

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.