PROCEDURE: Gift Entry and Processing

RESPONSIBILITY:
- Data Input Associate (DIA)
- Financial/Administrative Officer (FAO)
- Accountant (ACC)
- Operations/Support Associate (OSA)

PROCEDURE CROSS-REFERENCE:
- Bank Deposit Preparation
- CC Acknowledgement Procedures
- Profile Set-Up, Crystal Report Viewing

FORMS:
- Gift Edit Report - FIMS
- Acknowledgement Letters to Donors

FREQUENCY:
- Gift Entry – Daily
- Gift Posting to Journal Entry- Daily
- Gift Posting to General Ledger - Weekly

STANDARD: Gifts received shall be entered daily and checked against the bank deposit. Acknowledgement letters are mailed out within 24 to 48 hours of receipt of the gift.

PROCEDURE:

For a broad overview of the gift processing procedure, refer to the Gift Processing Flowchart attached to this policy.

Gift Receipt Process

The Operations Support Associate (OSA) is assigned to opening the mail and shall organize all items pertinent to gift processing, as follows:

1. Date stamp all documents received with the gift.
2. Stamp the back of each check with the endorsement stamp.
3. Verify all checks listed on any transmittal/letter are received and that the amounts are correct.
4. Sign and date the transmittal forms, if applicable. If a three-part form is submitted, keep the original and mail the pink copy to the donor submitting the gift.
5. All information related to the gift is copied including any checks, transmittals, personal notes, matching gift forms, etc. Assemble the gift information as follows:
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a. Staple together the original transmittal/personal letter and check copy. Date stamp the check copy. If the donation is in the form of cash, fan-fold the cash or fold in half and copy. Also indicate on the copy the name of the donor and the amount. This copy is given to the Data Input Associate for gift entry.

b. Clip together the original check and any copies of transmittals/personal notes and give to the Accountant. The supporting information will help the Accountant determine the fund to deposit the gift if it is not indicated on the donor’s check.

6. If one check is submitted by a donor for deposit into multiple funds, make multiple copies of the check and transmittal.

Example: The Amherst Board of Education sends a contribution of $200. The transmittal indicates that $100 is designated for the General Fund and $100 to the Fine Arts Fund. Two copies of the documentation for this gift are needed for gift processing.

Under no circumstances shall the staff member assigned to opening the mail also be assigned to either gift entry or accounts payable processing to preserve proper segregation of duties.

Preparation for Gift Entry

Before a gift is entered, certain preparations must be taken.

1. Run a calculator tape on the gifts received. This will serve as a check digit later in the process.

2. Check in the Profiles Module of FIMS to verify that each donor has an existing profile record and that the donor tab of the profile record is activated. (The Donor Tab can be activated by clicking on the Donor Tab, click on the New icon, and then click on the Save icon.)

If there is no profile, enter one for the donor. For a donor whose address is not known, select “UNKN” in the Address Type field. On the “Profile 2” tab, uncheck “Solicit” and “Allow Mail”.

3. Verify that anyone being memorialized or honored has a profile. Create a profile if none exists. If the gift is a memorial, on the “Profile 2” tab make sure the “Solicit” and “Allow Mail” boxes are unchecked. Also, on the “Affiliations” tab, choose the DECEAS and MEMR affiliation codes. For individuals being honored, be sure to enter the HONR affiliation code.

4. Lastly, check for profiles for anyone receiving a CC letter or MatchID letter. Create a profile if it does not exist. Follow the same guidelines as noted in #2.
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Gift Entry

The gift entry window appears below followed by an explanation of the fields and the information that should be entered for each gift.

Enter the ID Code of the Donor.

<table>
<thead>
<tr>
<th>GIFT TAB</th>
<th>Description</th>
</tr>
</thead>
</table>
| ID Code  | Enter the ID Code of the donor or click on the magnifying glass to look-up and select the donor. *Note: If the Donor Tab is not activated in profiles, the donor will not appear in the browser.*

For payroll deduction checks from school districts to their endowment funds, use the profile with the first name of the school district followed by BOE, i.e. Amherst BOE. These school profiles will have the last name of “Gifts & Grants.”

