
**California State University Maritime Academy
California Maritime Academy Foundation, Inc.**

VOLUME: Policy
NUMBER: FD-02-006

TITLE: Pledge Policy and Procedure
DIVISION: University Advancement
DEPARTMENT: University Wide

- I. Pledge Acceptance
 - A. Pledges may be established to complete gifts made in compliance with the University Gift Acceptance Policy.
 - B. Pledges
 - 1. Written documentation must accompany pledges of \$500 or greater with the exception of telemarketing pledges.
 - 2. The documentation must include date, amount pledged, usage/purpose detail, payment schedule and the donor's signature.
 - 3. Pledges made via telemarketing should include date of contact and person or company making the contact in lieu of donor's signature. A copy of this documentation is used in system pledge recording and is then placed in the donor's file.
 - 4. Pledges are recorded as assets of the University and thus require careful documentation. Pledges of \$5,000 or more require approval of the Vice President University Advancement (VPUA) prior to recording in the gift records system.
 - 5. New pledges may not be conditional (i.e. to be paid when an anticipated but not irrevocably scheduled event occurs).
 - 6. Pledges should have an installment schedule to allow fulfillment achieved within a five year period. Pledges of longer than five years in length will require approval by the VPUA and need special paperwork.
 - 7. Pledges are considered delinquent after 90 days past the due date and are handled according to the procedures outlined as follows.
 - C. Futures Pledges
 - 1. Futures pledges include bequests and charitable trusts (CRAT, CRUT, CLT, etc).
 - a. Bequest pledges are booked at the cash values estimated by the donor for the value of the estate as noted on the estate commitment documentation provided by the donor.
 - b. For other trust mechanisms where California Maritime Academy Foundation (CMAF) holds the assets, the trust is booked at face value as a pledge and the present value (tax deductible/gift portion) is booked as an outright gift.
 - c. The balance is booked when the trust is realized.
 - d. Trusts held externally require additional review by the Cal Maritime Gift Acceptance Committee, VPUA and Vice President Administration and Finance (VPAF) before being booked in Raisers Edge records.
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- II. Pledge Fulfillment

- A. All pledges are booked into Raisers Edge.
 - 1. The signature and letter format may differ based on the amount of the pledge with large pledges being recognized by the President, Dean, or a leading administrator.
 - 2. Donors may choose their installment plans such as monthly, quarterly, annually or a specific single payment date.
 - 3. Appropriately timed reminders (monthly, quarterly, semi-annually or annually) are generated and mailed on the 15th of the month.
 - 4. If no installment plan is outlined by the donor, CMAF will set a default reminder installment date as either December 1 for the following year; or, at the first day of the month 1 year from the day of the initial pledge whichever is more appropriate for the circumstance.
 - 5. Multi-year pledges are entered with a gift officer annual contact date set for December first.
 - 6. As part of the stewardship on a pledge, the gift officer will reconfirm the collectibility of the pledge and document this contact if no payment schedule was noted by the donor.
- B. Pledges may be fulfilled by the methods of giving approved in the CMAF Gift Acceptance Policy.
 - 1. Methods include but are not limited to check, credit card, bank draft or stocks.
 - 2. Multi-payment credit card and bank draft pledges are transacted according to the payment plan indicated by the donor.
- C. Pledge reminders:
 - 1. First reminder will be sent out on the 15th of the month, 45 days prior to the due date.
 - 2. Second reminder, 15 days prior to due date.
- D. Delinquent Pledges
 - 1. Reminders
 - a. If any scheduled installment is not received within 30 days past the due date, a “First Late Reminder” is sent.
 - b. If there is no response within 60 days past the due date, a “Second Late Reminder” is sent
 - c. If there is no response within 90 days past the due date:
 - 1.) For pledges under \$500, a “Third Late Reminder” is sent
 - 2.) For pledges from \$500 - \$10,000 a call is made to the donor and the results documented in a contact report.
 - 3.) If the pledge is greater than \$10,000 the assigned gift officer, or the VPUA is notified to follow up personally.
 - 4.) All pledge follow up must be documented with a contact report entered in Raisers Edge and a hard copy of the report placed in the donors file.
 - 2. “Don’t Miss Out” Letter
 - a. If no response is received as a result of the Third Late Reminder notice or if the prospect is unreachable by phone, a “Don’t Miss Out” Letter is sent. This letter gives the donor a final chance to make a payment on their pledge or gives them the option to reschedule, reduce, etc, if that is more convenient.
 - b. Written documentation of any changes to the pledge from the “Don’t Miss Out” letter, the reminder phone call or gift officer call or visit, is written up as a contact report, entered in Raisers Edge and a hard copy of the report placed in the donors file.

- 1.) Documentation should include dates of contact, name of individual contacted, changes being made and name of the person receiving the changes.
 - 2.) Along with the contact report the pledge will be appropriately adjusted in the Raisers Edge gift records.
- E. Pledge Write Off
1. For pledges of \$10,000 and under:
 - a. If no response within 30 days of the “Don’t Miss Out” letter, the pledge will be inactivated and added to the annual list for write off approval and no further statements are sent.
 - b. Quarterly pledges are processed through two 90-day cycles before being inactivated.
 2. For pledges greater than \$10,000:
 - a. If the assigned gift officer is unable to resolve the delinquency in a positive manner, the VPUA will consult any additional appropriate staff member, will determine actions to be taken including further contact or addition to the annual list for write off approval.
 3. For pledges of \$100,000 and above:
 - a. the pledge will be added to the annual list for write-off approval after a bi-annual consultation with the VPUA.
 4. Written documentation of any follow-up plan is placed in the donor’s file.
 - a. Documentation should include whether or not the pledge is considered collectable and the timeline for establishing fulfillment or inactivation of the pledge.
 - b. Changes in payment schedules or “write-offs” are recorded in the Raisers Edge gift record system.
 5. Write off approval
 - a. Pledges that meet the write-off criteria above will be reviewed on an annual basis by the VPUA, prior to submission to the CMAF finance committee for their approval and final submission to the CMAF board at their June meeting.
 - b. In appropriate circumstances, at the request of the CMAF Finance committee and the VPUA, gift officers may be granted an additional three month window to collect specific pledges via payment or the establishment of a new payment plan. The pledge year end write off balance will be increased to allow for the possibility of non-payment.

III. CMAF Finance Committee

- A. The April 30 Pledge receivable report will be reviewed by the VPUA to determine the final pledges to be written off.
- B. The VPUA will present the final write off list to the finance committee at the last meeting before the CMAF Annual meeting for approval.
- C. As of close of the calendar year end, the pledge receivable detail report is matched with the pledge receivable policy and the annual list of write-offs for prior year pledges is prepared. The list is then presented at the next meeting of the CMAF finance committee for their approval and final presentation to the CMAF board at their June meeting.

HISTORY: MARCH 2012
REVISION: