



CFCSHR Charity Application Training Workshop

2016 Local Charity Application Period
February 1 – March 4, 2016



Lead | Commit | Care

What is the CFC?

- Established in 1961 by President John F. Kennedy for Federal employees on behalf of approved charitable organizations. Federal employees across the country have raised over \$7 billion.
- Largest & most successful workplace giving campaign & philanthropic fundraiser in the US.
- A local federal campaign that's managed by volunteer Federal employees- Local Federal Coordinating Committee (LFCC), the CFC governing body/executive board that manages local campaign operations & approves all local charities (LFCC).
- Any 501(c)(3) organization MUST reapply each year & MUST establish substantial Local presence (see CFC Memo 2015-07 & CFC Memo 2014-06 which removes the adjacent & statewide presence options from applications).
- The Office of Personnel Management (OPM) approves all national/international charities; provides FINAL approval of local charities.
- CFC Campaign Dates: Sept 1 – Dec 15 (*unless otherwise determined by OPM*).
- Federal Agencies, Employees & Campaign teams SELECT the charity speaker(s)/fairs.
- Payments disbursed to charities quarterly, beginning in March following campaign season as per OPM, by the Principal Combined Fund Organization (PCFO) - For CFCSHR, it's the United Way of South Hampton Roads.

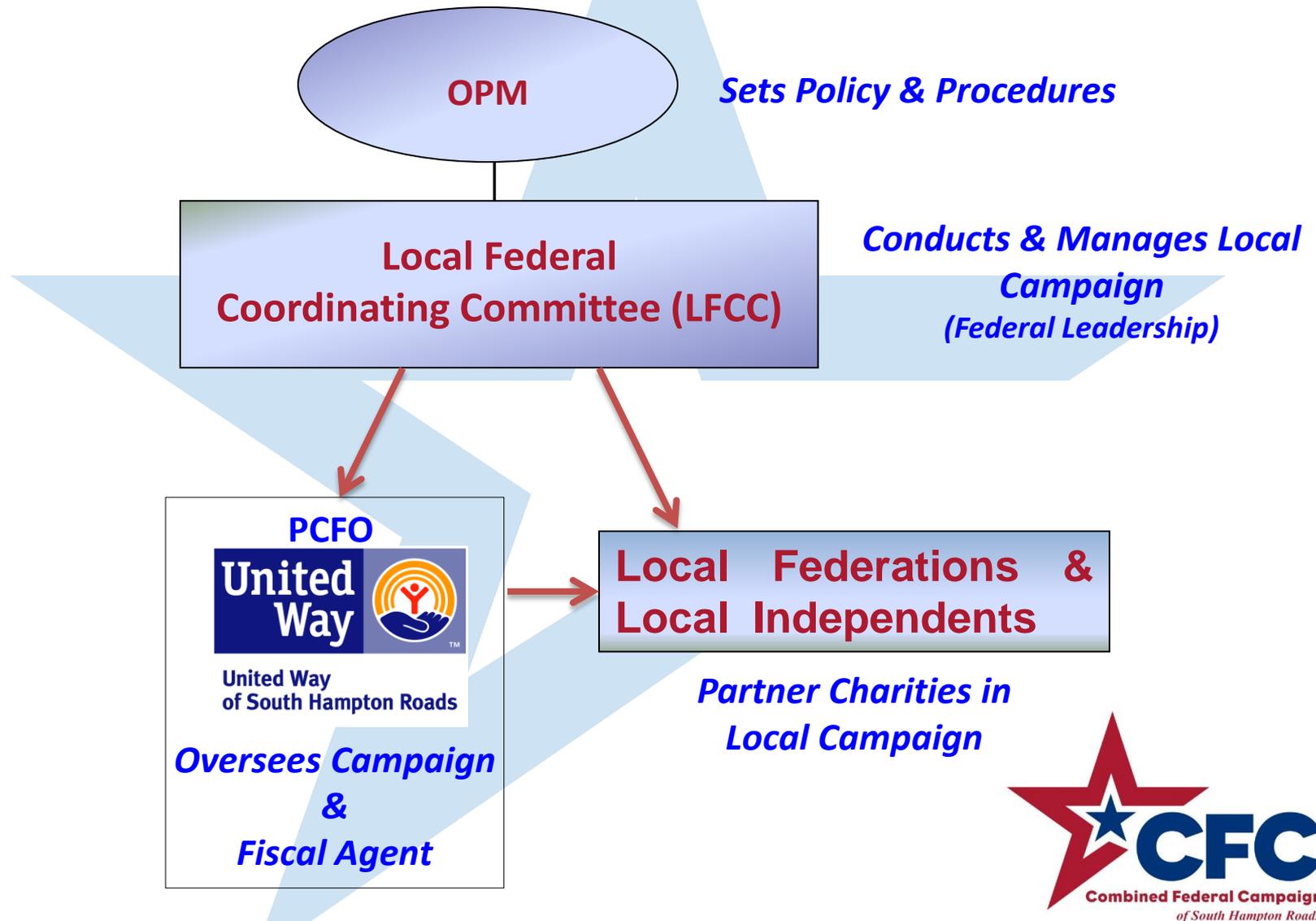


CFC of South Hampton Roads

- Over 10,000 donors, of over 106,000 federal personnel, contributed over \$3M in 2015; Over \$1M is typically donated locally
- SHR Federal donors gave over \$5M with 15% participation in 2012 - *Record high in several years*
- 2013 pledges were \$4M, a decrease due to the Govt Furloughs/ Sequestration/Shutdown & temporary suspension of the campaign;
- Nearly 2,800 total approved local, national & international charities in 2013 & prior years
- Nearly 200 South Hampton Roads' Local charities approved in 2015
- Due to OPM's Universal Giving (UG) Program in 2014, where all federal donors can now designate to any Local CFC approved charity, there were over 20,000 total Local charities in 2015



Current CFC Structure



CFC Application Checklist

- ✓ 501(c)(3) tax exempt status from IRS
- ✓ Revenue < \$100,000 – must certify organization has controls in place to ensure funds are properly accounted for & can provide accurate timely financial data to interested parties.
- ✓ Revenue ≥ \$100,000 - must have outside audit not earlier than 6/30/14; provide upon request
- ✓ Revenue ≥ \$250,000 - must provide copy of audit to CFC by an independent certified public accountant in accordance with Generally Accepted Auditing Standards (GAAS) & Generally Accepted Accounting Principles (GAAP)
- ✓ Use **Accrual** method of accounting & cover same fiscal period ending not more than 18 months prior to January 2016 (i.e. ending on or after June 30, 2014)
