

UNITED WAY OF THE SOUTHERN TIER
Donor Designation Policy
REVISED June 2007

United Way of the Southern Tier has a wide choice donor designation policy that is defined as one that offers designations to other United Ways, a citizen's review process, member agencies, unaffiliated agencies and to fields of service.

One of the strengths of the United Way system is the investment process by which local volunteers and staff distribute the resources generated by United Way. Volunteers decide the amount of money specific human service programs will receive. These decisions are based on several factors, including the critical importance of the social problem being addressed, the lack of other similar programs, the target population to be served, and the program's (agency's) ability to achieve measurable results and verify outcomes.

Through the investment process, each contributor's gift is invested in the community, helping people who need help the most. Measuring results and verifying outcomes demonstrates accountability for the effective use of the monies. In this manner, each contribution achieves the greatest benefit possible.

However, we also believe our contributors have the right to determine how their United Way gift will be used. While most contributors want to rely on the allocations process to ensure their contributions are used wisely to help people who need help the most in the community, some contributors want to designate all or part of their gift to a particular human service agency to which they may have a strong personal attachment or a special interest in addressing a community need. By respecting each contributor's right to give freely, we believe our donor choice program will work for everyone -- donors, agencies and the community.

United Way of the Southern Tier provides the opportunity to designate individual gifts in accordance with the desires of the contributor and the following policy statements:

TYPE OF DESIGNATIONS ACCEPTED:

United Way of the Southern Tier will accept contributions that are designated in a manner that is consistent with United Way's mission; including the following:

- United Way's Community Care Fund
- Targeted care (directed to one of United Way's "fields of service," one of the four geographic divisions of the campaign, or one of UWST's strategic initiatives)
- United Way partner agencies or other United Ways; and
- Other non-profit human service agencies. Designations will be accepted for program purposes only. Contributions will not be honored for capital or building funds, nor will they be honored for primarily religious institutions (unless for specific programs that are not designed to propagate a particular faith, and also advance the mission of United Way), governmental (unless for a specific program that advances the mission of United Way), political, cultural, environmental, or professional organizations or associations.
- Negative Designations: donors may direct their gifts in a manner that would prevent their contribution from being shared with specific agencies. This choice is driven by input from employees that had concerns about supporting one or more of United Way of the Southern Tier's partner agencies.

United Way of the Southern Tier reserves the right to refuse to accept funds designated to entities that it believes are not consistent with its mission.

Generally, the designated agency must be a tax exempt organization under Section 501(c)(3) of the Internal Revenue Service Code and such other as approved by the Board of Directors. In addition, the agency must be registered with the appropriate State Government regulatory department or office. Evidence of compliance with these requirements must be provided to

United Way in order to receive funds. Donors who designate to an agency that is not eligible to receive funds will be notified. The donor may designate to another agency, community care, or request return of the gift.

PROCESSING OF CAMPAIGN DESIGNATIONS:

Designations will be treated as “first dollars in”. This means that the agencies will always receive the greater of the amount committed to them in the investment process or the total amount designated to them.

Designations to any eligible agency will be accepted as donor restricted. They will be accounted for and reported separately from undesignated campaign revenues. Agencies will be advised of the gift and the name of the donor.

The recipient organization will be encouraged to acknowledge all individual contributors upon receipt of contributor listing. A contributor listing will be forwarded to designated agencies during the first quarter of the collection year. However, donors will be allowed to choose whether or not their contact information is shared.

DESIGNATION FEES:

In compliance with United Way of America’s membership standards, designations will be assessed a fee to cover United Way’s campaign and administrative costs. These fees will be based on actual expenses and reflect the percent of its income that United Way uses to support its fund-raising and administrative cost. The amount charged to any individual gift will be the lesser of the percent United Way uses to support its fund-raising and administrative expenses or \$250.

Designated gifts will also be assessed a fee to cover anticipated pledge loss. If the gift is a cash contribution, as opposed to a pledge, it will not be assessed this fee.

PAYMENT OF CAMPAIGN DESIGNATIONS TO RECIPIENT AGENCIES:

Designations, less appropriate charges, will be transmitted quarterly starting in July of the collection year. Designations of \$1,000 or less will be paid in one installment, less appropriate charges during July of the collection year.

IMPACT OF NEGATIVE DESIGNATIONS:

UWST takes the following steps to honor donors' restrictions relative to negative designations:

1. Determine the amount to be invested in each funded program (done by community investment volunteers)
2. Determine the amount of unrestricted money (total campaign minus designations)
3. Determine the amount of negative designations for each agency.
4. Calculate the percentage of unrestricted money that cannot be shared with each agency. (total negative designations to each agency divided by unrestricted funds)
5. Apply this percentage to the total investments in each agency.
6. Reduce funding to each funded program accordingly.