



UNIVERSITY OF OREGON
FOUNDATION

GIFT MANAGEMENT POLICY		NUMBER:	GM-07-2009
SUBJECT:	THIRD PARTY PAYMENTS		
Effective date:	April 13, 2012	Replaces policy date:	February 21, 2012

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 and the related named 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 named donor. Under existing law, payments by third parties for personal pledges of an individual results in an impermissible benefit to that individual.

PROCEDURE:

A pledge payment received from a third party cannot be directly applied to a donor pledge. A third party commitment is created for the amount received and dated the same as the original date of the donor pledge. The third party will be the legal donor and the donor identified in documentation accompanying the payment will be an associated donor. The gift is then recorded as a payment on the third party commitment. Receipts will be issued in accordance with *Gift Value and Receipting* policy.

The receipt of a payment from a third party is sufficient notice from the donor that the donor does not intend to honor that portion of the pledge; the named donor's pledge will be written down for the amount received from the third party. Receipts will be issued in accordance with *Gift Value and Receipting* policy.

When the named donor has a remaining pledge balance, the Foundation will notify the assigned development staff that a third party payment was received and request clarification from the named donor on their intent to fulfill the outstanding pledge balance.

If the named donor conveys in writing 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 named donor's pledge will be written down or written off. A third party commitment will be recorded for the third party

donor on the donor database for the equivalent amount, dated to the original date of the named donor pledge.

When third party participation is known at the time of a donor pledge, it will be documented within the donor pledge. A pledge in the name of the donor will be recorded for the donor's portion of the total amount and a third party commitment in the name of the third party will be recorded for the balance; the donor will only be an associated donor on the third party commitment.

Any amount recorded as a third party commitment is used for Development purposes only and is non-binding on the third party.

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

Named 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:

Chief Compliance Officer: 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