

**United Way of the Plains
Donor-Directed Contribution Policy
Approved by the Board of Directors
February 18, 2016**

Overview

United Way of the Plains (UWP) believes the best way to strengthen community conditions is by bringing people and resources together to effect long lasting changes that improve lives. As such, it is our goal to conduct a single community-wide campaign that generates funds to support direct service programs.

Donors to United Way are provided with a number of options for the distribution of their gifts. First, we encourage all donors to support the Community Fund, which is used to cover the widest number of investments as determined by volunteers that comprise and conduct the Grant Review process.

Donors may also make contributions to support our community impact work by donating toward our strategic priorities of education, income and health; the three building blocks to a good life.

Donors may also choose to contribute to our Legacy Fund, United Way of the Plains' endowment fund; 2-1-1 Kansas, which connects people with vital services; Give Items of Value, which reduces agency operating costs by providing donated items from companies free to nonprofits throughout the state; Volunteer Center, which matches donor interests and talents with the needs of hundreds of organizations; and any of United Way of the Plains' Community Impact Initiatives such as Attendance Matters, Imagination Library, BE\$T, Homeless, etc.

All unrestricted contributions to United Way are invested in outcome based results- or evidence-based strategies. Volunteer committees with expertise in education, income and health meet year-round to ensure United Way's partners are carefully selected, monitored, and held accountable to agreed-upon performance measures and results. These volunteers are the stewards of United Way contributions and under the governance of United Way of the Plains Board of Directors. Formal Investment Agreements between United Way and its partners quantify expectations in the following areas:

1. Reporting of program performance measures
2. Investment terms including funded-program name, contract period, budget, and contract terms
3. Allowed use of United Way of the Plains registered trademarked logos and branding in accordance with United Way brand guidelines.

UWP recognizes that some donors may wish to make specific instructions regarding their gift, and UWP will honor these instructions if they are in accordance with the Donor-Directed Contribution Policy.

For those donors who choose to direct their contributions to organizations, therefore restricting those dollars from being invested by volunteer committees, United Way offers the Donor-Directed Contribution Program. Designations to agencies receiving funds through either the Community Fund or Community Initiatives are in addition to these funds.

United Way does not review or attest to the accountability and/or service provision of organizations who have not participated in the Community Fund or Community

Impact Initiatives. Proactive efforts will be made to notify and educate donors whose designated gifts fail to meet the policy's guidelines. Designated gifts that are found not to meet the requirements of the policy will be directed to the United Way of the Plains Community Fund.

United Way's paper pledge form and some employer online pledge systems allow individual donors to direct part or all of their contribution to eligible organizations. Parameters for eligibility can be found in Section A.

Section A: Eligibility Guidelines for Donor-Directed Contribution Participation

A 1: Eligibility for Donors

1. Only personal contributions from individual donors can be directed. An employer match, when available, does not follow donor-directed contributions.
2. When United Way processes donor-directed contributions, a minimum of \$100 per designation must be made to each selected agency.
3. The Tocqueville Society policy takes precedent for those donors contributing \$10,000 or more.

A 2: Eligibility for Organizations

All of the following parameters must be met in order to receive donor-directed contributions through United Way:

1. Must have a 501(c)(3) tax-exempt organization/tax deductible status.
2. Must have a presence within and serves the people residing in Sedgwick and the seven surrounding counties (i.e. Harvey, Butler, Cowley, Sumner, Harper, Kingman, and Reno); or a United Way located in the United States.
3. Provide for the delivery of health or human services to area residents.
Organizations that are not considered eligible: Cultural institutions, churches, museums, schools (educational foundations K-12 are acceptable); animal welfare agencies, environmental organizations, political organizations, and governmental entities.
4. Must be in full compliance with all federal, state, county and local requirements and laws pertaining to non-profits.

5. Must complete and submit to United Way of the Plains a Donor-Directed Contribution Program Application and reapply every 3 years thereafter.
6. Must annually be in compliance with the USA PATRIOT ACT and all other counter terrorism laws.

Section B: United Way Donor-Directed Contribution Program Administrative Responsibilities and Practices

B 1: United Way Responsibilities

1. Confirmation of 501(c)(3) eligibility screening. (Refer to A 2 above).
2. Pledge and donor-directed contribution processing. (Refer to page 4; B 3).
3. Contribution fulfillment tracking/recordkeeping.
4. Compliance with IRS-required tax receipting as outlined in IRS Publication #1771 for charitable deduction, regardless of whether a donor designates all or part of his/her pledge through the Donor-Directed Contribution Program.
5. Remit distributions to the donor-identified organization. (Refer to B 2 below and continued on page 4).
6. United Way will make every reasonable attempt to communicate with contributors regarding donor-directed contributions that are illegible, unsigned or have incomplete information for purpose of clarification and/or additional information. However, if unable to reach the contributor funds will be distributed through the Community Fund.
7. Contributors who select agencies for donor-directed contributions that decline to participate, lack the required documentation, or do not meet eligibility criteria, will be notified. United Way will make every reasonable attempt to communicate with contributors regarding questionable donor-directed contributions for the purpose of clarification or change in their donor-directed contributions. When a donor does not respond to such an inquiry (within 14 calendar days), the contribution will be distributed through the Community Fund.

