



## Designation Policy

**Purpose:** To help United Way of Greater Baytown Area & Chambers County (UWGBACC) fulfill its mission as it relates to meeting human service needs and making long-lasting positive changes to improve the quality of life in our community. UWGBACC 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 UWGBACC.

### Program Investment Decisions

Many donors prefer supporting UWGBACC's goals related to education, financial stability, and health and understand these goals are directly related to the community's social needs and issues. UWGBACC brings people and resources together to fight for long-term solutions that help individuals and families in our community. United Way staff study community needs data and the best practices in other communities and use the latest available research to help ensure donor dollars are being strategically invested with the greatest opportunity for return on investment. Volunteers and staff work together to determine which portfolio of programs in which to invest. You can give to UWGBACC with confidence that each donation is invested wisely where it will have the greatest impact.

### Designating Your United Way Donation to an Agency

Donor designations are considered first dollars in for Community Impact grant awards to agencies. If the designated agency is eligible for a Community Impact grant, the designation will count toward the overall award as determined by the volunteer Community Impact committee and Board of Directors. For agencies not participating in Community Impact grant funding, donor's designations will be processed to those agencies as they are collected. UWGBACC 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, UWGBACC is unable to guarantee how designated funds to a specific agency will be used or ensure measurable results by the recipient agency. Most designations are paid out quarterly.

### Minimum Gift Amount

Minimum designation amount is \$100 for each designation. There is no minimum if you choose to direct your gift to United Way of Greater Baytown Area & Chambers County or the Community Impact fund. Donors may choose to make more than one designation. Each has to have a minimum of \$100 to be eligible.

### UWGBACC's Jurisdiction

Per United Way Worldwide (UWW), UWGBACC covers the greater Baytown area and all of Chambers County.

The following zip codes are in UWGBACC's jurisdiction: 77514, 77520, 77521, 77522, 77523, 77560, 77562, 77580, 77597, 77661, and 77665.

### Eligible Designations

Any agency receiving designations or other funding from UWGBACC 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 UWGBACC.

1. Local health or human service agencies serving UWGBACC's jurisdiction.
2. National health or human service agencies with an active presence in UWGBACC's jurisdiction.
3. Any United Way in the USA.
4. Designations made through regional and national employee campaigns that have their own designation policy. For example, many UWW Global Corporate Leaderships (GCL) follow a different policy that incorporates their global footprint and utilize a central processing company for pledge and gift processing.
5. Designations made to an active UWGBACC hosted emergency fund has no minimum amount to qualify as an eligible designation.

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

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

Other ineligible designations:

- Capital campaigns
- Cultural, arts related
- 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 the amount when originally making your gift or pledge.
4. Minimum designation amount is \$100 for each designation. There is no minimum if you choose to direct your gift to United Way of Greater Baytown Area & Chambers County 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 3 - donor gives \$52. No designation can be applied.
5. UWGBACC'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 if donor contact information is not provided or is inaccurate. Please provide your personal contact information. This information will not be used for any purpose other than UWGBACC's communications with you. Please review UWGBACC's policy on privacy at <http://www.unitedwaygbacc.org/privacy-policy-0>.

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

UWGBACC can only distribute dollars that are actually collected. Therefore, on payroll gifts additional

costs are subtracted to cover the loss of uncollected pledges. UWGBACC 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.

UWGBACC anticipates a certain percentage of all payroll deduction pledges will not be fulfilled. This percentage (referred to as uncollectible or shrinkage) is reviewed each year and adjusted based on current year and prior history of fulfilled pledges. This rate is determined annually and is based on economic conditions and a three year average of pledge collections.

### **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. Also, see Stock Donation Policy.

**Fundraising Cost Recovery** Your United Way will apply a cost recovery rate based on a three-year average using the of the United Way Worldwide's accounting Requirement M that outlines the maximum fundraising cost recovery rate. The formula, utilizing the Form 990 is

Total Management & General Costs (Part IX, Column C, Line 25), and Total Fundraising Costs (Part IX, Column D, Line 25) - Public Sector Fundraising Costs

The FY24 Fundraising Cost Recovery rate is 12.88%,

Donors are encouraged to review UWGBACC's most recent 990 and audit. Both are found on our website at <http://www.unitedwaygbacc.org/aboutus>.

### **Leadership Giving**

Leadership gifts are gifts in the amount of \$1,000 or more per year. Leadership donors are encouraged to lead the way for impact and support the Community Impact fund by designating less than 50% of their gift. By not designating all of the gift amount, support is provided in larger range allowing for increased impact.

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

Designation payments, less the pledge uncollectible percentage, are made quarterly based on actual collections. If a donor provides authorization, UWGBACC will send donor information to the designated organization. Acknowledgement of the gift to include IRS required language will be provided to the donor from UWGBACC. Designated agencies are encouraged, but not required, to send donor thank you notes.

This policy will be reviewed in three years or less.

Reviewed by Finance Committee: 2023

Approved by Board of Directors: 2023

**Next date of review:** April 2024