



# Express Talk / Gamifying Philanthropy: Explore AHP's Standards Manual



# Today's speakers



**Carrie Boardwick**  
SYSTEM DIRECTOR OF  
PHILANTHROPY OPERATIONS  
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AVP FOUNDATION  
OPERATIONS  
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# Today's agenda

1. Why standards are important
2. Uses of standards in philanthropy
3. Standards Manual game

# 1. Why standards are important



“Without data, you’re just another person with an opinion.”

-- W. Edwards Deming





# Why standards are important

Standards:

- Establish clear guidelines for recording gifts, and expenses
- Ensure measurable outcomes and transparent reporting
- Engender trust
- Inform decision-making
- Encourage collaboration, innovation, and best practices
- Are the basis for performance measurement



# Why performance measurement is important

- In an industry driven by metrics, having standards and measuring performance builds credibility
- Reliable performance benchmarking data allows comparative measurement
- Common industry interests, benchmarking and goals unites our voices in communicating the value of philanthropy as a strategic imperative in health systems and with organizational executive leadership teams
- Predictable and consistent philanthropy makes our organizations stronger
- Reliable analytics allows better advocacy for philanthropy in healthcare literature



# One CDO's perspective

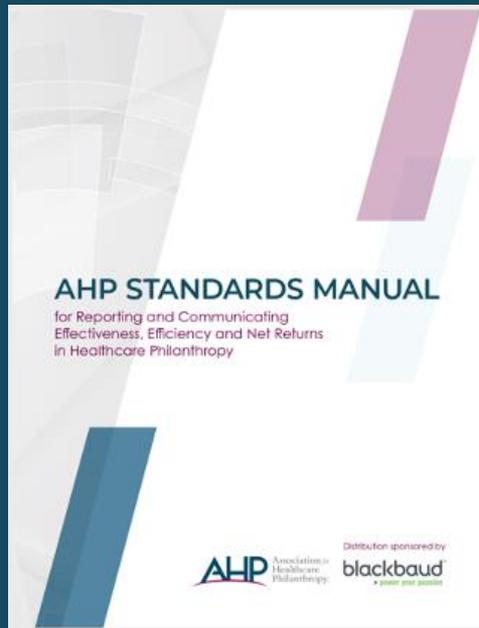
- When organizations compare themselves to themselves, using their own standards, they can get high on their own exhaust
- Benchmarking provides morale when there are fluctuations, bringing relativity to ups and downs
- You can't find success in \$\$s alone – that can be misleading; you have to do a deeper dive
- When you're growing, comparative data can help you get the resources you need to get to the next level



# Unaligned Industry Groups, Standards and Benchmarking Programs

- Advisory Board Company (ABC)
- Association for Healthcare Philanthropy (AHP)
- Association of Fundraising Professionals (AFP)
- Association of American Medical Colleges (AAMC)
- Counsel for Advancement and Support of Education (CASE)
- Health Management Academy (HMA)
- IRS 990

AHP is Healthcare Philanthropy's go-to for standards and benchmark data collecting and reporting



