

# **UNIVERSITY OF MISSISSIPPI MEDICAL CENTER**

## **DEVELOPMENT ACCOUNTING**

### **GIFT PROCESSING POLICY**

#### **1.0 ORGANIZATION**

Development accounting is responsible for receiving, depositing, and posting non-endowed gifts to the University of Mississippi Foundation (Foundation) for the benefit of the University of Mississippi Medical Center (UMMC).

Development accounting is a department in the Comptroller's Office, and consists of three staff positions, assistant comptroller, staff accountant, and accounting clerk.

Development accounting is located in the Comptroller's Office (Room U019 of the Vernon S. Holmes Learning Resource Center), and report to the Comptroller.

#### **2.0 RECEIVING GIFTS**

##### **2.1 Post Office Box**

Gifts received in the mail are addressed to Development Accounting, 2500 North State Street, Jackson MS, 39216, and are placed in the Accounting Department mail box by the campus post office. This mail box is accessible to authorized accounting personnel only.

##### **2.2 Opening Mail and Logging in Gifts**

Mail is picked up and separated from other accounting mail by an accounting clerk in the Records Management Department of the Comptroller's Office, and delivered to the Accounting Clerk in the Development Accounting Department.

The Accounting Clerk opens, logs in, and copies all checks and accompanying correspondence. Gifts hand delivered are processed in the same manner.

#### **3.0 DEPOSITING GIFTS**

##### **3.1 Preparing Deposit**

Once gifts are logged in, the Accounting Clerk prepares a deposit slip that balances with cash and checks, and attaches a copy of the deposit slip to check copies for filing.

##### **3.2 Making Deposit**

The original deposit slip, along with cash and checks, are placed in a locked bag and given to the UMMC Cashier for pick up by Loomis. The deposit slip returned by the bank is attached to the deposit cover sheet and the copies of checks for filing.

### **3.3 Gifts Received After Deposit**

Any gifts received after the day's deposit has been made are kept for safekeeping in a locked fire-proof filing cabinet in Development Accounting, to be included in the next day's deposit.

## **4.0 POSTING GIFTS TO DONOR DATABASE AND GENERAL LEDGER**

### **4.1 Posting Gifts to Raiser's Edge**

Once gifts are deposited by Development Accounting, they are entered into the donor database "Raiser's Edge" by the Development Office.

The Development Office picks up a copy of each days deposit, which includes a copy of the following documentation:

- Deposit coversheet
- Deposit slip
- Checks
- Correspondence

The Development Office uses the above documentation to enter gift data into Raiser's Edge.

### **4.2 Posting Gifts to Financial Edge**

Once gift data is entered into Raiser's Edge, a copy of the Batch Commitment Control Report, showing the gift batch number and details on each gift entered into Raiser's Edge is emailed to Development Accounting. Development accounting balances the batch commitment control report to the deposit and creates a journal entry for posting to the general ledger "Financial Edge".

This journal entry in Financial Edge debits cash and credits contribution revenue for the appropriate fund account(s). The journal entry is agreed to the deposit before posting to the general ledger.

Cash and checks not considered charitable contributions are entered into Financial Edge general ledger as a debit to Cash and credit to other income for the appropriate fund account(s).

## **5.0 ACKNOWLEDGING GIFTS TO DONORS**

### **5.1 Gift Acknowledgements**

Acknowledgements (i.e. thank you letters) are written and mailed to donors by the Development Office.

## **5.2 Gift (Tax) Receipts**

A separate gift-receipt (for tax purposes) is generated by Development Accounting, and sent out to the donor. This receipt will include the date the gift was received, the fund account credited and the amount. The receipts are intended to help the donor with tax preparation and serve as confirmation that accounting records are correct.

## **5.3 Recurring Gifts**

After the end of the calendar year, statements are generated by Development Accounting for each donor who gave through payroll deductions, bank drafts or preauthorized monthly credit card charges. This statement lists the total amount of the gift(s) and the fund account(s) that were credited. The Staff Accountant agrees these statements to contributions in Financial Edge. The Accounting Clerk then mails these statements to the donors. These year-end statements are intended to help the donor with tax preparation and to serve as a confirmation that the Foundation's records of contributions are correct.

## **5.4 Anonymous Gifts**

There are two types of anonymous gifts: (1) the donor is known by UMMC and/or the Foundation, but requests to remain anonymous and (2) the donor is unknown to UMMC and/or the Foundation. The first type of anonymous gift is receipted and acknowledged to the proper donor. The second type are receipted and acknowledged to an "anonymous donor" number.

