

SUBJECT: PLEDGES	Reference: GP-003
SECTION: GIFT PROCESSING PROCEDURES	PAGE: 1 OF: 4
DEPARTMENT: ADVANCEMENT SERVICES AND OPERATIONS	EFFECTIVE: 7/1/2020
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PURPOSE

The purpose of the Pledge Procedure is to guide Advancement Services and Development on the guidelines of writing, receiving, recording pledges and general procedures governing pledge write-off, reductions, and cancellations for non-annual fund pledges.

GENERAL GUIDELINES

Pledges are unconditional promises or arrangements to give money in the future. With the exception of phonathon pledges, in order to officially record a pledge into Advance, appropriate documentation signed by the donor is required — a pledge form, letter of intent, etc.

Pledges are to be recorded only when full payment is expected at a pre-established time in the future.

Pledges may be fulfilled with payments of cash, credit cards, EFT, payroll deductions or marketable securities.

Regulations preclude pledges from being satisfied with funds from a family foundation or community foundation. Pledges may be satisfied with funds from a donor-advised fund (“DAF”) if permitted by the organization that administers the DAF. It is the donor’s sole responsibility to determine if fulfilling the pledge through his or her DAF is allowable.

Per IRS rules and CASE standards, pledges may not be recorded with anticipated matching gifts. Donors cannot create financial obligations for matching gift entities and amounts will not be included in the amount pledged. In addition, matching gifts may not be used to book a pledge to meet a minimum expendable and endowed naming threshold.

EXPENDABLE / ENDOWED PLEDGES

Expendable or Endowment pledges must use a template and follow the University Gift Acceptance Policy.

- 1) Pledges of \$2,000 or more must have documentation and will be posted in the donor database.
- 2) Pledges to establish an endowed fund must be in excess of \$25,000 or more.
- 3) The documentation must include date, amount pledged, usage/purpose detail, and payment schedule.
- 4) An installment schedule to allow fulfillment achieved within a five-year period. Pledges of longer than five years in length require approval by the VP of Advancement.
- 5) Pledges must be approved by the AVP of Operations or Director of Advancement Services and Operations.
- 6) Pledges of \$10,000 or more require approval of the Vice President University Advancement (VPUA) prior to recording in the gift records system and should be accompanied with a gift agreement.
- 7) Pledges may not be conditional (i.e. to be paid when anticipated but not irrevocably scheduled event occurs).
- 8) Pledges must be signed by the donor and by the Executive Director of CSUSB Philanthropic Foundation.

ASO PROCESS

- 1) Endowment and Expendable pledge agreements
 - a. New Allocation Account
 - i. Pledges with accounts not yet established will be sent via CPFAgreements@csusb.edu to be assigned an account number by Financial Services. (Scholarships, see B-3(m))
 - ii. Financial Services emails CPFAgreements@csusb.edu once an account has been assigned.
 - iii. Gift processor creates a new allocation in donor database.
 - iv. Pledge is recorded in donor record. (See B-3(g) for Gift Entry)
 - v. Pledge is scanned and saved to the donor database.
 - b. Existing Allocation Account
 - i. New pledge is recorded in donor record. (See B-3(g) for Gift Entry)

- ii. Pledge is scanned and saved to the donor database.

2) Payroll Deductions

- a. Payroll deductions are received and recorded into donor database (See B-3(g) for Gift Entry: New Pledges)
- b. Forms are sent to Payroll for processing
- c. A monthly payroll report is ran and matched up to pledges
- d. Deductions are entered into donor database

3) Matching Gifts

- a. Upon receipt of the payment accompanied by the matching gift documentation the expected match will be recorded and soft credited to the donor. The received match will be credited to the same designation as the payment

4). Notification – Financial Services

- a. The gift processor will send a quarterly list of new pledges and pledge receivables to Financial Services.

PLEDGE REVIEW PROCEDURE

Pledges with gift agreements that are not collectible should be written-off, reduced, or cancelled in a timely manner. Outstanding pledges cannot be written-off, reduced, or cancelled without proper documentation. An uncollectible pledge can be managed in one of the following ways:

- a. Write-Off: When a donor has an amount remaining on their pledge balance, the remaining balance can be written-off and the donor receives credit for any amount paid towards pledge.
 - i. Outstanding pledges of deceased donor will be written off after 24 months
- b. Reduction: When a donor has an amount remaining on their pledge balance, the pledge is reduced to the amount paid. The donor receives credit for the amount paid towards pledge.
- c. Cancellation: When a donor has an amount remaining and zero amounts paid, the pledge is coded as written off in the donor database system and the donor receives no giving credit for the unpaid pledge.

1) Review Process

- a. Pledge receivables will be reviewed quarterly by the Director of Advancement Services and Operations and the Office of Philanthropic Giving.

- i. Advancement Services will send updated pledge receivables to Financial Services by the first week of April, July, October and January.
- b. The Director of Advancement Services and/or the Associate Vice President of Advancement Operations will work with the AVP of Development and/or the Directors of Philanthropy on past due pledge payments and will make a recommendation to the Vice President of University Advancement to write off or cancel pledges on a quarterly basis.
- c. The Vice President of University Advancement will review and approve pledges to be written off.
- d. The Director of Advancement Services and/or the Associate Vice President of Advancement Operations will notify Financial Services of pledges that have been adjusted, written off or canceled.
- e. Gift Processor will update donor record of adjusted, written off or canceled pledges.