**AHP Standards Committee**



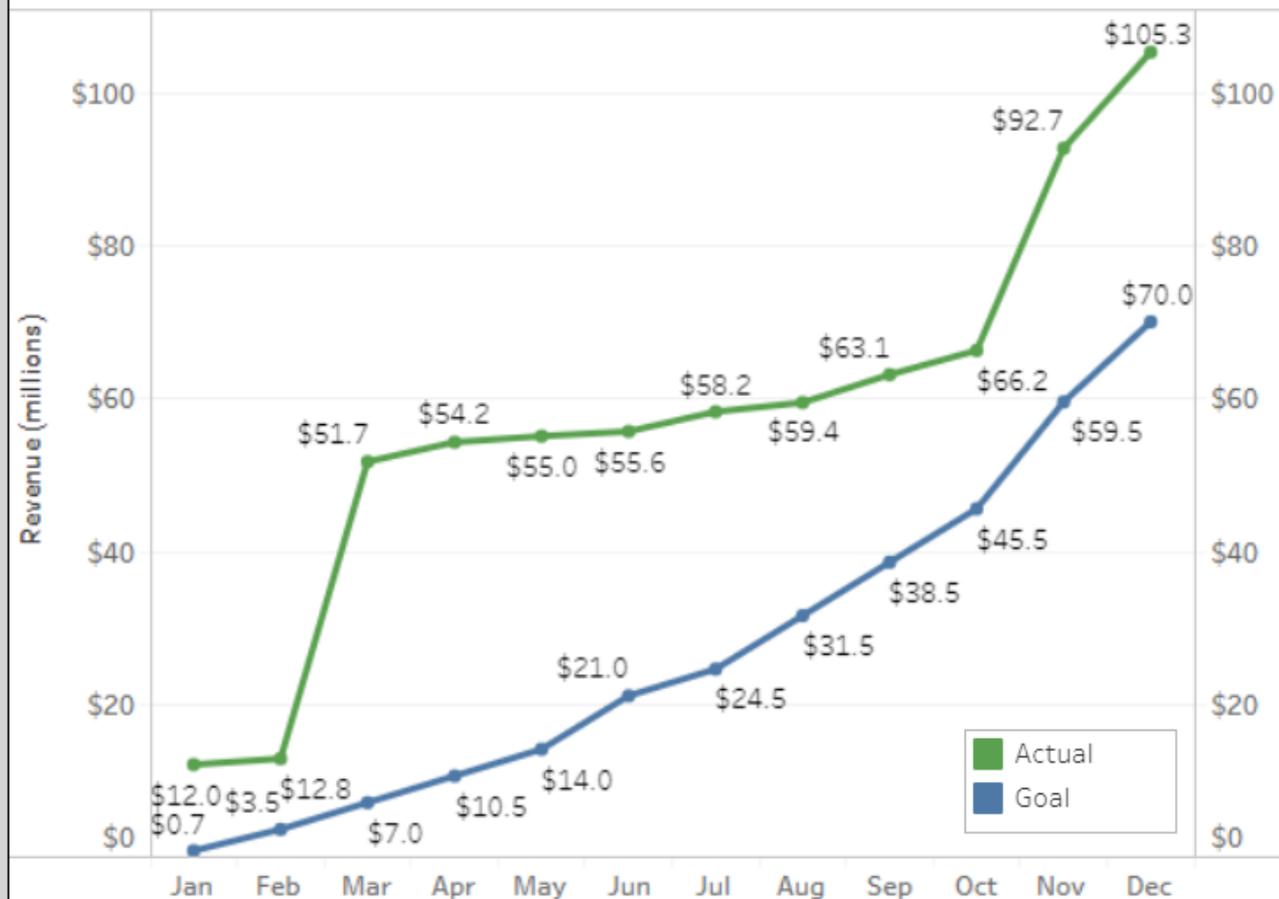


# AHP: 2 categories of revenue

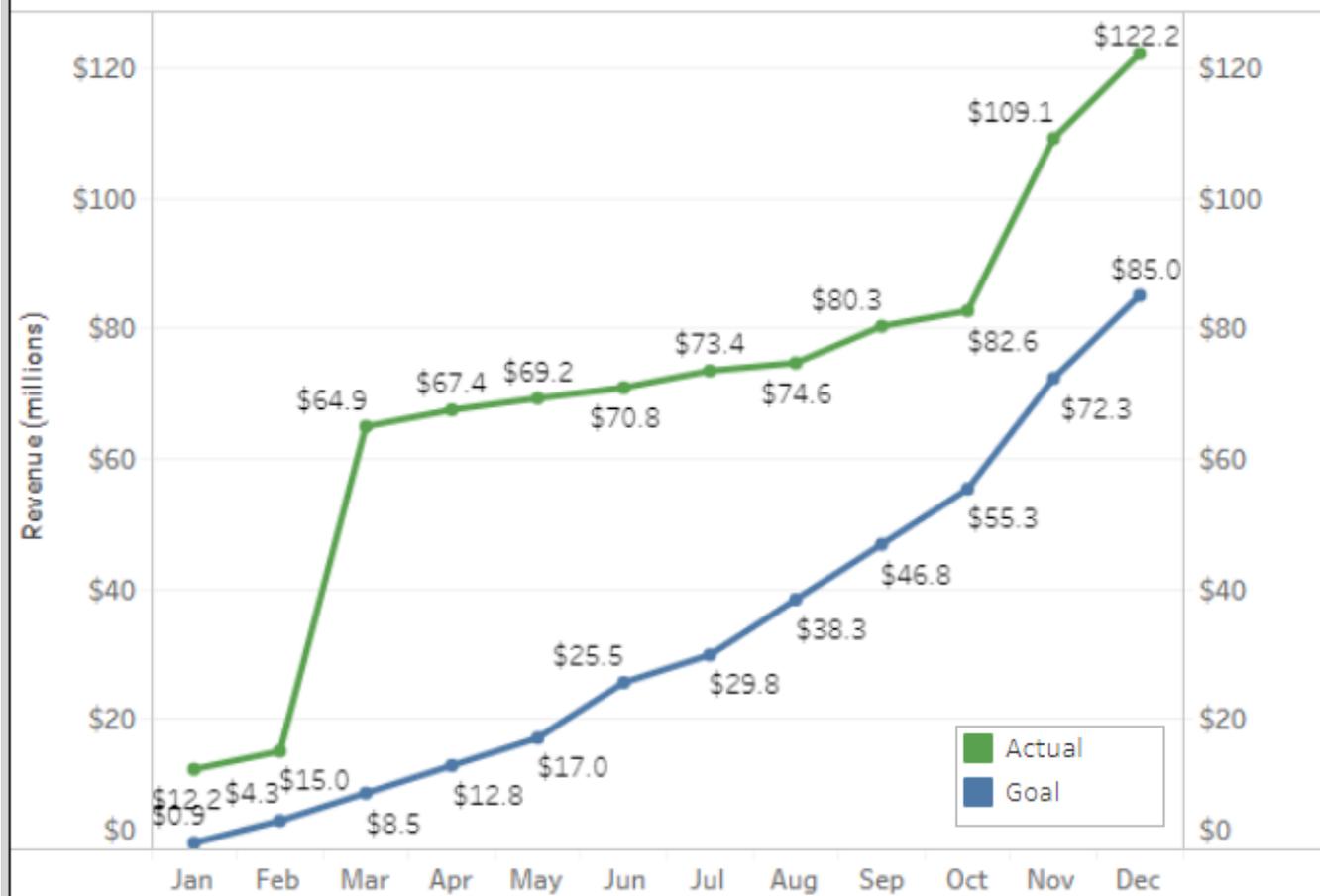
**Recorded Revenue** includes new gifts recorded in accordance with GAAP in the current reporting year (made in any form, such as cash and securities, non-cash gifts like personal and real property, unconditional pledges, or irrevocable bequests). Recorded Revenue is reported at net fair market value (FMV) at the time of the gift.

**Production Revenue** includes recorded revenue as defined above plus certain documented new commitments made during the reporting year that cannot be booked in accordance with GAAP due to their revocable and/or conditional nature (such as conditional pledges or revocable bequests).

## Goal vs Revenue (in millions) Plan (Annual Budget) - 2022



# Goal vs Revenue (in millions) Production (Annual) - 2022





## 2. Uses of standards in philanthropy



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**International**  
CONFERENCE





# Uses of standards in healthcare philanthropy

- Report on Giving
- Dashboard creation

How do you use standards at your organization?

# Get the 2023 report



[ahp.org/benchmarking](https://ahp.org/benchmarking)



