

Jennings County United Way

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# Jennings County United Way

## Agency Relations Handbook

# Table of Contents

Introduction.....	3
General Principals.....	3
Allocations Committee.....	4
Membership.....	4
Duties and Responsibilities.....	4
Tentative Allocations Schedule.....	4
GENERAL POLICIES.....	4
Agency Autonomy.....	4
Agency Insurance and protection of funds.....	5
Agencies operating a business enterprise.....	5
Affirmative Action / Non-Discrimination Policy.....	5
Appeals Policy.....	5
Audit Policy.....	5
Continued United Way Funding.....	6
Programs Outside United Way Service Area.....	6
Public Disclosures of Agency Information.....	6
Resolution of Differences.....	6
Special Studies.....	7
Termination of Relationship.....	7
United Way Identification.....	7
POLICIES REGARDING AGENCY FINANCIAL AND PROGRAM REPORTING.....	7
Financial Reporting.....	7
Financial Management and accounting.....	7
Public Reporting.....	8
Full Disclosure.....	8
Fiscal Year.....	8
Budget forms and program reports.....	8
Budget.....	8
POLICIES RELATED TO UNITED WAY FUNDING.....	8
Allocations limited to operating expenses.....	8
BASIS FOR ALLOCATIONS DECISIONS.....	9
Need for Program.....	9
Program Effectiveness.....	9
Agency Efficiency.....	9
Management.....	9
Financial Need.....	9
ALLOCATION PROCEDURE.....	10
Dollars available for allocations.....	10
Enforcement Policies.....	10
NEW AGENCY FUNDING.....	10
Purpose.....	10
Basic Funding Requirements.....	11
Organizations ineligible for funding.....	11
Procedure for application.....	12
Procedures for making allocations decisions.....	12
Shifting of United Way funding to other programs.....	12
SPECIAL PROJECTS GRANTS.....	12
Open Solicitation.....	13
United Way Request for Proposals.....	13
POLICIES RELATED TO AGENCY REVENUE.....	13
Income from Fees.....	13
Income from foundations and government sources.....	14
Income from third party purchases.....	14
Interest Income (Income from endowments, bequests, and unsolicited gifts).....	14
Operating Reserve.....	14
Unanticipated Income.....	14
Use of Capital or Special Funds as Operating Income.....	14
AGENCY SUPPLEMENTARY FUND RAISING AND SELF SUPPORT POLICIES AND PROCEDURES.....	14
Activities not considered supplementary fundraising.....	15
Acceptable forms of supplementary fundraising.....	15
Unacceptable Solicitation Activities.....	15
Enforcement of the Policy.....	16

## Introduction

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The mission of the Jennings County United Way is "To provide Vision and Leadership in the community's pursuit of a rich and full Quality of Life for all people in Jennings County."

In publishing this document of Policies and Procedures, the Jennings County United Way, in cooperation with its partner agencies, establishes guidelines to facilitate a positive relationship. The relationship is built on mutual trust and a strong desire and need to be accountable to our contributing public, to clients served and to one another. As a result, United Way has established these policies and procedures. These policies, which are set forth in detail in this manual, should be consulted as the authoritative statement of management of United Way policy.

Strict policies and procedures alone, however, cannot assure compliance or the high standards of operating efficiency and accountability for which the United Way and its partner agencies both strive. Even these guidelines do not establish hard and fast rules of right and wrong that, if observed, will ensure the right steps being taken in any particular situation. They will, however, establish awareness and an understanding of the responsibilities and sensitivity to financial, operating and program concerns. This will enable United Way and agency volunteers and professionals to not only recognize the existence of the policy, but to react honestly, intelligently and professionally, having the utmost regard for the relationship that binds United Way and its partner agencies together.

The Allocations Committee, subject to approval by the Jennings County United Way Board of Directors, is the final authority on agency relations, agency allocations, and funding priorities. The committee through its review process will seek and utilize input from a variety of sources in developing its recommendations. These sources include government entities, various associations and organizations and planning bodies.

As the Jennings County United Way Board of Directors adopts policies and procedures, these or any modifications shall be sent to all agencies and incorporated as part of the United Way/Agency Relationship Agreement.

The responsibility for keeping policies and procedures as outlined in this manual, rests with the volunteer and professional leadership of partner agencies and Jennings County United Way.

## General Principals

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The Jennings County United Way is a federation of givers organized for the following purposes:

1. To combine in one annual campaign, the financial support for operating expenses of all participating qualified voluntary health, welfare and character building agencies serving Jennings County United Way's service area thereby eliminating duplication of costs and time spent in fund raising.
2. To provide a balanced program of services to the county by reviewing the operations of such agencies to be assured of efficient and economical administration.