B 2: United Way Practices

1. Donor-directed contributions that have been collected by December 31st of the campaign year will be distributed to the donor-directed agencies no later than February 28th following the campaign year, and then quarterly thereafter based upon collections. In the event a quarterly payment to an agency is less than \$250 in aggregate, the payment will be held until the following quarter, or until the aggregate payment reaches \$250, whichever comes later. If the aggregate payment level does not reach \$250 by the fourth quarterly payout, a payment will be made on the fourth quarterly payment.

Payments to donor-directed agencies will be made “net” of any fees as described in Section B3, and will be based upon actual collections. If a company does not provide UWP with collections by employee for payroll deductions gifts, the overall collection rate of the company for payroll deduction gifts will be used.

2. Provides each eligible organization that receives donor-directed contributions with an available listing of donor names, addresses, designation amounts, etc. to be in compliance with Standard M* unless the donor has requested anonymity. United Way will honor the request of donors who indicate on the pledge form that their names, contact information and contribution amounts not be released to the organization that they designate. Please note, not all employers share donor-directed contribution information with United Way.

B 3: United Way Fees for Services

United Way of the Plains incurs costs in the fundraising, processing, and payments associated with donor-directed contributions; as such, all donor-directed contributions are subject to an administrative/fundraising fee to be retained by United Way of the Plains. These fees will not apply to donors belonging to United Way of the Plains' Tocqueville Society, or donor-directed contributions made to other United Ways.

The maximum fee percent that may be retained by United Way of the Plains will not exceed the maximum percent allowed by United Way national standards, as published by United Way Worldwide. The United Way of the Plains Board of Directors will approve United Way of the Plain's maximum rate on an annual basis, and the rate shall be considered public information. The fee will be based upon actual collections, and not the pledged amount.

B 4: Recipient Organization Responsibilities

Recipient organizations must meet all eligibility guidelines (refer to page 2; A 2) as well as follow the responsibilities defined below:

1. Demonstrate good-faith partnership practices.
2. Acknowledge and accept the calculation of payments as outlined in B2 and B3 above.
3. Acknowledge and thank donors for their donor-directed contribution(s) based on donor information provided by United Way. Thank donors for the amount pledged to United Way and designated to your agency. United Way makes every effort to thank donors but does not always receive donor-directed contribution information from donors' employers. Instead, some employers disburse donor-directed contributions to the organization without United Way's intervention or knowledge.

* United Way Worldwide's Cost Deduction Standards for Membership Requirement M

4. Are prohibited from communicating or distributing information that encourages individuals to direct a contribution to their organization through United Way, including its workplace and public campaign. This prohibition encompasses all forms of mass communication including but not limited to newsletters, direct mail, web postings, all social/digital media, and traditional media.
5. Organizations that do not receive additional program funding and are only receiving donor-directed contributions are prohibited from using United Way of the Plains registered logo.
6. Donor-directed contributions must conform to United Way of the Plain's board policies.

Section C: Sanctions for Violations by Recipient Organizations

Violations of Recipient Organization Responsibilities (refer to B 4 above) for organizations that **receive United Way of the Plains funds through the Community Fund or Community Impact Initiatives** process may result in the following sanctions:

1. First violation: written warning and requirement to cease or correct the specific infraction(s).
2. Second violation: Reduction of Community Fund and/or Community Impact investments by 50% of the value of total donor-directed contributions, with reinstatement no sooner than 12 months after the violation(s).
3. Third violation: subtraction of 100% of donor-directed contributions from Community Fund and/or Community Impact investments, with reinstatement no sooner than 12 months after the violation(s).

Violations of Recipient Organization Responsibilities for organizations that do not receive United Way of the Plains funds through the Community Fund or Community Impact Initiatives' process may result in the following sanctions:

1. First violation: written warning and requirement to cease and/or correct the specific infraction(s).
2. Second violation: **written and oral communication with the organization's board of directors** from United Way leadership.
3. Third violation: discontinuation of donor-directed contribution processing, with reinstatement no sooner than 12 months after the violation(s).