Monetary Pledge Fundraising SOP

Team: Fundraising

Established Date/Staff: 06/10/2024 MRC

Revised Date/Staff: 08/09/2024 KGF

Subject: This SOPP explains how to enter invoices for the monetary pledge contribution type.

Relevant Context/Implications: Only to be used by the monetary pledge fundraising designated staff member.

Frequency: Monthly contracts and installments, or as payments are received.

Contents

Add a monetary pledge contribution type

A monetary pledge is a set contribution amount that is promised over a set period and billed on an installment payment plan the donor chooses. This installment plan can be annual, semi-annual, quarterly, bi-monthly (every 2 months), or monthly. Add a campaign and appeal to help with pledge solicitation.

> **NOTE:** ACA can have as many pledge campaigns as required, and members or non-members can pledge to any or all of these campaigns. In addition, each pledge can have its own primary, short-term, and long-term revenue accounts, or you can use the same GL accounts for all pledges but check with the accounting department before doing so.

Follow these steps to create a new Contribution Setup record:

1. In **MY WORK AREAS**, click **Fundraising > Contribution Setup** to display a list of existing contribution setups. Then, sort by **Contribution Type** and filter by "**Monetary Pledge**" to see any existing monetary pledges that are setup before adding a new one.

2. Click **New** on the toolbar above the **Active Contribution Setup** list.

3. In the **General** section of the **Contribution Setup** form, complete the new contribution record fields:
   - **Name** – Enter the name of the pledge contribution you are creating. This name will appear in invoices and on printed statements.
   - **Campaign** – If you have a marketing campaign set up that this contribution will be associated with, click the **Lookup** button to select the campaign.
   - **Contribution Code** – Enter a short code for the contribution type you are creating.
   - **Available in RapidPay?** – *This field does not apply to monetary pledges and is disabled.*
   - **Contribution Type** – Select **Monetary Pledge** from the list.
   - **Short Term Product** – *Do not change this field.* When you save this record, UX Online automatically creates the underlying short-term product and enters the ID here.
   - **Transfer Product** – Click the **Lookup** button to select the transfer payment product to use for pledge installment invoices. This product is linked to a "transfer clearing" account, and it allows donors to make an up-front payment when they send in their pledge.

     > **NOTE:** When you run the pledge installment process, this product will be used to transfer the up-front money to the first installment and repeat this transfer until the entire up-front amount is depleted.

   - **Long-term Product** – *Do not change this field.* When you save this record, UX Online automatically creates the underlying long-term product for and enters the ID here.
   - **Currency** – Click the **Lookup** button to select US Dollar.

4. In the **Accounting** area of the **General** section, enter the following information:

- **Company** – The system will automatically populate this field with the company record flagged as the default company in your set up. If you need to make a change, click the **Lookup** button to select the appropriate accounting system company for this pledge. This controls where accounting data will post during the posting process and controls the display of GL accounts available in the GL account lookup fields.
- **Cash Basis?** – *Leave the default option, **NO**, marked, as it does not apply to monetary pledges.*
- **Primary GL** – Click the **Lookup** button to select the main revenue account used to track income from these contributions.
- **AR Short Term (billed installments)**– Click the **Lookup** button to select the appropriate accounts receivable account to use for tracking billed pledge installment invoices. Your organization can use its standard AR account or create a separate short-term AR account specifically for pledge receivables.
- **AR Long Term (long-term expected amounts)** – Click the **Lookup** button to select the appropriate long-term accounts receivable account to use for tracking unbilled pledge installment revenue. (If your organization tracks pledges, then there should already be a long-term AR account available.)

> **NOTE:** If you make any changes to the accounting setup for a monetary pledge – for example, if you change the revenue account – that change will apply to all future transactions involving the pledge, but it will **NOT** change existing transactions.

5. Click **Save** to update the record with the automatically generated **Long Term Product** and **Short-Term Product** information.
6. Click **Save and Close** return to the **Contribution Setup** list or click **Save and New** to create a new contribution record.

