

CHAPTER 71
COMBINED CHARITABLE CAMPAIGN

[See also 681—12.7, 13.7, 14.2, 15.8, 16.9]

[Prior to 1/7/04, see 581—Ch 25]

11—71.1(8A) Policy. These rules define and structure the state's charitable organization campaign program. The intent of the campaign is to provide an opportunity for state employees to contribute to eligible charitable agencies through the state's payroll deduction process, to ensure accountability of participants with regard to the funds contributed, and to minimize workplace disruption and administrative costs by allowing solicitation at the work site only once per year. Nothing about this program shall be construed as support or endorsement by the state of Iowa for any individual charitable agency or federation of agencies.

11—71.2(8A) Definitions.

"Campaign administrator" means the individual appointed by the director to administer the combined charitable campaign program.

"Charitable agency" means an agency or federation of agencies that is eligible to receive contributions which may be deducted on the contributor's Iowa individual tax return in accordance with U.S. Internal Revenue Code Sections 501(a) and 501(c)3, and which otherwise meets the criteria provided for in rule 11—71.6(8A).

"One gift campaign" means the annual fundraising solicitation for charitable agencies which meet the eligibility requirements established in these rules.

"State employees" means any employees subject to a state payroll system, except for employees of the board of regents for whom rules shall be promulgated by the board of regents.

11—71.3(8A) Basic premises.

71.3(1) Solicitation period. The solicitation period shall fall within the period of September 1 through September 30, although that period may be extended with the approval of the director.

71.3(2) Workplace solicitation. Individual charitable agencies or federations of agencies may not ever solicit state employees at their workplace. Workplace solicitation of employees will occur only during the solicitation period, only in accordance with the procedures contained in this chapter, and only with the approval of the campaign administrator.

71.3(3) Employee solicitations. Employee solicitation is to be conducted using only methods that encourage voluntary giving. Actions that do not allow for and encourage free choice or that even create the appearance that employees may not have a totally free choice to give or not give are absolutely prohibited. This should in no way be interpreted as restricting the need for an effective, well-organized education program for employees. All employees will be given the necessary information to make an informed, free-will decision. Group meetings for this purpose are permitted. Employees may choose to attend or not attend such meetings.

Employees shall be free to publicize their gifts or keep them confidential. Individual employee contribution records are confidential records in the meaning of Iowa Code section 22.7(11).

71.3(4) Pledge authorization forms. The campaign administrator shall approve the pledge authorization form. Pledge authorization forms shall conform to the provisions of rule 11—43.13(70A).

71.3(5) Terminations. Employees wishing to terminate their deductions shall be required to give 30 days' advance notice in writing to the appointing authority of the department in which they work, as required by rule 11—43.12(70A).

11—71.4(8A) Administration. The director shall select a campaign administrator to organize and manage the program. The state accounting enterprise shall serve as the campaign's fiscal agent. It shall be the sole responsibility of the campaign administrator to determine, using the criteria set forth in these rules, which charitable agencies or federations of agencies shall be eligible to participate in the campaign.

71.4(1) *Request to participate.* Charitable agencies and federations of charitable agencies wishing to participate in the one gift campaign program shall forward the completed application packet developed by the campaign administrator to the campaign administrator prior to the date publicized in January of each year by the campaign administrator. Applications received prior to the publicized date and subsequently approved shall be eligible for inclusion in the list of approved charities published prior to each annual solicitation period. Applications received after the publicized date may be accepted with the approval of the campaign administrator.

71.4(2) *Notification of agencies.* The campaign administrator shall, within 30 calendar days following the closing date for applications, send letters of denial or acceptance on behalf of the director, and include reasons for denial when applicable.

71.4(3) *Request for reconsideration.* A charitable agency that has been denied participation will be allowed ten calendar days following the date of the notice of denial to file a written request for reconsideration with the director. The director shall notify agencies of the final decision within ten calendar days following the date the request was received. The director's decision shall constitute final agency action.