## **6.0 GIFTS RECEIVED FOR UMMC (STATE) ACCOUNTS**

Gifts are occasionally received for accounts established on the books of UMMC, such as endowments and other non-endowed accounts.

### **6.1 Gifts to UMMC Endowments**

Gifts received for endowments on UMMC (State) books are hand-delivered to Patty Cranford in the Comptroller's Office for deposit into the correct UMMC endowment account. If the check is made out to the Foundation, it is deposited by Development Accounting into a transfer account and immediately disbursed to UMMC for deposit in the appropriate UMMC account.

### **6.2 Other Gifts Received for UMMC**

Occasionally, Development Accounting receives gifts for scholarships established at UMMC. These are typically hand-delivered to the Student Financial Aid Office for processing. If made out to the Foundation, it is deposited by Development Accounting into a transfer account, and immediately disbursed to UMMC for deposit into the appropriate UMMC account.

## **7.0 GIFTS OTHER THAN CASH AND CHECKS**

### **7.1 Credit Card Charges**

Credit card charges can be made by phone, hand-delivered, or mailed on gift cards to development accounting. Credit card charges are processed by the fiscal assistant using the donor correspondence received, recording the same information on a separate gift batch, following the same procedures (except for bank deposit) as for gifts of cash and checks. The Senior Accountant reconciles these charges with the bank statement, monthly.

### **7.2 Payroll Deductions**

Employees of UMMC, who have completed and signed a [payroll deduction authorization form](#), will have a deduction from their pay check once a month in the amount specified. Procedures addressing monthly payroll deductions are addressed in a separate procedures document.

### **7.3 Bank Drafts**

Donors who have completed and signed a [bank draft authorization form](#) will have their bank accounts drafted once a month. Procedures for processing monthly bank drafts are addressed in a separate procedures document.

### **7.4 Gift of Securities**

Gifts of stock are directed to the Foundation's brokerage account, from the donor's investment account. The name of the stock and number of shares to be transferred are obtained from the donor and given to development accounting, which notifies the Foundation. Upon receipt of the shares, the Foundation notifies development accounting that the stock has been received, and the value of the stock. The value of the gift is the average of the high and low stock price per share at the close of the market on the day of transfer. Development accounting notifies the database administrator in the Development Office of the value of the stock, and any pertinent information so that the gift can be entered into Raiser's Edge. The gift is then downloaded and posted into Financial Edge by the senior accountant.

The stock is sold by the Foundation as soon as possible, and the cash proceeds transferred to the Medical Center Fund bank account. An adjusting journal entry is made and posted to Financial Edge for the difference in the value of the stock at transfer, and the amount of cash actually received, as a gain or loss on the sale of the stock.

### **7.5 In Kind Gifts**

The Medical Center accepts gifts of personal property, such as artwork, paintings, equipment etc... A description of the gift is entered into the donor database by the Development Office, which sends an acknowledgement to the donor. A gift value is posted to the donor record and is designated as a gift in kind. That value is usually determined in advance by the donor and the department receiving the gift or in the case of gifts over \$5,000 by a formal appraisal.

In-kind gifts are transferred directly to UMMC, and are not entered into the development accounting general ledger. These gifts are not receipted with a value for tax purposes. However, development accounting will sign an IRS Form 1066 for gifts over \$5,000 at the donor's request, stating that we have received the gift.

### **7.6 Real Property Gifts**

Gifts of land are inspected and evaluated by UMMC development officers, and appropriate administration (comptroller, legal, physical facilities) before acceptance. Property valued over \$100,000 is required to have a phase I environmental report. This is in accordance with IHL board policy § 707.01 (Land, Property, and service contracts).

Once accepted, these gifts are valued, based on appraisal and posted to the donor record in the database for our records and is designated as a real property gift. These gifts are not recorded to the general ledger, and are not receipted with a value for tax purposes. These gifts, if accepted, are transferred directly to UMMC.

### **7.7 Deferred (Planned) Gifts**

Deferred gifts, such as charitable remainder trusts, are coordinated by the Development Office through the Foundation. These gifts are recorded in the donor's record in Raiser's Edge by the database administrator in the Development Office. These gifts are not recorded in the general ledger, as these gifts are held and administered by the Foundation directly for UMMC.