
2225 PLEDGE: WRITE-OFF

Subject: Gift Policy
Effective: July, 2003
Revised: May, 2015
Last Reviewed: April, 2016
Resp. Office: Treasurer
Approval: Treasurer

PURPOSE:

If a donor is unwilling or unable to fulfill a pledge, the pledge is classified as uncollectible. The decision to write-off pledges impacts the University's Contributor Relations (Atlas) system, but may have no net impact on the University's balance sheet if the pledge had been fully-reserved. While the write-off of such a pledge reduces gross pledge receivables, net pledge receivables would remain unchanged.

POLICY:

To write-off a pledge, there must be documentation from the donor or, if no such documentation can be received, from the development officer who attempted to obtain such documentation. Depending on the dollar value of the pledge and its purpose, various officers must be involved in the decision to write-off a pledge. For pledges over \$250,000, the decision whether or not to write off a pledge is made by the Vice President for Development and Alumni Relations and Vice President for Finance and Treasurer. Pledges should be written off when there is relative certainty that no further payments will be received. Based on historical studies, pledges which are two years beyond their final fulfillment date will be written off, unless Development Officers have received other indications.

The Vice President for Development and Alumni Relations notifies the Development Committee of the Board of Trustees of the number of unpaid pledges and their value that have been approved for write-off during the course of each fiscal year. The Vice President for Finance and Treasurer also reports to the Audit & Compliance Committee of the Board of Trustees the number of pledges and outstanding balance that have been approved for write-off at the end of each fiscal year.

Non financial pledge write-off process – These pledges have no financial statement impact and are not expected to be collected. This process will run annually in October and will write-off any outstanding annual pledges due by June 30th of the previous year.