



United Way of Southwestern PA Contributor Choice Program Guidelines

Revised: June 29, 2018

United Way of Southwestern PA (UWSWPA) offers Donors a wide range of options to identify how they want their dollars to help. One can direct all or a portion of a contribution to:

- The United Way Impact Fund
- United Way of Southwestern PA Initiatives
 - Financially Struggling Families
 - Helping Seniors to Live Safely at Home
 - Empowering People with Disabilities to Achieve Greater Independence
 - United for Children
 - United for Women: Connecting Women with Help in Times of Need
 - Mission United: Supporting Returning Veterans
- A specific UWSWPA partner agency, any designated contribution (“Contributor Choice” dollars) made to UWSWPA partner agencies are **in addition** to allocations made from the United Way Impact Fund.
- A specific nonprofit health and human service organization (non-member agency or a specific United Way). *Note: UWSWPA Volunteers do not review the management and fiscal activities of any non-member agency or their specific use of the designated dollars they receive in this manner.*

Service Fee (Fundraising and/or Processing Fees)

UWSWPA service fees are deducted from each monthly payment made to local United Ways, member and non-member agencies of UWSWPA. Commencing with the 2018 campaign, a 12% (8.02% fundraising, 3.98% processing) fee is charged for “designation transactions¹” to United Ways, member and non-member agencies to underwrite the expenses incurred by UWSWPA for fundraising and administrative expenses.

In some instances, the employers have agreed to underwrite the cost of the processing fee. In those cases, the UWSWPA processing fee will not be deducted from the monthly payments to other United Ways and agencies resulting from designated contributions from employees’ of those companies.

Shrinkage/Pledge Loss

UWSWPA does not withhold an estimated shrinkage allowance from designation payments. However, each designation is paid in proportion to the amount of the pledge actually received. In the case of payroll withholding designations, the payment of these designations is paid based on the percentage of collections received as compared to the total pledges made on a company by company basis. For

¹ A “designation transaction” refers to gift from a donor that has been “designated” to another United Way or a member or non-member agency of UWSWPA. UWSWPA typically refers to these types of contributions as “Contributor Choice” gifts.

example, if 5.5% of a company's pledges are collected in a month, then 5.5% of all designations made by that company's employees are paid to all of their designated agencies.

Administrative Procedures

Acceptable pledge and designation sources include the following:

- A validated online donation made on the UWSWPA web site;
- A signed company-designed² or United Way pledge or Contributor Choice form;
- A signed letter from the Donor that includes certain specific information;
- A report/list from a bona-fide third party processor that includes certain specific information;
- A report/list from a National Corporate Leadership (NCL) account that includes certain specific information;
- An electronic file from a company that processes their pledges and designations internally;
- An electronic file from a company that offers continuous giving (i.e., rollover of UWSWPA pledges from the prior year without the donor completing a new pledge card for the current year³);
- A signed letter from the company that details the number of Donors and total pledge amount—Summary Record (this is also accepted for pledges of Donors that did not submit a new pledge form).
- An email from either the donor or from an authorized company representative.

Undesignated or Default United Way Designations

If the Donor does not select or write-in a specific agency or otherwise make a clear indication of his/her designation, the remaining pledge amount is considered undesignated and will be paid to the local check-off United Way.

Contributor Choice Agency Eligibility Criteria

In order for an agency to be eligible for the contributor choice program, the agency must be in compliance with the USA PATRIOT ACT and all other counterterrorism laws; is a health or human service agency, is operating or supporting a health or human service program which will receive the United Way of Southwestern PA funds; must have an IRS 501(c)(3) tax-exempt/tax-deductible status; must be in full compliance with all federal, state, county and local requirements and laws pertaining to non-profits; meet the requirements of the Solicitation of Funds for Charitable Purposes Act passed by the Pennsylvania Legislature in 1990; and should be setup to receive ACH deposits. NOTE: Arts, cultural, religious, recreational, political programs, government agencies and institutions providing formal education are not eligible for designations through UWSWPA. United Way contracts with a third party vendor to validate agencies against the IRS Publication 78, the terrorist watch list and 990 revocation list on a monthly basis before agencies receive a payment.

The preferred method of payment of Contributor Choice payments is through Automatic Clearing House (ACH) deposits. Agencies should be set-up to receive ACH deposits and submit a completed ACH authorization form with a voided check, copy of the agency's letterhead or business card, and CFO's name and signature.

