

Office of the Recording Secretary

The [Office of the Recording Secretary \(RSO\)](#) receives gifts on behalf of the Institute and provides consultation and expertise on gift policies and procedures. The office prepares tax receipts, deposits gifts, and prepares the official records of pledges and gifts of cash, securities, mutual funds, and gifts-in-kind. In addition, RSO ensures the maintenance, safekeeping, and accessibility of the permanent records of gifts, including the original documentation of gift memoranda, gift agreements, pledges, trust instruments, and other legal documents associated with gifts. The office has oversight of the approval, creation, and maintenance of all endowed funds and works with senior representatives of the Institute to formulate policy and implement established guidelines. Detailed reports from each of the RSO's functional areas follow.

Gift Policy

The office has responsibility for creation and oversight of adherence to MIT gift policy and procedures in support of MIT's mission. RSO ensures that the gifts that support MIT's broad reach and the Campaign for a Better World are aligned with MIT's principles of gift acceptance.

Collaboration is a basic principle for the RSO team. It is essential that RSO work closely with key MIT offices on a number of areas related to gift policy. In fiscal year 2017, clear communication with RSO's partners in the Office of Resource Development made possible RSO's contribution to a proposal-vetting process for activities and programs of \$5 million and more to be funded through philanthropic sources.

The recording secretary convenes the Gift Policy Committee (GPC). The GPC functions as an advisory board to the executive vice president and treasurer; it gives advice on the development of new gift policies or changes to existing policies, provides guidance on complex or unusual gift agreements, and recommends improvements to gift infrastructure and processes. Members of the GPC include MIT's vice presidents for the Office of the General Counsel and the Office of Finance; the vice president, associate vice president, and chief operating officer of the Office of Resource Development; the controller, director, and associate director of the Office of Major Agreements; the assistant provost for administration; the senior philanthropic advisor; the counsel and director of estates and trusts; and the senior advisor to the chancellor for academic advancement. A key area of work this year included expanding the MIT Foundation (UK) to the European Union through Transnational Giving Europe, comprising 29 European countries that enable donors residing in one country to support nonprofit organizations in other member states while benefiting from the tax advantages of their country of residence. RSO also created an MIT donor-advised fund and reviewed campaign naming levels for selected positions on campus. The Receipt Characterization Group, a collaboration of RSO and the Office of Sponsored Programs, the Office of Finance, and the Office of the General Counsel, brought clarity to funding characterization through its review of proposals and agreements for supporting MIT projects and activities.

Through a joint project with the Office of Resource Development's strategic talent management and campaign staff, RSO helped to initiate a comprehensive training plan for fundraisers. The RSO management team also worked with several Institute partners to establish the MIT Hong Kong Foundation Ltd. MIT's global reach continues to expand and RSO worked to ensure that a gift infrastructure is in place to support this world presence, as did the International Coordinating Committee, of which the recording secretary is a member.

Gift Operations

The restructuring of the Gift Operations team, which is led by the associate director for gift operations, with daily oversight from the gift processing manager, took place as the year began. This business unit is responsible for accurately verifying assets that various financial entities receive on behalf of the Institute, ensuring that proper gift documentation is provided and retained, recording transactions appropriately in the gifts database, and issuing tax receipts and acknowledgments to the donors. RSO revised the segmentation of gift receipts so that most donors will receive them more quickly. The team began accepting philanthropic contributions made by the MIT Hong Kong Foundation Ltd., which received approximately \$2 million in its first year of existence. At the annual poster session, "Collaborating for MIT's Future," the team shared the document and workflow management solution that transformed paper-based processes into a digital format for researching, assigning, and approving more than 15,000 transactions a year. The team prepared and sent commitment reminders to some of the Institute's most generous supporters, representing expected cash of approximately \$22 million at calendar year-end and \$33 million at fiscal year-end.

Gift Accounting

The Gifts Accounting team maintains the accuracy and integrity of the financial data for gifts and pledges in accordance with accounting standards, as well as Institute policies and procedures. Among its responsibilities, the Gifts Accounting team prepares various monthly and quarterly reports and reconciliations of gifts and pledges, advises the MIT community on matters relating to donor compliance, and manages internal and external audits of the gifts accounts. It provides gift-related data and information to the Tax and Global Operations team of the Office of the Vice President for Finance (VPF) for the annual Form 990 tax filing. The Gift Accounting team also prepares pro forma budgeting for gift and pledge revenue to support the VPF's Budget and Financial Analysis team in preparing the total Institute budget.

In FY2017, the Gifts Accounting team established 320 new gift funds for the Institute. The team collaborated with VPF's Budget and Financial Analysis team and the Office of Resource Development's Campaign team to finalize projections for a campaign-tracking financial dashboard. To broaden MIT's capability to accept gifts, the team collaborated with the Cashier's Office and the Alumni Association's Office of Records on accepting gifts through PayPal to ensure successful processing and recording of gift transactions. The Gifts Accounting team implemented a new quarterly reporting process for gifts and pledges received through MIT subsidiaries, including the Hong Kong Foundation Ltd. and the MIT Foundation (UK).

Endowment Operations

In conjunction with the Office of Resource Development, RSO prepares and distributes individual annual endowment reports to major gift donors of named endowed funds. Almost 1,600 reports were generated in FY2017, covering the prior fiscal year's financial figures. The reports contain the financial status of each donor's endowed funds, with information on the investment performance of the endowment and its impact on the Institute.

The Endowment team prepares documentation for the establishment of endowed funds and for donors' records of commitments for major gifts that will be given over a period of time, up to five years. In FY2017, the Endowment team established 155 new endowed funds.

RSO's Endowment team also serves as the repository for documentation of previously established endowed funds and provides information to Institute departments on the terms of use for the funds. The team assists the departments in modifying the terms of endowed funds, if necessary, when the original purpose is no longer applicable or the fund value has grown beyond meeting the needs of the original purpose and there is an accumulation of excess income in the fund.

The team collaborated with VPF in developing a summary report on activity for the Campaign for a Better World. The report, which is updated quarterly, provides a breakdown of new gifts and pledges, as reported by Resource Development and compared with amounts actually received. The team also implemented digital signing capability for gift documents. RSO will now send internal documents (such as treasurer's memoranda, gift action memoranda, and bequest intentions) to the treasurer to sign via DocuSign, and will offer this capability to donors.

Elizabeth M. Ogar
Executive Director
Gift Administration and Recording Secretary