

# LAKE AREA UNITED WAY

## MEMBER ORGANIZATION AGREEMENT

(Board Approved January 12, 2010)

### FORWARD

This document serves as a reference source for the procedures and policies of budgeting and of allocating voluntary contributions received during the annual Lake Area United Way, Inc., campaign as well as all other aspects of relations between the Lake Area United Way, Inc. It must be the mutual goal of Lake Area United Way and Member Organizations (agencies) to exercise stewardship over these funds.

The Executive Committee of the Board of Directors of the United Way is hereinafter referred to as the "Board of Directors." All references to United Way refer to "Lake Area United Way". "Member Organizations" refer to what was noted as Agencies in former years.

The volunteers of the Investment & Allocation Committee accept the challenge of allocating these dollars as equitably as possible to meet needs of the community. The cooperation received from Member Organization personnel and their volunteers in providing the Investment & Allocation Committee volunteers with the necessary information for them to make decisions is appreciated.

## PHILOSOPHY OF FEDERATED MOVEMENT

### **Federated Funding**

The United Way federated allocating is focused on the community as a whole and is a united effort of citizens and organizations to plan and finance a balanced program of voluntary programs focused on enhancing education and youth development, increasing incomes and financial stability, and the promotion of health and wellness programs. These primary areas of focus are centered on creating opportunities for a better life for the entire community, and thus advancing a common good philosophy. Inherent in this concept is a single appeal for funds based on a competent appraisal of community needs.

The investment and allocation process requires a continuous effort to come to mutual understandings based on a sharing of viewpoints and information. No one organization has a monopoly on the wisdom and knowledge needed to decide what is best for the community.

In order for the process of this philosophical process to be successful in achieving its potential usefulness to the community, there must be a voluntary sharing of sovereignty. The people who participate in it must recognize overall needs and objectives transcend the interest of any one organization or its movement.

Allocating for the community is not a process of bargaining as to how the “campaign take” will be divided. It is:

- The careful study of community needs versus a specific organization’s individual needs and allocation request;
- The weighing of needs of different kinds of programs and related services;
- The distribution of available funds in the way which seems best for the community as a whole; and
- The wholehearted and competent effort to secure and carry out the needs of the recognized organizations.

### **Objective Decisions**

A Member Organization exists and merits public support only for the programs and services it renders to the community. It does not exist for its board, its staff or itself. United Way considers what is good for the entire community and its funded member organizations, both individually and collectively. In making decisions, the Community Investment Committee keeps this objective viewpoint. Personal feeling for or against any organization must be avoided if such decisions are to be impartial.

Use of influence or pressure should be studiously resisted. Threats of withdrawal from membership merit no consideration in the face of honest facts.

### **Member Organizations Must Adhere To Lake Area United Way Policies**

No matter what method of financing is used and no matter what amount of money is allocated, each financially participating Member Organization must adhere fully to the policies established by Lake Area United Way.

## **The Member Organization's Business is Lake Area United Way Business**

Lake Area United Way, Inc. does not discharge its obligation to the communities' investors or contributors nor to the other member organizations if it reaches a decision with respect to one phase of any organization's operations without informing itself about the total finances, programs and plans of each member organizations (agency). The financially participating member organizations are autonomous organizations with the right to manage their own internal affairs, but must recognize that total information is essential to the proper understanding of their budget.

### **Method of Funding**

Lake Area United Way, Inc. reserves the right to disburse the community invested funds through a variety of methods. This determination may be through grants, program allocation funds, or collaborative partnerships. Disbursement of the community funds collected remains the responsibility of the Lake Area United Way board of Directors and the Community Investments Committee through review of the member organizations, their respective budgets and the United Way funded programs. Available campaign funds are then allocated based upon community need and relative value of service to the community and quality of the organizational operation.

### **Purpose of Funding**

Lake Area United Way funds are for program operating costs only, and are not intended to cover capital expenditures or overall operational costs. Land and building acquisitions, improvements and major equipment purchases are not within the scope or purpose of United Way funding.

### **Duplication of Service**

In reviewing program funding applications, consideration must be given to the fact that few communities can afford the luxury of duplicate services between public and private or among private non-profit organizations.

