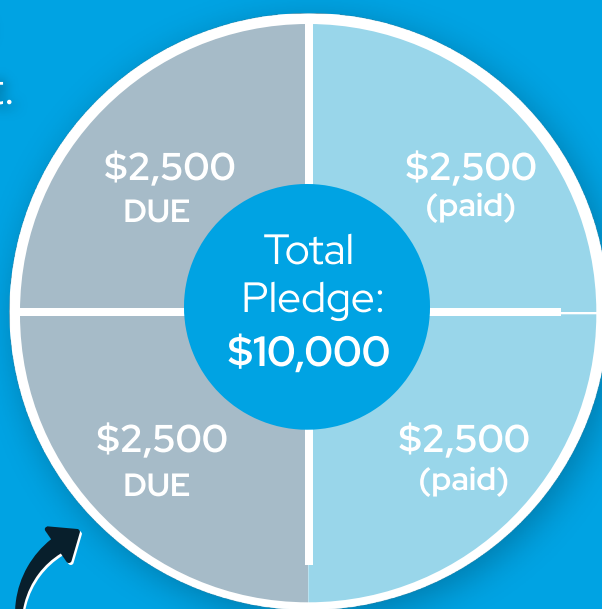




Pledges vs. Recurring Gifts

Pledges & recurring gifts are both types of **ongoing support** that require commitment.

But, while the terms are often used interchangeably, they require **different** tracking and timelines.



Pledge:

A commitment to a total sum

When a pledge is made, it signifies a desire to donate a certain amount. It can be done with a one-time gift, but typically, the sum will be fulfilled through a **series of installments**.

These payments are made by the donor over a specified time period and are tracked to show progress towards the total pledged amount. Once the total sum of the pledge is reached, **the pledge is considered "fulfilled."**

A donor wants to give \$10,000 to your organization. But, instead of making a single gift, she wants to make a **pledge** for the \$10,000—with annual installments of \$2,500.

As noted above: to date, she has made two annual payments towards her pledge, and still has two more installments left.

	DATE	AMT.
Gift 1	Apr. 22	\$200
Gift 2	Jul. 22	\$200
Gift 3	Oct. 22	\$200
Gift 4	Jan. 23	\$200
	continues	

A supporter wants to become a sustaining donor by making a **recurring gift** to your organization of \$200 every 3 months.

As noted above: this donor is set on a payment schedule of his choosing, but it has no specified end date. He will continue giving \$200 every 3 months until he chooses to stop.



Recurring Gift:

A payment that occurs repeatedly, as long as the donor is willing

A recurring gift also involves agreeing to a payment schedule, but they differ in two important ways:

- **the duration is also undefined**—it may last for a few months or many years (as long as the donor wants to continue)
- **there is no commitment to a total sum**—the installment amount is defined, but there is no cap on the total amount given

Consider This:

A **pledge** is like a car loan—a promise to pay a set total amount over a set period of time in planned installments. Once you pay off the loan, it's fulfilled and you're done. The car is yours.

A **recurring gift** is like a promise to fuel your car. If you drive regularly, you will always need fuel—it is a never-ending, recurring cost. You will continue to pay for gas until you decide to stop driving your car. (The only difference here is while the cost of fuel can change, a recurring gift is usually the same each time.)



Gift Type:

PLEDGE

RECURRING GIFT

Set Payment Amount



Set Payment Schedule



Set **Total** Gift Amount



Defined End Date



Can be tracked as "receivable"



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