- ✓ “Open for business” to public minimum of 15 hours a week
- ✓ ALL CERTIFICATIONS **MUST** BE CHECKED FOR A COMPLETE APPLICATION

Negative answers to these are reasons for application denial.

Call the IRS at (877) 829-5500 to assure organization is on IRS Master List of 501(c)(3) organizations

Federations: 20% Review; MUST submit full applications of FED Application, all NEW member apps & those that did not participate in prior campaign year



Complete the Application

■ Step 1 -

- Use legal name of organization (not DBA) & EIN as it appears in the IRS Business Master File
- The 5 digit CFC charity code assigned to the organization
- Must use organization's physical street address - not P.O. Box
P.O. Boxes 'Ok' for charities such as homeless and DV shelters, etc. ONLY
- Organization's Telephone # - *Home or Cell # unacceptable*
- Name of contact person, to whom the CFC will direct ALL communications (*If POC changes, please contact CFC office soonest*)
- Website required if available
- **Disbursement address / EFT information**
- **Charity must have a substantial Local presence**
CFC Memo 2014-06 & CFC Memo 2015-07



Attachment A

- **Substantial Local Presence** (for CFCSHR region ONLY) - *defined as a staffed facility, office or portion of a residence dedicated exclusively to that organization, available to members of the public seeking its services or benefits*
- Description of **actual** services, benefits, assistance or program activities provided in calendar year 2015 (*an “800” telephone number, Newsletters, Fundraising & activities disseminated via the U.S. Postal Service or Internet are not services*)
- Specify recipients-Who?
- Describe services-What? *Org.’s scope of services should be basics, not “fluff”*
- Location (city) services provided-Where?
- Dates services provided-When? (*MUST specify 2015 dates only*)
- ✓ Sample Attachment A provided for Independent charities online

Federations: Attachment A – List of Federation & all member organizations applying for Local participation in the CFC (*MS Excel list or CD*)

Use Cover Sheets to submit all attachments (Download at www.cfcsshr.org)



Step 2 and Attachment B

- ✓ Check the box-recognized as tax exempt by IRS
- ✓ Prepare Attachment B by attaching copy of most recent IRS 501(c)(3) determination letter
- ✓ If the name of the applicant organization differs on the IRS determination letter, the IRS Form 990, or audited financial statements, then documentation from the IRS or state government authorizing this name change must accompany the application, as part of Attachment B.
- ✓ Organizations that are part of an IRS group exemption must provide a copy of the IRS letter granting group exemption, as well as the current list of subordinates covered by the group exemption. The EIN on the applicant's Form 990 must match the EIN on the current list of subordinates.