### **Designations**

A contribution designated to a particular non-profit organization does not increase the allocation to that organization. Designations will be honored and the Member Organization (agency) will receive the full amount designated.

### **Salaries**

Primary responsibility for determining individual salary schedules and wage rates rests with the member organization's board of governance. General questions of salary and wage rates are only matters of joint concern because of the relationship between qualified personnel and efficient services.

A schedule of salaries and benefits for the current year and proposed changes for all employed personnel for the coming year shall accompany the annual funding application. Confidentiality of these salaries will be of the utmost concern of the Lake United Way Board of Directors, its personnel, and the Community Investment Committee members.

***COMMUNITY INVESTMENTS COMMITTEE***

**Responsible to Board of Directors**

The Community Investment Committee is a committee of Lake Area United Way and is under the direction of the Lake Area United Way board of directors.

**Community Investments Committee Composition/Membership**

The Community Investment Committee shall consist of one member for each member organization. New committee members shall be appointed by the Lake Area United Way's Board to fill the vacancy of members whose terms have expired. Each member shall be appointed for the term of three years. The appointed members of this Committee shall not serve on the Board of Directors (control or governance) of any participating Member Organization or organization funded by Lake Area United Way during their term.

**Community Investments Committee Duties**

The Community Investment Committee shall be responsible for the study, review and analysis of the operating budgets of member organizations. It shall confer with representatives of the various participating organizations and shall recommend to the Lake Area United Way Board of Directors the allotment of funds to member organizations. The Committee shall function throughout the year and may be called upon by the Admissions and Review Committee should supplemental funds be requested by any member organization. The Committee's reports will be given to Lake Area United Way Board of Directors or its Executive Committee for final action. Requests for funding by other local non-profit organizations will be processed by the Admissions & Review Committee with possible consultation with the Community Investments Committee members.

**Other Duties**

The Community Investments Committee shall consider and make recommendations in regard to all matters pertaining to special appropriations; the study of budgets of all participating member organization; increases or reductions of allocations and payment to member organizations in accordance with these allocation allowances; and all other matters pertaining to their programs and finances.

***HOW THE FUNDING ALLOCATION PROCESS WORKS***

**Evaluation of Budgets**

Consideration of member organizations' budgets is two-fold, involving (1) evaluation of services and program plans and (2) analysis of financial figures. The basic job of the Community Investments Committee is the evaluation and approval of programs and subsequently the plans for financing those programs.

The entire program of services of an agency, including a financial statement concerning all community services, shall be provided to the Community Investments Committee for study, even though the request for Lake Area United Way support may be for only a portion of its entire services. Financial questions should not be allowed to dominate the funding distribution process at the expense of an interest in program content.

### **Time of Annual Request**

- |  |             |
|--|-------------|
| 1. Organization/United Way meeting for distribution of funding application | January     |
| 2. Application and required documentation to United Way                    | March       |
| 3. Organization session  | April       |
| Committee receives completed funding applications                          |             |
| 4. Committee members visit agencies  | April       |
| Review programs and operations   |             |
| 5. Committee meets with member organizations' representatives              | May         |
| 6. Committee determines funding recommendations                            | May         |
| 7. Committee recommendations presented to LAUW Board of Directors          | May - June  |
| 8. Monthly disbursements   | July - June |

### **Training Session**

Each member organization shall have representatives at the annual Member Organization meeting conducted by Lake Area United Way. This should include the executive director and staff involved directly in program and/or budget preparation. The meeting shall be held within a reasonable timeframe of distribution the year's current application form to allow the agency reasonable time for preparation and submission of budget data. Application forms will be distributed to Member Organizations before this meeting to provide overview and formulation of questions.

### **Distribution of Materials**

A sufficient number of copies of the application for funding are to be provided Lake Area United Way for all members of the Community Investments Committee by the date requested. One copy of all requested organizational documents such as the annual audit of the most recent fiscal year shall be provided. Late audits severely handicap the Committee in analyzing budgets and may result in the forfeiture or delayed payment of monthly allocations to the Member Organization. (See Chapter 4 for "delayed or forfeiture of payment")

### **Conferences**

A review conference is held with each organization and the Community Investments Committee before allocation determinations. During the conference the member organizations will have the opportunity to give the Community Investments Committee an understanding of the program(s), related services provided, and to supplement through face-to-face discussion, the information submitted in writing.

