



UNDERSTANDING GIFT PLEDGES

What Is A Pledge?

A gift pledge is a written commitment from the donor to give a future donation. There are cases where we book verbal pledges, as in pledges booked by a Phonathon student caller.

What Information Should A Pledge Form Have?

For a written pledge, it is important for the Pledge Form (or Letter of Intent) to be filled out completely to ensure accurate processing. Here are the essential components needed to book a pledge:

- Total amount of pledge
- Payment Schedule of pledge (monthly? quarterly? annually?)
- Fund Designation
- Is the donor considering company matching contributions as part of their pledge amount? (See below for more details)
- Would the donor like to receive pledge reminders?
 - *As a courtesy, Advancement Services sends out reminders every 4-6 weeks for any outstanding pledge installment. We will send pledge reminders unless we are specifically told NOT to.*
- Form **must** be signed by the donor and is required by the IRS for major gift pledges (verbal pledges and emails are not sufficient documentation)

How Do Matching Gifts Factor Into Pledges?

In some cases, a donor may include the anticipated matching contribution from their company as part of their total pledge amount. For instance, Joe Donor pledges \$10,000 to the Albers Dean's Fund, but \$5,000 of his pledge will be paid by his company's matching contribution.

However, according to CASE reporting standards and IRS regulations, a pledge cannot be fulfilled with third-party assets that are uncontrolled by the donor. In other words, Joe Donor does not control his company's assets, and therefore he cannot use the company's matching gift to pay down his pledge. Even though the end-result will be the same (\$10,000 will go to the Albers Dean's Fund), we book Joe's pledge as \$5,000 and project a matching gift pledge of \$5,000 from his company (assuming that we receive the appropriate matching gift paperwork from Joe).

This distinction is crucial for booking the pledge accurately. Joe Donor may feel that the entire \$10,000 pledge is "his" money since his giving is ultimately the source of the entire amount (his personal \$5,000 and the company's match). It is acceptable and appropriate to recognize and thank Joe for his giving which resulted in \$10,000 going to the Albers Dean's Fund, but Joe Donor can only claim for his taxes gifts made from his personal assets.



Okay, So Once A Pledge Is Booked, How Do I Know When Payments Are Expected?

Once a pledge is booked, you can view the pledge on the GIFT tab in Raiser’s Edge. If you open up the pledge, you will see something like this:

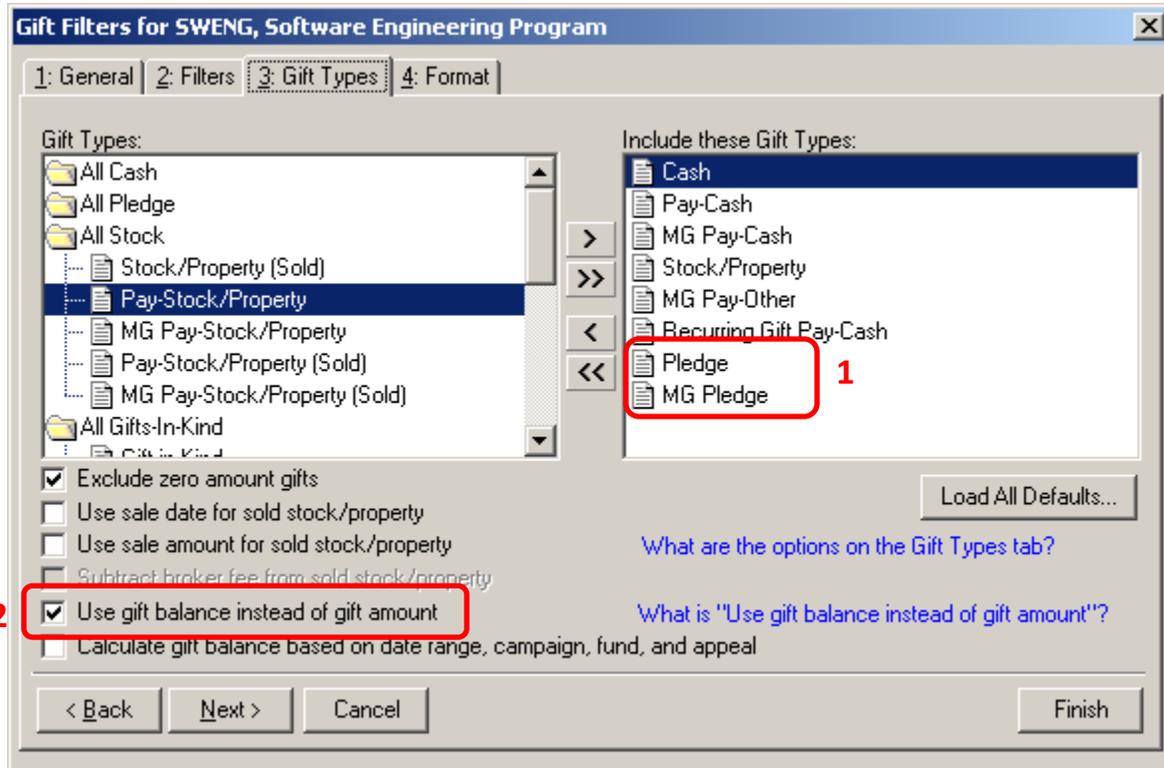
1. This is the total pledge amount. Note: this is not the remaining pledge balance.
2. Installment schedule can be viewed here (see below) which will show both installments and payments.
3. The donor will receive pledge reminders if this field is checked. The “History” tab documents when pledge reminders were sent out.

Inst No.	Date	Gift Type	Amount	Balance	Constituent
1	12/15/2008	<Installment>	\$9,000.00	\$0.00	
	12/17/2008	Pay-Cash	\$9,000.00		
2	12/15/2009	<Installment>	\$9,000.00	\$9,000.00	
3	12/15/2010	<Installment>	\$9,000.00	\$9,000.00	
4	12/15/2011	<Installment>	\$9,000.00	\$9,000.00	



Pledges, Gift Reports & You

When running any gift or fund report, you have the choice to include or exclude pledges from your totals. If you include pledges in your report, there are a few things you'll need to do:



1. Be sure to include pledge gift types in your totals.
2. This box should be checked when including pledges. This ensures that there is no double-counting of pledges and pledge payments.

Where Can I Go If I Need Pledge Forms Or Have Questions?

I thought you'd never ask! You can find forms and procedures on the Advancement Services website at <http://alumniweb.seattleu.edu/NetCommunity/Page.aspx?pid=567>, or click on "Faculty & Staff" on the SU Home Page, and click on the top link "Advancement Services." You can also send specific questions or concerns about gifts, funds, pledges, and more to gifts@seattleu.edu.