



UNIVERSITY
of ALASKA
FOUNDATION

For Immediate Release
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Restricted Gift Guidance from the UA Foundation

This past spring the UA Foundation created a new “soft ledger” option as a way to accept restricted gifts into general support funds at the Foundation. This new method allowed departments to track the spending of such restricted gifts while the UA Foundation and our auditors could monitor the tracking on a password-protected shared drive. This option was created as a workaround for some previous issues that arose when using the MAU’s Restricted Donation Holding accounts. These “RDH” accounts were created years ago specifically to track such restricted gifts.

Over the years, the following three concerns have been expressed regarding the RDH accounts:

- Money in these accounts could not be spent via a grant and contract.
- Gifts to these funds, while still counting towards MAU fundraising totals, were not being counted towards the colleges’ fundraising totals.
- Donors whose gifts went into these funds could not be stewarded or further cultivated and solicited as donors to a specific college, as the gifts only showed up as general MAU gifts.

The UA Foundation has taken steps to address each of the above concerns, making the RDH method of spending a better option. After months of a trial run with the soft ledger option, it has been decided to be in the best interest of all parties involved to end their use as they have become extremely burdensome to maintain and do not balance to the general ledger. All existing gifts in soft ledgers will remain there until they are spent down. Once the soft ledgers reach zero balances, they will be closed out.

Any new restricted gift, effective immediately, will go into the applicable MAU’s RDH account. The gift will be processed and receipted as a normal gift going into that RDH account. Once the receipt is sent out, the Fund & Gift Services Manager for that MAU will go into the donor database, Raiser’s Edge, and change the gift’s fund designation to reflect the college that the gift supported. A note will also be added stating that the gift is in the RDH account, but the fund was changed in RE for stewardship and reporting purposes only. The F&GSM will then work with the MAU’s Development Office and the applicable college on communicating the correct fund number to use when spending this money. The process for spending money out of RDH accounts is the same as other Foundation accounts; the fund number is just different. Additionally, spending RDH gifts via a grant and contract is now allowed.

We understand that there have been many changes in the past few months to the acceptance and spending procedures for restricted gifts, and we appreciate your patience while we came to the best solution.

Our main concern is to be good stewards of the money that our generous donors are entrusting us with. Please feel free to contact your MAU's Fund and Gift Services Manager (see below), for more details on the new RDH process.

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Additionally, we have provided [this document](#), which will help explain how to determine where restricted gifts should go.

The easiest way to avoid the difficulties associated with accounting for and spending narrowly restricted gifts, is, whenever possible, to solicit gifts for funds with broad purposes, rather than narrow ones. We have provided [this document](#) that explains this philosophy and will guide you in working with your donors.

Thank you again for your partnership in managing charitable donations to UA!

Megan K. Riebe, CFRE
Associate Vice President of Development & Executive Director
University of Alaska Foundation