# 3. Standards Manual game



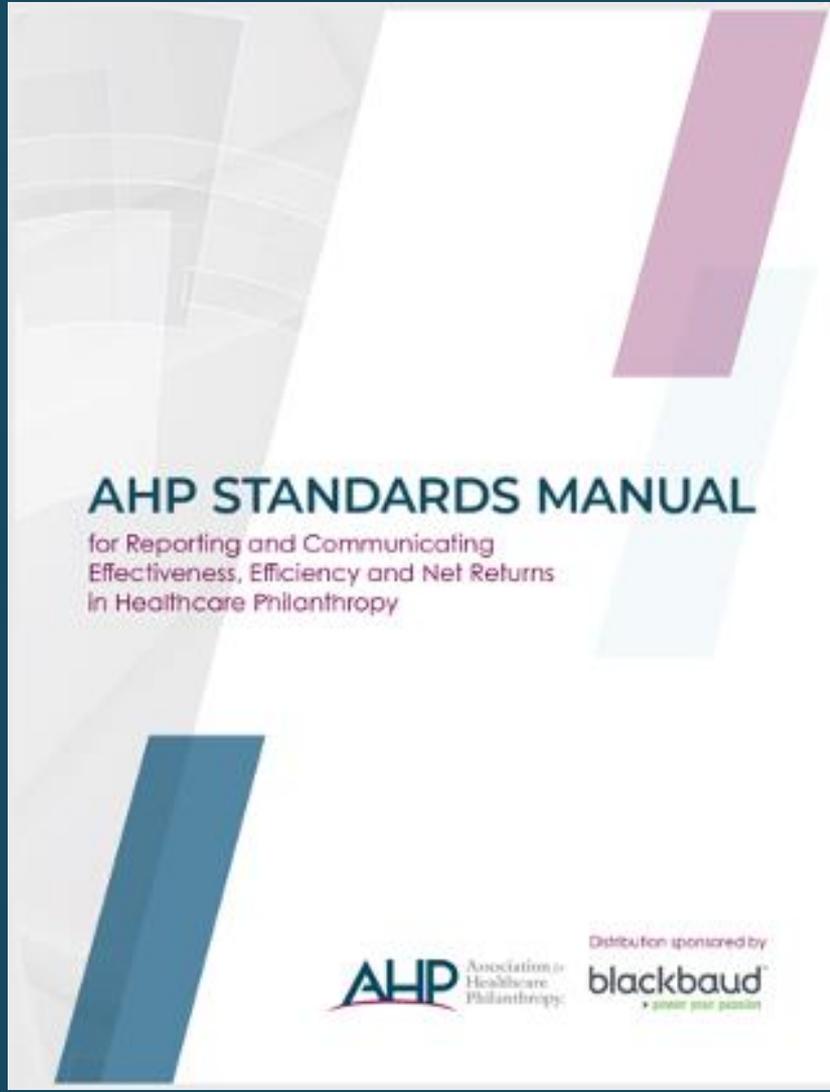
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# Get the standards manual



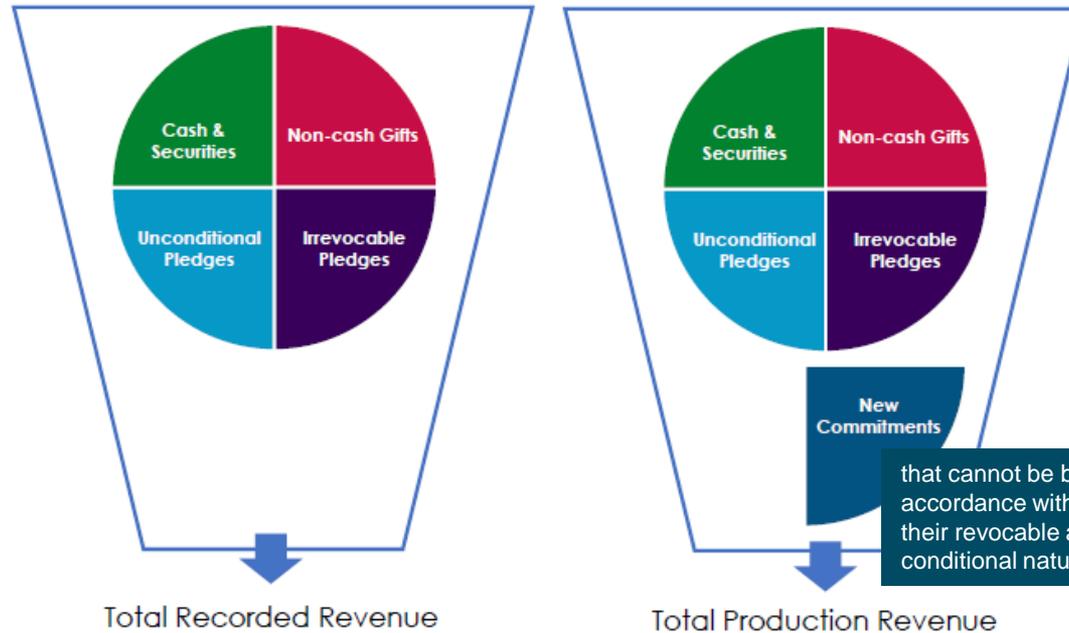
[ahp.org/standards](http://ahp.org/standards)



## AHP STANDARDS MANUAL

for Reporting and Communicating  
Effectiveness, Efficiency and Net Returns  
in Healthcare Philanthropy

# Revenue Definitions





# Production, Recorded Revenue, or Both?

- A donor makes a pledge in writing with a payment schedule over a defined period of time to support the hospital's capital campaign.