The meeting with the member organization's representatives should be a conference and not a hearing. Discussions should be conducted in an atmosphere of mutual good faith. Every effort should be made to establish a friendly and relaxed atmosphere in which both the Member Organization and the Committee can objectively discuss the organization's operations as they relate to its United Way funded program(s). There should be sufficient organization representation at the conference to provide adequate responses to all questions relating to budget, programs and administrative procedures. During the course of the conference, the Committee and organizational representatives should go as far as possible in arriving at a mutual understanding of the services/program(s) and budget.

### **Visits to Member Organizations**

The Community Investments Committee will be comprised of a number of representatives sufficient to the number of Member Organizations to insure proper representation. Visits to the organization's facilities will consist of questions regarding annual funding applications and details of programs and operations. Arrangements will be made with the chief executive officer, chief volunteer officer and all others involved with the application or funded programs in order to address relative questions.

### **Appeals**

Any appeal by a member organization regarding the Lake Area United Way Board of Director's decision on funding distributions must be made in writing and in the Lake Area United Way office no later than seven calendar days after receipt of funding notice. Every effort will be made to reach a mutual agreement between Lake Area United Way representatives and the appealing organization.

### **United Way Office Function**

The Lake Area United Way office is the central service of the entire system, responsible for campaigns, funding disbursements, organizational planning and general administration. It does not provide direct services, and would only do so in collaboration with member organizations. It operates principally on one source of income or specialized grants, thus making it different from the funded member organization's system.

## **CHAPTER 4**

### ***YEAR ROUND FUND DISBURSEMENT ADMINISTRATION***

#### **Funding Disbursement**

Member organizations may request advance payments in times of financial hardship. Such advances will be made within the limits of available funds and strategic funding priorities. In no event will the total funds paid to any organization during the fiscal year exceed the amount of the approved allocation without the approval of the United Way Board of Directors.

#### **Additional Disbursements**

When an organization faces a serious financial problem unforeseen at the time of the annual Community Investment Committee review and conference, the organization's board of directors may make an appeal request to Lake Area United Way for consideration of additional funds.

Requests for additional funding must be submitted to the Lake Area United Way in writing. The organization should include all pertinent information and available material to support the request and may be requested to provide additional information if it is considered essential to complete the understanding of the request. All funding recommendations regarding additional disbursements will be subject to the Lake Area United Way Board of Directors' approval.

#### **Deficits**

Lake Area United Way is not responsible for financial deficit in any affiliated member organization's operating budgets.

#### **Overpayment of Disbursement or Allocation**

Should an overpayment to an organization occur during a calendar year, the amount of the overpayment should be returned. Under certain circumstances the overpayment may be carried over for consideration in any funding allocated for the following year.

**Forfeiture or Delayed Payment of Monthly Disbursement** (revised & approved 5/22/97)

With their application for funding, member organizations are required to submit a financial audit by a certified public accountant for a fiscal year ending within the past seventeen (17) months. In any event, audits for the most recently ended fiscal year are due no later than May 31<sup>st</sup> of the funding year. Those organizations, which do not provide an acceptable audit for the current (i.e. most recently ended) fiscal year by May 31<sup>st</sup> shall not receive monthly funding payments beginning July 1 and each following month until such document is provided.

If an acceptable and current audit is not provided to Lake Area United Way by July 1<sup>st</sup>, the Lake Area United Way Board of Directors shall determine the disposition of the unpaid disbursement. The Board, at its discretion, may continue withholding monthly payments until such time as an audit is forthcoming or may decide that the payments in question be forfeited altogether.

**CHAPTER 5**

***DEVELOPMENT OF NEW PROGRAMS OR CHANGES IN PROGRAMS***

**Development of New Programs**

In order to implement new programs which would require additional funding from Lake Area United Way, the member organization should notify Lake Area United Way in writing of its intent and request approval to include the new program in its United Way funding budget. The Admissions and Review Committee will review this request. Recommendations for approval or denial will be forwarded to the United Way board of directors for a decision.

