PLEDGE PROGRAM
Gift Administration | University of Illinois Foundation

Overview
The Pledge Program is administered by the University of Illinois Foundation’s (UIF) Gift Administration Department and consists of pledges which are $1,000.00 or greater. UIF Gift Administration records, monitors, and maintains recorded pledges for the entire University System. In order to properly steward these commitments, confirmations and reminders are generated and sent to donors which greatly enhances the likelihood of contributions and fulfillment.

Definition of a Pledge
The University of Illinois defines a pledge as a specific gift (amount) to be given in a defined period of time (no longer than five years) by an individual, corporation, or foundation. Pledges should be documented in writing with a donor signature (wet or electronic) affixed to the document or by email.

Any pledge with a payment term in excess of five years must be approved by the appropriate University Vice Chancellor for Advancement and Foundation CEO, or designee (currently SVP for Financial and Administrative Services/CFO.)

There are three pledge/commitment sub-types in TED. Documented pledges are those that are recorded in our system and are legally binding – these pledges are included in our New Business Report, Cash Report and appear as an asset on our financial statements and make up the majority of the recorded pledges managed by UIF Gift Administration. Contingent pledges are those that are dependent on some future event or circumstance in order to be fulfilled – these are included in our New Business Report and Cash Report, but are only included in the financial statements as a footnote disclosure. Non-legally-binding commitments are not pledges, but are included in the types of commitments we manage – these are situations where the donor intends to recommend a gift, but does not intend to be legally bound.

The chart below summarizes each type:

<table>
<thead>
<tr>
<th>Pledge Sub-Type</th>
<th>Definition</th>
<th>NBR</th>
<th>CR</th>
<th>F/S</th>
<th>F/N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documented</td>
<td>A legally binding agreement in which the donor intends to convey their personal assets in fulfillment of the pledged amount.</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Contingent</td>
<td>A commitment that is dependent on some future event or circumstance in order for the donor to fulfill the terms of the agreement.</td>
<td>X</td>
<td>X</td>
<td>NO</td>
<td>X</td>
</tr>
</tbody>
</table>

Additional commitment type:

| Non-Legally-Binding* | A commitment in which the donor intends to recommend a gift but does not intend to be legally bound. | X   | X  | NO  | X   |

*Examples of this might include agreements where the donor specifically indicates they are not legally bound to fulfill their commitment; or when a donor would like to confirm in writing their intention to make a commitment and use a means of giving where a legal commitment is not allowed (i.e. Donor Advised Funds).
Correspondence
When a new pledge or commitment document is received and recorded, UIF Gift Administration will mail a confirmation outlining the terms of the agreement to the donor(s) upon entry of the pledge or commitment into TED. This document confirms that UIF has received notification of the amount, timeframe, and to what account the donor has pledged. If gifts toward fulfillment of the pledge have been received, this is reflected in the confirmation.

Donors may request reminders for payments to be sent on a quarterly, semi-annual, or annual basis. If a reminder is not requested during a specific month or there is no date indicating when gifts will be sent, and there is no Development Officer to contact, installments will be scheduled for the end of the calendar year and reminders will be sent accordingly. This document summarizes the status of the commitment and indicates the payment amount due at present time.

Pledge statements will be sent annually in March for every active pledge in TED (including those in past due and payment term expired status). The statements will provide an overview of each pledge providing the original pledged amount, gift designation, date of pledge, total paid on pledge to date (through the end of February) and current balance of the pledge. The statement provides an annual overview of the status of the pledge to the donor. This is also a way to make sure the donor is receiving some sort of communication about the pledge at least annually –this is especially helpful for pledges paid ahead or pledges where the donor prefers no reminder. This document will be uploaded in the Hyland OnBase and surfaced on the pledge revenue screen for access by units and gift officers.

Prior to sending any confirmation, reminder or statement, UIF Gift Administration will review each pledge/commitment manually for accuracy. Any adjustments that need to be made will be done before correspondence is sent to the donor. Any letters that are addressed to donors who are UIF Board Members, Board of Trustee Members, or Principal Gift donors and prospects are identified and prepared personally for the UIF President, UIF Senior Vice President and Chief Financial Officer, or signee, as requested.

For more detailed information regarding pledge confirmations and reminders, see the Pledge Confirmation Review Process (Appendix A), Pledge Reminder Review Process (Appendix B) and Pledge Statement Process (Appendix C).

