



## **UC San Diego Foundation**

### **UC SAN DIEGO FOUNDATION PLEDGE COLLECTION POLICY AND PROCEDURES**

#### GENERAL POLICY

The UC San Diego Foundation will actively and systematically bill pledges receivable and pursue delinquent pledges through collection, cancellation (donor directed) or write-off (Foundation directed) of outstanding pledges. To ensure timely collection of receivables, the Foundation will strive to resolve delinquencies within one year of the payment due date.

Write-offs of pledges will be authorized by the Foundation Vice Chancellor External Relations at the recommendation of the CFO. Pledge write-offs greater than \$25,000 per gift require approval of the Vice Chancellor External Relations. The Foundation Board will be notified quarterly of pledge write-offs or cancellations \$5,000 per gift and greater, and will receive a cumulative summary of all other pledges written-off.

#### PROCEDURES

##### **I. ANNUAL FUND PLEDGES RECEIVABLE**

Collection efforts for Annual Fund pledges, regardless of giving level, will be the responsibility of the Annual Fund office at the direction of the Director of Annual Giving in coordination with Gift Administrator Systems.

1. Reminder notices will be generated and mailed by the end of the month prior to the payment due date for gifts at all pledge levels.
2. If payment is not received, a second reminder will be generated and mailed by the end of the month following the month in which the payment was due. A third reminder will be generated at the two month delinquency interval.
3. Fifteen days following the third reminder notice, the delinquent pledges will be referred to the telemarketing operations center for reminder calls. Depending upon the result of the call, either one of the following will occur:

- A. Pledge cancellation by the donor.
- B. Donor agrees to make payment, prompting the generation of a new first reminder notice with a revised payment schedule.
  - (1) If payment is not received within one month of the first reminder, a second reminder will be generated. If payment is not received within one month of the second reminder, pledges below \$1,500 will be written-off as non-performing by the Gifts Administrator who will notify the Director of Information & Research Systems. Pledges \$1,500 and greater will be reviewed by the Director of Annual Giving. The Director will refer pledges \$1,500 and greater for write-off as non-performing on a monthly basis to the Gifts Administrator who will notify the Director of Information & Research Systems.
- C. Contact could not be completed.
  - (1) A letter from the Director of Annual Giving is sent along with a fourth reminder. After 30 days of the fourth reminder pledges below \$1,500 will be written-off as non-performing by the Gifts Administrator who will notify the Director of Information & Research Systems. Pledges \$1,500 and greater will be reviewed by the Director of Annual Giving. The Director will refer pledges \$1,500 and great for write-off as non-performing on a monthly basis to the Gifts Administrator who will notify the Director of Information & Research Systems.

II. FOUNDATION AND CORPORATION PLEDGES (other than Chancellor's Associates Sponsors)

Collection efforts for foundation and corporation pledges, regardless of giving level, will be initiated by the Director of Donor Relations in coordination with the Gifts Administrator and the Director of Information & Research Systems.

1. Reminder notices will be generated and mailed by the end of the month prior to the payment due date for gifts at all levels.
2. If payment is not received, a second reminder notice is generated and mailed by the end of the month following the month in which payment was due.
3. If the pledge remains delinquent after two months, a reminder letter will be written by the appropriate Development Officer.
4. After three months, the delinquent pledges will be referred to the Development Officer for a reminder call. Depending upon the result of the call, either one of the following will occur:
  - A. Pledge cancellation by the donor.
    - (1) For pledges \$1,500 and greater, the Development Officer will review the pledge cancellation with the fund beneficiary.
  - B. Donor agrees to make payment, prompting the generation of a new first reminder notice with a revised payment schedule.
    - (1) If payment is not received within one month of the first reminder, a second reminder will be generated. If payment is not received within one month of

the second reminder, pledges below \$1,500 will be written-off as non-performing by the Gifts Administrator who will notify the Director of Information & Research Systems. Pledges \$1,500 and greater will be referred by the Director of Donor Relations to the appropriate Development Officer for follow up collection effort. The Development Officer will review proposed pledge write-offs with the fund beneficiary. The Director of Donor Relations will oversee the follow up effort and will make appropriate recommendations to the Gift Administrator for pledge update or write-off as non-performing, who will then notify the Director of Information & Research Systems.