Create a monetary pledge contract

UX 365 Online refers to the monetary pledge transaction as a monetary pledge *contract*. It contains the terms of the contribution, including total amount, installment frequency, start date, etc. Each monetary pledge contract invoice will contain a separate invoice detail line item for each billing installment. **As installments are billed, the invoice total balance of the monetary pledge contract will be reduced by the amount of that installment.**

After you've entered and saved a monetary pledge contract, you'll use the Pledge Installment Process to create the invoices needed to bill the donor for the pledge installments, which will be detailed in the next section.

> **NOTE:** The contract's detail records will correspond to a long-term GL account, whereas the installment invoices will use a short-term GL account. When a payment is processed against the installment invoices, a transfer process automatically kicks off, updating the contract's Balance Due amount, as well as updating the line item's charges amount and quantity to 0.

Follow these steps to create a monetary pledge contract:

1. Create a batch for pledge contracts *once per month*. Name the **pledge contract** batch "**Month YYYY Pledge Contracts**." *Be sure to back date the batch if you are creating it after the month has ended.*

    NOTE: Close the batch after you've set up new contracts for the month.

2. Create and save a new invoice.
3. Once you have saved the invoice, click **New Transaction** on the invoice grid **Actions** toolbar and select **Contributions** from the menu and **Monetary Pledge** from the submenu to open the new monetary pledge contribution form.
4. In the **Monetary Pledge** area of the **General** tab, enter appropriate information:
    - **Campaign** – If your donation types are linked to marketing campaigns, click the **Lookup** button to select the campaign for this donation.

        NOTE: If you select a campaign, you'll be able to select only those contribution types that were associated with that campaign when it was set up.

    - **Contribution Setup –** Click the **Lookup** button to select the contribution type for this donation.
    - **Campaign Activity aka Appeals**– If this contribution is linked to a campaign, you can click the **Lookup** button to select a specific appeal for this contribution.
    - **Thank You Sent** – Can be used with EasyPrint logic for a custom thank you report to display the date when the report is printed. This field is also available for manual input.
    - **Donor** – Displays the invoice customer. If necessary, you can click the **Lookup** button and select a different donor.
    - **Cancelled** – Displays if the monetary pledge contract has been canceled.
    - ***ACA Doesn't use this* ->Thank You Job** – Can be used with EasyPrint logic for a custom thank you letter report to display the print job number for future reference and reprinting the letter.

5. In the I**nstallment Info** area of the **General** tab, enter the appropriate information:
    - **Total Pledge Amount** – Enter the total amount being pledged.
    - **Installment Amount** – Displays the system-calculated amount of a single installment, which is calculated by dividing the total pledge amount by the number of installments.
    - **Pledge Frequency** – Select the frequency in which this donor wishes to be billed. For example, you can select monthly, quarterly, or semi-annually.
    - **Number of Installments** – Displays the system-calculated number of pledge installments, which is calculated from the duration and the pledge frequency.
    - **Duration [Months]** – Enter the total number of months that this pledge covers. For example, enter 12 for 1 year, or 24 for 2 years.
    - **Rounding Adj**. – Displays the amount of any rounding adjustment made to the installment amounts.

6. In the **Pledge Lifecycle** area of the **General** tab, enter the appropriate information:

- **Pledge Start Date** – Displays the beginning of the current month; you can change this to the first day of another month, based on your organization's pledge installment billing process.

  NOTE: The pledge start date should always be the first day of the month.

- **Pledge Expire Date** – Displays the expiration date of the pledge, which is based on the pledge start date and duration of the pledge. It is always the last day of the month. Do not make any changes to this date. If this date does not seem correct, then double check your entries in the Pledge Start Date, Pledge Frequency and Duration fields to make sure they are correct. This field is not available for edit.
- **Cancelled Date** – If this pledge has been canceled, displays the date of the cancellation.
- **Cancelled Reason** – If this pledge has been canceled, displays the reason given for the cancellation.

