

United Way of Central Iowa FY 2011/2012 Donor-Directed Contribution Policy*

Overview

United Way of Central Iowa's mission is to *improve lives by uniting the caring power of our community*. This mission is achieved by focusing on three building blocks to a good life: education, income and health. United Way of Central Iowa set bold *Goals for 2020* in each of these areas.

All unrestricted contributions to United Way are invested in results- or evidence-based strategies that fuel progress toward *Goals for 2020*. Volunteer-led Community Impact Cabinets with expertise in education, income and health meet year-round to ensure United Way's Community Impact partners are carefully selected, monitored, and held accountable to agreed-upon performance measures and results. These cabinets and United Way's Board of Directors are the stewards of United Way contributions. Formal Community Impact Investment Agreements between United Way and its Community Impact partners quantify expectations in the following areas:

1. Alignment with community goals and strategies for all funded programs
2. Reporting of program performance measures
3. Investment terms including funded-program name, contract period, budget, and contract terms
4. Allowed use of United Way of Central Iowa's registered trademarked logos and branding in accordance with United Way brand guidelines.

United Way's diversified resource development strategies, including its workplace and public campaign, provide the monetary resources that become investments in these long-term, community-change goals in education, income and health.

Some donors choose to direct their contributions to organizations, therefore restricting those dollars from being invested by volunteer-led Community Impact Cabinets. For these donors, United Way offers the Donor-Directed Contribution Program. Performance is not measured or monitored by United Way for donor directed contributions. Organizations that do not receive additional program funding and are only receiving donor directed contributions, are prohibited from using United Way of Central Iowa's registered logo, as United Way does not select, monitor or hold them accountable for fiscal efficiency and transparency, performance measures, or results.

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 on page 2, Section A.

*Subject to annual review by United Way of Central Iowa's Board of Directors

Parameters

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 \$50 contribution must be made per designation.

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 be a 501(c)(3) tax-exempt organization or local, state or federal government agency that has a presence within and serves the people of the State of Iowa; or a United Way in the United States.
2. For 501(c)(3) organizations, the IRS-reported National Taxonomy of Exempt Entities (NTEE) code must align with United Way of Central Iowa Board of Directors' annually approved community-change goals in education, income, health or basic human services. Government agencies must identify an NTEE code comparable to their North American Industry Classification System (NAICS) code.
3. Must complete and submit to United Way of Central Iowa a Donor-Directed Contribution Program Application in 2011 and every 3 years thereafter.
4. Must annually meet all Anti-terrorism Compliance Measures and sign the Anti-terrorism Compliance Measures document.

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 3; B 3).
3. Contribution fulfillment tracking/recordkeeping.
4. Compliance with IRS-required tax receipting 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 3).

B 2: United Way Practices

1. Distributions of donor-directed contributions to eligible organizations on a quarterly schedule at the conclusion of the prior year's campaign for all pledges fulfilled from donors.
2. Provides each eligible organization that receives donor-directed contributions with a complete listing of donor names, addresses and designation amounts unless the donor has requested anonymity. Please note, not all employers share donor-directed contribution information with United Way.
3. The amount an eligible organization receives is reduced by an adjustment for non-payments (unfulfilled pledges) from donors and by United Way's administrative fee. (Refer to B 3 below).

B 3: United Way Fees for Services

United Way's administrative fee for Donor-Directed Contribution Program services is as follows:

1. For 2011, the per-designation fee is 11.34 percent but will not be less than \$10 or more than \$200 per designation.
2. These fees are subject to review and modification each calendar year.

United Way's adjustment for nonpayment (unfulfilled pledges):

1. Is based on the actual amount collected from the individual donor when available. Please note, not all employers provide this information.
2. If individual donor information is not provided, the adjustment for nonpayment (unfulfilled pledges) is based on the overall portion of collected pledges from employee payroll pledges by company.

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. Agree to run a United Way campaign by allowing United Way staff the opportunity to present information and encourage support for unrestricted financial resources to community-change goals in education, income and health.
3. Verify and thank donors for their donor-directed contribution(s) based on donor information provided by United Way. 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.
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.

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 Central Iowa funds through the Community Impact investment 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 United Way's 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 United Way's 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 Central Iowa funds through the Community Impact investment 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 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).

Questions

Individual donor questions or clarifications about United Way of Central Iowa's Donor-Directed Contribution Program should be directed to:

- Aubrey Martinez, Pledge Services Manager, United Way of Central Iowa, 1111 Ninth Street, Suite 100, Des Moines, Iowa 50314; or (515) 246-6572; amartinez@unitedwaydm.org

Recipient organization questions or clarifications about United Way of Central Iowa's Donor-Directed Contribution Program should be directed to:

- Maureen Wolf, Community Investments Director, United Way of Central Iowa, 1111 Ninth Street, Suite 100, Des Moines, Iowa 50314; or (515) 246-6524; mwolf@unitedwaydm.org