

## Systems Area Summary

Revenue source	Accounting	Gifts processing	Data management	Record keeping	Registration and reporting	Policies and procedures
<i>Annual gifts</i>	General ledger accounts expand with new funds.	Caging and coding functions grow in complexity with new programs. Receipts must indicate states where organization is registered to raise money.	Data requested for results, segmentation, and comparisons.	Copies of receipts stored for three years; data or microfilm for ten years.	501(c)(3) required for issuance of tax-exempt receipt. Thirty-nine states require organizations to be registered to fundraise. Most organizations annually file Form 990 and an audit.	Standard policies for gift acceptance and either BBB or ECFA standards of conduct.
<i>Major gifts</i>	Above, plus must manage temporarily restricted gifts and permanently restricted gifts.	Personalization increases. Acknowledgement letters and receipts get hand-delivered.	Significant segmentation and suppression of certain flags and codes.	Same as above plus receipts, research, and donor correspondence are kept in locked files	In most states, contract field fundraisers must register as paid solicitors.	Specific procedures on kinds of gifts and due diligence required.

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<i>Planned gifts</i>	Above, plus the addition of any life income contracts requiring payments by organization.	Same as above.	Same as above.	Same as above, plus any will, life income, or other expectancies.	Some states require additional registration to issue various contracts.	Endowment management policy, payout rate policy, and investment policy.
<i>Foundation grants</i>	Strict accounting required for reporting on use of grant funds.	Same as above.	Reports on uses of funds.	Receipts, research, and correspondence are kept in locked files.	501(c)(3) required for most foundations, plus Form 990, audit, and list of top donors.	Letter from the board stating support for the application.
<i>Cause-related marketing</i>	Must be able to track any dollars in case it is unrelated income.	Receipts must indicate the value of any purchase that is considered a gift.	Same as major gifts.	Copies of receipts stored for three years; data or microfilm for ten years.	May need to report unrelated business income and/or pay tax.	Contract ought to stipulate various ways out.
<i>Corporate giving programs</i>	Same as annual gifts.	Personalization increases. Acknowledgement letters and receipts get hand-delivered.	Same as foundations above.	Same as foundation grants.	No special registration.	No special policy.

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<i>Earned income activities</i>	Same as annual gifts.	Not applicable.	Same as major gifts.	Income statements and reports stored for three years, data or microfilm for ten years.	May have a business license registration requirement depending upon state or local regulations.	Policies to manage investments.
<i>Unrelated business income</i>	Must be able to track any dollars as it is unrelated income.	Not applicable.	Same as major gifts.	Income statements and reports stored for three years, data or microfilm for ten years.	May need to report unrelated business income and /or pay tax.	Procedure to track and manage unrelated business income as it approaches total income limits.
<i>In-kind donations</i>	Inventory control and valuation substantiation become important for large items.	Receipts must indicate description of donated property.	Same as major gifts.	Copies of letters of receipt stored for three years; data or microfilm for ten years.	If the property was appraised at \$5,000 or more and you signed Form 8283, and if you dispose of the property within two years, then you must file Form 8282 with the IRS within 125 days of disposition and give a copy to the donor.	Procedure to value various in-kind contributions.

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<i>Supporting organizations</i>	Separate books.	Receipt sent between organizations acknowledging the value of any gifts.	Same as foundation grants above.	Same as cause-related marketing.	May require special registration with the state.	Policy that creates clear separation of functions and relationships.
<i>Benefit events</i>	Significant outlays of expenses against revenues.	Receipts must indicate the value of any purchase that is considered a gift.	Same as major gifts.	Same as cause-related marketing.	May require event-related licenses for various events. Event insurance may need to be purchased.	Procedure to limit expenses.
<i>State and local municipalities</i>	Strict accounting required for reporting on use of grant funds.	Receipt sent acknowledging the value of any gifts.	Same as major gifts.	Same as foundation grants.	No special registration.	Resolutions for bond issuance.
<i>Churches and denominations</i>	Same as annual gifts.	Same as supporting organizations.	Same as major gifts.	Same as cause-related marketing.	No special registration.	No special policy.
<i>Federated funds</i>	Same as annual gifts.	Receipts generated to donors require a separate handling process.	Same as major gifts.	Same as cause-related marketing.	No special registration apart from that required by the campaign.	Resolution to participate in funds drive.

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<i>Online donations</i>	Same as annual gifts; some considerations for out-of-state donors.	Caging and coding functions grow in complexity with new programs. Receipts must indicate states where organization is registered to raise money.	Most online platforms provide intuitive data management. Must ensure integration of data with current system.	Same as annual gifts.	Same as annual gifts.	Policies needed for use of organization name and materials in Web environment.