### III. PLEDGES FROM INDIVIDUALS (other than Chancellor's Associates)

#### Original gift less than \$1,500

Collection efforts for pledges from individuals less than \$1,500 will be routinely handled by the Gift Administrator in coordination with the Director of Information & Research Systems.

1. Reminder notices will be generated and mailed by the end of the month prior to the payment due date.
2. If payment is not received, a second reminder will be generated and mailed by the end of the month following the month in which the payment was due. A third reminder will be generated at the two month delinquency interval.
3. Fifteen days following the third reminder notice, the delinquent pledge will be referred to the telemarketing operations center for reminder calls. Depending upon the result of the call, either one of the following will occur:
  - A. Pledge cancellation by the donor.
  - B. Donor agrees to make payment prompting the generation of a new first reminder notice with a revised payment schedule.
    - (1) If payment is not received within one month of the first reminder, a second reminder will be generated. If payment is not received within one month of the second reminder, the Gifts Administrator will write-off the pledge as non-performing, and will notify the Director of Information & Research Systems. This process may take up to one year from the original payment due date.
  - C. Contact could not be completed.
    - (1) A letter from the Director of Donor Relations is sent along with a fourth reminder. After 30 days of the fourth reminder, the pledge will be written-off as non-performing by the Gifts Administrator who will notify the Director of Information & Research Systems.

#### Original gift \$1,500 and greater:

Collection efforts for pledges from individuals \$1,500 and greater will be initiated by the Director of Donor Relations in coordination with the Gifts Administrator and the Director of Information & Research Systems.

1. The Director of Donor Relations will provide bills for pledges due during a month at the above level to Development Officers for donor notification if appropriate.
2. The Director of Donor Relations will provide a monthly list of past due pledges to the Assistant Vice Chancellor-Development to assign to Development Officers for action.
3. Depending on the result of the contact, either one of the following will occur:
  - A. Pledge cancellation by donor.
    - (1) The Development Officer will review the pledge cancellation with the fund beneficiary.
  - B. Donor agrees to make payment, prompting the generation of a new first reminder notice with a revised payment schedule.
    - (1) If payment is not received within one month of the first reminder, a second reminder will be generated. If payment is not received within one month of the second reminder, the Director of Donor Relations will again refer the pledge to the Development Officer for an endorsement for write-off. The Development Officer will review proposed pledge write-offs with the fund beneficiary. The Director will recommend those pledges for write-off as non-performing to the Gifts Administrator who will notify the Director of Information & Research Systems.

#### IV. CHANCELLOR'S ASSOCIATES MEMBERSHIP RENEWAL

Renewal efforts for Chancellor's Associates membership will be initiated by the Director of Donor Relations in coordination with the Assistant Vice Chancellor-Development, the Gifts Administrator and the Director of Information & Research Systems.

1. Reminder letters are mailed monthly to Associates whose renewal date falls within that month.
2. If no response is received within a month of the renewal date, a second letter is sent.
3. If no response is received within two months of the renewal date, the Director of Donor Relations will refer the membership renewal to the Assistant Vice Chancellor-Development for final action.

#### V. PROVISION FOR SPECIAL HANDLING OF PLEDGES:

Development Officers and the Director of Donor Relations maintain the authority to override all automated procedures to provide for special handling of specified donors and pledges. It is the responsibility of those officers to notify UC San Diego Foundation staff of the special circumstances. These pledges will then be handled accordingly and the pledge collection procedures will not be applied.

A monthly report will be provided to the Assistant Vice Chancellor-Development outlining all pledges with special handling removed from the collection procedures, including the original due dates.

Original Policy Approved by  
Board of Trustees  
**January 8, 1980**

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## **UC SAN DIEGO FOUNDATION POLICY AND GUIDELINES FOR PLEDGE RECEIPT**

### **BACKGROUND**

In accordance with procedures established in the Audit of Voluntary Health and Welfare Organizations Manual prepared by the American Institute of Certified Public Accountants, there is no basic accounting difference between the receipt of cash donations and the receipt of pledges. Therefore, pledges should be recorded when obtained following the same procedures as cash donations.

### **GENERAL POLICY**

All pledges received through the Foundation should be recorded when obtained.