Welcome to the Luminate CRM Recurring Gift Guide!

Some people just want to keep giving to your organization. That's why we have Recurring Gifts, ongoing gifts with no end date, such as a lifetime, monthly gift of \$10.00. Fortunately, Luminate CRM's new Recurring Gift model has a bunch of new fields to help you track how much money is due or received on your Recurring Gifts. Plus, with the new processes, you can track changes that your donors and administrators make to your Recurring Gifts, like skipping a payment.

This guide is designed to help you make sense of how all these fields and processes interact and give you some examples. If you want to get into the nitty gritty of Recurring Gifts, check out the <u>Luminate CRM web help</u>.

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What are all these new fields?

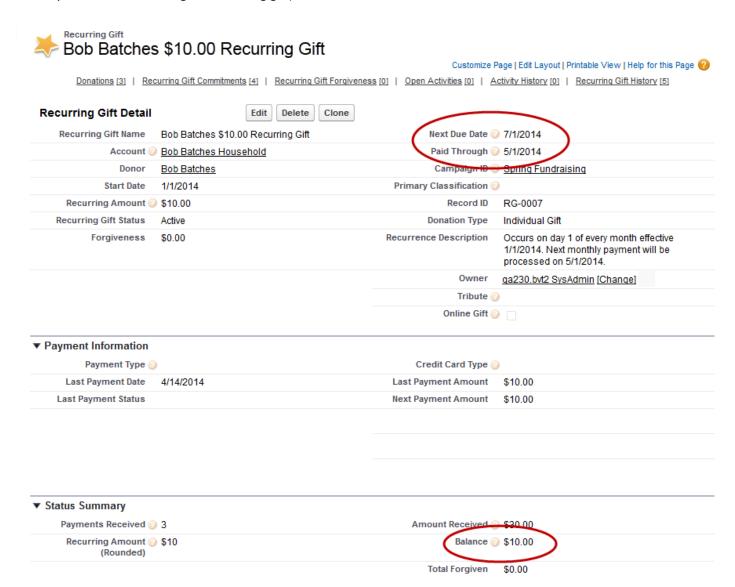
Use the **Balance** field to determine what the donor currently owes on the gift. A \$0 Balance means the donor is completely paid up, a positive balance means the donor owes the amount shown, and a negative amount means the donor has paid ahead.

 How does Luminate CRM determine what the Balance is? We'll get to that <u>later</u> when we learn about Forgiveness and Commitments.

Use the Next Due Date to predict when the donor will owe money again on the recurring gift.

Use the Paid Through date to see when the donor last gave sufficient funds on the recurring gift.

How are the Next Due Date and Paid Through dates determined? Both are determined by how much is
owed on the gift (aka. the Balance field) and the recurrence schedule (the schedule of individual payments
you set when creating the recurring gift).



Example: Balance, Paid Through, and Next Due Date fields

Bob agrees to pay \$10 a month to your organization. You set up the recurring gift with an amount of \$10.00 and a recurrence schedule of monthly, starting on the 5th. (Don't know how to set the recurrence schedule? Go to Setting the Recurrence Schedule.) If today is May 1st, here's what the fields will show on Bob's recurring gift record depending on whether or not he is caught up on his payments:

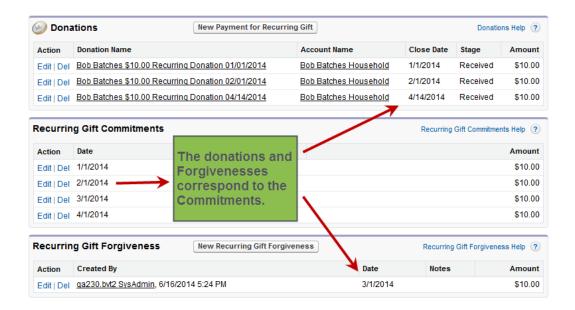
Balance	Paid Through	Next Due Date (one iteration beyond Paid Through date)
-\$10.00 (Bob paid ahead 1 month)	June 5 (one month in the future, due to prepayment)	July 5
\$0 (Bob is all caught up on payments)	April 5	May 5
\$10.00 (Bob is behind on payments by 1 month)	March 5	May 5

What are Forgivenesses and Commitments?

In the past, you might have edited the **Next Payment Date** field to skip an individual payment, but this makes tracking skipped payments difficult. Now if you want to skip a payment, you'll offer a **Forgiveness** credit for that particular payment. The **Forgiveness** amount does not affect your payment books or total giving summaries (it's not *real* money). Instead, it acts as a placeholder so you can track when individual payments did not occur. (How do you add a Forgiveness? Check out Understanding Recurring Gift Forgivenesses.)