**Review of Existing Programs**

Review of existing programs or member organizations is conducted annually by the Community Investments Committee, and the Admissions & Review Committee at the request of the Board of Directors or its Executive committee or upon the Review Committee's own initiative.

Reviews may be needed to improve delivery of program services through revamping of program structure if necessary, justify continuation or elimination of Lake Area United Way funding of an organization, reduce duplication of efforts or programs or to review and recommend alternative sources of funding through dues, memberships, etc. by the member organization.

Reviews resulting in recommendations to alter funding or delivery or services will involve the member organization's participation. All written reviews shall include the organization's response to each observation, conclusion or recommendation so the member organization will be aware of the review outcome prior to the Lake Area United Way Board receiving the review.

An unfavorable review will allow the member organization an opportunity to appeal directly to the Lake Area United Way Board within 15 days of notification of such a decision. Decision by Lake Area United Way board of directors on an appeal is final and binding on the Member Organization.

**CHAPTER 6**

***ADMISSION OF NEW MEMBER ORGANIZATIONS***

In the case of new organizations applying for funding consideration from Lake Area United Way, the Admissions & Review Committee reviews all written requests. Lake Area United Way maintains an "open door" policy for inclusion of non-profit organizations which operate within the current geographic

area of its responsibility and provides services not duplicated by other member organizations. The admission of a non-profit organization must be viewed in light of the strengths and weaknesses in the total community program of human services, the community need stated in priority terms, standards of performance of the non-profit organization, demonstrated readiness of the community to support the organization and the specific service(s) it represents, as well as Lake Area United Way's potential for adequate support of existing obligations.

Lake Area United Way may take the initiative in seeking out and encouraging an organization to apply for admission if inclusion of its program(s) strengthens the community's impact or improves the geographic balance of services rendered. Lake Area United Way may work toward the development of a new relationship or collaborative partnership.

Lake Area United Way will continue to respect the community's high priority to the elimination of separate and competitive campaigns.

### **Types of Organizations**

Lake Area United Way's member organizations are trustees acting for the people who give through the United Way. To fulfill its trust, Lake Area United Way seeks to insure that:

- a) Funds are spent wisely and economically.
- b) The Member Organizations receiving these funds do their work effectively.
- c) Unnecessary duplication, overlapping and conflict of activity is held to a minimum.
- d) Nonessential or ineffective services are eliminated and/or cease to receive funding.
- e) In so far as funds are available, the requirements are met for needed services that cannot be completely self-supporting.

The two types of organizations funded by Lake Area United Way are:

- a) Local non-profit organizations - must perform a needed service of a preventative, remedial or educational nature in the field of education, financial stability, health or wellness.
- b) Worthy local, state, national or international welfare organizations not complying with the qualifications governing the admission of Member Organizations may be included in the fund-raising campaign of Lake Area United Way upon complying with such requirements as the Board of Directors may from time to time specify. The agreement must be in writing and signed by both parties, the non-member organization and Lake Area United Way, Inc.

Member Organizations will be ineligible if their function is primarily of a political, religious or propaganda nature.

### **Criteria for United Way Affiliation**

#### **1. Member Organization's Purpose, Need and Program Affiliation**

- a) The non-profit organization must have a clearly stated and its legitimate purpose directed at meeting a community need.
- b) To be admitted, the Member Organization must qualify as a nonprofit tax-exempt organization meeting the requirements of the Internal Revenue Service. Proof of this must be presented. (It must maintain its status as a corporation organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of IRS Code of 1954, as it may be amended from time to time.)



- c) The Member Organization must have on record a clearly stated policy of non-discrimination for delivery of services.
- d) If the organization is operating under the auspices of a religious organization, there should be a clear line of demarcation in its budget and in its program between strictly religious activities and its social service or program. Its religious programs shall be supported by other funding sources.
- e) The Member Organization must have established reasonable continuity and permanence in the community and give indications of reasonably broad voluntary financial contributions, a sizable and active volunteer membership and successful public relations.
- f) The agency must provide a copy of their current organizational and/or operating by-laws to Lake Area United Way.