Write Offs
A donor (preferred), development unit, or plan manager may request, in writing, the balance of a pledge or commitment be removed (written off). If a write off request is submitted directly from the donor, the appropriate Plan Manager and/or Development Unit will be notified by UIF Gift Administration.

Balances of pledges and commitments will be removed from TED upon notification that the donor(s) is deceased. If the deceased donor has a surviving spouse and/or life partner who also signed as a donor, the pledge will be transferred to the spouse and/or life partner. The Plan Manager for the donor and/or the appropriate Development Unit will be notified by UIF Gift Administration prior to the transfer of any pledge or commitment to a spouse and/or life partner. If there is a surviving spouse/life partner that wishes to fulfill the pledge but did not sign the original documentation, appropriate documentation with signature(s) should be submitted for the remainder of the commitment balance and a new pledge or commitment will be booked.
For more detailed information regarding pledge write offs, see the Pledge Write Off Policy (Appendix D).

Annual Review
As a matter of best practice in pledge accountability, UIF Gift Administration conducts annual reviews, in consultation with Plan Managers and/or appropriate Development Units of all documented, non-binding, and contingent commitments for which the payment term as outlined in the documentation has expired. This review will ensure that all payment term expired commitments are written off in a timely manner.

For more detailed information regarding the annual pledge audit, see Annual Pledge Audit (Appendix E).

Reports
To easily communicate the status of pledges and commitments, a pledge-specific series of reports are available. These reports can be located under the UI Reporting tab within TED.

For more detailed information regarding pledge reports, see Pledge Reports in TED (Appendix F).

Documentation
All relevant documentation is uploaded into Hyland OnBase and is searchable within that system. Once uploaded into Hyland OnBase, the documentation will also appear within a constituent’s record in TED and is accessible on the Documents tab on the constituent’s main record, but is also directly available on the Pledge Revenue screen of the donor’s specific pledge or commitment on the Documents tab. Additionally, images of the confirmations and reminders are accessible within the Pledge Revenue screen.

Amendments
A pledge or commitment amendment is one in which the terms of the commitment may have changed, but the overall timeframe has not changed. It could include a change in designation, total commitment amount, etc. The same documentation required to book a pledge or commitment is also required to amend a pledge or commitment – signature (electronic/email, wet), amount and timeframe.

Changes in timeframe will be reviewed on a case-by-case basis. If the timeframe extends beyond five years, normal approval as described in the “Definition of a Pledge” section of this document will be required.

Pledge Accounting
UIF records documented pledges as an asset in the financial statements. At fiscal year-end, external financial auditors will select a random sample of pledge balances to confirm with donors. UIF will notify the Vice Chancellors of Institutional Advancement of pledges selected for their respective campuses. It is imperative during the annual pledge review noted above, development units review the accuracy of the outstanding pledge balance recorded in TED. If a donor indicates a pledge balance is incorrect, the auditors will be required to perform additional procedures testing the accuracy of UIF’s total pledge balance.

Questions
All pledge related questions can be directed to UIF Gift Administration at (217) 333-0675 or via email at giftadmin@uif.uillinois.edu.
PLEDGE PROGRAM, PLEDGE CONFIRMATION REVIEW PROCESS
Gift Administration | University of Illinois Foundation
(Appendix A)

Overview
When a new pledge document is received and recorded, UIF Gift Administration will mail a pledge confirmation outlining the terms of the pledge to the donor(s) upon entry of the pledge into TED. This document confirms that UIF has received notification of the amount, timeframe, and to what account the donor has pledged. If gifts toward fulfillment of the pledge have been received, this is reflected in the balance on the confirmation. All new pledges will receive a confirmation unless otherwise requested by the donor or development staff, or as determined by Gift Administration in rare cases.

Review of Weekly Pledge Confirmation Report
Pledge confirmation letters are generated every Monday for all documented, non-binding, and contingent pledges entered into the TED database the previous week (Monday through Sunday).

Prior to sending any pledge confirmation, UIF Gift Administration will review each pledge manually for accuracy. Any adjustments that need to be made will be done at that time.

The pledge confirmation report will be emailed to the UIF Executive Assistant to the President, copying Principal Gifts, for review each Monday morning. UIF Gift Administration will identify any UIF Board Members, Board of Trustee Members, and Principal Gift donors and prospects that are included in the report. The UIF Director of Gift Administration, and UIF Communications Specialist in the President’s office will be copied on this email.