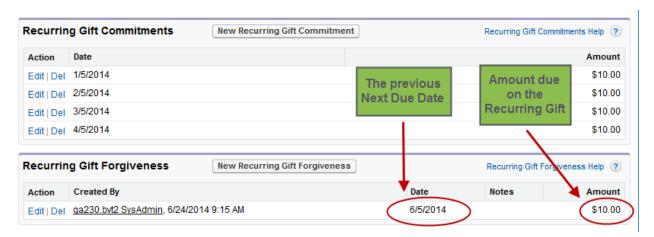
You can see what payments the donor "promised" to give you by reviewing the **Commitments** - items that Luminate CRM generates automatically when a payment's deadline has passed. (Want to know other ways that Commitments are created? Check out <u>Understanding Recurring Gift Commitments</u>.)

For each Commitment, you should ideally have either a corresponding payment or a Forgiveness.



Example: Forgivenesses and Commitments

Bob has made payments to his \$10 monthly recurring gift all year. Today is May 5th, and he calls your organization and asks if he can skip his June payment, so you create a Forgiveness for that month. Here's what the his Commitments and Forgivenesses will look like on his recurring gift record:



Where does the Balance value come from?

Forgivenesses and Commitments don't just help you track all the payments for the Recurring Gift, they also play a big role in determining the <u>Balance</u> field. Here's how Luminate CRM determines what number to put in the Balance field:

Because the **Balance** field affects so many other Recurring Gift fields (remember the **Paid Through** and **Next Due Date** fields?), adding a **Forgiveness** creates a chain reaction with all the fields. Take a look at the example below.

Example: How adding a Forgiveness affects the Balance field

Today is May 5th, and Bob called your organization and asked if he could skip his June payment, so you create a Forgiveness of \$10 for that month. Here's what the fields on his Recurring Gift look like before and after:

Balance (Before adding a Forgiveness)	(After adding	(Before adding	(After adding	Next Due Date (Before adding a Forgiveness)	(After adding	Forgiveness amount
\$0	-\$10 (Bob is paid ahead now)	May 5	June 5	June 5	July 5	\$10

What if I use Luminate Online to enter Recurring Gifts?

You can still use either Luminate CRM or Luminate Online to enter your Recurring Gifts. The good news is that credit card transactions for Recurring Gift payments are now controlled and performed entirely in Luminate Online, meaning there is less chance of payments erroring out when synchronizing to Luminate CRM.

Using Skip Next Payment in Luminate Online

You can use Luminate Online's **Skip Next Payment** button to move the next payment one iteration forward. This is the equivalent of creating a one-time **Forgiveness** in Luminate CRM, which is why when the change synchronizes over, Luminate CRM generates a **Forgiveness** and the new fields on the Recurring Gift record (**Balance**, **Next Due Date**, and **Paid Through**) are updated to catch up with what Luminate Online shows.

Balance	Paid Through	Next Due	Result of clicking Luminate Online's Skip Payment button	Auto-Generated Forgiveness amount
Negative amount (the gift contains a prepayment)	Future date	Future date	Next Due Date moves forward one cycle	One installment amount

Balance	Paid Through	Next Due	Result of clicking Luminate Online's Skip Payment button	Auto-Generated Forgiveness amount
\$0	Most recent date in the recurrence schedule	Next date in the recur- rence sched- ule	Next Due Date moves forward one cycle	One installment amount
Positive amount (money is owed on the gift)	Past date	Next date in the recur- rence sched- ule	Next Due Date moves forward one cycle	The amount needed to bring the Paid Through date up to the next date in the recurrence schedule

Example: Using Skip Next Payment in Luminate Online

Today is May 6, and Bob calls your organization to ask if he can skip his June payment on his monthly \$10 Recurring Gift. In Luminate Online, you press **Skip Next Payment**. Here's what the fields look like in Luminate CRM before and after:

Balance	Paid Through (Before clicking Skip Next Pay- ment)	Paid Through (After clicking Skip Next Pay- ment)	Next Due Date (Before clicking Skip Next Pay- ment)	(After clicking Skip Next Pav-	Auto-Generated Forgiveness Amount
-\$10.00 (Bob paid ahead 1 month)	June 5	July 5	July 5	August 5	\$10
\$0 (Bob is all caught up on payments)	April 5	May 5	May 5	June 5	\$10
\$10.00 (Bob is behind on payments by 1 month)	March 5	May 5	May 5	June 5	\$20

Using Modify Gift Date in Luminate Online

You can use Luminate Online's **Modify Gift Date** button to move the next payment to any future date. Depending on how far in the future you move the due date, when the change synchronizes over, Luminate CRM may generate a **Forgiveness** and the fields on the Recurring Gift record (**Balance**, **Next Due Date**, and **Paid Through**) are updated to catch up with what Luminate Online shows. Plus, your recurring gift may get a new recurrence schedule if you change the next payment date to a completely new date of the month (you'll see this happen in the example below.)