## 2. Programs

- a) Organizations must maintain active and necessary programs. The objectives of the programs must be pursued with careful regard for the welfare of the public and persons served by the program, the efficiency of the operation and consultation and cooperation with other organizations, particularly those in the same or related fields.
- b) The Organization must demonstrate the service it is providing cannot be adequately carried on by an already existing organization and can best be performed by a separately established organization.
- c) The Organization demonstrates and presents evidence of:
  - 1) A clearly defined program.
  - 2) An organizational and procedural structure adequate to carry out the program.
  - 3) Qualified staff and facilities appropriate to the purpose and numbers served.
  - 4) Hours of service that conform to functional practice and are geared to meet the needs of the population served.
  - 5) Basic records and statistics which clearly reflect the agency's work.
- d) The Organization must exhibit a cooperative working relationship in community planning with other Lake Area United Way member organizations, as well as non-members also engaged in social service activity, to insure that services are not duplicated and to help strengthen present or proposed services.
- e) Each Member Organization will provide volunteers to participate in the annual United Way campaign.
- f) Each Member Organization will permit use of its name, logo, names of staff and/or volunteers to be used by the Lake Area United Way, Inc. for purposes of community and public relations as well as media publicity.

## 3. Board of Directors

The Member Organization shall maintain a Board membership of sufficient size, diversity and representation to carry on its work effectively and with understanding of the population served by the organization. The Board shall hold meetings with sufficient regularity in order to properly discharge its responsibilities. The organizations should strive to conduct a minimum of four meeting per year.

By-laws of the organization shall define the duties and functions of its governing board, committees and officers, and provide orderly and planned succession and planned rotation of its Board membership.

#### 4. Financial Accountability

- a) The member organization shall have an annual audit of its accounts prepared in accordance with generally accepted accounting principles and certified by an independent firm of certified public accountants not otherwise connected with the Member Organization.
- b) The audit shall contain financial statements with as many detailed schedules as are necessary to show all the Member Organization's income and expenses, assets and liabilities, together with changes in endowment and other funds, reserves and surpluses during the period audited.
- c) The member organization shall prepare and use a projected annual budget which estimates income and expenses by kind.

#### **Procedure and Timing of Application for Affiliation**

Any organization desiring funding from of Lake Area United Way shall make a formal application to the LAUW Board of Directors not less than 180 days before the opening of the annual campaign for funds. Application must be approved by a majority vote of the organization's Board before such organization shall become a member organization. Accepted organizations will be considered for funding in the following funding cycle.

Procedure for application:

- a) Conversations between the organization's executive director and/or board president and the executive director of Lake Area United Way should be initiated as soon as the organization's board has expressed interest in Lake Area United Way affiliation.
- b) Before applying for United Way funding consideration the organization shall obtain copies of Lake Area United Way by-laws and Member Organization Agreement for study by the organization's board. The organization shall certify that its governing board has read and voted to accept the by-laws and Member Organization Agreement of Lake Area United Way.
- c) Sufficient copies of the budget, on forms provided by Lake Area United Way, and a copy of the most recent fiscal year audit shall be submitted to Lake Area United Way. Consultation by Lake Area United Way will be available throughout this period.
- d) Evaluation of the organization's programs and related services may be made prior to review to ascertain:
  - 1) Need for the organization's program/service, determined by Lake Area United Way's community priorities or strategic initiatives;
  - 2) Quality and effectiveness of the program(s) and related services;
  - 3) Relationship of the agency and its services to other existing agencies and services;
  - 4) Annual financial plan and current fiscal condition of the Member Organization;
  - 5) Local benefits derived from Member Organization which are national in scope;
  - 6) Any other pertinent information regarding the agency's operation;
  - 7) If there is a local office an on-site visit may be made.

e) Key board members and appropriate staff should plan to make the applying organization's formal presentation. The participants will discuss, in detail, the organizational structure, services, goals, needs and financial requirements, as well as the established policies and procedures between Lake Area United Way and the participating Member Organizations.

f) If the Board confirms the Committee recommendation for admission, the new Member Organization will be placed on the roster of Lake Area United Way for the upcoming financial campaign. The new member organization will be placed on the Investment & Allocation Committee agenda following the annual fundraising campaign in which they are first included as a member.

g) Participation in planned fund raising events and volunteer efforts will begin immediately following admission.

