

1 **GEORGIA STATE UNIVERSITY FOUNDATION, INC.**

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3 **Procedure number/name:** 2.1c Soft Credit Procedure _____

4
5 **Issuing date:** March 4, 2009 _____ **Effective date:** March 4, 2009 _____

6
7 **Related policy number/name:** 2.1 Gift Acceptance Policy Title I, Principles and Definitions

8
9 **Procedures Approved by:** President of the foundation/vice president for development

10
11 **I. Introduction**

12 In order to recognize that gifts may have been received due to the efforts of another party,
13 the foundation records what is known as “soft credit” (including soft credit attributed to
14 matching gifts). Soft credit is granted exclusively for recognition purposes. The
15 objective of this procedure is to detail staff roles and responsibilities in soft credit cases
16 and give guidance on the awarding of soft credit.

17
18 *Note: Soft credit is used generically in this procedure to refer to credit to*
19 *parties other than the individual or organization that legally tendered a*
20 *gift. Raiser’s Edge processes company matching gifts separately from the*
21 *awarding of other forms of soft credit. In terms of donor recognition at*
22 *Georgia State, however, soft credit always includes company matching*
23 *gifts unless specifically stated otherwise.*

24
25 **II. Revision history**

26 Initial approval: 8/9/2006

27
28 **III. Definitions**

29 **fundraising consortia.** “This category includes entities that have been formed by a group
30 of cooperating institutions or organizations for facilitating their fundraising activities.
31 Examples of fundraising consortia include the United Negro College Fund, the Virginia
32 Council of Independent Colleges, the United Way and other combined fund drives.”
33 (Source: CASE standards) This category does not include government entities.

34
35 **personal and family foundations.** “Although there is no legal definition for a family
36 foundation, this term often arises in fundraising contexts. For development purposes,
37 personal and family foundations are those that were established, and continue to operate,
38 as the conduits for the charitable donations of an individual or immediate members of a
39 family.” (Source: CASE standards)

40
41 **IV. Persons affected**

42 Donors, offices of Gifts and Records Management and Donor Relations and University
43 Events, and other Development staff.

44

45 **V. Roles and responsibilities**

46 The director of gifts and records management is responsible for awarding soft credit and
47 recording it in Raiser’s Edge. The director has the primary responsibility for determining
48 soft credit in routine cases (e.g., alumni couples, donor-advised funds and fundraising
49 consortia) and may be able to make determinations in some non-routine cases. The
50 director is also responsible for annually reviewing this procedure and making suggestions
51 for revision as appropriate.

52
53 In non-routine cases (e.g., personal and family foundations and corporate principals), the
54 development officer associated with the gift has primary responsibility for ascertaining
55 whether soft credit is desirable and for making a written request (on the gift deposit form
56 or major gift transmittal or by e-mail) to the director of gifts and records management.

57
58
59 **VI. Procedures**

60
61 A. Amount of soft credit.

62 Each recipient is awarded 100% soft credit.

63
64 B. Alumni couples.

65 When a gift is made by an alumnus/alumna who is married to another alumnus/alumna,
66 one person – typically the signer of the check – receives hard credit. If the spouse has
67 a separate record in the database, he or she receives soft credit.

68
69 *Note: “For participation purposes, contributions from married alumni are usually
70 counted as coming from two individual alumni unless the couple specifies
71 otherwise.” (Source: CASE standards)*

72
73 C. Corporate principals.

74 “The principal of a corporation may play an instrumental role in helping the institution
75 secure a gift from that corporation. In such cases, the principal can be awarded soft credit
76 for the gift. However, the principal usually does not automatically receive soft credit for
77 all gifts from that firm— only when he or she actually orchestrated the gift.” (Source:
78 CASE standards) *(See the role and responsibilities of development officers above.)*

79
80 D. Donor-advised funds.

81 “Gifts made through a donor-advised fund are counted as coming from an organization,
82 not an individual. However, the donor who made the original gift to the fund (and that
83 person's spouse or partner if applicable) is eligible to receive soft credit for the amount
84 the fund contributed to the university.” (Source: CASE standards)

85
86 *Note: Development staff should be aware of the implications of these
87 gifts on pledge payments and matching gifts. The IRS may consider a
88 donor-advised fund payment on a personal pledge as income to the
89 individual, potentially subjecting the donor to additional taxes and
90 penalties. In addition, most companies will not match gifts from donor-*

91 *advised funds. (For more detail on donor-advised funds, see CASE*
92 *standards, page 54.)*

93
94 E. Fundraising consortia (*see definition*).

95 Hard credit goes to the fundraising consortium when such an organization is the donor of
96 record. Fundraising consortia “often provide a list of how much of their contribution can
97 be attributed to specific individuals. Those individuals normally receive soft credit for the
98 amounts indicated in the provided list, but because the organization typically retains a
99 portion of the gift, the soft credit amount should equal the net amount of the gift the
100 institution received.” (Source: CASE standards)

101
102 F. Independently administered matching gifts.

103 Many companies now use foundations and donor-advised funds to administer their
104 matching gift programs. Such gifts count as coming from the legal donor (usually the
105 foundation or fund). CASE standards suggest that “it is usually appropriate to give soft
106 credit both to the company and to the donor whose gift was matched.” Georgia State,
107 however, only gives soft credit to the donor whose gift was matched. For recognition
108 purposes (listings in honor rolls, for example) giving by corporations includes giving
109 by company sponsored foundations and other related entities.

110
111 G. Personal and family foundations (*see definition*).

112 “Gifts from these foundations are counted as foundation (not individual) gifts. Any or all
113 of the related family members normally receive soft credit for gifts made by the
114 foundation.” (Source: CASE standards) (*See the role and responsibilities of*
115 *development officers above.*)

116
117 H. Realized bequests and similar vehicles.

118 Hard credit is given to the estate or trust. Soft credit will be recorded for the decedent
119 who created the bequest or trust and/or their spouse.

120
121 I. Other situations.

122 Situations not covered by the provisions above may be accepted for soft credit.
123 Applications must be made in writing to the director of gifts and records management for
124 presentation to the vice president, who shall have the sole authority of approval.
125

126
127 **Additional information and resources**

128 Foundation policies and procedures

129 2.1 Gift Acceptance Policy Title I, Principles and Definitions

130 2.1a Annual Programs Counting and Reporting Procedure

131 2.1b Donor Recognition Procedure

132 2.2 Gift Acceptance Policy Title II, Outright Gifts

133 2.2a Receipts, Acknowledgments and Thank-Your Letters Procedure

134 2.3 Gift Acceptance Policy Title III, Pledges

135 2.3a Pledge Fulfillment Procedure
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CASE Management and Reporting Standards, 3rd Edition (Council for Advancement and Support of Education: Washington, D.C., 2004).