



King County

<p>Title</p> <p>Rules for Nonprofit Participation in the King County Employee Giving Program</p>	<p>Document Code No.</p>
<p>Department/Issuing Agency</p> <p>Department of Executive Services/Employee Giving Program</p>	<p>Date</p> <p>January 15, 2013</p>
<p>Approved</p> <p><i>Caroline L. Whalen</i></p>	

1.0 SUBJECT TITLE: Rules for Nonprofit Participation in the King County Employee Giving Program

1.1 EFFECTIVE DATE: March 19, 2013

1.2 TYPE OF ACTION: New

1.3 KEY WORDS: Annual Drive, Employee Giving Program, Workplace Giving, Eligibility, Nonprofit, Charity, Natural Disaster, Donation

2.0 PURPOSE: King County Code ("K.C.C.") 3.36.030.B.1 and B.2 authorize the Employee Giving Program (EGP) Committee to adopt rules necessary for the conduct of the EGP, including eligibility rules for participation in the Annual Drive. These eligibility rules supplement the eligibility requirements set forth in K.C.C. 3.36.045.

3.0 ORGANIZATIONS AFFECTED: Nonprofit organizations wishing to participate in the King County Employee Giving Program Annual Drive

4.0 REFERENCES:

4.1 K.C.C. 3.36

4.2 Better Business Bureau Wise Giving Alliance Standards for Charity Accountability

4.3 Charity Navigator

5.0 DEFINITIONS:

5.1 "Annual Drive" means the annual solicitation of contributions from county employees by representatives of qualified nonprofit organizations and federations through oral presentations, printed materials, audio or video media or other similar means.

- 5.2 "Employee Giving Program" or "EGP" means the King County sanctioned, employee-based program that provides the process and infrastructure for administration of employee-directed giving to qualified nonprofit organizations and federations through the Annual Drive and natural disaster relief solicitations, and is administered by the EGP Committee in accordance with the K.C.C. and rules adopted for the program..
- 5.3 "Federation" means a nonprofit organization that solicits and distributes contributions on behalf of its member nonprofit organizations.
- 5.4 "Government unit" means a political subdivision of the state of Washington.
- 5.5 "Qualified nonprofit organization" means a nonprofit organization or federation that applies to participate in the Annual Drive and meets the eligibility criteria as provided in K.C.C. and any rules adopted herein.

6.0 POLICIES:

- 6.1 The rules set forth in this document support compliance with K.C.C. section 3.36 in general, and specifically detail additional steps required in support of the application process referenced in K.C.C. 3.36.045 "Campaign participants - requirements - notice in campaign materials."

7.0 PROCEDURES:

Action By: Federations, nonprofit organizations, and governmental units

Action:

7.1 Annual Drive Participation Eligibility Rules

7.1.1. Each federation and each independent nonprofit organization must submit an on-time and complete application, including all required attachments, during the annual nonprofit application cycle as announced by the program.

7.1.2. An official of each federation and each independent nonprofit organization that is not represented by a federation must certify the following as true on its application and provide any supporting documentation that may be specifically required by the application.

- 1) The organization has been providing or conducting real services, benefits, assistance or program activities at least the previous three years;
- 2) The organization is directed by an active governing body whose members have affirmed adherence to a conflict of interest policy and a majority of whom serve without compensation. Governmental units are exempt.