In keeping with its position as steward of the givers' dollars, the United Way has a responsibility to assure the givers that the funds, which United Way raises, are used in the best interests of the county as a whole. The United Way will monitor use of these funds through the budget review process and through ongoing contacts by United Way volunteers and staff.

The United Way will make every effort to respect the autonomy and evaluate fairly the particular needs of its agencies to provide for the just fulfillment of those needs.

Agencies awarded program funding by United Way agree to cooperate fully and to make available to the United Way possible resources and information requested to carry out the purposes mentioned above.

Each agency will make every effort to identify itself as a funded program of Jennings County United Way.

Jennings County United Way is an autonomous organization. The final authority for its operations rests in its Board of Directors.

## Allocations Committee

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### Membership

The Allocations Committee shall consist of not less than five (5) members, including the Chairman, with a maximum of fifteen (15) members. The Board of Directors sets length of committee membership. The committee should represent a cross section of the population of Jennings County, being mindful to avoid discriminatory practices.

### Duties and Responsibilities

All actions of this committee are subject to approval by the Jennings County United Way Board of Directors.

The Allocations Committee is to propose allocations of funds to participating agencies, based upon an annual review and evaluation of agency programs and the efficiency and economy of the administration of those programs.

The Allocations Committee may, at their discretion, assign a team of two members of the committee to an agency. Each team would be responsible for a thorough knowledge of its assigned agency/ies. This may include attending agency board meetings, a visit to the agency and/or an interview of its key staff and officers.

The Allocations Committee shall prepare recommendations to the United Way Board of Directors concerning necessary or advisable changes or improvements in agency programs or financial operations.

Each Agency will be notified of an assigned team and encouraged to keep the team's members informed of the activities of the agency, such as receiving the agency's newsletter, notice of functions, and any other matters, which the agency deems of interest to the committee members.

### Tentative Allocations Schedule

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May.....	Applications, including Agency Compliance Evaluation, are due.
June/July.....	Agency presentations to Allocations Committee and review of compliance documents.
August.....	Committee work to best allocate available dollars. Upon completion, a committee recommendation will be made by the committee to the board for review. Proposal may be accepted or returned to the committee with recommendations.
January.....	Allocation decisions will be approved by the board. Proposed awards will be announced only if campaign goal has already been reached.
April.....	Agency meeting- check presentation, award amounts disclosed and application & vital information for the next funding cycle becomes available. Appeals will be accepted by the committee.
May.....	Final appeals review by committee and final decisions by United Way board.
Ongoing.....	Agency Visits as needed.

## GENERAL POLICIES

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### Agency Autonomy

United Way and its agencies are fundamentally individual and autonomous organizations, which have joined together to reach mutually desirable goals.

United Way recognizes the right and legal responsibility of each of its agencies to manage its own internal operation. United Way will, however, exercise its responsibility and obligation to community and its contributors to ensure that dollars raised and allocated are used to maximize the delivery of service to those in need. This includes fair and just implementation of United Way policies and procedures as well as

observations and recommendations that may be offered to agency leadership regarding areas of concern and suggested courses of action.

### **Agency Insurance and protection of funds**

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Every United Way agency is required to have sufficient insurance and maintain additional provisions where appropriate to protect its board of directors, employees, facilities, and agency funds. Agencies must maintain a Conflict of Interest Statement and ensure that each of its Board Members is aware of the policy prior to taking seats on the agency's board.

### **Agencies operating a business enterprise**

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Agencies supported by United Way should not exist for their sole purpose of operating a business enterprise. If a business is operated by an agency, its board of directors should review the operation regularly to be assured that:

- A. It does not jeopardize its 501(c)(3) status;
- B. The service or product provided addresses a community need and the enterprise provides employment and/or training for clients to improve/stabilize their lives; and
- C. Any profit is used to support the agency's general operating budget (unrestricted fund). Transactions are to be made in compliance with generally accepted accounting principles (GAAP).

### **Affirmative Action / Non-Discrimination Policy**

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It is policy of the Jennings County United Way that its operations, those of its agencies and other organizations with which there is a relationship actively seek to hire, promote individuals, and provide services to the community without regard to residence, age, gender, race, religion, national origin, sexual orientation, veteran status or any other legally protected characteristic in accordance with applicable laws.

Agencies are required to abide by all applicable state and federal laws. Agencies are to adopt and maintain an affirmative action program and non-discrimination statement that fulfills the requirements set forth by state and federal laws.