Each agency will be vetted against the Guidestar database before every payout to determine Recertification. If the agency is determined ineligible, the Agency and the Donors will be notified with the reason for the agency being considered ineligible.

The New Agency request period is open May – June of every year. Agencies may send an e-mail to agencyrelations@uwac.org requesting a Contributor Choice Application.

² All company-designed pledge forms should have UWSWPA approval before they are used.

³ The Companies that run their campaign in this fashion notify their employees that if the employee does not respond to the current campaign request, the company will provide UWSWPA information that those employee's prior year pledge can be used as the current year pledge, unless the employee specifically informs the Company to the contrary.

If the designated agency is determined to be an ineligible agency because it does not meet all of the criteria, the Donor will receive a letter that includes the reason the agency is ineligible. The Donor is given the option to make another designation and is informed that if a response is not received in 20 calendar days or less, the ineligible designation will be reverted to UWSWPA's Impact Fund⁴ (as an undesignated contribution) in accordance with UWSWPA's gift link tool.

Campaign Period (cycle)

Below is a schedule of activity for the 2018-2019 campaign period that can be used as a guide for future campaigns.

- The campaign starts on May 1, 2018 and ends April 30, 2019.
- Fully paid gifts will be accepted and processed for this campaign period between May 1, 2018 and April 30, 2019.
- Payments on pledges (excluding payroll payments) for this campaign period may be received as early as June 2018 and as late as April 30, 2019.
- Employee payroll withholdings for this campaign period, for the most part, begin in January 2019 and end in December of 2019.
- Companies, for the most part, begin to submit payroll withholdings to UWSWPA in January 2019 and end by April 2020.
- Contributor Choice payments to agencies begin when such designated gifts are collected (as early as July 2018) and continue monthly for the entire collection period (i.e., to April 2020 with a final payment being made in May 2020).

During the campaign period: Acknowledgement to Agency Reports are made available online to all eligible agencies. Agency contacts are set-up with a unique userid and password. As a courtesy emails are sent to all contacts on a monthly basis reminding the agency to access their reports. The reports include donors' processed to date. A final email will be sent at the close of the campaign and will include all donors' designating the agency for the campaign year.

Campaign collections: Designated gifts paid by check⁵ or credit card and those that are handled through the "bill direct" option will be forwarded, net of any processing fee, to the designated United Way or agency the month after payment is received by UWSWPA. Contributor Choice payroll deduction pledge payments will be forwarded to the designated agency at the same percentage (calculated as the amounts collected in the period for that company divided by the total pledges for that Company's campaign year) as the Donors' company collects those pledges and remits them to UWSWPA.

Contributor Choice Payments are made on a monthly basis and begin the month following the first payment is received from the company and/or Donor. Contributor Choice payments are paid directly to the designated agency or to the designated United Way, net of any administrative fee. It is possible a United Way or agency will not receive a payment every month (payments are dependent on the collections from the prior month).

- Contributor Choice payments aggregating at least \$500 per agency are paid monthly.
- Contributor Choice payments with a minimum of \$100 per agency are paid quarterly.
- Contributor Choice payments that are \$100 or less will be paid in May 2020 (for the 2018-2019 campaign).

In all cases above, shrinkage is based on actual pledge losses at the company and/or Donor level. There is no incremental pledge loss fee charged by UWSWPA.

⁴ If the employee's work place is located in a region other than Allegheny County and their company use UWSWPA's ecampaign system, that donor's contribution would revert to the United Way in the region in which that person works or lives (decision is made by company) rather than the UWSWPA Impact Fund.

⁵ Effective July 2005, cash payments are no longer accepted by UWSWPA – Checks are recommended in lieu of cash.

Donor Thank You/Confirmation Letter

UWSWPA provides a thank-you/confirmation letter for each donation received via an acceptable pledge source (see Administrative procedures).⁶ The intent of the thank you/confirmation letter is to thank the Donor and to confirm that the Donor's wishes are being honored. The letter instructs the Donor to confirm the pledge and designation information for accuracy and instructs them to return the letter if changes are required. If the Donor returns the letter with corrections or changes, the information will be corrected and a revised thank you/confirmation letter or email is sent to the Donor.