Balance	Paid Through	Next Due Date	Result of changing the next payment date using Luminate Online's Modify Gift Date button	Auto-Generated Forgiveness amount
Negative amount (the gift contains a prepayment)	Future date	Future date	Next Due Date becomes the new date selected from the Modify Gift Date calendar	The amount needed to bring the Paid Through date up to the next date in the recurrence schedule
\$0		Next date in the recurrence schedule	Next Due Date becomes the new date selected from the Modify Gift Date calendar	The amount needed to bring the Paid Through date up to the most recent date in the new recurrence schedule
Positive amount (money is owed on the gift)	Past date	Next date in the recurrence schedule	Next Due Date becomes the new date selected from the Modify Gift Date calendar	The amount needed to bring the Paid Through date up to the most recent date in the new recurrence schedule

Example: Using Modify Gift Date

Today is May 6, and Bob calls your organization to ask if he can move his next payment on his monthly \$10 Recurring Gift to June 20th. In Luminate Online, you press **Modify Gift Date** and select June 20th. Here's what the fields look like in Luminate CRM before and after:

Balance	Paid Through (Before using Modify Gift Date)	Paid Through (After using Modify Gift Date)	Next Due Date (Before using Modify Gift Date)	(After using Modify Gift	Auto-Generated Forgiveness Amount
-\$10.00 (Bob paid ahead 1 month)	June 5	June 20	July 5	July 20	\$0
\$0 (Bob is all caught up on payments)	May 5	May 20	June 5	June 20	\$0
\$10.00 (Bob is behind on payments by 1 month)	April 5	May 20	June 5	June 20	\$10

It's not just the fields that change! Because a new date of the month was selected for the next payment date, Bob's recurrence schedule switches from Monthly on the 5th to Monthly on the 20th.

What happened to my old Recurring Gifts?

Some updates will occur on your old Recurring Gifts to allow them to fit into the new Recurring Gift model. Let's take a look:

New Recurrence Schedule options

The options for your Recurring Gift recurrence schedules are now much simpler:



If your Recurring Gifts used the old schedule options, the system will now update them to the following:

Old Recurrence Schedule option	New system-generated Recurrence Schedule	New Recurrence Amount	Example
Monthly (such as every 5 months)	Monthly on the 1st; the date of the month stays the same	The previous total amount divided by the original number of months in the iteration.	A recurrence schedule of \$500 on the 15th of every 5 months becomes \$100 on the 15th of every month.
Monthly/Yearly that includes a recurrence day of the week (such as 2nd Monday of the month)	The day of the week is removed and replaced with a date of the month (based on the following): • Any day in the 1st week of the month > 1st of the month • Any day of the 2nd week of the month > 8th of the month • Any day of the 3rd week of the month > 15th of the month • Any day of the 4th week of the month	The previous total amount divided by the original number of months in the iteration	A recurrence schedule of \$500 on the 2nd Tuesday of every 5 months becomes \$100 on the 8th of every month.

Old Recurrence Schedule option	New system-generated Recurrence Schedule	New Recurrence Amount	Example
	> 22nd of the month • Last day of the month > 28th		
Weekly (such as every Friday)	Monthly on the 1st; the day of the week is removed	The previous total yearly amount divided into equal monthly amounts	A recurrence schedule of \$10 every Friday becomes \$43.33 on the 1st of every month.

For every Recurring Gift that gets an updated recurrence schedule, you'll see a note in the Notes and Attachment section:



What about the Next Payment Date field?

You might remember that the old Recurring Gift model had a **Next Payment Date** field; that field is being replaced by the **Next Due Date** field. In order to make the **Next Due Date** match the date that was previously in the **Paid Through Date** field, the system will create one big lump Commitment to bring the Balance field to the correct amount, which then brings your **Next Due Date** to the right place.

You can see an explanation of where the lump Commitment came from if you click on the Commitment, and then the **Creation Reason** reason link under Notes & Attachments:



If your Recurring Gift needs a **Paid Through Date** that is more than one recurrence iteration in the future, the system will also create a lump Forgiveness for you to bring everything up to right **Next Due Date**.



Note: The **Next Due Date** is always a date within your recurrence schedule. This means that if your old **Paid Through Date** was not a date on the recurrence schedule, the lump Commitment and Forgiveness will bring your **Next Due Date** to the next date in the recurrence schedule.

Will all my Recurring Gifts get these updates?

Nope. Only your existing recurring Gifts in the **Active**, **Suspended- Donor Request**, and **Suspended- Card Failure** states will receive these migration updates. That means that recurring gifts that are **Written Off - Donor Cancelled** and **Written Off - Card Failure** will be ignored.