The UIF Executive Assistant to the President will review the pledge confirmation report and notify UIF Gift Administration of any letters that should be prepared for the UIF President’s signature, along with any special instructions for the letter(s) by the end of business each Monday.

All requested letters will be prepared according to instructions and delivered via email to the UIF President’s Office for review and mailing. Any letters not requested by the UIF President’s Office will be prepared and delivered via hard copy to the UIF Senior Vice President and Chief Financial Officers’ Office for review and signature no later than end of business each Tuesday.

All pledge confirmation letters not being mailed by either the UIF President’s Office or the UIF Chief Financial Officer and Senior Vice President’s Office will be returned to UIF Gift Administration for scanning and mailing no later than end of business each Thursday. Letters mailed directly from the UIF President’s Office or the UIF Senior Vice President and Chief Financial Officer’s Office will be scanned and a copy will be emailed to the UIF Gift Administration Pledge Specialist for documentation purposes.

Questions
All pledge confirmation related questions can be directed to UIF Gift Administration at (217) 333-0675 or via email at giftadmin@uif.uillinois.edu.
PLEDGE PROGRAM, PLEDGE REMINDER REVIEW PROCESS
Gift Administration | University of Illinois Foundation
(Appendix B)

Overview
Once recorded in TED, UIF Gift Administration will manage the pledge reminder process to ensure that
donors are receiving regular correspondence about their commitment as specified in their agreement.
Donors may request reminders to be sent quarterly, semi-annual, or annually. If a reminder date is not
specified or there is no date indicating when gifts will be sent, and there is no Development Officer to
contact, reminders will be sent annually at the end of the calendar year. The reminder summarizes the
status of the pledge and indicates the payment amount due at present time to keep the pledge current.

Review of Monthly Pledge Reminder Report
Pledge reminder letters are generated on the first day of each month for all documented, non-binding,
and contingent pledges in the TED database that have an installment due the following month. (January
letters are generated for all pledges with a February installment due date.) If pledges are recorded in the
same month the first installment is expected, no reminder will be generated for the first installment, only
the Confirmation will be sent in lieu of a first reminder.

Prior to sending any pledge reminder, UIF Gift Administration will review each pledge manually for
accuracy. Any adjustments that need to be made will be done at that time.

The pledge reminder report will be emailed to the UIF Executive Assistant to the President for review
within the first five (5) business days of each month. UIF Gift Administration will identify any UIF Board
Members, Board of Trustee Members, Principal Gift donors and prospects that are included in the report.
The Principal Gifts department, UIF Director of Gift Administration, and UIF Communications Specialist in
the President’s office will be copied on this email.

The UIF Executive Assistant to the President will review the pledge reminder report and notify UIF Gift
Administration of any letters that should be prepared for the UIF President’s signature, along with any
special instructions for the letter(s) within two (2) business days of receiving the report.

All requested letters will be prepared according to instructions and delivered via email to the UIF
President’s Office for review and mailing within the first ten (10) business days of each month. Any letters
not requested by the UIF President’s Office will be prepared and delivered via hard copy to the UIF Senior
Vice President and Chief Financial Officer’s Office for review and signature within the first ten (10)
business days of each month.

All pledge confirmation letters not being mailed by either the UIF President’s Office or the UIF Chief
Financial Officer and Senior Vice President’s Office will be returned to UIF Gift Administration for scanning
and mailing by the fifteenth (15th) day of each month. Letters mailed directly from the UIF President’s
Office or the UIF Senior Vice President and Chief Financial Officer’s Office will be scanned and a copy will
be emailed to the UIF Gift Administration Pledge Specialist for documentation purposes.
Questions
All pledge reminder related questions can be directed to UIF Gift Administration at (217) 333-0675 or via email at giftadmin@uif.uillinois.edu.
PLEDGE PROGRAM, PLEDGE STATEMENT REVIEW PROCESS

Gift Administration | University of Illinois Foundation
(Appendix C)

Overview
UIF Gift Administration will manage the pledge statement process to ensure that donors receiving annual correspondence about their commitment. Pledge statements will be sent annually in March for every active pledge in TED. The statements, accompanied by a brief cover letter, will provide an overview of each pledge stating the original pledged amount, gift designation, date of pledge, total paid on pledge to date and current balance of the pledge. The statement provides an annual overview of the status of the pledge to the donor. This is also a way to make sure the donor is receiving some sort of communication about the pledge at least annually –this is especially helpful for pledges paid ahead or pledges where the donor prefers no reminder. This document will be uploaded in the Hyland OnBase and surfaced on the pledge revenue screen for access by units and gift officers.

