www.benefacts.ie

- **local development companies** (which trade under various names, including LEADER Partnerships, Area Partnerships and Integrated Development Companies)
- **local drugs task force** companies
- **Citizens Information Service** companies
- **Money Advice and Budgeting Services**
- **Family Resource Centres**

Source: Benefacts Database of Irish Nonprofits

Nonprofits deriving more than 50% of their funded from Government

In addition to quasi-public bodies, about 1,400 nonprofits in the Database of Irish Nonprofits at Q1, 2018 report deriving more than 50% of their funding from the State, sometimes from a combination of funding sources. Most of these are social care providers funded under Section 39 of the Health Act, social housing or homelessness service providers, or companies funded for job creation purposes under the Community Employment Scheme operated by the Department of Social Protection.

Whilst these are subject to Government oversight including the terms imposed by their respective funding agreements and the power of audit reserved by the Office of the Comptroller and Auditor General, and the requirement to observe Government regulations concerning public procurement of goods and services, they have nonetheless been treated as part of the general nonprofit population in this analysis.

Acknowledgements

NOTES