7. If this donation is being made in someone's honor, click the **Tribute** tab, and enter the appropriate information:
   - **Tribute** – If this contribution is made in honor of a person or institution, click Yes.
   - **Tribute Type** – If this contribution is made "in honor of" or "in memory of" a person.
   - **Send Acknowledgement** – If a tribute acknowledgement letter should be sent for this contribution, select Yes from the dropdown options.
   - **Tribute Description** – Enter any additional information about the tribute or in honor of contribution that you may need for future reference or for printing on letters.
   - **Tribute Name and Address** – Enter the name and address of the person or institution that the contribution is a tribute to.
   - ***ACA Doesn't use this* ->Acknowledge Printed –** Can be used with EasyPrint logic for a custom acknowledgement letter report to display the date when this letter is printed. This field is also available for manual input.
   - ***ACA Doesn't use this* ->Acknowledgement Print Job** – Can be used with EasyPrint logic for a custom acknowledgement letter report to display the print job number for future reference and reprinting the letter.

8. **Save and Close** to save this monetary pledge and return to the contribution invoice.
   - When you save the pledge contract, the system creates a long-term pledge invoice detail line item for each installment, based on the number of installments and installment amount. Saving the monetary pledge transaction automatically creates a Contributions record in the Fundraising area.

     FOR EXAMPLE: If the total pledge amount is $200.00 with a 4-month duration and a monthly frequency, the system would create 4 long-term pledge invoice detail line items for $50.00 each.

9. Next, add the pledge contract to the Donor Donations table, following the same steps used to add contributions to Donor Donations.
   - From the Fundraising area, click on Contributions.
   - Open the view Integrity Fundraising – Move CRM Pledges to Donor Area.

- Select the record(s) you'd like to move to Donor Donations.
- Select the workflow Fundraising Create Donations by Donor from the Flow dropdown.

  NOTE: A monetary pledge will **only be added once** to the Donor Donations table because the contract invoice amount received will update as payments are received.

Generate monetary pledge installment invoices

After creating the monetary pledge, you'll need to run a process to generate installment invoices. The installment invoice process creates a **separate short-term pledge installment invoice** for *each* monetary pledge that has an installment coming due. This process is typically run at the **end of each month** to verify that all pledges entered to date that might have the current month's installment date are included.

Each installment billing process is run in a separate batch. This is required in case there are any prepayments on the pledge invoices that need to be applied to the installment invoices. This also makes it easier to find these installment invoices when the payments are received and processed.

> **NOTE:** Before you begin this process, verify that all batches that contain monetary pledge contract invoices have been closed and have had GL detail created and posted. Pledge invoices in batches that have not been posted will *not* be included in the pledge installment invoice generation process.

The pledge installment invoice process includes the following procedures:

1. Create a batch for installments *once per month*, based off of what is due for that month. Name the **installment** batch "**Month YYYY Pledge Installments**." *Be sure to back date the batch if you are creating it after the month has ended.*

   NOTE: Close the batch after you've set up installments for the month.

2. Run the [UX Fundraising – Pledge Installment Edit Report] report to review the number of pledge invoices that contain a long-term installment detail record with the installment date.

   NOTE: This report shows the monetary pledge invoices that will have installments due for the installment date you specify by displaying the long-term installment in the pledge contract. When you create the installment invoices for that installment date, you can use this report to verify the results of the invoice creation process. After creating the installments, the report will display the long-term installment in the contract invoice and the short-term installment in the system-created installment invoice based on the installment date you specify.

3. Once ready, run the [Pledge Installment Invoice Generation] process to create installment invoices for each monetary pledge.

4. Review pledge installment invoices to verify the results of the monetary pledge installment invoice process.
5. If desired, print and mail installment statements to your contributors.

