



Soft Credit Policy	
Responsible Official: Vice President for University Advancement	Responsible Office: University Advancement

Policy Purpose

ETSU University Advancement recognizes the value and the necessity of consistently tracking how gift credit is applied to donations.

Policy Statement

Given the critical importance of stewardship to overall fundraising efforts of the university and the ETSU Foundation, these policies shall provide guidance and procedures for the management of soft credit applied to donors. Advancement Services is responsible for developing and maintaining policies and procedures related to the assignment of credit.

Definitions

Legal Credit – commonly known as “hard credit.” This credit is assigned to the legal entity making the gift in accordance with IRS regulations, regardless of whether or not that entity may claim a tax deduction. Legal/hard credit is the gift amount that is receipted and recorded in ETSU financial records (as well as the ETSU donor database.)

Soft Credit – credit given to parties other than the entity who legally tendered the gift. Soft credit/memo credit is reported only in the ETSU donor database.

History

Effective Date: 08/22/2016

Revision Date: N/A

Revision Notes: N/A

Procedure (s)

1. In order to recognize that gifts may have been received due to the efforts of another external party, or occasionally to recognize a gift for more than the IRS tax-deductible amount (or even recognize a gift the IRS would not consider deductible at all), Advancement Services records what is known as “soft credit.” Soft credit is granted exclusively for recognition purposes. At no time should soft credit dollar amounts be aggregated in order to establish fundraising totals

for a particular campaign or group of individuals. These credits can, however, be aggregated for a specific individual in order to determine his/her appropriate recognition level in giving societies.

2. The objective of this procedure is to provide guidance on the awarding of soft credit. Exceptions should be rare and must be approved by the Vice President for University Advancement or designee.
3. Soft credit shall be issued in the following circumstances:
 - a. An individual gives through his/her company – credit the individual
 - b. An individual gives through his/her foundation or donor advised fund – credit the individual
 - c. A matching gift is received – credit the individual who made the qualifying gift
 - d. A matching gift is received from a third party – credit the matching gift company for the company’s portion and the individual who made the qualifying gift for both portions
 - e. Donor gives through fundraising consortia such as United Way – credit the entity who designated ETSU to receive the gift
4. Value of gifts of services or partial interest which represent a savings to the institution
5. The ETSU standard is to award soft credit to only one individual or household for the amount of the legal credit. Soft credit will not be duplicated to additional individuals without the express approval of the Vice President for University Advancement.
6. Situations not covered by the provisions above may be accepted for soft credit. Applications must be submitted in writing to the Vice President for University Advancement, who shall have sole authority for approval.

Related Form(s)

N/A

Scope and Applicability

	Governance	
	Academic	
	Students	
	Employment	
	Information Technology	
	Health and Safety	
	Business and Finance	
	Operations and Facilities	
	Communications & Marketing	
X	Advancement	