**POLICY: Delinquent Pledges**  
**Effective:** 04/27/09  
**Created 04/27/09**  
**Modified 06/15/09**

In 2002 the Government Accounting Standards Board (GASB) issued new uniform accounting standards requiring the University to report the balances due on certain pledges on the University’s financial statements. While GASB standards are important for accounting and audit purposes and this policy is developed with those purposes in mind, the guidelines set forth in this policy are also developed to protect the University’s interest in securing new pledges and maintaining beneficial relationships with the University’s donors.

**Objective:** To provide uniform standards and criteria for establishing when a pledge is delinquent and when delinquent pledges are inactivated.

**Exclusions:** This policy does not apply to deferred or estate commitments. This policy does not apply to payroll deduction pledges.

**Delinquent Pledge defined:** An active pledge is deemed delinquent when:

1. Telefund Pledges: the pledge is not paid in full 6 months after the final scheduled pledge payment date.
2. All other pledges: the pledge is not paid in full 400 days after the final scheduled pledge payment date.
3. Exception: when extraordinary circumstances (including but not limited to death, bankruptcy or incarceration of the donor) render a pledge uncollectible, then, upon approval of the Vice President for Development & Alumni Affairs or the Assistant Vice President for Advancement Services, the pledge will be deemed delinquent even though it does not meet the criteria set forth in paragraphs 1 & 2.

**Inactivating Delinquent Pledges:** delinquent pledges shall be inactivated according to the following schedule:

1. Telefund Pledges: weekly (Saturday)
2. All other pledges: quarterly (January, April, July, October)

**Payments received after inactivation:** If a payment is received after a delinquent pledge has been inactivated, the payment will be entered as a gift.

**Implementation:** Procedures implementing this policy are set forth in the companion Delinquent Pledge Procedures document.

Exceptions to the above procedures must be approved by the Assistant Vice President for Advancement Services.

For questions regarding these procedures, contact the Advancement Services help desk at (865) 974-4153 or email ANDIHelp@tennessee.edu