

## Designation Policy

**Purpose:** To help United Way of Washington County, MD fulfill its mission as it relates to meeting human service needs and making long-lasting positive changes to improve Washington County's quality of life. United Way promotes the Community Impact fund as the most effective way to invest in our community's future. This policy is to be used as a guide to respect each donor's choice and only applies to gifts processed by United Way of Washington County, MD.

Many donors prefer supporting United Way's goals related to education, income, health and basic needs and understand these goals are directly related to the community's social needs and issues. By not designating your gift or selecting the Community Impact fund or one of its focus areas, you mobilize the caring power of our community. You can give to United Way with the confidence that volunteers will ensure each donation is invested wisely where it will have the greatest impact.

United Way understands that some donors choose to direct a portion of their gift to a specific agency. Donor-directed contributions are processed as a service to donors however United Way is unable to guarantee how designated funds to a specific agency will be used or ensure measurable results by the recipient agency.

Donor designations are separate from Community Impact grant awards to agencies.

### Minimum Gift Amount

Minimum designation amount is \$100 (per designation). There is no minimum if you choose to direct your gift to United Way of Washington County, MD or the Community Impact fund.

### Eligible Designations

Any agency receiving designations or other funding from United Way must be a 501(c)(3) organization and must comply with the USA Patriot Act and other counterterrorism laws and submit the proper documentation to United Way of Washington County, MD.

1. Health or human service agencies serving Washington County, MD and surrounding area, known as the tri-state region. (Washington County, MD, Franklin County, PA, Berkley County, WV, Jefferson County, WV and Morgan County, WV.)
2. National health or human service agencies with an active presence in Washington County and surrounding area, known as the tri-state region. (Washington County, MD, Franklin County, PA, Berkley County, WV, Jefferson County, WV and Morgan County, WV.)
3. Any other United Way.
4. Made through regional and national employee campaigns that have their own designation policy. For example, many UWW GCL's follow a different policy that incorporates their global footprint and utilize a central processing company for pledge and gift processing.

### Not Eligible to Receive Designations

Gifts will be redirected to the Community Impact fund if the designation is directed 1) to an agency that is not in compliance with federal law; or 2) to an ineligible agency; or 3) the amount of the designated gift does not meet the minimum allowed. When possible, the donor will be contacted.

- Capital campaigns
- Cultural, arts related

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### ***Not Eligible to Receive Designations continued***

- Political, environmental, government organizations
- Private schools and universities
- Religious organizations – unless health and human service program is within church such as a soup kitchen
- Civic organizations

### **Making a Designation**

1. Confirm that the agency is a legally recognized 501(c)(3) nonprofit organization by searching Guidestar, <http://www.guidestar.org/>.
2. Provide complete/correct agency information to include name and address to ensure accuracy of gift processing.
3. Indicate desire to designate and amount when originally making your gift or pledge.
4. Minimum designation amount is \$100 (per designation). There is no minimum if you choose to direct your gift to United Way of Washington County, MD or the Community Impact fund.
  - a. Example 1- donor gives \$150. Of that amount, \$100 can be designated to one agency.
  - b. Example 2 - donor gives \$375. Of that amount, \$300 can be designated to one, two or three agencies (but not four agencies).
  - c. Example 2 - donor gives \$52. No designation can be applied.
5. United Way's policy is that ineligible designated donations will be moved to the Community Impact fund. We will make at least one attempt to contact the donor if the designation does not fit the stated criteria; however, this may not be possible due to the volume of designations and possible lack of home contact information.

### **Gifts Made By Payroll Deduction (Via Workplace Campaigns)**

United Way can only distribute dollars that are actually collected. Therefore, on payroll gifts additional costs are subtracted to cover the loss of uncollected pledges. United Way is given a lump sum from employers versus individual checks and thus is unable to know specifically which payroll pledges are unfulfilled.

- Pledge payments are applied based on the information provided by the company or pledge processor. If payments are not identified by individual donor then they are applied across all donations within the organization based on percent of total. Any payment shortage due to uncollected pledges will be spread proportionately and may affect designation payouts.

United Way anticipates a certain percentage of all payroll deduction pledges will not be fulfilled. This percentage (referred to as shrinkage) is reviewed each year and adjusted based on current year and prior history of fulfilled pledges.

### **Gifts Made By Check, Cash, Credit/Debit Card or Stock:**

If you give by cash, check, credit/debit card or stock, the uncollectible allowance does not apply.

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### **Fundraising and Administrative Costs**

United Way will deduct fundraising and administrative costs to cover the cost of fundraising, collecting, processing and distributing donations. This fundraising and administrative amount is determined annually using information from the most recent 990 and an approved formula. For most current 990 and audit please refer to “About Us” on our website at [www.unitedwaywashcounty.org](http://www.unitedwaywashcounty.org).

### **Leadership Giving**

Leadership gifts are gifts in the amount of \$1000 or more per year. Donors at this level are encouraged to lead the way for impact and support the Community Impact fund by designating less than 50% of their gift.

United Way will not apply fundraising and administrative costs from leadership gifts of \$10,000 or more if at least 75% of the gift is unrestricted (not designated).

### **Designation Payments to Eligible Agencies and Acknowledgement of Gifts**

Designation payments, less the fundraising and administrative costs and shrinkage, are made monthly based on collections.

If a donor provides authorization, United Way will send donor information to the designated organization. Acknowledgement of the gift to include IRS required language will be provided to the donor from United Way. Designated agencies are encouraged to send donor thank you notes.

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### **Policy Drafted March 2015**

Reviewed and Approved by:

- Campaign Committee – March, 2015
- Community Impact & Investment Committee – March, 2015
- Finance Committee – April 15, 2015

Approved by Board of Directors – April 23, 2015