Run the UX Fundraising – Pledge Installment Edit report

Prior to creating the invoices for monetary pledge installments, we recommend that you generate and review the UX Fundraising – Pledge Installment Edit Report. This report shows the monetary pledge invoices that will have installments due for the installment date you specify by displaying the long-term installment in the pledge contract. When you create the installment invoices for that installment date, you can use this report to verify the results of the invoice creation process. After creating the installments, the report will display the long-term installment in the contract invoice and the short-term installment in the system-created installment invoice based on the installment date you specify.

In **My Work** > **Reports**.

1. In the **Reports** list, double-click the **UX Fundraising – Pledge Installment Edit report**.
2. Enter the Next Installment Date that you will use to generate the pledge installment invoices, and click **View Report** to generate the report.

   NOTE: When UX Online calculates the installment dates for a monetary pledge, it is always the **last day of the month**, so the date you enter here should also be the last day of the month.

3. Click **View Report**. The report that appears shows all pledge invoices that contain an installment detail record with the installment date specified on this report. These records are grouped by contribution type. Review this report carefully and verify that it is correct and the counts for each pledge type are correct. Print or save the report to use later in the pledge installment process.
4. **Close batches once the process is complete.**

Launch the Pledge Installment Invoice Generation process

If you have entered monetary pledge contract invoices, use this procedure to generate installment invoices for the pledges. This process creates a **separate pledge installment invoice** for *each* monetary pledge that has an installment coming due. It also updates the batch number of the originating pledge's invoice detail line item, changing it to the batch the new pledge installment invoice was created in.

This process is typically run at the **end of each month** to verify that all pledges entered to date that might have the current month's installment date are included.

After the installment invoices for monetary pledges are created, you can record your donor's payments for these pledges.

NOTE: Before you begin this process, verify that all batches that contain monetary pledge contracts have been closed and have had GL detail created and posted. Pledge invoices in batches that have not been posted will not be included in the pledge installment invoice generation process.

Follow these steps to create monetary pledge installment invoices:

1. In the **Fundraising** area, click **Processes > Pledge Installment Invoice Generation**.
2. In the Pledge Installment Invoice Generation screen, select the batch created for this process, and enter the installment date you are billing for (named "**Month YYYY Pledge Installments**").

   Reminder: Make sure the batch date is the end of the month and close once the process has been completed.

3. Click **No**, for Run AutoPay Process. ACA is not doing AutoPay at this time.
4. Click OK.
5. The Generate **Pledge Installment Invoices** screen appears, showing a count of how many installment invoices will be created. This number should match the total number of invoices shown on the UX Fundraising – Pledge Installment Edit Report.

   NOTE: If these numbers do not match, it may be because someone canceled or added monetary pledges invoices after you printed the UX Fundraising – Pledge Installment Edit Report.

6. To generate the pledge installment invoices, click **OK**. Depending on how many invoices need to be created, a progress bar may appear while the system creates the installment invoices and updates the pledge contract invoices.

   NOTE: You can print, review and mail out your pledge statements. For more information, see Printing pledge statements.

Add a payment to an installment invoice

After running the monthly installment invoice process, you'll be able to apply payments towards installment invoices due as they come in. As a reminder, setting up contracts and installments, as well as their batches, can be done on a monthly basis, whereas payments should be processed as they come in.

Follow these steps to add a payment towards an installment invoice:

1. Create a batch for payments *as they come in* named "**Month YYYY Pledge Payments-MM/DD/YYYY**." *Be sure to back date the batch if you are creating it after the day the payment was received.*

NOTE: Close a payment batch after you've processed payments for the day.

2. From within the installment invoice, go to New transactions, then All others or cash:
   - Enter Check/Cash Payment ACA for the Product field, installment amount for the Payment field, and check # or cash paying date for the Reference field.

3. Click **Save and Close** to save the transaction.

   NOTE: Any payment entered on a Pledge Invoice will automatically be transferred and applied to the *next* pledge installment invoice that is created during the pledge installment process. The transfer of the payment will continue until the full amount of the prepayment is depleted.

