

# **United Way of Central Iowa Campaign Year 2023**

## **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 through the strategic imperative, UNITED to THRIVE and a focus on creating progress in the 5 Elements of a Thriving Community: Essential Needs, Early Childhood Success, Education Success, Economic Opportunity, and Health & Well-Being. Equity is a key component used to inform our resource and investment decisions.

Unrestricted contributions to United Way are invested in results- or evidence-based strategies that fuel progress in our community. Volunteer-led Community Impact Cabinets with expertise in the 5 Elements 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. As an example, the agreements discuss community partner responsibilities to align with UNITED to THRIVE and strategies for all funded programs, and report program performance measures.

United Way's diversified donor engagement strategies, including the United Way of Central Iowa Campaign and public and private grants, provide the monetary resources that become investments in programs aligned with UNITED to THRIVE.

Some donors choose to direct their contributions to organizations, therefore restricting those dollars away 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 not receiving United Way of Central Iowa investments and are only receiving donor-directed contributions, are prohibited from using United Way of Central Iowa's registered logo, because 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 in Section A.

# Program Parameters

## **Section A: Eligibility Guidelines for Donor-Directed Contribution Participation**

### A 1: Eligibility for donors

1. Only 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.
3. Any changes to designation requests must be made by April 30.

### 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, a 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 the United Way of Central Iowa United to Thrive five elements. 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 and reapply every 3 years thereafter.
4. Must annually meet all Anti-terrorism Compliance Measures

## **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).
2. Pledge and donor-directed contribution processing. (Refer to 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 their pledge through the Donor-Directed Contribution Program.

5. Remit payments to the donor-designated organization. (Refer to B 2).

## B 2: United Way Practices

1. Distribution of donor-directed contributions over \$250 to eligible organizations on a regular schedule for all pledges fulfilled from donors.
  - Note: Organizations receiving checks will receive payments less frequently than organizations receiving EFT payments.
  - Note: The final distribution for a campaign will include any amount not yet paid, regardless of the \$250 minimum per payment.
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 otherwise.
  - 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 nonpayments (unfulfilled pledges) from donors and by United Way's administrative fee. (Refer to B 3).

## B 3: United Way Fees for Services

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

1. For campaign year 2023, the fee is 10.00% per designation, capped at \$200.00.
2. These fees are subject to review and modification each campaign 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 A 2) as well as follow the responsibilities defined below:

1. Demonstrate good-faith partnership practices.
2. Send acknowledgements to donors for their donor-directed contribution(s) based on the information provided by United Way. Thank donors for the amount pledged to United Way and designated to your agency, not the amount received. United

Way makes every effort to thank donors but does not always receive donor-directed contribution information from donors' employers. Some employers disburse donor-directed contributions to the organization without United Way's intervention or knowledge.

3. Are prohibited from communicating or distributing information that encourages individuals to direct a contribution to their organization through United Way, including workplace and public campaigns. 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 by Recipient Organization Responsibilities (refer to B 4) 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

Agency and individual donor questions or clarifications about United Way of Central Iowa's Donor-Directed Contribution Policy should be directed to:

United Way of Central Iowa  
Attn: Donor Services Manager, Nick Elliott  
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Des Moines, Iowa 50314  
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*This program is subject to change by action of the United Way of Central Iowa Board of Directors.*