Federations: Attachment B – Include IRS letter for all member organizations applying; including Federation, and/or other supporting documentation

(e.g. Page from 2015 Catholic Directory; a letter, dated on or after October 1, 2015 from a bona-fide chapter's CEO or CEO equivalent or affiliate's national organization stating that it's covered by national organization's tax-exemption & is in good standing with the national organization)



Steps 3 – 12 are certifications

- **Must check each one, otherwise application is Incomplete**
- #5- REVENUE
- if revenue is \geq \$250k on IRS 990, include **Attachment C** copy of audit report not older than June 30, 2014; audit report stating GAAP & GAAS requirement
- If revenue is at least \$100k but $<$ \$250k on IRS 990, must have an independent audit of fiscal operations; GAAP & GAAS requirement; must provide to OPM/LFCC *if requested*
- If revenue is $<$ \$100k, must certify the organization has controls in place to ensure funds are properly accounted for and can provide accurate timely financial information to interested parties

Federations: This is Step 4.

- Step 13 is also a certification



Step 6

- IRS 990-Certify that your organization submits a tax return and include that as **Attachment D** copy of the complete, signed IRS Form 990 for a period ended not more than 18 months prior to January 2016 (i.e. June 30, 2014)
- or**
- Certify that you are not required to submit an IRS 990 (long form) – **MUST** include IRS 990 Pro forma as Attachment D
(See next page or application for instructions on completing the sections on long form)
 - **MUST** include “Signature of Officer” **AND** Date - (signature of preparer alone is not sufficient)

Federations: Step 5 - Attachment D

- Step 6 => AFR

Note: IRS Forms 990 EZ, 990PF, and comparable forms **are not** acceptable substitutes.



IRS 990 Pro forma

- If IRS does not require the organization to file the Form 990 (long form), it must complete and submit a pro forma IRS Form 990
- **Download IRS 990 (long form) at www.irs.gov; then complete:**
 - ✓ Page 1, Items A-M
 - ✓ Part I-Summary & Part II-Signature Block, Lines 1-4 only
 - ✓ Part VII-Compensation section A
 - ✓ Part VIII-Statement of Revenues
 - ✓ Part IX-Statement of Functional Expenses
 - ✓ Part XII-Financial Statements and Reporting

Notes:

1. No Signature of Officer; No Date => **Application Denied**
2. 990 EZ and 990 PF forms **are not** accepted



Step 7

- Include administrative and fundraising rate (AFR)
- **Calculate and enter the organization's annual percentage for administrative and fundraising expenses.** This percentage is computed from the IRS Form 990 submitted with this application.
- Add the amount in Part IX (Statement of Functional Expenses), Line 25, Column C (Management and General Expenses) to the amount in Line 25, Column D (Fundraising Expenses), and divide the sum by Part VIII (Statement of Revenue), Line 12, Column A (Total Revenue).
- **No other methods may be used to calculate this percentage.** All percentages must be listed to the tenth of a percent (e.g. 15.7%). *CFCSHR will correct any incorrect AFR percentages.*

Federations: Step 7- **Attachment E** – List of Federation's Board of Directors; Beginning & End Dates of each individual's current term of office (e.g. John Smith, 2019-2016). *Attachment E* must also list Board's meeting dates & locations for previous calendar year (2015).

*** Charities which do not reflect administrative and fundraising expenses in the Statement of Functional Expenses of the IRS Form 990, resulting in a 0% rate, but show such expenses on the audited financial statement will be denied unless the audited financial statements specifically state that these services were donated. In this case, include Schedule O in 990.**



Steps 8-12

■ Make sure that these statements are true for your organization

• **Step 8:** The CFC uses Part VII of the IRS Form 990 to verify that a majority of the governing body served without compensation. The IRS Form 990 instructions define a director/trustee as member of the governing body with voting rights. These are the individuals that will be reviewed. Cases where 50% of the board received compensation and 50% of the board was not compensated will be denied, regardless of the amount of the compensation.

• The number of voting members on Part I, Line 3 must be equal to or less than the number of individuals identified (✓ *checked*) as an individual trustee or director **or** institutional trustee in Part VII, Column C (see *OPM CFC Memo 2010-5*).

• If Part I, Line 3 lists more voting members than are listed & identified (✓ *checked*) in Part VII, Column C, the organization **must** either provide an explanation of the difference or submit an amended IRS Form 990

Federations: Step 12 **Attachment F** – most recent Annual Report

See application instructions for Specific Requirements within annual report



Steps 8-12 cont.

| | | |
|---|--|--|
| B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | C Name of organization Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite City, town or post office, state, and ZIP code F Name and address of principal officer: | D Employer identification number E Telephone number G Gross receipts \$ H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶ |
| I Tax-exempt status: <input type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 | | |
| J Website: ▶ | | |
| K Form of organization: <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ | | L Year of formation: _____ M State of legal domicile: _____ |