### **Appeals Policy**

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It is the policy of this United Way to provide the right of appeal to agencies aggrieved by any allocations decision made by the United Way Board of Directors.

Agencies contemplating an appeal should bear in mind that the judgment of the allocations committee would be respected unless it is clearly apparent that there was an error or misunderstanding in the evaluation of the allocation request or if the agency's financial situation has changed significantly after the allocation decision was made. The fact that a partner wishes to re-emphasize the points already presented to the committee or believes its allocation should be higher is not a valid basis for an appeal.

The procedure governing appeals is as follows:

- A. Advise the Executive Director or chairman of the Allocations Committee in writing within two weeks.
- B. The letter of appeal should state the basis for appeal, the matters at issue, and include any documentation pertinent to the appeal; and
- C. The committee has the option of meeting with the agency, but must evaluate the materials submitted and make a decision. Their recommendation will be presented to the United Way Board of Directors and the final decision communicated to the agency.

### **Audit Policy**

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Each agency is required to submit annually an audit performed by a public accountant or accounting firm. A copy of this audit is to be included with the agency's application when submitted to the United Way Allocations Committee, unless a waiver or extension has been granted. A request for a waiver must be submitted in writing to the Board of Directors, stating the reasons for the request, prior to the close of the

agency's fiscal year. An agency with a total budget of less than \$50,000 may provide a report of financial status prepared by an outside accountant.

### **Continued United Way Funding**

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United Way agencies must continue to:

- A. Abide by all United Way Policies and Procedures and submit financial and program data set forth by the United Way;
- B. Comply with all federal, state, and local laws and regulations pertaining to employer relationships, services rendered, and other applicable concerns;
- C. Practice and administer internal operations and services provided without regard to race, ethnicity, sex, religion, national origin, age, physical handicap or any other legally protected characteristic;
- D. Maintain an affirmative action program that fulfills the requirements of state and federal laws;
- E. Adhere to the standards/qualifications as set forth in United Way policy;
- F. Contribute, through its programs, to the health and welfare of individuals and families residing in Jennings County United Way's service area;
- G. Actively support, participate, and identify with United Way and its annual campaign;
- H. Demonstrate a continued need for United Way financial support; and
- I. Be responsive to suggestions and make efforts to continually improve organizational efficiencies and quality of service.

### **Programs Outside United Way Service Area**

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The United Way will not assume costs incurred in providing agency programs to clientele outside of the Jennings County United Way's service (campaign) area.

Agencies are to determine the extent of services provided, analyze the cost, and assure itself and United Way that those communities and/or clients are absorbing expenses related to programs/services provided.

### **Public Disclosures of Agency Information**

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Agency budgets, financial reports, and audits are held in confidence. Any request for such information will be referred to the agency in question. It is the responsibility of the agency to decide if the information requested will be provided. Agencies are encouraged to be transparent in their response to such requests.

### **Resolution of Differences**

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The Jennings County United Way has an ongoing responsibility to work with its agencies to maintain a positive relationship. The Allocations Committee has been delegated the primary responsibility of maintaining the relationship, addressing agency concerns, and developing amenable solutions.

The following procedure is to be used when a situation or difference is such that it threatens the United Way/Agency relationship:

- A. The agency will be notified in writing of areas of concern;
- B. The following will be done after agency representatives and members appointed by the United Way board have met to discuss areas of concerns:
  - a. The appointed committee will recommend actions, which may include (but are not limited to) withholding funds pending agency action on recommendations the agency should consider implementing.
  - b. The agency may be requested to call a board or authorized committee meeting to consider the United Way's position and to determine the agency's response. Further efforts will be made to resolve any difference in conference with agency representatives and committee members.
  - c. The committee will submit its recommendations to the United Way board of directors.
- C. The United Way Board of Directors, after considering the committee's recommendations, will take such action, as it deems advisable. The United Way president and the committee chairman will meet

with the agency's president to inform its leadership of the action taken by the United Way Board of Directors.

## Special Studies

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United Way agencies are asked to cooperate and participate in special studies and activities (i.e. needs assessments, priority reports, program audits, etc.) as may be requested by United Way committees.

## Termination of Relationship

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Voluntary Withdrawal-United Way agencies may voluntarily withdraw from the United Way by giving written notice. A process for termination shall be negotiated to minimize hardship on either party (the agency or United Way). The Allocations Committee shall negotiate withdrawal proceedings. Such arrangements shall be implemented with the approval of the United Way Board of Directors.