If you cannot locate a profile but believe that one exists, do a Profile Text Search to locate the profile. On the FIMS menu, select Inquiries, Profile Text Search. Indicate the text you are searching for by enclosing it with asterisks, i.e., *brown* to search for profiles with the name Brown. Place a check mark by the fields you would like to search. If a profile cannot be found, it is safe to create one.
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<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>Enter the amount of the gift.</td>
</tr>
<tr>
<td>Gift Date</td>
<td>Enter the date of the gift, usually the current date. (Exceptions are made for stock gifts.)</td>
</tr>
<tr>
<td>Fund ID</td>
<td>Enter the Fund ID or click on the magnifying glass to bring up the Fund browser. If no fund is mentioned, place the gift in the General Fund.</td>
</tr>
<tr>
<td>Ack Code</td>
<td>This field represents the type of letter that will be sent to the donor. Refer to Appendix A for a list of Acknowledgement Codes.</td>
</tr>
</tbody>
</table>
| Ack Code Notes   | - Any gift that comes directly to the Foundation must receive an acknowledgement letter. If the gift is in honor of or in memory of an individual, an acknowledgement is also sent to the family, if this information is provided.  
  - Any gift received on a transmittal form and **under $250.00** gets no acknowledgement letter.  
  - Any gift to CFGLC on a transmittal and **over $250.00** gets a **standard** acknowledgement letter (see table below for acknowledgement letter codes). |
| Ack Date         | Enter the date the letter is being acknowledged, usually the current date. |
| Batch            | The batch number is represented by a four-digit year, a dash, and the current month, i.e. 2004-5. |
| Check #          | Enter the number found on the check. If the gift is in the form of cash, type “Cash” in this field. If the gift is in the form of stock, type “Stock” in this field. |
| Non-Gift Amount  | If all or part of a gift is not tax-deductible, enter the non-deductible portion in this field. |
| Anonymous        | If the donor wishes to remain anonymous, check this box.                    |
| Interfund Gift   | If the gift is an interfund transfer, check this box.                       |
| Type             | Use the “CASH” code when gifts are made in the form of cash or check. Use the “Stock” code when gifts are made in the form of stock. (Other codes are listed but are seldom used.) |
| Solicitor        | Leave this field blank.                                                    |
| Source           | Select “BRD” if the gift is from a member. Select “STAF” if from a staff member. |
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| Purpose | Generally, the purpose is ADD (addition to fund). The NEWF code is used for an initial gift to a new fund. |
| County | See Appendix A for a list of County Codes. |
| Match Code | Leave this field blank. |
| Match ID | If a donor sends a contribution directly to the Foundation benefiting a school or agency endowment fund, the agency profile ID Code is entered as the MatchId Code. **A copy of the letter should be placed in the agency’s file.**  
**Example:** Sally Black makes a contribution to the Lorain County YMCA Endowment Fund and sends the contribution directly to the Foundation. The agency name will appear as a CC item on the acknowledgement to indicate to the donor that an identical copy of the acknowledgement has been sent to the agency notifying them of the contribution. |
| Comment | If the donor makes a **request or notation regarding the gift**, click the “Comment” radial button (found in the middle of the screen) and type any pertinent information. |

There are situations when a gift received by the Foundation is not tax-deductible and must be treated differently. If a donor has made a gift and has received something of value in return, the value of the amount given in return for goods and services is non-tax deductible. The non-deductible portion must also be entered on the Distributions Tab and recorded to GL account 3102. You must also check the “Non-Gift” box under the “Distributions” radial.

Often, gifts given as part of a fundraising activity must be split between the deductible and non-deductible portion. It is the responsibility of the fundraising entity to make this determination and inform the Foundation accordingly. If money is being sent to the Foundation to defray agency expenses, it should be credited to G/L 3525, Spendable Revenues.

**Special Distributions**

**Principal vs. Available:** The donor has the right to determine if a gift should be treated as a contribution to principal (G/L 3100) and applied to Q1, the historical gift balance or if the gift should be treated as a contribution to available funds (G/L 3101) and applied to Q3, available funds.
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Non-gifts: There are situations when a gift received by the Foundation is not tax deductible and therefore must be treated differently. If a “gift” has been given in return for goods and services it is non-tax deductible and should be recorded to G/L 3102. You must also check the “Non-Gift” box under the “Distributions” radial. Often, gifts given as part of a fundraising activity must be split between the deductible and non-deductible portion. It is the responsibility of the fundraising entity to make this determination and inform the Foundation accordingly. If money is being sent to the Foundation to defray agency expenses, it should be credited to G/L 3525, Spendable Revenues.

After all gifts have been entered in FIMS, the Data Input Associate prints a Gift Edit Report (the report can be found on the Processes Tab). The DIA also prints acknowledgement letters for each contribution (see Printing Acknowledgement Letters below). All documentation including the Gift Edit Report, check copies/transmittals, and acknowledgement letters is given to the Financial/Administrative Officer who reviews for any errors. Any changes or errors are noted and the documentation and it is returned to the Data Input Associate for correction. After the corrections are made, the Data Input Associate prints a second Gift Edit Report and again forwards it to the Financial/Administrative Officer for a second review. If the acknowledgement letters and Gift Edit Report are correct, the FAO signs the letters and they are mailed.

As signed copies of the deposit slips are returned from the bank, the DIA attaches the signed bank confirmation to the Gift Edit Report and files it. The DIA also files any documentation received with the checks in the fund files along with a copy of the check.

Accounting Process

The completed daily bank deposit is processed per procedure (see Bank Deposit Preparation procedure).

The Gift Edit Report, reviewed and approved by the FAO, is then forwarded to the ACC. The ACC matches the dollar amount of the gifts on the Gift Edit Report with the dollar amount of gifts on the daily deposit. Any discrepancy is referred to the DIA for resolution. THIS IS A DETECT CONTROL.

