



UNIVERSITY OF OREGON
FOUNDATION

GIFT MANAGEMENT POLICY		NUMBER:	GM-05-2009
SUBJECT:	PLEDGE ACCEPTANCE AND MANAGEMENT		
Effective date:	January 1, 2011	Replaces policy date:	October 1, 2009

PURPOSE:

To establish guidelines to substantiate, record and monitor pledges for the benefit of the University of Oregon or the Foundation.

POLICY:

The Foundation will properly and accurately record pledges for accounting, receipting and monitoring purposes in accordance with applicable laws and regulations. The Foundation will work in conjunction with designated University management to facilitate the stewardship of pledges.

PROCEDURE:

Pledges are commitments by the donor, on behalf of the donor, to give a specified dollar amount according to an established time schedule. All pledges are recorded on the donor database system. Pledges are recorded on the accounting system when either (i) the pledge is for \$5000 or more or (ii) the pledge is for multiple years with \$1000 or more to be paid each year. An adjustment is made at fiscal year end to report the balance of all small pledges that are not initially recorded on the accounting system.

The following minimum information must exist to substantiate a pledge:

- The amount of pledge must be clearly stated; any portion potentially to be fulfilled by third parties, such as donor advised funds or matching gifts, must be separately stated;
- There must be a clearly defined payment schedule or specified end date, preferably not to exceed 5 years (for small pledges: specified end date within 12 months);
- The pledge designation, i.e. donor intent, must be identified or a means/time of designation must be stated;
- The pledge must be documented by the donor either by signed correspondence or electronic correspondence originating from the donor (for small pledges: not required).

When the written document contains contingencies, conditions and/or legally is revocable, it is considered a revocable or conditional pledge. A conditional pledge is considered for stewardship purposes only; recorded only on the donor database system.

Recording:

All documented pledges are recorded on the donor database system as of the date of Foundation signature, indicating final acceptance. Small pledges are recorded as of the date required minimum information is received by the Foundation. The amount of the pledge recorded for legal credit is the face value as stated on the pledge document and represents only the amount the donor personally plans to contribute. The pledge record on the donor database system will also include the designation of use and the installment schedule as stated in the pledge document.

The amount of any anticipated gifts from third parties, i.e. payments from a donor advised fund or matching gifts, are recorded for recognition credit purposes only for the primary donor. Monies received from third parties will be treated as gifts and will not be applied to the primary donor pledge record as a pledge payment.

Monitoring:

At the end of each month, an aging report is run for all pledges to facilitate the pledge reminder process. Reminders are sent for all pledges in coordination with designated University management. Reminders are sent for all small pledges monthly for the first three months.

At the end of each fiscal year, the Foundation will review all multi-year pledges for likelihood of fulfillment. Pledges are considered at-risk if the pledge was recorded more than three years prior and payments have not been made for at least two years. For at-risk pledges, Foundation management will provide a recommendation as to the disposition of the pledge to designated University management. A plan for continued stewardship or cancellation should be reached within 40 days and documented with the original pledge documentation. A pledge may also be considered for cancellation based upon information provided in writing by the donor.

Adjustments:

Adjustments to a pledge record for data-entry type corrections may be completed upon proper authorization on a "Transaction Adjustment Request" form.

Cancellation or write-down of a multi-year pledge requires final approval from Chief Compliance Officer and designated University management. A "Pledge Cancellation Request" form must be completed and properly authorized. Cancellation or write-down of a small pledge may be requested by the department/program or development officer.

When a gift from a third party is received that is directly related to a donor pledge through documentation or donor communication, an equivalent amount of the donor's pledge is written down upon proper University and Foundation approval.

All adjustments, write-downs and cancellations are transacted in the donor database and updated to the accounting system as appropriate.

RESPONSIBILITIES:

Designated University management and designated Foundation management: at fiscal year end, review at-risk pledges and determine resolution

Chief Compliance Officer: oversee the accurate recording of pledges and stewardship of multi-year pledges; in conjunction with designated University management, approve pledge cancellations

FORMS/DOCUMENTS:

Letter of Intent

Third Party Pledge Payments, GM-07-2009