Involuntary Withdrawal- United Way reserves the right to discontinue a relationship with an agency by giving written notice. Such action can be brought about by failure of the agency to continue to meet United Way standards, live up to the spirit and intent of both the contract and the policies and procedures outlined herein, and other reasonable grounds that would warrant dissolving the relationship agreement.

## United Way Identification

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United Way agencies are to identify their affiliation with the Jennings County United Way in their communication efforts.

These efforts are to include a phrase that the agency is a Jennings County United Way funded program.

The logo and the phrase are to appear on letterhead, newsletters, public service announcements, brochures, and other printed materials. Agencies are also encouraged to display a “United Way Community Partner” window decal on the door or front window of their facilities. Upon request such decal will be supplied by United Way.

## POLICIES REGARDING AGENCY FINANCIAL AND PROGRAM REPORTING

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The Jennings County United Way accepts and endorses the guidelines and principles established by the American Institute of Certified Public Accountants (AICPA) and the Financial Accounting Standards Board (FASB). The Financial Accounting Standards Board (FASB) is a private, not-for-profit organization whose primary purpose is to develop generally accepted accounting principles (GAAP) in the public's interest. The AICPA is a professional organization of Certified Public Accountants (CPAs) in the United States that dictates the professional conduct of accountants.

### Financial Reporting

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Agencies are to report financial data to the United Way in accordance with standards as set forth by the United Way.

### Financial Management and accounting

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The agency should use generally accepted accounting principles (GAAP) and generally accepted standards of financial management, including bonding of personnel who handle finances.

The agency is expected to have its accounts audited annually by a public accountant, whose examination should be made in accordance with generally accepted auditing standards.

The audit report must include financial statements showing all of the agency's income and disbursements in program, management and fund-raising areas, assets and liabilities, endowment and other funds, reserves and surplus during the period under study.

An agency with a total budget of less than \$50,000 may provide a report of financial status prepared by an outside accountant.

The agency should, at the earliest time possible, bring its accounting system in line with the "Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organization" or other similar guidelines deemed to be generally accepted accounting principles for a particular agency.

### Public Reporting

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The agency must make annual program and financial reports to its membership and have these available for the general public. The financial report may be in summary form, but must be consistent with the audit reports. The agency must respond to requests for detailed information on any aspect of its operations or programs from any responsible source.

### Full Disclosure

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Agencies are to report all sources of income and expenses provided regardless of United Way support. The United Way must be supplied a current copy of IRS Form 990 as part of the financial disclosure of the member agency as it becomes available annually.

The full and fair disclosure of an agency's financial condition is a fundamental principle to be observed in the ongoing relationship between United Way and an agency. Agencies are to report financial data in accordance with the "Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organization." These standards were developed for not-for-profits to fully disclose their financial position.

### Fiscal Year

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Jennings County United Way operates on a calendar fiscal year, and so a calendar year will be utilized for the funding cycle. The period for agency budgeting, funding, financial data and program reporting must be clearly defined on the application and must align with the agencies own fiscal year and IRS form 990. Program data reports to United Way may occasionally be requested in a calendar year format.

### Budget forms and program reports

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Agencies should refer to the United Way office for additional information related to budget and program forms. Many documents are available in various file formats online at [www.jcunitedway.com](http://www.jcunitedway.com).

### Budget

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The agency will:

- A. Operate on an annual budget under defined procedures of budget preparation; the agency's Board of Directors must approve the operations budget.
- B. Control expenditures by such approved budget, with significant departures permitted only by the agency Board or Executive Committee.
- C. Assess and specify expected financial sources, amounts, and how funds are to be used.
- D. Use a support plan, based on previous experience, which sets forth a reasonably dependable method of obtaining the necessary income for a specified period.

## POLICIES RELATED TO UNITED WAY FUNDING

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### Allocations limited to operating expenses

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United Way allocations are to be used for operating purposes as outlined in the agency's budget. This excludes the use of United Way allocations to finance fixed assets or capital expenditures such as new or



major renovations in buildings, or similar undertakings. Agencies may include maintenance and repair in their operating budget for United Way consideration.

## **BASIS FOR ALLOCATIONS DECISIONS**

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Agency teams are to consider the following key factors in evaluating overall agency effectiveness for the purpose of allocation recommendations.

### **Need for Program**

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There is an identified need for the agency's program(s):

- A. The program(s) responds to need, which has been specifically defined and documented;
- B. The agency is responding to the changing needs of the community and/or changing trends in the provision of service to clients;
- C. The programs are a priority for United Way support.

