



Administrative Regulation

AR 388

RESPONSIBLE DEPARTMENT:
HUMAN RESOURCES, x22491

SUBJECT: SCOTTSDALE EMPLOYEES' CHARITABLE CHOICES CAMPAIGN

EFFECTIVE DATE: 9/09
Amendment dates:

RELATIONSHIPS TO ADOPTED POLICIES, ORDINANCES
Scottsdale Revised Code Section 14-107 relating to payroll deductions

CYCLE OF REVIEW:
ANNUALLY

APPROVALS:

JOHN C. LITTLE, CITY MANAGER

DATE APPROVED: _____

DR. LA VERNE PARKER DIGGS, GM, HUMAN RESOURCES

DATE APPROVED: _____

Sec. 1 Purpose

This administrative regulation provides policy direction to address requests from charitable federations and/or organizations requesting to participate in future Scottsdale Employees' Charitable Choices (SECC) campaigns, in conjunction with the City's campaign goals and staff capacity to administer the SECC campaign.

The purposes of this policy are:

1. To offer City employees the opportunity to donate to one or more specific charitable organizations and the option to do so through payroll deduction(s).
2. To establish eligibility criteria and requirements for charitable federations and/or organizations to participate in the SECC campaign.
3. To establish a framework for administering the SECC campaign.

Sec. 2 Policy

1. Scottsdale Revised Code, Chapter 8 (Charitable Solicitations), is interpreted to apply to the City's general public and does not apply to soliciting charitable donations from City employees at their workplace.
2. As of Fall 2008, the City uses the Valley of the Sun United Way (VSUW) E-Way donation website to facilitate paperless employee charitable contributions, including specific listings for other federations, human services, environmental, health care and local Scottsdale charities. Local charities and other federations (e.g., Community Health Charities of Arizona, Environmental Fund for Arizona) have been included in the annual campaign beginning in 2003.
3. Each year the Human Resources General Manager (HR GM) will convene a SECC Campaign Committee and in conjunction with the Committee, determine whether or not any current applications will be accepted for consideration to expand the list of charitable organizations. If in the particular campaign year the Committee considers expanding the list of charitable organizations, applications will be reviewed:

- a. To determine whether or not they meet the eligibility criteria and requirements as noted below.
 - b. To determine how they enhance choices for City employees.
 - c. In conjunction with an assessment of the City's administrative capacity to absorb additional federations and/or organizations for that year.
4. The primary focus of the SECC campaign is to support (Valley/Scottsdale) health, human services, environmental and local Scottsdale agencies. The applicant must meet the following eligibility criteria and requirements to be considered for participation in the SECC campaign. The applicant must:
 - a. Be qualified to do business in Arizona.
 - b. Have active programs within Arizona.
 - c. Be a nonprofit, tax-exempt, charitable federation or organization supported in part by voluntary contributions from the general public, and be providing charitable services.
 - d. Retain its status as a 501(c)(3) and 26 USC 170 tax-exempt entity pursuant to the internal revenue code and the applicable laws of Arizona for the period in which the funds are being requested.
 - e. Have administrative costs of 25% or less for agencies, with a goal of 18% or less for federations. The City of Scottsdale's practice has been to work closely with federations by paying the administrative cost out of City funds to assure employee contributions are provided directly to agencies.
 - f. Provide for an annual financial audit by an independent certified public accountant if revenues in the preceding year exceed \$100,000.
 - g. Comply with all laws and regulations regarding nondiscrimination and equal employment opportunity with respect to its clients, officers, employees and volunteers.
 - h. Agree to adhere to City guidelines, ensuring that contact with City of Scottsdale employees' is limited to campaign events and respecting the right of employees to choose to participate or not.
 - i. Ensure that its promotional activities and printed materials are based upon actual program operations and are truthful, not deceptive, and include all material facts relative to its cause.
 - j. Verify that its publicity and promotional activities protect against unauthorized use of its contributor lists, and do not permit the payment of commissions, kickbacks, finder's fees, percentages, bonuses, or overrides for fundraising and solicitation of the public.
 - k. Confirm that the organization under consideration can be added to the online donation website used by the City and complies with other administrative assignments to promote efficiency.

Sec. 3 Responsibilities

1. The HR GM is responsible for the administration and enforcement of this policy. The HR GM will seek campaign chairs each year, and the HR department will support the coordination and administration of the campaign as needed.
2. City staff from various departments will be requested to participate in the administration of the annual SECC campaign, including departmental representatives to assist campaign co-chairs.
3. Payroll is responsible for processing employee authorized charitable contributions through voluntary payroll deductions and forwarding donations to the appropriate designated charities.

4. Each campaign year HR will request the manager of the donation website (e.g., Valley of the Sun United Way) to provide reports that detail contributions in total and by agency. HR will also request “federations” to provide reports that detail disbursements in total and by agency, will verify total contributions equal total disbursements (request detail supporting any discrepancies) and may contact individual agencies to verify contributions received.

Sec. 4 Program/Process Controls

Each year the HR GM will convene an employee charitable campaign committee that will plan and administer the annual campaign. The committee will develop an annual action plan that will include, but not be limited to, a list of participating agencies, a project timeline, forms, clearly established responsibilities, and a communication plan to the City organization.

Sec. 5 Procedures

1. Federations and/or organizations seeking participation in the annual charitable campaign shall apply by filing a written request with the HR GM on or before May 1 of each year.
2. The written request must include the following information:
 - a. The organization’s corporate or official name, headquarters or local address, telephone number, contact person.
 - b. The organization’s purpose or mission statement.
 - c. List of the federation or fund members or constituent organizations.
 - d. Description of the services provided.
 - e. Copy of the written policy of nondiscrimination.
 - f. Copy of the most current annual report, if available.
 - g. Copy of the most current financial audit; and
 - h. Evidence of nonprofit, tax-exempt status, eligibility for charitable contributions under the provisions of the Internal Revenue Code, and licensed to do business in Arizona.
3. Applicants will receive a written notice from the HR GM announcing the status of their application by June 30.
4. Applicants who qualify, but are not selected as campaign beneficiaries, may apply again the following year as available.

Sec. 6 Definitions/Glossary

Applicant: A federation or organization applying to participate in the annual employee charitable campaign.

Charitable Organization: Any entity described in internal revenue code section 501 (c) (3) (26 USC & 501 [c] [3]) and exempt from federal income tax under internal revenue code section 501 (a) (26 USC & 501 [a]) and supported in part by voluntary contributions from the public and which, unless exempt, is registered with the attorney general of Arizona or the Arizona secretary of state as a charitable corporation or nonprofit organization.

Charitable Organization Fund: An organization, to which tax deductible charitable contributions may be made pursuant to section 170 (c) of the internal revenue code, which solicits and distributes charitable contributions on behalf of other charitable organizations.

Federation of Charitable Organizations: An Organization which may receive tax deductible charitable contributions pursuant to section 170 (c) of the internal revenue code, and which consists of five or more

charitable organizations that solicit and distribute contributions on behalf of its member- or recipient organizations. A federation shall endorse the program objectives of its member or recipient organizations and shall ensure that these organizations comply with all state, federal, and CMC regulations governing solicitation of campaign contributions.

Beneficiary: A federation or organization that is the recipient of annual employee charitable campaign contributions.