Review of Monthly Pledge Statements
Pledge statements are generated annually on the first day of March for all documented, non-binding, and contingent pledges in the TED database.

Prior to sending any pledge statement, UIF Gift Administration will review each pledge manually for accuracy. Any adjustments that need to be made will be done at that time. A pledge statement report will be emailed to the UIF Executive Assistant to the President for review within the first five (5) business days of March. UIF Gift Administration will identify any UIF Board Members, Board of Trustee Members, Principal Gift donors and prospects that are included in the report. The UIF Director of Stewardship, Principal Gifts (and his/her student designee, if applicable), UIF Director of Gift Administration, and UIF Communications Specialist in the President’s office will be copied on this email.

The UIF Executive Assistant to the President will review the pledge statement report and notify UIF Gift Administration of any letters that should be prepared for the UIF President’s signature, along with any special instructions for the letter(s) and reports within two (2) business days of receiving the report.

All requested letters will be prepared according to instructions and delivered via email to the UIF President’s Office for review and mailing. Any letters not requested by the UIF President’s Office that require the signature of the UIF Senior Vice President and Chief Financial Officer, will be delivered for signature and then mailed by Gift Administration.

All pledge statements and letters not being mailed by either the UIF President’s Office or the UIF Chief Financial Officer and Senior Vice President’s Office will be returned to UIF Gift Administration for scanning and mailing. Letters mailed directly from the UIF President’s Office or the UIF Senior Vice President and Chief Financial Officer’s Office will be scanned and a copy will be emailed to the UIF Gift Administration Pledge Specialist for documentation purposes.

Questions
All pledge reminder related questions can be directed to UIF Gift Administration at (217) 333-0675 or via email at giftadmin@uif.uillinois.edu.
PLEDGE PROGRAM, PLEDGE WRITE OFF POLICY
Gift Administration | University of Illinois Foundation
(Appendix D)

Overview
As a matter of best practice in pledge accountability, UIF Gift Administration will conduct annual reviews, in consultation with Plan Managers and/or appropriate Development Units of all documented, non-binding, and contingent pledges for which the payment term as outlined in the pledge documentation have been expired for more than three months or is more than three months past due. This review will ensure that all payment term expired pledges are written off in a timely manner and all past due pledges are reviewed for viability. The Plan Manager for the donor and/or the appropriate Development Unit will be notified prior to any pledge balance removal(s).

All balances of pledges removed will be reported via the Pledge Termination Report located in the Tracking and Engagement Database (TED) under “UI Reporting” → “Pledge Reports” → Under “Select the Report” select “Pledge Termination Report”.

Write Offs by Request
Requests for early termination of pledges/write offs should come directly from the donor. This can be made through a formal request or email (electronic).

The Plan Manager and/or Development Unit may also request, in writing, to UIF Gift Administration that a donor’s commitment be written off, subject to the approval process in this policy. A reason or explanation must be provided for the write off (i.e. donor made verbal indication, family/personal situation, etc.)

Payment Term Expired Pledges
A pledge is considered payment term expired after the planned payment schedule has expired. UIF Gift Administration will follow up with Plan Managers and/or Development Units annually (Annual Pledge Audit) to assist in the review of pledges in this category. Should the donor wish to re-commit to the pledge, new pledge documentation must be obtained and be in accordance with the UIF Pledge Policy. Payment term expired pledges, regardless of amount, will be written off upon review if the pledge has been expired for at least eighteen (18) months and no payments have been received within the last 18 months – no unit approval will be requested, but the benefitting unit will be notified.

Past Due Pledges
Balances of documented, non-binding, and contingent pledges with a pledged amount of $25,000 and less will be removed from TED by the UIF Gift Administration staff if no payments have been received for at least 24 months – no unit approval will be requested, but the benefitting unit will be notified.

Balances of documented, non-binding, and contingent pledges with a pledged amount of greater than $25,000 will be removed from TED if no payments have been received for at least 24 months and UIF approval has been given as outlined in the Notification and Approval section of this document.
**Notification and Approval**

UIF Controller and Vice President for Financial Operations should be notified by email when documented, non-binding, and contingent pledges greater than $25,000 are written off per policy. Write-offs of pledges greater than $25,000 for any other reason than outlined in this policy require approval.