### **Program Effectiveness**

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The programs of the agency are effective in responding to the needs of the client population. The agency:

- A. Has measurable outcomes and annual objectives and achieves those objectives for each of its programs;
- B. Periodically assesses outcomes and progress in achieving its objectives for each of its programs; and
- C. Conducts program evaluations to measure the impact on clients served, and client satisfaction with services received.

### **Agency Efficiency**

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The agency demonstrates efficient resources utilization. The agency:

- A. Efficiently utilizes staff and volunteer resources;
- B. Efficiently utilizes its physical facilities;
- C. Is cost effective in its administration and service delivery activities; and
- D. Incurs cost savings and/or other benefits as a result of its affiliation with other agencies and service providers.

### **Management**

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The agency demonstrates sound management practices.

The board of directors is actively involved in fulfilling their responsibilities for the performance of the agency. This includes the basic role of setting policy in five areas - human resources, planning, finance, community relations and organization operations.

A formal planning process is utilized to direct the activities and functions of the agency.

The agency promotes and makes the public aware of its service and its affiliation with United Way.

The agency's staff is well qualified to carry out the functions of the agency.

### **Financial Need**

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The agency demonstrates responsible financial management. The agency:

- A. Maintains accounting procedures and fiscal controls that are sound, and provides full disclosure of agency resources;
- B. Uses the budgeting process as a planning and management tool to control expenses within set limits, to set program objectives, and monitor agency revenue;
- C. Demonstrates a genuine need for United Way funds.

## ALLOCATION PROCEDURE

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Each agency shall submit a complete application to United Way by the due date. Complete application shall consist of the current year's application and all requested attachments. All such budgets must have the formal approval of the agency's governing body and must be signed by the President or Chairman, treasurer, grant writer and executive director.

Agency budgets submitted to the United Way are to be based on the next fiscal year of the agency, and financial history shall correlate with appropriate year's IRS form 990.

The budget materials will be reviewed by the Allocations Committee.

The Allocations Committee will hold budget conferences with each agency during June or July. The written budgets and agency compliance evaluation are the basis for discussion at these conferences, at which the agency's total budget for the coming year is determined. Officers of the agency, other board members, and staff personnel as needed must represent the agency at these conferences.

Following the conferences, the committee will prepare a report for each agency and will forward this to the United Way Board of Directors for consideration at its next meeting. Such report will also include any recommendations for improvement or changes in any agency's programs or budgeting. The United Way will notify agencies of any such recommendations following that board meeting.

The agency has ten days in which to appeal any budget or procedural change recommended by the Board of Directors. Such appeal must conform to guidelines listed elsewhere in this manual.

When the United Way Board of Directors approves the committee recommendation agencies will be notified of the amount awarded.

Allocations will be paid quarterly.

## Dollars available for allocations

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Each year the United Way Board of Directors establishes the total sum available for allocations to agencies. Agencies will be advised of specific guidelines to use in submitting their allocation request and proposed budget. The guidelines will be consistent with current policies and procedures.

## Enforcement Policies

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United Way reserves the right to withhold any payment if the participating agency does not adhere to the policies set forth in this manual.

## NEW AGENCY FUNDING

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The Jennings County United Way maintains an "open door" policy. Qualified organizations in Jennings County providing human service programs to the citizens of this area are encouraged to apply for funding.

The United Way, in conjunction with its partner agencies maintains a system of accountability to contributors, consumers, volunteers, and the community. This system of accountability includes standards for funding human service programs to further the goals of United Way and its constituencies. United Way Funding Policies and Procedures are a part of these standards and are designed in manner, which will provide the greatest degree of flexibility and responsiveness possible while maintaining necessary accountability.

United Way volunteers and staff will aid agencies in improving their skills and qualifications to meet the criteria for inclusion in United Way, consistent with the objectives outlined below.

The emphasis for JCUW is to identify and fund human service programs that align with United Way's priorities within our community.

## Purpose

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These policies and procedures are intended to provide essential human service programs to all geographic areas of the United Way service area, to respond to emerging and unmet needs of individuals and families, to

increase efficiency and effectiveness of service delivery to the community, and to enrich the programs and services available within the community.

