



Policy Title	Donor Pledge Write Off Policy
Policy Category	Financial Policies
Policy Approval Date	
Policies Superseded	None
Responsible Office(s)	Finance and University Advancement
Related Policies	Policy on Acceptance and Management of Gifts
Frequency of Review	3 years
Date of Revision	

I. SCOPE

This Donor Pledge Write Off Policy (“Policy”) applies to all University employees involved with donor pledge cultivation, communication and maintenance of pledges.

II. POLICY STATEMENT

If a Donor is unwilling or unable to fulfill a pledge made to the University, the pledge is classified as uncollectible and may be written off. The purpose of this Policy is to:

- Summarize the accounting and reporting requirements for the annual process of pledge analysis and potential write offs;
- Provide for summary reporting of donor pledged aging of receivables at fiscal year-end along with fiscal year-end balance of the allowance for losses of pledges receivable and provisions and write-offs for such fiscal year-end; and
- Articulate the definitive determinants for when gifts or donor pledges should be written off as well as an exception procedure for such write offs.

Please see the Policy on Acceptance and Management of Gift [LINK](#) for further information on the acceptance of Pledges.

III. POLICY

1. General

Pledges and gifts are initiated by the Donor and documented on a signed and dated pledge card. A letter of intent defining the Gift, or a Gift Agreement, is signed and recorded in the University’s Advancement and Financial systems utilized to account for pledge receivables. All open pledges must be reviewed to ascertain their viability and the likelihood of their fulfillment.

The Controller maintains a schedule on an ongoing basis which details the donor’s name, pledge amount, payments received, new pledges, and restrictions if any. Only pledges of \$1,000 or more,

are listed on the schedule by name. Any pledges below \$1,000 are recorded in aggregate on the same schedule. At the end of each fiscal year, the Controller reconciles the pledge schedule with the fiscal year-end pledge balance report from the Advancement system, as the two reports must match to ensure the accuracy balance in the Financial system. The ending balance becomes the updated pledges receivable balance for fiscal year-end. Contributions to be received after one year are discounted at an appropriate discount rate. The discount rate used is reflective of the bond discount rate at the expected 1 year, 5 year, 10 year, etc., net present value. At the end of the fiscal year, the Controller performs the calculation to discount pledges receivable to be at fair value. The allowance for uncollectible pledges calculation is also prepared by the Controller. Based on all available information, an appropriate level of reserve for losses is determined. Generally, the reserve is 15% of expected collections, but is subject to change based on current circumstances.

This Policy shall be consistent with the Council for Advancement and Support of Education (CASE) Reporting Standards and Management Guidelines.

2. Write Offs

Pledges should be written off when there is relative certainty that no further payments will be received by the University. Pledges which are beyond their final fulfillment date will be written off unless the Vice President of Advancement and the Vice President for Finance have received other indications that the pledge remains viable.

- Annual Fund Pledges and Open Single Year Pledges shall be written off approximately 30 days after the close of each fiscal year end unless an exception to this Policy is granted and documented set forth in Section 3 below.
- Non-Annual Fund Pledges, which conform to one of the following descriptions, shall be written off approximately 30 days after the close of each fiscal year-end unless an exception to this Policy is granted and documented as set forth in Section 3 below.
 - a. *Partially Paid Pledges* dated seven or more years prior to the end of the most recent fiscal end, for which payments should have been received beginning at least five years prior to the end of the most recent fiscal year-end, and where no payments have been received in more than four fiscal years, or
 - b. *Unpaid Pledges* dated three or more years ago, whose payment schedule indicates that payments should have been received beginning at least two years ago, and where no payments at all have been received,

3. Exceptions

Exceptions to this Policy must be in writing and submitted on the Request for [Exception to Donor Pledge Write Off Policy Form](#) within thirty (30) days of each fiscal year-end by both the Vice President of Development and Alumni Relations and the Vice President of Finance after consultation with and acknowledgment by the President, the Chair of the Audit Committee of the

Board of Trustees, and the Chair of the Board of Trustees. The Office of University Advancement will provide documentation of donor intent and interaction and the Finance Department will provide an analysis of the recommended exception to this Policy.

4. Reporting

The Vice President of Finance shall prepare a summary report for the Chairperson of the Audit Committee of the Board of Trustees of the aging of donor pledged receivables within 30 days after each fiscal year-end which shall report the preliminary fiscal year-end balance of the allowance for losses for pledges receivable, and provisions and write-offs for such fiscal year-end, with footnotes on any outstanding requests for any exceptions to this Policy.

IV. DEFINITIONS

Donor is a person or entity that donates something, especially money for charitable purposes.

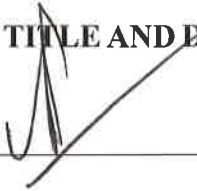
Pledge is a written statement of intent by a Donor to make a future Gift to the University.

University is Arcadia University, its colleges, schools, affiliates, divisions, and subsidiaries.

V. EFFECTIVE DATE

This Policy is effective on the date that it is signed by the President.

VI. SIGNATURE, TITLE AND DATE OF APPROVAL



Ajay Nair, President

3/26/19

Date



REQUEST FOR EXCEPTION TO DONOR PLEDGE WRITE OFF POLICY

All requests for exceptions to the requirements of the Donor Pledge Write Off Policy must be recorded using this form and delivered to the Chair of the Audit Committee and the Chair of the Board of Trustees.

Name of Donor: _____

Amount of Original Pledge: _____

Date of the Original Pledge: _____

Amount Outstanding: _____

Last Payment Date: _____

Reason for Exception: _____

Supporting Documents: _____

Donor Intent: _____

Time Requested for Extension: _____

Signature (Vice President of Development and Alumni Relations)

Signature (Vice President of Vice President of Finance)

Date