GEORGIA STATE UNIVERSITY FOUNDATION, INC.

Procedure number/name: 2.3a Pledge Fulfillment Procedure

Issuing date: 1/26/2009 Effective date: 7/1/2008

Related policy number/name: 2.3 Gift Acceptance Policy, Title III, Pledges

Procedures Approved by: President of the foundation/vice president for development

I. Introduction
Consistent with the gift acceptance policy (title III), pledges are accepted for intended gifts. As written pledges are considered unconditional promises to give, they may be recorded as receivables on the financial statements of the Georgia State University Foundation, Inc. Pledges, therefore, are assets that must be carefully monitored from a fiduciary as well as a donor relations perspective. This procedure is implemented to ensure that pledges are given proper care and honored in a timely manner to the mutual benefit of the foundation and the donor.

II. Revision history
Originally approved as Pledge Collection Procedure, 6/21/07

III. Definitions
Definitions are contained within the Procedure section.

IV. Persons affected
Donors, development officers, Gifts and Records Management staff, Annual Programs staff, president of the foundation, associate/assistant vice presidents of development.

V. Roles and responsibilities
A. Director of gifts and records management. The director of gifts and records management staffs the pledge collection process. She or he ensures that milestones are observed and that information is shared on a timely basis. She or he keeps the official records of all actions. The director may designate Office of Gifts and Records Management personnel to handle his or her office’s responsibilities.
B. Development officers have responsibilities in the action and review phases below.

C. Office of Annual Programs collaborates with the Office of Gifts and Records Management in sending reminders for telephone outreach pledges.

D. The president of the foundation/vice president for development has the final authority on write offs and is active in review phases.

E. The associate/assistant vice presidents for development are involved as a consequence of the supervisory roles and job responsibilities.

VI. Procedures

A. Basic procedure. Generally, the foundation will write off pledges that are 120 days past due. Due care, however, will be given to each past due pledge having an original pledge amount of $1,000 or more. The development officer associated with such a past due pledge will have the opportunity to petition to delay a write off. Decisions will be well documented on paper and in Raiser’s Edge and the scope of communications will be broad. The president of the foundation will have the final authority on write offs. The details of the collection process are specified in this procedure.

B. Reminders. The gift acceptance policy provides that, “Unless the donor indicates otherwise, the foundation will send courtesy reminders of pledge payments.” It is the responsibility of the development officer associated with the pledge to report to the Office of Gifts and Records Management cases where the donor declines a courtesy reminder. The Office of Gifts and Records Management in collaboration with the Office of Annual Programs is responsible for sending reminders for telephone outreach pledges. This procedure does not apply to reminders related to life insurance premiums.

C. Pledge set up. The Office of Gifts and Records Management enters a pledge into the gift records system based on written information presented by the development officer associated with the pledge. Pledge forms and letters of intent shall be consistent with the requirements of the gift acceptance policy and shall be approved in advance by the director of gifts and records.
D. Under-paid pledges. An under-paid pledge is one for which a donor makes a payment that is less than the scheduled payment. In such cases, the director of gifts and records management shall contact the development officer associated with the pledge to determine if contact with the donor is necessary and whether the unpaid amount should be rescheduled.

E. Pledge Fulfillment Phases.

1. There are three phases in the pledge collection process:
   - the reminder phase
   - the action phase
   - the review phase

2. Reminder phase.

   a. The reminder phase is administered by the Office of Gifts and Records Management. The director of the office may designate office personnel to handle his or her office’s responsibilities.

   b. The director of gifts and records management will take the following actions at the intervals designated below.

   c. Thirty days prior to pledge installment date (0 – 30 days). The first letter reminder is mailed to the donor for pledges over $1,000.

   d. Thirty days past pledge installment date (1 – 30 days). If there is no response from the donor, a second reminder letter is mailed. A first reminder is mailed to overdue pledges of less than $1,000.

   e. Sixty days past pledge installment date (31 – 60 days). If there is no response from the donor, a third reminder letter is mailed. A second reminder is mailed to overdue pledges of less than $1,000.

   f. Ninety days past pledge installment date (61 – 90 days). If there is no response from the donor, a second reminder letter is mailed to overdue pledges of less than $1,000.
3. Action phase.

i. If a pledge over $1,000 becomes 90 days past due (61 – 90 days), the director of gifts and records management will refer the pledge to the development director for staff contact with the donor for purposes of completing a clearance action with copy to the president of the foundation and all associate/assistant vice presidents for development.

b. Acceptable clearance actions are:

   i. The donor makes a pledge payment which brings the pledge current;

   ii. The donor and/or the development officer decide to adjust the terms of the pledge; or

   iii. The donor requests cancellation of the pledge. Note: A development officer may not unilaterally write off a pledge. Write off authority is reserved to the president of the foundation.

c. Completion of a clearance action is expected before the pledge becomes more than 90 days past due. The development officer shall communicate the completed clearance action in writing to the director of gifts and records management who shall remove the pledge from the past due list and record a comment in Raiser’s Edge. The development officer shall provide a copy of the written clearance action to the president of the foundation, all associate/assistant vice presidents for development and the director of university stewardship and event.

4. Review phase.

a. For pledges with original amounts of $1,000 or more, a review period commences at 91 days past due which culminates with dispositions by the president of the foundation by the 120 day past due date. The review is initiated by a report from the director of gifts and records management to the president of the foundation with notice to development officers associated with pledges listed in the report. All associate/assistant vice presidents for development shall also receive notice. The president shall conduct a case-by-case review of pledges.
and render determinations in writing to the appropriate development officers, the director of gifts and records management, and the associate/assistant vice presidents for development. The director of gifts and records management shall record determinations as comments in Raiser’s Edge.

b. The determination will be:
   i. to write off the pledge,
   ii. to adjust the terms of the pledge, or
   iii. to defer the write off.

c. Development officers will have 10 days to petition the president of the foundation to adjust the terms or defer write offs. During the review period, staff shall report immediately to all parties any new information about the donor or the pledge.

5. Write off.
   a. The director of gifts and records management shall write off all pledges 120 days or more past due and record comments in Raiser’s Edge. To recapitulate, such past due pledges include:
      i. Pledges with original amounts of less than $1,000 which are authorized for automatic write off by virtue of the president of the foundation approving this procedure; and
      ii. Pledges with original amounts of $1,000 or more that were authorized by determination of the president of the foundation during the review phase described in this procedure.
   
b. The director of gifts and records management will report/confirm the write-offs to the president of the foundation, the associate/assistant vice presidents for development, and appropriate development officers.

6. Review of procedure. The director of gifts and records management shall annually convene in April or May a task force composed of staff identified by the associate/assistant vice presidents for development. The functions of the task force will be (1) to review all pledges written off during the
fiscal year and (3) to review this procedure and make recommendations for changes that may be deemed necessary.

**HELP**

**People to contact**

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<thead>
<tr>
<th>Position Title</th>
<th>Campus Location</th>
<th>Phone Number</th>
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<tbody>
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**Additional information and resources**

- Foundation policy 2.3, Gift Acceptance Policy, Title III, Pledges
- Financial Accounting Standards Board statements on unconditional promises to give