### Basic Funding Requirements

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The applicant agency:

- A. Shall be a non-profit corporation, contributions to which are deductible under state and federal laws. The agency is also to be exempt from federal income tax under the 501(c)(3) provision of the Internal Revenue Service Code.
- B. Shall comply with all federal, state, and local laws, pertaining to employer relationships, services rendered, and other applicable concerns.
- C. Shall be voluntary, with an established board of directors which meets regularly, serves without compensation, is organized, and functions as such to make decisions and provide policy leadership.
- D. Consideration will be given to the board's effectiveness in setting policies which assure efficient, effective, and economical operation; the extent to which it is representative of the community's served; and its ability to attract and retain a qualified and competent staff.
- E. Shall demonstrate a need for United Way financial support, indicating:
  - a. Available resources are inadequate.
  - b. Existing United Way agencies have, despite the availability of funding, been either unable or unwilling to assume the needed new program responsibilities.
  - c. The program proposed is more appropriately provided by the applicant agency.
  - d. The application is also to explore and provide results on efforts to secure funds (public and private) to meet the stated need.
- F. Shall be willing to secure payment for services rendered from the government, third party entities, other agencies, individuals, and families based on their ability to pay.
- G. Shall be established and functional for a minimum of two (2) years.
- H. Shall practice and administer internal operations and services provided without regard to race, ethnicity, color, sex, religion, national origin, age, physical handicap or any other legally protected characteristic
- I. Shall be willing to adopt and practice an affirmative action program that fulfills the requirements as set forth by the Federal Executive Board for the Combined Federal Campaign.
- J. Shall contribute, through its programs, to the health and welfare of individuals and families residing within the Jennings County United Way service area.
- K. Shall be willing to abide by all United Way Policies and Procedures, and submit financial and program data as set forth by the United Way.
- L. Shall be willing to be responsive to United Way suggestions and recommendations and make efforts to continually improve organizational efficiencies and quality of service.

### Organizations ineligible for funding

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The Jennings County United Way will not provide financial support to programs or agencies whose primary function is provision of cultural, political, public relations, formal education, or religious activities.

Definitions of ineligible activities are as follows:

- A. Services/programs designed primarily to address the basic long-term financial assistance and material needs of persons.
- B. Services/programs, which address a problem so complex and extensive those United Way resources, will have little or no impact on the total program.
- C. Services/programs, which are primarily formal education.
- D. Services/programs, which are primarily concerned with the Arts.
- E. Services/programs, which are primarily public relations.

F. Services/programs, which are primarily of a religious or political nature. Programs, which are of a religious nature, refer to those designed to promote or support a specific religious persuasion. It also refers to human care programs, which require, as a condition of receiving service, that the client or patient belong to or actively participate in a specific religion or religious activity.

### **Procedure for application**

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An organization desiring to participate financially as an agency of the Jennings County United Way should send an email or letter indicating intent to apply briefly describing the program and the purpose of the funding request, and must file its complete application with the United Way by the application due date of the year in which it wants to participate in the campaign. A completed application includes the grant application and all attachments requested on that form.

An agency will be given a preliminary decision but will not receive United Way funds until both the agency and the United Way have signed the Articles of Agreement, a sample of which is available upon request. The United Way will notify the agency immediately if it has been found ineligible.

### **Procedures for making allocations decisions**

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In general, the review process of an agency allocation request is as follows:

The agencies are notified the due date for applications.

The agency's "Agency Relations Team" may request to meet with the executive director to visit the agency and review the proposed budget and allocation request before the agency makes its formal presentation to the entire committee.

As a result of these meetings, individual teams will write an analysis of the request and identify questions, issues, and observations to be discussed at the allocation conference.

The Allocations Committee meets with the leadership of each agency at an allocation conference to review the budget, the allocation request, agency compliance evaluation and program information. The Agency Relations Team then makes funding recommendations for consideration by the committee.

The Allocations Committee will meet to consider the funding recommendations and non-financial recommendations of its agency relations teams.

Each team's recommendations for the following fiscal year are presented.

The Allocations Committee will consider the total allocations recommended by the teams. If the total exceeds the amount available for allocations, the committee will consult with the teams' leadership as to where adjustments are to be made.

Upon approval of the United Way Board of Directors, each agency will be notified in writing of any allocation for the agency and any other special recommendations. In some instances, there may be a visit with the agency to discuss any recommendations.

### **Shifting of United Way funding to other programs**

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The Allocations Committee's acceptance of the revised operative budget of its agencies forms an annual agreement on how United Way dollars are to be used. Significant variance in the budget and/or the amended use of United Way dollars requires the approval of the United Way Board of Directors.

## **SPECIAL PROJECTS GRANTS**

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A Special Projects Grant is a funding mechanism maintained by United Way to provide time-limited grants for innovation, start-up costs, development of new and untried agencies and programs, to respond to minimal capital needs of agencies and in support of developing coalitions and/or collaborative efforts among agencies within our community.

The implementation of policies and procedures regarding the review and funding of Special Projects Grants is the responsibility of the United Way Board of Directors.

Special Projects Grants are awarded on a competitive basis and are open to United Way and non-United Way human service agencies. (Note: non-United Way agencies must be incorporated as a not-for-profit health or human service agency with the IRS tax exempt status, or must be sponsored by such an agency, such sponsorship including fiscal responsibility, and providing health or human services in Jennings County.)

The United Way Board of Directors establishes the amount of money available for Special Projects Grants annually.

One-year grants are awarded. A small number of projects proven extremely successful may have the opportunity for additional funding.

The United Way Board of Directors accepts year-round proposals from community agencies. The Special Projects Grant Program is divided into two distinct categories:

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### Open Solicitation

One portion of the Special Projects Grant money may be used for "open" solicitation of proposals, with no restrictions attached. Agencies may submit a variety of proposals focusing on a wide range of programs. These are programs and projects that they feel are important for the community to address.

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### United Way Request for Proposals

The other portion of Special Projects Grant money may be used by United Way to solicit proposals in response to specific concerns, targeted for high priority areas it feels necessary to be dealt with.

To assure equity and fairness in the decision making process, proposals are to be evaluated in light of the following criteria:

- A. Potential for success if funded, as defined by the objectives of the project itself and as indicated by the capabilities of the agency/organization.
- B. Potential for positive impact on service recipients.
- C. The innovative, creative, and/or non-traditional characteristics of the program.
- D. The degree of duplication with other services/programs currently available to the target population.
- E. Ability to develop funds to continue the project (if needed) after funding through the Special Projects Grant programs is terminated.
- F. The pilot or demonstration characteristics of the project.
- G. The extent and completeness to which the need for the program is substantiated.
- H. The extent of collaborative involvement with other agencies and use of volunteers.

Decisions of the United Way Board of Directors are considered final. There is no appeal process.

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## POLICIES RELATED TO AGENCY REVENUE

Agencies are expected to obtain and utilize, to the fullest extent possible, operating revenue that can be secured through reasonable fee payments, reimbursements for services performed, membership dues from participants, interest income generated from operating and restricted accounts and fund raising efforts as outlined in the policies pertaining to it.

The methods for securing agency revenue are outlined in this chapter of the manual and in a separate section titled *Agency Supplementary Fund Raising Policies and Procedures*.

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### Income from Fees

Agencies are to establish a fee scale policy based on the following considerations:

The total cost for each service, including both administration and direct expenses. Costs should be determined by careful analysis, reviewed periodically and adjusted to reflect accurate and current expense.

A fee schedule for services based on ability to pay should be established by formal action of the agency's board of directors. The fee schedule should be uniformly applied and periodically revised.

Every effort should be made to assure that referral of persons by public agencies to United Way agencies for services for which the tax-supported agency has a legal responsibility should be accompanied by public payment for the actual amount of the operating expense incurred.

By sharing the full cost of the service to those individuals and families who can afford to pay, United Way allocations can then be used to subsidize those who are unable to pay.

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### **Income from foundations and government sources**

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Agencies are encouraged to seek financial support from foundations (local, regional and national) as well as local, state, and federal governmental bodies.

Agencies are to establish plans for securing ongoing financial support to replace time-limited grants. United Way will not automatically assume responsibility for lost funding or for the continuation of services previously funded through other sources.

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### **Income from third party purchases**

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Agencies are encouraged to secure payment of the full unit cost for service rendered for third party purchasers, or for which reimbursement is possible (i.e. insurance companies).

United Way will not automatically assume responsibility for subsidizing third party payments, which are under the cost of the service provided.

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### **Interest Income (Income from endowments, bequests, and unsolicited gifts)**

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Interest income from all sources, except plant/building funds or funds restricted by the donor, are considered unrestricted income in the year earned and should be applied to the operating budget.

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### **Operating Reserve**

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The development of an adequate level of operating reserves may be negotiated with the United Way Board of Directors.

United Way recognizes that in any operation the flow of business can be disrupted if funds are not available to meet uncontrollable circumstances. Therefore, it is appropriate for certain agencies to develop a modest level of operating reserves to protect the financial health and well being of the agency and its programs.

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### **Unanticipated Income**

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Unrestricted gifts are to be reflected in the current unrestricted fund (operating budget) in the year received per generally accepted accounting principles (GAAP).

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### **Use of Capital or Special Funds as Operating Income**

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United Way will not commit itself to future allocation increases to replace the use of capital or special funds used to balance an agency's budget.

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## **AGENCY SUPPLEMENTARY FUND RAISING AND SELF SUPPORT POLICIES AND PROCEDURES**

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The United Way will continue to raise dollars to address community needs. United Way also recognizes that partner agencies need to seek financial support from all appropriate sources available to them. The methods used in approaching those sources should be in harmony with the underlying principles of the United Way, recognizing the need to maintain good faith with the public. This policy speaks to acceptable supplementary fund raising methods and the procedure for reviewing fund raising and self-support activities.

## Activities not considered supplementary fundraising

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- Applying for and negotiating government and foundation grants or contracts.
- Applying for and negotiating private insurance reimbursements.
- Applying for and negotiating United Way allocations.
- Charging service membership.
- Troop or unit sales in which the proceeds support council wide efforts to benefit troop or unit needs.
- Sales to a client of merchandise related to that client's participation in an agency's program.
- Solicitations outside of United Way campaign area.
- Requests to groups or organizations for in-kind contributions or volunteer services.

## Acceptable forms of supplementary fundraising

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**SUSTAINING MEMBERSHIP DRIVE**--This type of activity is for the solicitation of individuals who wish to identify themselves with a particular agency. An agency will normally seek to enroll current and former board members, staff, program volunteers, clients and other individuals with whom the agency has a *bona fide* relationship.

**SPECIAL EVENTS**--All special events have the common characteristics of:

Giving the donor something special in return for his/her contribution.

Involve strong volunteer leadership in planning and implementing the event.

The valued time is normally constructed free of charge or at a minimal cost to the agency. There are an almost infinite variety of special event possibilities -- including car washes, theater parties, sporting events, garage sales and bazaars.

**PRODUCT SALES**--This type of solicitation is traditionally undertaken by youth-serving organizations. Proceeds are used to subsidize the operating costs of the agency.

**SPONSORED EVENTS**--A prospective donor is asked to sponsor an individual in an event by pledging an amount that could vary according to the solicitor's performance. Examples are hikes, runs, swimming laps, and so forth for a particular cause in which the donor will pledge so much, or so much per mile, lap, etc.

**BEQUEST AND ENDOWMENT PROGRAMS**--Bequest or endowment solicitations invite individuals to make a contribution to the organization at death or with the understanding that the principal amount will be preserved while the earnings will be used to support a general or specific purpose of the agency. Approved efforts would be made with dignity and be both selective and highly personalized in their approach.

**CAPITAL CAMPAIGN**--Solicitation for the purpose of improving, replacing, acquiring or constructing facilities and other major fixed assets required by the agency's programs constitutes a capital campaign. The United Way does not fund capital needs directly, except in emergency situations where funds may be needed immediately to circumvent an undesirable or potentially dangerous situation.

**AGENCY AUXILIARIES/GROUPS**--Partner agencies are asked to work closely with their auxiliaries and associated groups to assure compliance with these policies and procedures.

## Unacceptable Solicitation Activities

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In general, any form of mass public appeal, work place solicitation of employee groups, or the direct general solicitation of corporations or businesses is not acceptable. The United Way campaign uses these methods annually to generate maximum support for needed community services and partner agencies.

Other generally unacceptable activities include the use of canister and coin containers.

**TIME FRAME**--No supplementary fund raising or capital campaign effort will be conducted from September 1 through November 30 unless the United Way determines that it will not conflict with the annual campaign.

**SOLICITATION GUIDELINES**--The following guidelines should be used when conducting an approved solicitation.

The agency should clearly identify itself as a United Way supported agency and must state that the solicitation has received written United Way approval.

Solicitation materials should clearly state the purpose for which the proceeds will be used.

The agency should not lend the use of its name to a commercial enterprise to promote the sale of the enterprise's service or products.

APPLICATION--Prior approval is necessary before any new activity or series of related activities take place. All new applications for supplementary fund raising should be sent to the executive director of the United Way.

Applications must be submitted no less than 30 days prior to the beginning of the proposed solicitation. United Way, however, recognizes that on occasion, an agency may be approached to participate in an event or activity that does not allow for 30 days notice. Such applications will still be considered.

NOTIFICATION--Agencies applying for supplementary fund raising will be notified within thirty days of the United Way's decision.

### **Enforcement of the Policy**

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The United Way, representing the combined interest of its partner agencies, provides financial support to a broad range of human care service. The success of our annual campaign and the individual fund raising activities of partner agencies are critical in providing continued support. To conduct fund raising activities by methods that are not specified as acceptable in these policies will have a negative effect on all partner agencies and the United Way. Agencies conducting an unauthorized campaign run the risk of having their United Way funding terminated.

SAMPLE ARTICLES OF AGREEMENT available by request.