71.4(4) *Distribution of campaign moneys.*

a. An approved pledge authorization form shall be used. Pledge authorization forms shall be developed by the campaign administrator and fiscal agent as provided for in rule 11—43.6(70A). State employees shall be allowed to specifically designate their gifts to agencies or federations of agencies described in the campaign materials, and the pledge authorization form shall be designed to accommodate such designations.

b. Gifts not specifically designated shall be distributed to participating agencies or federations of agencies based on the same percentage ratio as the designated dollars are distributed. This fact shall be prominently displayed in the campaign materials.

c. The one gift campaign shall charge the actual administrative costs of managing the campaign to each participating charitable agency based on the percentage of total campaign moneys received by that agency. Such charges shall not include the salaries of state employees involved in the ongoing administration of the program.

d. Any shrinkage (moneys pledged but not contributed) shall reduce the moneys distributed to charitable agencies in the same ratio as the designated moneys.

e. Moneys collected will be sent to the charitable agencies monthly by the department of revenue.

f. Moneys collected that cannot be distributed to a charitable agency because the agency has ceased to do business or the agency has been disqualified from participation in the campaign shall be distributed to participating agencies or federations of agencies based on the same percentage ratio as the designated dollars are distributed. This fact shall be prominently displayed on the campaign materials.

11—71.5 Reserved.

11—71.6(8A) Eligibility of charitable agencies.

71.6(1) *Criteria to be included in campaign.* Any charitable agency or federation of agencies may participate in the campaign provided it meets the following criteria:

a. Be a charitable agency as defined in rule 11—71.2(8A).

b. Make available to the general public and the campaign administrator an annual financial report which is prepared by an independent certified public accountant, and provide for an annual external audit by an independent certified public accountant. The campaign administrator may, in lieu of the annual external audit, accept Internal Revenue Service Form 990.

c. Receive its funds from either a communitywide solicitation or a statewide solicitation.

d. Be a nonprofit, tax-exempt charitable organization within the meaning of Section 501(c)3 of the United States Internal Revenue Code and any relevant state laws.

e. Have an active and responsible governing board that meets at least semiannually whose members have no conflict of interest and who, except for a paid staff director, serve without compensation.

- f.* Be providing or supporting services that are readily accessible to residents of the state of Iowa.
- g.* Have a direct and substantial local presence in the state of Iowa. A telephone number alone shall not constitute a local presence.
- h.* Operate without discrimination in employment, in accordance with Iowa Code chapter 216, and in the delivery of services and the distribution of funds.
- i.* Make a report available on an annual basis to the general public detailing the local activities of the agency.
- j.* Have a detailed annual budget approved by its governing board in a form consistent with generally accepted accounting principles and procedures wherein the organization's administrative (management and general) and fund-raising expenses do not exceed 25 percent of its total expenses as reflected in the organization's audited financial statements.

71.6(2) *Federations (umbrella organizations).* Applications submitted on behalf of federations shall list all participating constituent agencies and shall include a certification that all participating constituent agencies meet these eligibility criteria, and that they agree to comply with the rules set forth in this chapter. No charitable agency may participate both individually and as a member of a federation.

71.6(3) *Criteria for ongoing participation.* Once approved for participation, annual reapplication is not necessary. The campaign administrator may at any time, however, review a charitable agency's continuing eligibility and may require additional information which demonstrates that the criteria for participation are still being met. The campaign administrator will send notice on behalf of the director to any charitable agency which may be disqualified from further participation in the campaign stating the reason(s) for disqualification. Reasons for disqualification include, but shall not be limited to:

- a.* Failure to comply with the rules contained in this chapter.
- b.* Filing an application to participate in the campaign which contains false or misleading information.
- c.* Failure to provide eligibility information requested by the campaign administrator.

71.6(4) *Reconsideration of decertification.* Any disqualified agency may request reconsideration of the director's decision using the procedures for reconsideration in subrule 71.4(3).

71.6(5) *Contributions to decertified agencies.* Any charitable agency decertified under the provisions of subrule 71.6(3) shall have any further payment of contributions terminated. Future collections of pledges to the decertified agency shall be distributed in the same ratio as other undesignated gifts.

These rules are intended to implement Iowa Code section 8A.432.

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