4. Next, you'll need to update the Donor Donations record with the payment received. From the Donor Donation record for the pledge, choose the workflow Fundraising Update Donation w/Pledge Received against the Donor Donation record from the Flow dropdown.
   - This workflow will add an installment amount to the Amount of Pledge Received field.
   - Once the Amount of Donation field equals the Amount of Pledge, the field Pledge Complete will change to "Yes," signifying the pledge has been completed.

Prepayments

If a donor wishes to prepay a portion of their total pledge amount due, follow the above steps but **apply the prepayment to the pledge contract** instead of a pledge installment invoice.

Prepayments will be applied to the monetary pledge contract and will be transferred to the installment invoices as they are generated. When you enter the prepayment information, **be sure you override the default payment amount**—which will be the full amount of the pledge—with the correct prepayment amount.

> **FOR EXAMPLE:** A donor pledges to pay $7,500 over 3 years with one installment payment per year and makes their first payment installment of $2,500 the same day. You would create the contract and then add the first payment to the contract. When it comes time to generate their installment for the next year's payment, the system will generate two installments – one to account for the prepayment, which will show the payment applied; and the second for the upcoming payment due. This will also change the count of installments to be created when running the installment invoice process.

Print pledge statements

UX Online comes with a standard pledge statement report to mail to your contributors. The statement lists the total pledge installments generated with payments applied and total amount due.

Follow these steps to print pledge statements:

1. In the **My Work** area, click **Reports**.
2. Double-click UX Fundraising – Pledge Statement in the Reports list.
3. In the Report Viewer screen, enter the installment date that you are printing or emailing statements for, and then click View Report.
4. Print and review these statements to verify they are correct before sending.

View pledge contracts and installment invoices

If you want to verify the pledge installment invoices created by the pledge installment invoice generation process, or record a donor's pledge payment against the appropriate invoice, you can use any of the following different methods to view the invoices:

1. To view the **pledge contracts** that have been created, choose from one of the following:
   - Click on Donor Donations in the Fundraising area, see **Donor Donations**
   - Click on Contributions in the Fundraising area, see **Active Pledge Contributions**
   - Click on Invoice Details in the My Work area, and see **ACA Pledge Contract Invoices All**

2. To view the **pledge installments** that have been created, click on Invoices in the My Work area, and choose from one of the following views:
   - For ***all*** **Pledge Installments**, see **Pledge Installments (uncancelled, no test)**
   - For ***all*** unbilled pledge contract invoices, see **ACA Pledge Contracts Invoices Unbilled**
   - For ***all*** billed pledge contract invoices, see **ACA Pledge Contracts Invoices Billed**
   - For **due** Pledge Installments *for the current month*, see **Pledge Installments to Pay in the Current Month**

     NOTE: You can record the donor's pledge payment from here.

   - For **paid** Pledge Installments *for the current month*, see **Pledge Installments Paid in the Current Month**

3. Alternatively, search for transactions by batch.
   - Click the **Lookup** button to select the batch you used for the pledge installment process, and then click **Search Transactions**.
   - A list of all the pledge installment invoices created by this process will appear. Use the UX Fundraising – Pledge Installment Edit Report to verify the process.
   - To view the invoices for a particular customer, click the **Customer Lookup** button to select the contact or account, and then click **Search Transactions**.
   - The system will display all invoices meeting the search criteria you entered.

Pledge installments paid prior to FY 2025

Prior to completing the setup of the pledge process, there were some pledge installment payments that were entered into the system as one-time monetary contributions. Because they were payments from previous fiscal years, we were unable to modify their invoices or transactions. These true pledge installments can be found in the Donor Donations entity. Use the field Pledge Installment pre FY25 where its value equals "Yes." This is reflected in the following two advanced finds in the **Donor Donations** entity:

- Donor Pledges
- Recognizing pre FY25 pledge installments

Modify a pledge contract

If you need to change the terms of the pledge, you must do so by modifying the original pledge contract invoice itself, not any of the pledge installment invoices. Changes that affect the pledge terms, such as amount, installment frequency, duration, or pledge installment start date, require a pledge **Upgrade/Downgrade**.