## **CHAPTER 7**

### ***TERMINATION OF FINANCIAL SUPPORT***

The relationship between Lake Area United Way and the Member Organization shall remain in effect until such time as it is determined the funded program or services ceases to align with United Way's comprehensive plan. Should the Member Organization cease to operate the funded program(s) or service a written notice of discontinuation is warranted and should be submitted to Lake Area United Way before the next scheduled funding disbursement. A notice to withdraw as a Member Organization should be given by the 1<sup>st</sup> of March in order to provide appropriate communications and prepare campaign materials.

#### **Termination of Membership and/or Financial Support**

Funding may be withheld to a Member Organization for the following reasons:

- 1) A Member Organization refuses to implement recommendations designed to improve its services to the community.
- 2) A Member Organization is unable to administer its funded program(s)
- 3) A review of fund limitations and/or funding priorities indicates a given program no longer aligns with Lake Area United Way's community impact initiatives.
- 4) The Member Organization's income from other sources is sufficient to meet the organization's operating requirements.

#### **Expulsion from United Way**

Any Member Organization may be expelled and dropped from the roster of member organizations at any time by a vote of two-thirds of the Board of Lake Area United Way, Inc. Such action may be taken only after a minimum of thirty days written notice has been given to such Member Organization. Notification will include information of its expulsion as a Member Organization will be considered and acted upon at the time of the meeting which shall be stated in written notice. The Member Organization shall be permitted to address any reasons, charges or complaints raised as justification for its proposed expulsion.

#### **Reason for Expulsion**

- 1) The Member Organization does not conform to Lake Area United Way by-laws.

- 2) The Member Organization fails to uphold the agreements stated in the Member Organization Agreement.
- 3) There is continued evidence of the Organization's inability to comply with accepted fiscal responsibility and control.
- 4) The Member Organization fails to administer its funded programs.
- 5) The Member Organization's program(s) no longer align with Lake Area United Way's community impact initiatives.

## **CHAPTER 8**

### ***MEMBER ORGANIZATIONS SELF-HELP INCOME AND SUPPLEMENTARY FUND DRIVES***

The following guidelines are provided to Member Organizations for obtaining contributions and other needed means of self-support in accordance with the letter or spirit of their agreement. There should be joint recognition by Lake Area United Way and the member organization it funds that:

- 1) The financial requirement to fund needed programs or services frequently exceeds funds available.
- 2) Persons and organizations with special concern for a Member Organization and its programs/services are often willing to contribute money to that Member Organization in addition to their gifts to Lake Area United Way.

The success of the Lake Area United Way annual fund-raising campaign is affected to a large extent by the degree to which it benefits the contributor as well as the participating Member Organization. Contributors have generally responded favorably to their part of an unwritten compact that calls for increased giving in return for the elimination of separate member organization fund-raising. This principle should be fully understood by both Lake Area United Way and its Member Organizations.

#### **Limitations**

To be fair and equitable to all Member Organizations, the following limitations are necessary:

- 1) Any member organization's supplementary fund drive shall have the approval of the Lake Area United Way Board and the member organization can expect its supplementary fund drive will be monitored by Lake Area United Way.
  - a) A Member Organization must not make any public or private appeal for operating or capital funds nor permit any other organization to conduct fundraising activity on their behalf without prior written permission of Lake Area United Way. Approval of a fund-raising appeal by a Member Organization, for any purpose, does not imply or commit Lake Area United Way to increased subsidy.
  - b) In the case of letter solicitations approved by Lake Area United Way, the Member Organization is required to forward, prior to mailing, both the type of contacts and the letter to Lake Area United Way office.
- 2) The Lake Area United Way logo shall be on all letterhead, pamphlets, and solicitation materials. Statements of solicitation shall indicate contributions are supplementary to their support of Lake Area United Way. Prospective contributors should be able to easily identify the Member Organization as a Lake Area United Way funded partner.