Approval should be obtained by UIF Senior Vice President and Chief Financial Officer by email with the UIF Controller copied before writing off any documented, non-binding, and contingent pledges of $100,000 or greater regardless of reason.

Approval should be obtained by UIF Senior Vice President and Chief Financial Officer by email with the UIF Controller copied before writing off pledges of any amount for UIF Board Members, University Board of Trustees, Principal Gift prospects/donors, and President’s Council (PC) Members.

If the write off is occurring due to payment via family foundation gift, donor advised fund or recurring credit card payment approval is not needed, rather notification is sufficient. If the pledge is non-binding, DAF gifts may be directly applied to the pledge.

**Deceased Donors**

Balances of pledges will be removed from TED upon notification that a donor(s) is deceased. If the deceased donor has a surviving spouse and/or life partner who also signed as a donor, the pledge will be transferred to the spouse and/or life partner. The Plan Manager for the donor and/or the appropriate Development Unit will be notified by UIF Gift Administration prior to the transfer of a pledge to a spouse and/or life partner.

Exceptions to this policy will be considered on a case-by-case basis.

**Documentation**

All documentation regarding pledge write-offs will be included in the pledge file. The UIF Records Department maintains original pledge documentation for all active pledges and electronic files of all pledges regardless of status.

The exception to this are those write offs due to third party payments such as DAF, family foundation, matching gifts and recurring credit cards.

**Questions**

All pledge write off related questions can be directed to UIF Gift Administration at (217) 333-0675 or via email at giftadmin@uif.uillinois.edu.
PLEDGE PROGRAM, ANNUAL PLEDGE AUDIT
Gift Administration | University of Illinois Foundation
(Appendix E)

Overview
As a matter of best practice in pledge accountability, UIF Gift Administration conducts annual reviews, in consultation with Plan Managers and/or appropriate Development Units of all documented, non-binding, and contingent commitments for which the payment term as outlined in the documentation has expired. This review will ensure that all payment term expired commitments are written off in a timely manner and past due pledges are reviewed for viability.

Annual Pledge Audit Process
UIF’s annual pledge audit typically begins with an email that is sent to each campus (UIUC, UIC, and UIS) at the beginning of May each year. For a sample of this email, see Sample Pledge Audit Email.

This email asks each Unit to run the Follow-up Pledge Report for their College/Department, and review all of the past due and payment term expired pledges on their report.

The goal of this process is to remove any pledges a Unit knows will not be fulfilled. Having payment term expired and past due status pledges on UIF’s accounting reports is a liability if it is known that the donor’s commitment will not be realized. This process also provides an opportunity for each Unit to review their pledges and follow up with donors as appropriate.

All pledge audit findings and correspondence must be added to the Pledge File. This can be done by “green sheeting” down all documentation to be appended to the file.

Pledge Accounting
UIF records documented pledges as an asset in the financial statements. At fiscal year-end, external financial auditors will select a random sample of pledge balances to confirm with donors. UIF will notify the Vice Chancellors of Institutional Advancement of pledges selected for their respective campuses. It is imperative development units review the accuracy of outstanding pledge balances recorded in TED during the annual audit. If a donor indicates a pledge balance is incorrect, the auditors will be required to perform additional procedures, testing the accuracy of UIF’s total pledge balance.

Questions
All pledge audit related questions can be directed to UIF Gift Administration at (217) 333-0675 or via email at giftadmin@uif.uillinois.edu.
Overview
Pledge reports allow a user to find important pledge information in TED. There are three reports in the Pledge Report Suite – Active Pledge Report, Pledge Follow-up Report, and Pledge Termination Report.

Pledge reports are accessible for most TED users and are exportable into a variety of formats, allowing users more flexibility in working with the data.

Pledge reports are a tool regularly used during the annual pledge audit. For more detailed information regarding the annual pledge audit, see Annual Pledge Audit (Appendix E).

Report Definitions
Active Pledge Report: This is a comprehensive list of all active (pledge balance is greater than $0) pledges in TED.

Pledge Follow-up Report: This report outlines all documented, non-binding, and contingent pledges that are past due (past the most recent installment date) or payment term expired (past the date of the final installment).

Pledge Termination Report: This report outlines pledges that have been written off during a certain time period.

Questions
All pledge report related questions can be directed to UIF Gift Administration at (217) 333-0675 or via email at giftadmin@uif.uillinois.edu.