
2222 PLEDGE AGREEMENTS

Effective: July, 2003
Revised: March, 2007
Last Reviewed: April, 2018
Resp. Office: Treasurer
Approval: Treasurer

PURPOSE:

The University of Pennsylvania, having adopted SFAS No. 116 in fiscal year 1996, records unconditional promises to give in its financial statements when sufficient evidence indicates that a promise to give has been made.

POLICY:

Evidence of a pledge can be written or oral but must be put into writing for submission to the gift and financial systems. All documentation must be verifiable.

Promises to give \$25,000 or more must be supported by an **executed** pledge agreement. The donor's expected fulfillment date must be documented within the pledge agreement. Promises to give \$100,000 or less are considered to be payable over five years unless otherwise documented by the donor. [Note: The fair value of unconditional pledges incorporates a discount commensurate with the timing of the anticipated payment stream].

All drafts of pledge agreements must be submitted to the Office of Planned Giving for their review and approval prior to signatures being obtained.

The required signatures for pledge agreements are: Vice President for Development and Alumni Relations, Dean of the School or Director of the Center, and the President of the University of Pennsylvania \$1M and above.

Documentation of all pledges must be kept on file in Gifts Accounting & Administration, Room 433 Franklin Building/6205, and made readily accessible to auditors during the lifetime of the pledge. All original, signed documents must be sent to the Treasurer's Office for safekeeping. It is the responsibility of the Office of the Treasurer, Office of Development and the school/center business administrators to ensure fiduciary responsibility to preserve the donor's intent.

Promises to give with conditions placed against the pledge are recorded as conditional