



UNIVERSITY OF OREGON
FOUNDATION

GIFT MANAGEMENT POLICY		NUMBER:	GM-07-2009
SUBJECT:	THIRD PARTY PAYMENTS		
Effective date:	March 17, 2010	Replaces policy date:	October 1, 2009

PURPOSE:

To establish guidelines for the treatment of payments received from third parties that relate to a donor pledge.

POLICY:

Payments received from third parties will be recorded as an outright gift from the third party, the third party will receive legal credit, as applicable, and the related primary donor will receive recognition credit only. Due to potential, significant income tax consequences to both the primary donor and the third party, the Foundation will not directly credit a payment from a third party to an outstanding pledge obligation of a primary donor. Under existing law, payments by third parties for personal pledges of an individual results in an impermissible benefit to that individual.

PROCEDURE:

All monies received from a third party will be recorded as an outright gift. The third party will receive legal credit and the primary donor, as identified in documentation accompanying the payment, will receive recognition credit. Receipts will be issued in accordance with *Gift Value and Receipting* policy.

When the primary donor has an outstanding pledge, the Foundation will notify the assigned development staff that a third party payment was received and request clarification from the primary donor on their intent to fulfill the outstanding pledge balance. If the primary donor conveys information that it is not the intention to personally pay the outstanding pledge balance, but rather a portion or all of the outstanding payments are expected to be made by a third party, the primary donor will be requested to complete a new pledge document stating only the obligation for which the donor will be personally responsible. Once the Foundation receives the new pledge document, the original pledge balance will be written off and the new pledge recorded. Any amount stated that the primary donor will advocate from a third party is used for Development purposes only and is non-binding on the third party. If the communication from the primary donor puts into question the source of payments for the outstanding pledge balance and does not state an amount for which the donor will be personally responsible, the original pledge balance will be written off. Write off of any pledge must be approved per *Pledge Acceptance and Management* policy.

DEFINITIONS:

Third party: any person, entity or organization other than the primary donor; includes donor advised funds, private and family foundations, corporations making matching gifts, and foundation consortia (United Way); does NOT include qualified IRA charitable-distributions, revocable living trusts; payment by a corporation or partnership not designated as a matching gift is NOT a third party payment

Primary donor: the person, entity or organization that made recommendation for payment to a donor advised fund or other third party; also, the donor that signed a pledge agreement

Donor Advised Fund: a charitable giving vehicle where donors make tax-deductible donations to the Fund, which in turn distributes the monies to other public charities giving consideration to donor recommendations

RESPONSIBILITIES:

President/CEO: coordinate with designated University management on approval of pledge write-off

FORMS/DOCUMENTS:

Gift Value and Receipting, GM-03-2009

Letter of Intent

Pledge Acceptance and Management, GM-05-2009