# Both!

- This should be counted in both production and recorded revenue goals.
- An unconditional pledge that is documented in writing meets GAAP requirements.
- The pledge can count at full value for production.



# Production, Recorded Revenue, or Both?

- A Donor makes a verbal pledge for a gift but will not sign a pledge form.



# None of the Above

- A verbal pledge is not legally binding and therefore not counted in either production or recorded revenue.
- If a donor is interested in making a recordable gift, the gift must be documented in writing with details on fund designation and payment terms.



# Production, Recorded Revenue, or Both?

- A donor makes a pledge to support the hospital and the gift requires that specific outcomes be met before payment is issued.



# Production

- Conditional gifts are not legally binding but can be counted in production if the gift is secured in writing and signed by the donor.



# Production, Recorded Revenue, or Both?

- Your foundation receives a gift of cryptocurrency.



# Both

- Cryptocurrency should be treated similarly to gifts of stock.
- The fair market value will count upon transfer to the organization and should be sold to cash as soon as possible.



# Production, Recorded Revenue, or Both?

- A donor notifies you that they are leaving the hospital \$10,000 in their will.



# Production

- Gifts arising from a person's will / estate that are not irrevocable (the will/estate can be changed during the person's lifetime and/or a condition exists that makes the bequest uncertain) may count towards production totals. Bequests may include many forms of gifts including cash, securities, real estate, personal property, etc.
- The value of the bequest can be determined / supported with written documentation.



# Production, Recorded Revenue, or Both?

- A donor notifies you that they are leaving the hospital 15% of their estate upon their passing.



# None of the Above

- In order for a conditional bequest to count in production, the donor must be able to provide a dollar amount in writing. Percentages cannot accurately determine a value.
- A stewardship plan should still be developed to build a relationship and thank the donor while they are alive.



# Production, Recorded Revenue, or Both?

- Your foundation receives notification that a governmental grant was awarded to the organization, and is deposited at the hospital. The foundation's grants director worked on the application.



# Both

- Governmental grants should be counted in production at face value.
- The full value of the grant cannot count in recorded revenue. Grant payments should be counted as recorded revenue.
- An example: a government grant award of \$1,500,000 over 5 separate budget years. Funds are only released per budget year (\$300,000 per year). Grant requires a non-competing continuation (ncc) submission for each future year funding.
- Grant payments should not be counted as separate gifts.



# Production, Recorded Revenue or Both?

- A donor makes the foundation her beneficiary in her CGA.



# Both

- Charitable Gift Annuities are arrangements whereby a donor contributes to a charitable organization in exchange for a promise by the organization to pay the donor a fixed amount each year for the rest of the donor's life. Because the value of the assets transferred to the foundation exceeds the value of the annuity received by the donor, a portion of the value of the assets transferred is considered a gift.
- The amount for both production and recorded revenue is based on calculations per planned giving software gift illustration. Gift is the charitable deduction amount.



# Production, Recorded Revenue, or Both?

- You receive notification that a donor is gifting their home to your foundation.

# Both

- Gifts of real estate can be sold immediately or used for rental income.
- The recorded amount is based on the appraisal at time of gift/title transfer.
- The same calculation is used for production. Net income/loss from any rental activity does not count as it is not fundraising activity.



# Production, Recorded Revenue, or Both?

- A donor is not be able to pay off their pledge, so the pledge is written off and revenue is reduced to reflect that amount.



# Both

- Write-offs will impact recorded revenue if the original pledge was booked as recorded revenue. Otherwise, the write-off will not count, as the original pledge was never counted.
- A write-off of a pledge, for any reason, will reduce the production number in the year in which the write-off is made.

# Thanks for playing!

Report on  
Giving



[ahp.org/benchmarking](http://ahp.org/benchmarking)

Standards  
Manual



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