Part I Summary

| | | | |
|-----------|---|------------|--------------|
| 1 | Briefly describe the organization's mission or most significant activities: _____ | | |
| 2 | Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. | | |
| 3 | Number of voting members of the governing body (Part VI, line 1a) | 3 | 10 |
| 4 | Number of independent voting members of the governing body (Part VI, line 1b) | 4 | |
| 5 | Total number of individuals employed in calendar year 2012 (Part V, line 2a) | 5 | |
| 6 | Total number of volunteers (estimate if necessary) | 6 | |
| 7a | Total unrelated business revenue from Part VIII, column (C), line 12 | 7a | |
| b | Net unrelated business taxable income from Form 990-T, line 34 | 7b | |
| 8 | Contributions and grants (Part VIII, line 1h) | Prior Year | Current Year |
| 9 | Program service revenue (Part VIII, line 2g) | | |
| 10 | Investment income (Part VIII, column (A), lines 3, 4, and 7d) | | |
| 11 | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | | |
| 12 | Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) | | |

Steps 8-12 *cont.*

compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

| (A) Name and Title | (B) Average hours per week (describe hours for related organizations in Schedule O) | (C) Position (check all that apply) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|--|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (1) Dr. Herbert Hellebor Board Chair | 10 | ✓ | | | | | | 1,000 | 0 | 0 |
| (2) Belle Hood CEO & President | 65 | ✓ | | ✓ | ✓ | ✓ | | 161,000 | 0 | 0 |
| (3) Ed Stanton Vice Chair, Treasurer, and CFO | 60 | | | ✓ | ✓ | | | 113,000 | 5,000 | 13,000 |
| (4) Dr. Hosta Daylilly Director | 1 | ✓ | | | | | | 0 | 0 | 0 |
| (5) Mrs. Eva Stanton Director | 1 | ✓ | | | | | | 0 | 0 | 0 |
| (6) George W. Kirk Director & Secretary | 1 | ✓ | | | | | | 0 | 0 | 0 |
| (7) Benjamin Butler Director | 1 | ✓ | | | | | | 0 | 0 | 0 |
| (8) George Thomas Director | 1 | ✓ | | | | | | 0 | 0 | 0 |
| (9) Daisy Thomas Director | 1 | ✓ | | | | | | 0 | 0 | 0 |
| (10) E. P. Butler Director | 1 | ✓ | | | | | | 0 | 0 | 0 |
| (11) J.L. Chamberlain Operations Manager | 45 | | | ✓ | | | | 106,000 | 0 | 0 |
| (12) Freda Forsythia Director | 1 | ✓ | | | | | | 0 | 0 | 0 |
| (13) | | | | | | | | | | |
| (14) | | | | | | | | | | |
| (15) | | | | | | | | | | |

Step 13

- Include Attachment E – your 25-word descriptive statement for the CFC booklet; **DO NOT** repeat organization’s name.
(complete attachment found online, www.cfcshr.org)
- Include 1-3 alphabetical letters corresponding to the taxonomy codes and descriptions

Note: Special design text used to draw attention to an organization title, such as special fonts, capitalization, quotations, and underlining, are not accepted. **Any statement that uses special features, or exceeds 25 words will be edited by the CFC/LFCC.**

Federations: See **Step 7 for Attachment E**; Step 13 is also a certification



Step 14

- Complete “Certifying Official” section
- Sign *and* Date
*(no signature **and/or** no date => application incomplete & cause for denial)*
- Hand Deliver or submit by Mail beginning February 1, 2016 and **not later than March 4th 2015, 5:00 PM EST** to:

**CFC of South Hampton Roads
PO Box 41119
Norfolk, VA 23541-1119**

(Physical Address: 2515 Walmer Avenue, Norfolk VA 23513)

- Applications will be reviewed by LFCC board in mid-March. All final eligibility decisions will be communicated to charities, by the LFCC, in writing by April 29, 2016.
- Electronic & Late applications **will not** be accepted



Appeals Process

- LFCC federal executive board will review all local appeals.
- Appeals limited to the facts justifying the reversal of the original decision will be considered, as per OPM guidelines.
- Appeals may not be used to supplement applications with missing *or* outdated documents.
- May appeal LFCC denial decision to the OPM Director, in which the OPM Director expects to complete all local appeal reviews by July 29.



Important Dates

- **March 4th 5:00 PM EST – Deadline for local applications to CFCSHR (via Mail or Hand-Delivery only)**
- February 12 –Deadline for courtesy review by CFCSHR
- March 16 –LFCC reviews (approve/deny) all local applications
- March 30 –Deadline for LFCC to Notify local organizations of their eligibility, in writing
- April 13 –Deadline for local organizations to appeal denial to LFCC
(Appeal must be in writing & can be via email/fax; Must be in CFC office NLT 5:00 PM EST)
- April 29 –Deadline for LFCC to inform charities of appeal decisions
- *July 29– Target date for OPM completion of local appeal reviews*





THANK
YOU

QUESTIONS?

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