

WKU

F O U N D A T I O N

Policy and Procedures Manual

SECTION: Development

SUBJECT: Pledges Receivable

PURPOSE: To provide procedures for new pledges, allowance of pledges, and write-offs of pledges

PROCEDURE: On a monthly basis, pledges are booked based on the pledge agreement between the donor and the WKU Foundation. Pledge collections are reconciled with the donor database monthly to ensure that the Foundation records match Advance. The pledges that have not received year to date collections are reviewed by Foundation staff and WKU's Development staff to identify whether there has been contact with the donors and whether the pledge should be kept on the Foundation's books.

An allowance policy has been determined for donors who have not made payments. Pledges one year past due will be written off 25%. Pledges two years past due will be written off 50%. Any pledges over two years past the pledge due date, the remainder of the pledge will be written off by the WKU Foundation. However, these will be kept on a separate list and given to the Development staff to ensure that these pledges will not be forgotten.

Approximately twice a year, the Foundation staff will present the pledges that do not have a year to date collections to the Audit and Finance Committee. Prior to 12/31, the Foundation will record all write-offs, allowances, and net present value calculations in the general ledger.