- 3) Solicitation shall be conducted during the time limitations approved by the Board of Directors of Lake Area United Way, and it should not jeopardize Lake Area United Way's annual fundraising campaign or violate the designated "blackout dates".
- 4) Solicitation shall never be publicized as a necessary to supplement inadequate Lake Area United Way funding allocations.
- 5) Solicitation shall not be used as a means to begin projects, which will later require additional Lake Area United Way funds, without approval of the Lake Area United Way Board.
- 6) Auditors of the member organization will be instructed to include in their annual audit the record and reports of the fund-raising unit, its affiliates, auxiliaries, and endowment accounts, with particular attention to be given to the audit of supplemental fund-raising efforts.
- 7) Only one capital campaign of the Member Organizations should be on-going in calendar year.
- 8) The importance of compliance with this procedure should be clearly recognized. Failure to:
  - a) request authorization for a supplemental fund effort and conducting such without approval;
  - b) comply with the terms and spirit of these guidelines;
  - c) comply with a mutually agreed upon cut-off date for all solicitation and follow-up calls is understood to result in possible sanction by Lake Area United Way which may consist of reprimand, refusal to allow future fund-raising efforts, deductions from current allocations, or elimination of future Lake Area United Way support.

#### **Organizational Self-Support Not Requiring Approval**

- 1) Bequests
- 2) Interest proceeds from unrestricted endowments
- 3) Fees for Services or Programs
- 4) Sale of Supplies and Equipment
  
- 5) Restaurant or Cafeteria
- 6) Rentals
- 7) Refunds from Clients
- 8) Unsolicited Gifts
- 9) Out-Of-Area Contributions
- 10) Gifts-In-Kind
- 11) Foundations and Government Grants

#### **Desirable Methods of Self-Support Requiring Approval**

- 1) Sales of Manufactured Products
  
- 2) Memberships of any kind whether primarily for the benefit of the member organization or constituency

- 3) Ticket Sales (value of tickets shall have a reasonable relationship to its sale price with no director or indirect pressure exerted for bulk or block sales).
- 4) Special purpose letter or new media solicitation - for specific programs, projects: i.e., camp, Christmas activities, disaster, etc.

### **Capital Fund Drives**

Lake Area United Way recognizes the need of member organizations to provide for capital expenditures related to improving or building facilities. Capital expenditures would include any building program, purchase of land, or substantial remodeling of current facilities. To provide for capital funds, Lake Area United Way recognizes a need for capital fundraising campaigns and wants to promote all possibilities of a maximum campaign yield.

### **Guidelines for Capital Fund Drives**

- 1) A capital campaign must not be allowed at the expense of the annual Lake Area United Way annual fund-raising campaign for operating funds; therefore, capital campaign will be allowed with Lake Area United Way Board approval only.
- 2) Lake Area United Way or its staff should be apprised of the feasibility study of the Member Organization's fund development plan and recognizes adequate planning of a capital campaign is tantamount to its success. The Member Organization is to submit the proposed fund drive and planned usage to Lake Area United Way six (6) months prior to the beginning of the drive. A Lake Area United Way response on any such proposal will be provided within a 30-day period following receipt of the plan.
- 3) The following documents are considered appropriate planning guidelines for a successful capital campaign:
  - a) Documented need for campaign (program expansion, space, replacement)
  - b) List alternate possibilities considered other than community appeal (foundations, grants, selected individuals, strong agency supporters).
  - c) Detail program use of campaign funds effect on program operating budget in the next five years (staff, occupancy, materials).
  - d) Acceptable alternatives should the campaign fall short.
  - e) Site plans, architectural renderings, and estimated cost.
  - f) Campaign details including time table (advance cultivation, deadline for initial contact, deadline for cessation of follow-up contact), scope of campaign (community-wide, foundations, corporations, targeted individuals), and prospect list by scope of gift.
  - g) Method of solicitation and estimated direct and indirect costs of the campaign.
  - h) Statement of agreement to conduct campaign as outlined, and concluded within the timetable established before the drive along with periodic updates.
  - i) Within 60 days of the completion of the fund raising effort, a report will be submitted to Lake Area United Way indicating the results of the fund raising activity.

**Lake Area United Way Member Organization Agreement**

Signed In Agreement:

\_\_\_\_\_  
January 22, 2020  
Date

\_\_\_\_\_  
Organization Name  
Date

\_\_\_\_\_  
Executive Director  
Lake Area United Way, Inc.

\_\_\_\_\_  
Executive Director

\_\_\_\_\_  
Board President  
Lake Area United Way, Inc.

\_\_\_\_\_  
Board President  
Member Organization