

Maine Public Broadcasting

Guidelines for the Designation of Gifts

March 26, 1998

The purpose of this memo is to describe some guidelines we will use for designating revenue. In most cases, it is quite clear which income account should be credited for a specific gift, but in some instances, the distinctions are not immediately obvious. Confusion has usually arisen when the MPBC representative charged with the stewardship of the donor is not responsible for the target of the gift. Hopefully, this memo will clarify most of those situations. I have made several drafts of this memo trying to simplify and clarify it, but there are so many if-then situations that they are hard to put in a flow-chart type format. I hope this is not too confusing.

Two major factors will help us determine how to designate income amounts and responsibilities. The most important criteria will be the donor's **intent** when making the contribution. The other major factor usually deals with stewardship, and is the **source of the gift**. Understanding of the guidelines below, and effective communication during MPBC Prospect Management sessions should maximize the donor's giving opportunities and minimize internal conflicts.

A primary component when determining intent will be whether the donor expects the gift will be used for a specific purpose, that is, whether it is a restricted or unrestricted donation. Several of our broad revenue categories: e.g. Membership, Major Gifts and Foundations are unrestricted. Thus, in the case of unrestricted gifts, the source of the gift will probably be more important than intent for determining the disposition of the revenue.

When the gift is restricted, the revenue will be designated to the account most closely allied with the donor's wishes. Stewardship of the donor will be based on history, how the gift was requested and will be determined through the Prospect Management process.

A gift will be considered:

Underwriting

When the donor specifies a particular program or series to support, and they wish to have their gift recognized on-air as supporting that program or series (**Intent**). Stewardship of the account will be determined as described above.

Two examples of underwriting gifts which come from non-traditional sources are The MXXXXXX Charitable Trust for its support of Masterpiece Theatre, and the MXXXXXXI Foundation and its support of A Prairie Home Companion and Morning Edition. Both of these donors are foundations, not businesses. They are supporting, but not enabling, the broadcast. Also, both have specified which specific programs they wish to support and how they want to be identified on air. Therefore, both are considered Underwriting Income.

Note: As a small private trust, directed by individuals (the HXXXX), stewardship of the HXXXX Trust becomes a Major Gifts responsibility. In the case of the DXXXX Foundation, the decision was made by its board and therefore the stewardship will remain with Corporate Support.

Restricted Foundation Gifts

Restricted foundation gifts are made for purposes other than the production of programs. Usually this will be for pieces of equipment, the hiring of personnel, and larger projects (although it is possible that these projects may include production of programs.) The income will be designated as a Restricted Foundation Gift or divided between accounts as specified in our Contingent Revenue Policy. As above, stewardship will be based on the person/department that makes the request of the donor, history, etc.

Unrestricted Foundation Gifts

This is often an area for confusion. Regardless of the size of the gift, the donor's intent is, by default, general support of the organization. As cited above in ***Underwriting***, if the decision to donate is ***made by an individual***, then it will be credited to Major Gifts, if it is approved by the board of the foundation it will be credited to Foundations line. Two examples:

- Recently, we have received several gifts from the Maine Community Foundation. In each case, the gift was made from a "donor-directed fund". That is, the donor contributed to the MCF and instructed it to make a contribution to MPBC. The MCF was acting as the donor's agent. Therefore, these donations are credited to Major Gifts.
- Each year, LXXXXX presents a request to the FXXXX Foundation. Although he is an advocate for MPBC, the decision to donate is made by the full foundation board. Therefore, this gift is designated to the Foundation line.

Major Gifts

Subject to the exceptions above, unrestricted donations will be credited as Major Gifts from anyone who qualified as a member of the Beacon Society.

Hopefully, the explanations above clarify most of the situations we encounter regularly. Other minor income accounts, such as Unrestricted Corporate, Towns, Matching, etc. should be relatively straightforward. Acknowledging that no set of guidelines will foresee every possible situation, I emphasize the need for discussion at Prospect Management sessions.

To state simply what is contained in a very complicated document here at MPBC: we chose to designate income or revenue first on the basis of donor intent (naturally), then secondly, on how MPBC would spend the money. In short, NOT by who solicited the gift. We determined that there was too much overlap in our responsibilities. Yes, this means that occasionally the Major Gifts Officer may land a gift that is counted as Underwriting Revenue, but we have agreed that our goal is to maximize the revenue to MPBC and use the process described above to achieve that end.