



**SAN FRANCISCO  
STATE UNIVERSITY**

## **UNIVERSITY ADVANCEMENT PLEDGE POLICY**

**Effective 4.02.2024**

### **Policy Objective**

In accordance with the California State University Generally Accepted Accounting Policies (GAAP) Manual, chapter 8.5.2 on Pledge Reporting Guidelines, San Francisco State University's Advancement Services and University Development Units have implemented the following policy on oral and written pledges. Detailed procedures for processing pledge payments can be found in the Advancement Services gift processing instructions on Box.com or by contacting the Gift Records Manager for information.

### **Definition**

For the purposes of this policy, a pledge is defined as a commitment to make a gift of at least \$5,000 over the course of five years or less.

According to the Council for the Aid and Support of Education (CASE), a pledge can be made only by the entity exercising legal control over the assets to be given. The pledge is an agreement from the donor to make a donation or donations and must specify an amount, donor intent and pledge schedule to pay a pledge in full.

The individual cannot make a pledge that includes anticipated matching contributions from an employer or some other source. Nor can an individual commit funds that may come from a donor-advised fund, family or community foundation. An enforceable, countable pledge includes only those funds that can be given by the legal entity.

### **Reporting Pledges on the annual CSU Philanthropic Productivity Report**

- 1) Report only pledges that were committed or awarded during the reporting period (fiscal year).
- 2) Report only pledges with documentation by the funding source or their legal representative. The

documentation must be dated within the report period (the prior fiscal year). The donor should stipulate the amount, purpose, and payment period in a written document to the institution. The Director of Development (DOD) may also write a letter or email to the donor, outlining the same details based on conversation with a donor, as a bona fide commitment from the donor. It is advisable that the donor sign or agree in writing in a return letter or email.

In cases where a pledge commitment of a major gift of funds or those which would initiate a construction project occur, the university has the option to create a more detailed pledge or gift agreement that would fulfill requirements for legal enforceability.

- 3) Report only unconditional pledges not based on a future event. Pledges that are subject to matching fund requirements are considered conditional pledges and may not be reported until the condition is met.
- 4) Report pledges at face value.
- 5) For pledges with payment schedules exceeding five years, report only the first 5 years. At the completion of the first five years, additional five-year increments can be booked and counted.
- 6) Payments on pledges that have been received in the same reporting period that they were originally committed are reported as a new gift under annual gift receipt totals on the Voluntary Support of Education (VSE) Survey. Make sure not to double report as both a gift commitment and a gift receipt.
- 7) Do not report matching gift claims or expectancies as a gift commitment. The application for a match is not a commitment by the funder and could be declined for a variety of reasons.

#### **Establishing Pledges:**

A pledge may take either of two forms: *oral* and *written*.

Pledges may not be accepted until the Associate Vice President (AVP) of University Development (Development) or Vice President (VP) of University Advancement (Advancement) signs the Gift Acceptance Form. Once a Gift Acceptance form is completed, the Gift Processing Team book the pledge.

The Donor Relations Team (when necessary, in consultation with the DOD) generates an acknowledgement letter that confirms the pledged amount, payment schedule, and how the funds

will be used.

1. Oral Pledge:

Oral pledges are strongly discouraged. On the rare occasions when special circumstances prevent the DOD from securing a signed gift agreement or donor letter of intent, the DOD should write to the individual making an oral pledge to document the commitment.

The pledge shall not be booked until the donor provides written confirmation of the commitment. Exceptions may be made at the discretion of the AVP of Development or the VP of Advancement.

2. Written Pledge:

A pledge should be documented on the Gift Acceptance Form with donor letter, gift agreement or other approved pledge remittance, and forwarded to the Advancement Services Office for recording.

### **Pledge Reminders**

Reminding donors of their pledges is a critical fundraising function, not only in making sure that the institution, in fact, receives the funds promised by donors in the pledge commitments but also in ensuring that donors are properly stewarded and cultivated for their next gifts.

The Development Coordinator is responsible for pledge reminders for individual pledges. Reminders are sent up to one month prior to the due date. This shall be done using the relevant databases and by consulting the pledge schedule.

In many cases, a donor's intent to pay the pledge through their donor advised fund may not be known at the time the pledge is accepted. If the payment is received from the donor advised fund, the individual pledge should be reduced by that amount and the payment will be recorded as a new gift from the entity making the donor-advised gift, with soft credit given to the individual.

Example: if an individual pledges \$100,000 and a community foundation sends a payment of \$30,000, the original pledge must be reduced to \$70,000. The \$30,000 payment should be recorded as a new gift from the community foundation, with soft credit to the individual.

Adjustments to pledges include changes in pledge or payment amounts and schedules, as well as cancellations and write-offs or unpaid balances. All adjustments to pledges should be submitted to the Advancement Services Gift Processing Team.

**Pledge Write-Off Policy**

Advancement Services and Development utilize the following policies and procedures to ensure that all open pledges found in Blackbaud RE NXT continue to be collectible.

A semi-annual review is performed on May 1 and December 1 of each calendar year. The review is prepared by the AVP of Development and the Development Coordinator, in consultation with the Gift Processing Team. Write-offs require the approval by the VP of Advancement. Pledges shall be considered for write-off where:

- The pledge has a payment that is over 90 days overdue, and
  - the last overdue notice was sent at least 30 days before being considered for write-off, and
  - a pledge reminder and an overdue notice was sent or communicated, or
  - more than one overdue notice was sent or communicated.
- When the DOD, Development Coordinator, and AVP Development determine that collection is improbable.