



Policy on pledge management

Policy Type: Local

Responsible Office: Gifts & Records Management, Development and Alumni Relations

Initial Policy Approved: 05/2009

Revised Policy Approved: 11/2012

Policy Statement and Purpose

Gifts & Records Management records and manages all pledge commitments to the university and ensures that monthly reminders of pledge installments due are sent as specified by donors' pledge agreements.

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Who Should Know this Policy?

All university employees engaged in activities related to development and alumni relations are responsible for knowing this policy and familiarizing themselves with its contents and provisions.

Definitions

Pledge

A commitment that is written and signed by a donor to fulfill a financial promise payable within a specified time, according to terms set by the donor and agreed upon by Virginia Commonwealth University or one of its affiliated foundations.

Bequest expectancy

A revocable inclusion in a donor's estate plan.

Nonbinding commitment

A pledge for which no formal or insufficient written documentation exists or for which conditions of fulfillment are placed on the recipient institution.

Conditional pledge

A pledge that places requirements on the institution to perform some task or take some action that it might not otherwise initiate or that depends on some future event over which neither the institution nor the donor may control.

Related Documents _____

Contacts _____

- Jane Stringer, director of Gifts & Records Management, at (804) 828-0348 or jwstringer@vcu.edu
- Lauren Shiver, assistant vice president for Advancement Services, at (804) 827-4590 or lashiver@vcu.edu

Procedures _____

1. Processing pledge commitments

- a) All pledge commitments to VCU are recorded in the Millennium database by Gifts & Records Management. All original materials relating to the pledge are scanned and available electronically.
- b) Only entities exercising legal control over the assets to be given can make a pledge. An individual cannot make a pledge that includes anticipated matching contributions from an employer or some other source nor can an individual commit funds that might come from a donor-advised fund or community foundation.
- c) Signed documentation must be provided to Gifts & Records Management for the pledge to be added to the Millennium database.
- d) Development officers must secure all documentation for posting the transaction and must provide this information to Gifts & Records Management.
- e) To be recorded, pledges being paid over multiple years must have appropriately signed documentation.
- f) Pledges can be paid over a period of years, preferably no more than five. Pledges to be paid over more than five years must be approved by the vice president of Development and Alumni Relations or his designee.

2. Pledge documentation

- a) Pledge documentation must include the purpose of the pledge, length of pledge and a schedule of payments.
- b) Except where pledges are transmitted directly to Gifts & Records Management (direct mail, phone program, online, etc.), pledge commitments must be accompanied by a completed pledge entry information form.
- c) No undocumented pledge will be added to the database.

3. Endowment agreements

- a) All pledge commitments that will establish an endowed account must be documented with a formal endowment agreement.

- b) An executed endowment agreement is considered adequate pledge documentation for recording the donor's commitment.
- c) Development officers must secure all appropriate signatures and provide the completed endowment agreement to Gifts & Records Management for recording.

4. Letters in lieu of pledge form

- a) Except where the pledge commitment would establish an endowment, if a donor furnishes a signed letter to document a pledge commitment and this letter clearly sets out all necessary details covered in a pledge form (including a payment schedule), then the letter can serve as documentation in lieu of a pledge form.
- b) Development officers must ensure that the original letter is delivered to Gifts & Records Management for processing.

5. Verbal pledges – The term “verbal pledge” usually refers to an oral promise to make a donation.

- a) No irrevocable pledge is recorded without a written pledge form that has been signed and dated by the donor.
- b) A nonbinding (or potential) pledge can be recorded if appropriate written instructions are provided to Gifts & Records Management by the development officer and approved by the applicable dean and the vice president of Development and Alumni Relations or his designee.
- c) Development officers must secure all necessary approvals before written instructions are provided to Gifts & Records Management for processing.
- d) Development officers must report the activity and plan for solicitation strategy associated with the verbal commitment on the action screens in Millennium.

6. Pledge reminders

- a) Gifts & Records Management produces and mails monthly pledge reminders for all multiyear pledges with expected payments based on recorded payment schedules.
- b) Gifts & Records Management compiles pledge reminder spreadsheets mid-month for review by development officers. Development officers must communicate with Gifts & Records Management before the stated deadline with requests that a reminder not be sent.
- c) Gifts & Records Management mails pledge reminders on the first business day of each month.
- d) Gifts & Records Management provides development officers with monthly reports on pledges with scheduled payments that are six months or more overdue. Development officers must develop a strategy for contacting the donor.
- e) At the request of the donor, pledge payments can be rescheduled. Documentation to support the change must be submitted to Gifts & Records Management before any changes are made. The documentation is scanned and attached to the pledge record.
- f) For pledges falling under FASB guidelines, the director of Gifts & Records Management notifies the fiscal agent within the appropriate university-affiliated foundation of the payment schedule change.

7. Pledge write-off guidelines

- a) Annual fund pledges of less than \$100 with the last installment six months overdue are written off or reduced to the amount paid.
- b) The director of annual giving strategy is provided a monthly report of annual fund pledges of \$100 or more whose last installment is six months overdue for review. The director of annual

giving strategy must respond by the given deadline to advise of pledges that should not be written off. If no response is received, the pledges will be written off or reduced to the amount paid.

- c) Multiyear pledges of less than \$1,000 with the last installment two years overdue are written off or reduced to the amount paid.
- d) The director of development for each unit is provided a monthly report of pledges of \$1,000 or more to their units whose last installment is two years overdue for review. Each unit's director of development must respond by the given deadline to advise of pledges that should not be written off. If no response is received, the pledges are written off or reduced to the amount paid.

Forms

- [VCU pledge form](#)
- [MCVF pledge form](#)
- [Pledge entry information form](#)

Revision History

This policy supersedes the following Administrative Policies approved in 5/2009:

- 9.2.3 Pledge Information
- 9.2.4 Letter in Lieu of a Pledge Form
- 9.2.5 Verbal Pledges
- 9.2.6 Pledge Reminders
- 9.2.7 Writing-Off Pledges

FAQs

1. Where should pledge agreements be taken for processing?

Pledge agreements should be delivered to Gifts & Records Management, 809 W. Broad St., or dropped in the Development and Alumni Relations drop box at the Shafer Street entrance to the Blanton House, 828 W. Franklin St.

2. How can pledge forms be obtained?

Pledge forms can be found on the Development and Alumni Relations intranet site or by calling the Gifts & Records Management offices.