- 3) Compensated governing body members do not serve as the governing body's chair or treasurer. Governmental units are exempt.
- 4) The organization's publicity and promotional activities are based upon the actual program and operations, are truthful and non-deceptive, and make no exaggerated or misleading claims.
- 5) The organization has an annual financial statement prepared in accordance with generally accepted accounting principles.
- 6) Within the fiscal period ending not more than 18 months prior to the January of the year of the Annual Drive for which the organization is applying, the organization's financial statement has been audited per the following: If the organization's total annual gross income exceeds \$1,000,000, their annual financial statement has been audited in accordance with generally accepted auditing standards; if annual gross income is less than \$1,000,000, a review by a certified public accountant has been conducted; if the annual gross income is less than \$250,000, an internally produced, complete financial statement was produced. Governmental units are exempt.
- 7) The organization will prohibit the sale, lease or distribution of King County contributor lists.
- 8) For a federation, the federation has the express permission of an authorized official of each of its member nonprofit organizations to use the nonprofit organization's name and to participate in the Annual Drive.
- 9) For a federation, the federation has verified and accurately declared that each member organization meets all EGP eligibility requirements.

7.1.3. A federation, each nonprofit organization represented by a federation, and each independent nonprofit organization, shall make available upon request by the EGP Committee, the King County Council, or the County Executive:

- 1) its most recent IRS Form 990 or IRS Pro Forma 990;
- 2) its most recent annual report, including an annual financial statement;
- 3) a disclosure for the most recent annual report period of the total dollar value of support from all sources received on behalf of the charitable purposes of the organization; and
- 4) the total dollar amounts applied to charitable purposes, fundraising costs and all other expenses during the most recent annual report period.

7.1.4. Nonprofit organizations that submit separate applications under a common Tax Identification Number (TIN) must provide information to establish clearly distinguishable, separate identities for each organization in order to be listed separately in the Annual Drive. The information supplied by nonprofit organizations with a common TIN must establish that they are not simply a parent organization and a program(s) of the parent organization. Provision of information does not guarantee separate listings. Such information may include:

- 1) separate accounting, including independent financial statements;
- 2) separate advisory/governing bodies;
- 3) clearly defined geographical service areas such as local chapters of a national organization; or
- 4) independent branding including website and marketing materials.

7.2 Governmental Unit Participation

7.2.1. A state of Washington governmental unit may apply for inclusion in the Annual Drive if a contribution for the purpose specified by the governmental unit would constitute a "charitable contribution" under Section 170 of the Internal Revenue Code of 1986. Under Section 170, a charitable contribution to a state or political subdivision must be "for exclusively public purposes." In order to establish eligibility, a governmental unit must include with its application the following:

- 1) Documentation that the governmental unit is authorized to solicit and accept donations for the purpose identified in the application.
- 2) Documentation of a separate fund or account that designates that its uses are limited to donations made for the purpose identified in the application; and
- 3) A legal review stating that a contribution to the separate fund or account would meet the definition of "charitable contribution" under Section 170.

7.3 Revocation of Eligibility

7.3.1. The EGP Committee shall revoke a determination of eligibility if one or more of the following occurs:

- 1) fraud;
- 2) failure of an applicant to inform the EGP Committee of any fact that would affect the EGP Committee's determination about the applicant's eligibility; or

- 3) an applicant is ineligible under K.C.C. 3.36.045 or rules adopted for the program.

7.4 Eligibility Verification

7.4.1. The EGP is responsible for annually verifying that nonprofits applying for inclusion in the Annual Drive meet the eligibility criteria established by K.C.C. and rules adopted for the program. The EGP may review:

- 1) certifications and documentation submitted by independent nonprofit organizations, and
- 2) certifications, processes and documentation used by federations to confirm that their member nonprofit organizations meet Annual Drive eligibility criteria.

7.5 Nonprofit Expenditure of Donations

7.5.1: A nonprofit organization receiving donations from King County employees through the Annual Drive must expend those moneys, for the announced purposes of the nonprofit organization, within the twelve month period following receipt.

7.6 Federation Disbursement of Donations to Member Nonprofits

7.6.1. Federations shall make distributions to their member charitable organizations as designated by contributors.

8.0 RESPONSIBILITIES:

8.1 The EGP Committee will conduct the EGP in accordance with these rules and will update the rules as needed through the rulemaking process.

8.2 Nonprofits applying to and participating in the EGP will adhere to these rules.

9.0 APPENDICES: None