> **NOTE:** The pledge **Upgrade/Downgrade** process cancels all unbilled installments and recalculates the pledge contract with newly created installments based on the new information entered. This process cannot be reversed.

Follow these steps to complete a pledge **upgrade/downgrade**:

1. Locate the pledge contract invoice you want to modify and double-click to open it.
2. Click Select Batch to select the appropriate open batch based on **ACA's Fundraising pledge rules**.
3. Double-click the first pledge invoice detail line item to open the pledge detail record.
4. Click the **Upgrade/Downgrade** button on the form Actions toolbar.
5. A message will appear, notifying you that any existing pledge installment line items will be canceled if you change the pledge, and asking you to confirm that you want to continue with the pledge upgrade or downgrade. Click **OK** to continue.

6. The **Upgrade/Downgrade Monetary Pledge** screen will appear. Enter the updated information for this pledge:
    - **Total Pledge Amount** – Enter the new pledge amount.
    - **Length in Months** – Enter the number of months that this pledge covers.
    - **Bill Frequency** – Select the new billing frequency.
    - **Pledge Start Date** – Enter the new starting date for the modified pledge. This should always be the first day of a month.
    - **Installment Amount** – Displays the new installment amount for this pledge.
    - **Number of Installments** – Displays the new number of installments for this pledge.
    - **Rounding Adj.** – Displays the new rounding adjustment for this pledge.

- **Pledge Expire Date** – Displays the new expiration date for this pledge, which is based on the pledge start date and the length of the pledge.

7. Click **Save** to save your changes to this pledge and close the **Upgrade/Downgrade Monetary Pledge** screen.

8. Click **Save and Close** in the **Monetary Pledge** screen to save your changes and return to the invoice.

   NOTE: If the batch for the original pledge has been closed, all of the original pledge installment line items now have a red **X** to the far right indicating that these installments have been canceled. The new installment line items for this pledge will appear in the list of line items.

9. Click **Save and Close** to save your changes to the contribution invoice.

Cancel a pledge contract or pledge installments

This section explains how you can cancel a pledge to accommodate most scenarios that may arise.

> **NOTE:** See the Setting up pledge cancellation reasons to create or modify reasons

Follow these steps to cancel a pledge contract:

1. Locate the pledge contract invoice you want to cancel and double-click to open it.
2. Click **Select Batch** to select the appropriate open batch based on your organization's business rules.
3. Double-click the first pledge invoice detail line item to open the pledge detail record.
4. In the installment detail record, click **Cancel**.
5. In the Cancel/Delete Contribution screen, select a cancellation reason, and click OK.

   NOTE: The current options are "Credit Card Decline," "No reason," "Change of Mind," or "Other."

6. Click Save and Close to save your changes and return to the contribution invoice.
7. Click Save and Close to save your changes to the contribution invoice.
8. If the pledge has had pledge installment invoices created, you may need to cancel those installment invoices individually. They are not canceled by the system when you cancel a pledge contract.

Follow these steps to cancel installment invoices:

1. Locate the pledge contract invoice you canceled and double-click to open it.
2. Click **Select Batch** to select the appropriate open batch based on your organization's business rules.
3. Double-click the first pledge invoice detail line item to open the pledge detail record.

4. In the **Navigation Pane**, click **Installment Invoices**.
5. A list of the installment invoices that have been created for this pledge appears. Click the individual installment invoice that you want to cancel to select it.
6. Click the **Cancel Installment** button on the **Actions** toolbar.
7. A message will appear, asking you to confirm that you want to cancel the selected installment invoices. Click **OK**.
8. Click **Save and Close** in the **Monetary Pledge** screen.
9. Click **Save and Close** in the original pledge contract invoice.

Monetary Pledges process diagram