Acknowledgement to Agency and Payee by Organizations Reports:

Contributor Choice agencies are set up with a website user account to retrieve their monthly Acknowledgement to Agency Report and Payee by Organizations Reports:

- The monthly Acknowledgement to Agency Report includes all donors for the current campaign year. The donors that have appeared on a prior list show the date of the report they were listed on. Changes can be a result of a Donor requested change, processing error and/or company/Donor notification of a retired or terminated employee.
- The information on the agency acknowledgment list includes the agency code number, the campaign year, the Donor's ID number, the Donor's name and address, their company's name, the annual amount of designation, payment method and the pledge status.
- The report is separated into three sections:
 - Anonymous Donors: donors who have chosen not to release their name, and their name has been replaced with "Anonymous".
 - Donors who don't wish to be acknowledged: donors who have chosen to release their name, but do not wish to be acknowledged. Addresses for these donors will not appear on the report.
 - Donors who wish to be acknowledged: donors who have chosen to release their name and wish to be acknowledged.

Acknowledgements to Agency Reports are to be used by the agency for acknowledging Donors at their discretion (UWSWPA does not actively monitor what the agencies do or do not do with this information).

The Payee by Organizations Report lists all payees in the payout and their payments due. The payout information for each is broken down by donor organization that designated to the account.

Payee by Organizations Reports (payment details) will be available online for three (3) months. Please download and save the reports to your local computer on a monthly basis. If you need assistance or have any questions regarding this report, send an email to payables@uwac.org.

The Agency Code Book (Directory of Contributor-Supported Agencies)

UWSWPA annually produces a list of organizations, with the UWSWPA code number, that are eligible for Contributor Choice designations. All Donors are required to use the UWSWPA code numbers.

A complete list of eligible agencies is available at the UWSWPA website <https://uwsdpa.org/nonprofits/>. UWSWPA agency codes can also be obtained from the employee campaign manager/company representative, or by calling (888) 553-5778.

IRS—Written Substantiation

Gifts of Marketable Securities/Mutual Funds

Gifts of appreciated capital assets such as stock and mutual funds are an efficient way to make a charitable donation. Those contributing stock and mutual funds may transfer such assets to UWSWPA without triggering a capital gains tax to the Donor upon transfer, and therefore no tax is due on the

⁶ In the case of the "summary record" pledge source, no confirmation letter is sent.

appreciation of the securities (i.e., the difference between the cost of the donated securities and the fair market value). Further, subject to deduction limitations, federal law permits taxpayers who itemize their deductions to deduct the aggregate fair market value of the gift property on the date of transfer. Using marketable securities/mutual funds to make your annual gift to UWSWPA potentially provides the Donor with an itemized deduction in excess of their cost basis, while infusing cash into the United Way based on the appreciated value of the security. This "win-win" scenario is clearly worthy of consideration for those holding appreciated securities and interested in providing gifts to UWSWPA and/or other charities.

Marketable securities/mutual fund shares may be transferred to UWSWPA either by your broker or a transfer agent. If the transfer is done in physical form, a gift may be made by physical delivery of the stock certificate(s) and a stock power to UWSWPA.

If making a gift via wire transfer, the broker or transfer agent should transfer the ownership from the Donor to:

United Way of Southwestern PA
Attn: Sabrina Yohe
Tax ID No.: 25-1043578
PO Box 735
Pittsburgh, PA 15230-0735

If a transfer is being made through your broker or a transfer agent, please send to UWSWPA a copy of your letter authorizing the transfer and include with your correspondence a copy of the transfer instructions provided to the broker or transfer agent. A form letter of instruction is available by calling 412-456-6754 or emailing stockgift@uwac.org. This correspondence notifies UWSWPA of your intention and, once assets are received, facilitates appropriate gift acknowledgement procedures.

UWSWPA does not provide legal, tax, or financial advice and recommends that you consult with a professional tax advisor prior to making a charitable donation of marketable securities/mutual funds.

The value of a contribution of marketable securities to UWSWPA is equal to the mean value of the stock on the date the transfer is completed, i.e., the date the asset(s) are legally transferred to the ownership of UWSWPA. The value of a contribution of mutual fund shares is the final redemption price on the date of transfer. Donors will receive an acknowledgement letter from UWSWPA that will state the final gift value. Procedurally, Donors should complete a pledge card/form for your company's records that includes the estimated value of the security-related contribution the Donors would like to make. Recognize, however, that the actual value of the gift may vary and is based upon the value of the assets on the date of transfer.

Questions and letters of instruction/authorization to transfer shares and wire transfer instructions may be directed to the finance department using the information below:

Telephone: (412) 456-6754
E-mail Address: stockgift@uwac.org
Facsimile: (412) 394-5376
Or use the above mailing address.