If the report and deposit match, the ACC posts the gifts. The posting process transfers gifts from “Unposted Gifts” in the FIMS Gift Module to Gift History and also transfers the gifts from the Gift Module to “Journal Entry” in the General Ledger module. This posting process is done DAILY. Gifts are posted from Journal Entry to the General Ledger in the General Ledger Module WEEKLY.
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Example:

[Image of Gift Entry and Processing form]

Enter data or press ESC to end.
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INSTRUCTIONS FOR ACKNOWLEDGEMENT TAB

Acknowledge To - (required fields are highlighted in green). Information will default from the donor’s profile record.

Memorial/Honorarium - Click on the magnifying glass to look-up and select the Profile ID of the individual to be honored or memorialized. Click on the appropriate radial button, either “In Honor” or “Memorial”. Click on the magnifying glass to look-up and select the Profile ID of the individual to be copied regarding the contribution. If a donor requests another individual receive notification of the contribution, enter the ID Code here. If a donor makes a contribution in memory of another individual, enter the Profile ID Code of the nearest living relative here.

Example #1: If John Smith contributes $50 to the Clayton Family Fund in honor of Mary Clayton and requests that Mary Clayton be notified of the contribution, enter the Profile ID Code of Mary Clayton.

Example #2: If John Smith contributes $50 to the Clayton Family Fund in memory of Walter Clayton and requests that Mary Clayton be notified of the contribution, enter the Profile ID Code of his nearest living relative, i.e. spouse.
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General Ledger Tab

The General Ledger tab determines how the gift will be treated for Accounting purposes. For most gifts, this area will require no changes. Below are examples of:

Amount - One check, one fund - The amount will default from Gift Tab.
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One check, multiple funds – The amount will default from the Gift Tab and Distributions radial on the Gift Tab.

**FundId** - The FundId entered on the Gift Tab will default to the general ledger tab. The debit account will be treated differently depending on what class of Fund you are dealing with.

**Endowed funds - Class 10 or 11 - FundId 1000 – 6999**
The debit account will default here dependent upon the FundId entered on the Gift Tab.

**Non-endowed funds - Class 00, 20, 30 or 40 - FundId 0001 – 0099**
The debit account will default here dependent upon the FundId entered on the Gift Tab *except for the natural account number (last four digits. These must be entered manually."

Class 00 – enter 1300.
Class 20, 30 or 40 – enter 1304.
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Other exceptions to these rules will be determined by F/A Officer.

The treatment of the credit will also depend on the Fund class.

**Endowed funds - Class 10 or 11 - FundId 1000 – 6999**
The credit account will default here dependent upon the FundId entered on the Gift Tab and the **natural account number (last four digits) will always default to 3100-Contributions – Principal**.

![Endowed funds - Class 10 or 11 - FundId 1000 – 6999](image)

This account should be changed if all or any portion of a contribution should be 3101- Available Income (immediately available for grantmaking).

**Non-endowed funds - Class 00, 20, 30 or 40 - FundId 0001 – 0099**
The credit account will default here dependent upon the FundId entered on the Gift Tab **except for the natural account number (last four digits.) These must be entered manually**.

![Non-endowed funds - Class 00, 20, 30 or 40 - FundId 0001 – 0099](image)

**Class 00 – enter 3101**

**Class 20, 30 or 40 – enter 3101**

Other exceptions to these rules will be determined by F/A Officer.

Developed by: AA, FAO Date: 10/1/01, 6/19/02, 5/10/04

Approved by: President/CEO Date: 6/19/02, 5/10/04
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APPENDIX A

Acknowledgement Codes

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANON</td>
<td>Anonymous Contribution</td>
<td>Contributions made by a donor who wishes to remain anonymous.</td>
</tr>
<tr>
<td>CORP</td>
<td>Corporate Match</td>
<td>Contributions made by a corporation matching an employee or retiree contribution.</td>
</tr>
<tr>
<td>FISC</td>
<td>Fiscal Agent Gift</td>
<td>Contributions to a non-endowed fund, unless the contribution is Honorary or Memorial.</td>
</tr>
<tr>
<td>HONR</td>
<td>In Honor</td>
<td>Contributions honoring an individual.</td>
</tr>
<tr>
<td>MEMR</td>
<td>In Memory</td>
<td>Contributions in memory of an individual.</td>
</tr>
<tr>
<td>STD</td>
<td>Standard</td>
<td>The most commonly used code. Used for all contributions that do not fit one of the other acknowledgement types.</td>
</tr>
<tr>
<td>FUND</td>
<td>Fundraiser</td>
<td>Contribution for which all or a portion is non-deductible.</td>
</tr>
</tbody>
</table>

County Codes

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA</td>
<td>African American</td>
<td>Contributions made to funds with special handling code, AACF.</td>
</tr>
<tr>
<td>CF</td>
<td>Community Foundation</td>
<td>Contributions made to any fund other than those included in this table. Most commonly used code.</td>
</tr>
<tr>
<td>HC</td>
<td>Fund for Huron County</td>
<td>Contributions made to funds with special handling code, FFHC.</td>
</tr>
<tr>
<td>HP</td>
<td>Hispanic Fund</td>
<td>Contributions made to funds with special handling code, HF.</td>
</tr>
<tr>
<td>YF</td>
<td>Youth Fund</td>
<td>Contributions made to the Youth Fund.</td>
</tr>
</tbody>
</table>