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Title: King County Employee Giving Program

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Sponsoring Agency: Department of Human Resources



King County

Signature: _____

Date signed: _____

I. Purpose

This document provides the Employee Giving Program (EGP) Committee rules necessary for the conduct of the EGP, including eligibility rules for participation in the Annual Drive. These eligibility rules supplement the eligibility requirements set forth in K.C.C. 3.36.045.

Applicability and Audience

This rule applies to Nonprofit organizations wishing to participate in the King County Employee Giving Program Annual Drive

II. Definitions

"Annual Drive" means the annual solicitation of contributions from county employees by representatives of qualified nonprofit organizations and federations through oral presentations, printed materials, audio or video media or other similar means.

"Employee Giving Program" or "EGP" means the King County sanctioned, employee-based program that provides the process and infrastructure for administration of employee-directed giving and volunteering to qualified nonprofit organizations and federations, and is administered by the EGP Committee in accordance with the K.C.C. and rules adopted for the program.

"Federation" means a nonprofit organization that solicits and distributes contributions on behalf of its member nonprofit organizations.

"Qualified nonprofit organization" means a nonprofit organization or federation that applies to participate in the Annual Drive and meets the eligibility criteria as provided in K.C.C. and any rules adopted herein.

III. Policy

A. The rules set forth in this document support compliance with K.C.C. section 3.36 in general, and specifically detail additional steps required in support of the application process referenced in K.C.C. 3.36.045 "Campaign participants - requirements - notice in campaign materials."

B. Annual Drive Participation Rules

1. Each federation and each independent nonprofit organization must submit an on- time and complete application, including all required attachments, during the annual nonprofit application cycle as announced by the program.

2. An official of each federation and each independent nonprofit organization that is not represented by a federation must certify the following as true on its application and provide any supporting documentation that may be specifically required by the application.

- a. The organization has been providing or conducting real services, benefits, assistance or program activities at least the previous two years;
- b. The organization is directed by an active governing body whose members have affirmed adherence to a conflict of interest policy and a majority of whom serve without compensation. Governmental units are exempt.
- c. Compensated governing body members do not serve as the governing body's chair or treasurer. Governmental units are exempt.
- d. The organization's publicity and promotional activities are based upon the actual program and operations, are truthful and non-deceptive, and make no exaggerated or misleading claims.
- e. The organization has an annual financial statement prepared in accordance with generally accepted accounting principles.
- f. Within the fiscal period ending not more than 18 months prior to the January of the year of the Annual Drive for which the organization is applying, the organization's financial statement has been reviewed per the following:
 - i. Entities with an annual gross income of less than \$1,000,000 must certify that they have an internally produced complete financial statement that has been reviewed by their governing body.
 - ii. Entities with an annual gross income of more than \$1,000,000 but less than \$3,000,000 may provide either (a) federal financial reporting form (990, 990PF, 990EZ, 990T) the organization normally files with the IRS which must be prepared by a certified public accountant or other professional who normally prepares such forms in the ordinary course of their business; or (b) An audited financial statement prepared by an independent certified public accountant.
 - iii. Entities with more than three million dollars in annual gross income averaged over the preceding three

years must conduct, and may be asked to provide, an independent, third-party audit of their financial records for the preceding tax year. Governmental units are exempt.

- g. The organization will prohibit the sale, lease or distribution of King County contributor lists.
- h. For a federation, the federation has the express permission of an authorized official of each of its member nonprofit organizations to use the nonprofit organization's name and to participate in the Annual Drive.
- i. For a federation, the federation has verified and accurately declared that each member organization meets all EGP eligibility requirements.

3. A federation, each nonprofit organization represented by a federation, and each independent nonprofit organization, shall make available upon request by the EGP Committee, the King County Council, or the County Executive:

- a. Its most recent IRS Form 990 or IRS Pro Forma 990;
- b. Its most recent annual report, including an annual financial statement;
- c. A disclosure for the most recent annual report period of the total dollar value of support from all sources received on behalf of the charitable purposes of the organization; and
- d. The total dollar amounts applied to charitable purposes, fundraising costs and all other expenses during the most recent annual report period.

4. Nonprofit organizations that submit separate applications under a common Tax Identification Number (TIN) must provide information to establish clearly distinguishable, separate identities for each organization in order to be listed separately in the Annual Drive. The information supplied by nonprofit organizations with a common TIN must establish that they are not simply a parent organization and a program(s) of the parent organization. Provision of information does not guarantee separate listings. Such information may include:

- a. separate accounting, including independent financial statements;
- b. separate advisory/governing bodies;
- c. clearly defined geographical service areas such as local chapters of a national organization; or
- d. independent branding including website and marketing materials.

C. Governmental Unit Participation

1. A state of Washington governmental unit may apply for inclusion in the Annual Drive if a contribution for the purpose specified by the governmental unit would constitute a "charitable contribution" under Section 170 of the Internal Revenue Code of 1986. Under Section 170, a charitable contribution to a state or political subdivision must be "for exclusively public purposes." In order to

establish eligibility, a governmental unit must include with its application the following:

- a. Documentation that the governmental unit is authorized to solicit and accept donations for the purpose identified in the application.
- b. Documentation of a separate fund or account that designates that its uses are limited to donations made for the purpose identified in the application; and
- c. A legal review stating that a contribution to the separate fund or account would meet the definition of “charitable contribution” under Section 170.

D. Revocation of Eligibility

The EGP Committee shall revoke a determination of eligibility if one or more of the following occurs:

- a. Fraud;
- b. Failure of an applicant to inform the EGP Committee of any fact that would affect the EGP Committee's determination about the applicant's eligibility; or
- c. an applicant is ineligible under K.C.C. 3.36.045 or rules adopted for the program.

E. Eligibility Verification

The EGP is responsible for annually verifying that nonprofits applying for inclusion in the Annual Drive meet the eligibility criteria established by K.C.C. and rules adopted for the program. The EGP may review:

- a. certifications and documentation submitted by independent nonprofit organizations, and
- b. certifications, processes and documentation used by federations to confirm that their member nonprofit organizations meet Annual Drive eligibility criteria.

F. Nonprofit Expenditure of Donations

A nonprofit organization receiving donations from King County employees through the Annual Drive must expend those moneys, for the announced purposes of the nonprofit organization, within the twelve-month period following receipt.

G. Federation Disbursement of Donations to Member Nonprofits

Federations shall make distributions to their member charitable organizations as designated by contributors.

H. Responsibilities

1. The EGP Committee will conduct the EGP in accordance with these rules and will update the rules as needed through the rulemaking process.

2. Nonprofits applying to and participating in the EGP will adhere to these rules.

IV. Implementation Plan

This rule becomes effective for the Program on March 17, 2021. The Employee Giving Program is responsible for implementation of this policy.

V. Maintenance

This rule will be maintained by the Employee Giving Program or its successor agency.

VI. Consequences for Noncompliance

Non-compliance will result in the revocation of eligibility as described in Section III, Subsection D above.

Appendices: None