**GRANT COMMITMENTS**

September 13, 2013

Occasionally the Board will authorize a grant to be awarded in the future, rather than immediately. This affects several things (budget worksheet, grant reconciliation, Gifts reports).

There are two ways to handle this:

When the authorization is made, the Fund code in Gifts should be “grant commitment” instead of “regular.” When the future grant is technically awarded, the fund code is changed to “regular.” After awarding the full amount in Gifts, enter the grant on the Grant Commitment spreadsheet [Exhibit A]. Make a footnote on the budget worksheet [Exhibit B] so it will be accounted for on next year’s budget. It will have its own line on the budget worksheet, which reduces the sector budget by the same amount. Then, make a note on the grant reconciliation. Gifts will show the whole Commitment amount in all reports.

Sometimes it is preferred to award each year one-at-a-time as separate grants using the “grant renewal” feature in Gifts. Allow renewal of the grant with an award date past the first (current year) date; future year grants will not pull into financial reports. Change the Fund code to Regular on the date the grant is “awarded.” The amount of the future year grant is subtracted from the sector’s total budget and listed as a separate line on the budget worksheet within the sector.

The grant commitments worksheet needs to be updated whenever there is a change on the grant.