



How Can You Collect Delinquent Pledges?

Can you insist on collecting the money pledged by a donor without ruining the relationship?

Q:

We find ourselves between the proverbial rock and a hard place and need advice on how to proceed. At our fund drive two years ago, a local celebrity publicly made a pledge of \$50,000. To date, he has paid less than half of this pledge. We have sent him two gentle “reminders” of the pledge and have received no response.

The fund drive would not have been a success without the name recognition of this celebrity, and we are very grateful for his involvement. But we still feel he should honor his commitment.

How do we seek the balance of his pledge without ruining our relationship with him? Any suggestions would be greatly appreciated.

A:

The fault of this two-year-old delinquent pledge lies squarely on the shoulders of your organization. Prior to your fund drive, you should have established procedures to handle pledges. Your organization made the following mistakes:

1. There was no written or signed agreement between your organization and the celebrity making the pledge. This agreement should have stated the amount to be paid over what period of time.
2. There was no established system to follow up on financial pledges.

3. No follow-up phone calls or personal visits were ever made to this individual. Only “gentle reminders” of the pledge were mailed to the celebrity.

I suggest that you, or someone who personally knows the celebrity, make a personal visit to discuss the pledge. If the celebrity refuses a meeting, there are two courses of action:

One, attempt a lawsuit to recover the pledge. This, however, would be futile because of the lack of documentation that states a pledge was actually made. It would also be ridiculous because of the bad publicity your organization would receive and because the exorbitant costs associated with legal

proceedings would far exceed the delinquent pledge dollars.

The second solution is to write off the remainder of the pledge. As you note, the fund drive would not have been a success without his support. He has also taught you an important lesson. Next time, you will know enough to have better procedures in place to handle pledges.

*Bill J. Harrison
Director of Fund Development
Blood Systems, Inc.
6210 E. Oak Street
Scottsdale, Arizona 85257*

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