



Policies and Procedures
for
Funded Agencies

Adopted: September 2016

United Way's vision for Southeast Mississippi is to transform the quality of life in our community. We are on a mission to cultivate partnerships in our communities that will change the lives of children and families through education, financial stability and healthy living.

At United Way of Southeast Mississippi, we pledge to hold fast to the following core values:

Integrity: Be honest in everything we do.

Accountability: Be effective, efficient; and transparent by regularly reporting results to community.

Collaboration: Be fully engaged with our community and committed to community-wide success.

Volunteerism: Mobilize residents to be meaningfully connected with our community.

Innovation: Create and support dynamic solutions to community challenges.

Diversity: Embrace and leverage the different points of view that diverse populations offer.

PURPOSE OF THIS DOCUMENT

This manual defines the expectations and structure of United Way's funding relationships. Organizations that receive support through United Way should become familiar with all policies and procedures. Failure to follow these policies due to lack of knowledge is not acceptable. By signing a funding agreement, agencies have agreed to follow these policies and procedures.

UNITED WAY'S COMMITMENT

United Way makes several essential commitments to its partners, key constituents and to the community as a whole. These commitments are outlined on the following pages.

Annual Workplace Campaign

Policy: United Way annually conducts a community-wide campaign that raises funds to support programs impacting change in the areas of education, financial stability, health and support services.

Procedures: United Way's commitment in fundraising is to set progressive and realistic campaign goals which are based upon current economic factors and community fundraising potential. The thrust of campaign takes place in the fall between mid-August and mid-November. However, United Way strives to remain flexible for companies that cannot conduct campaigns during this time frame.

Marketing and Agency Promotion

Policy: United Way makes every effort to communicate the effectiveness and accountability of funded agencies to the public.

Procedures: United Way believes that it supports the best selection of programs available in the community. Funded agencies meet high standards of performance and efficiency as verified by volunteers involved in the funds distribution process. United Way publicizes funded agencies through brochures, videos, public speaking opportunities and facility tours from prospective donors.

The United Way logo is a highly recognized symbol among the general public, representing accountability and integrity. United Way funded programs should place the United Way logo on related marketing and communications materials such as newsletters, brochures, fliers, posters, news articles, signage, letterhead, etc. The United Way logo should be visible and consistently used to keep the public aware United Way supports your organization. This recognition will provide the public with assurance that your program meets local accountability standards and will help keep them aware of how United Way dollars are used.

Needs Assessment

Policy: Distributing campaign funds is guided in part by regularly occurring, in-depth community needs assessments.

Procedures: United Way conducts needs assessments on a regular basis using current Census data, assessments conducted by other organizations around specific needs, as well as surveys and other research conducted especially for the comprehensive assessment. This assessment is used to set priorities to guide funding decisions during the intervening years. Focused or intermediate assessments may be conducted as required by changing conditions in the community or within United Way. Community agencies are encouraged to share their assessments with United Way, as new information has the potential to affect United Way's funding priorities.

Agency Relations

Policy: United Way is firmly committed to building and maintaining a network of strong, effective partner agencies by providing funding, consultation and community recognition for the important work of the agencies. United Way respects the autonomy and self-governance responsibility of funded agencies and supports this autonomy.

Procedures:

Communication with agencies

United Way strives to maintain open lines of communication with its funded agencies and to keep them informed of all decisions that impact these relationships.

Accountability

Fundamental to United Way's ability to attract contributions from donors in the community is its ability to ensure local accountability. It is primarily through the volunteer led funds distribution process that accountability is demonstrated to the community. No single factor in the review process is the basis for funding decisions. Rather, United Way volunteers weigh many factors against all funding requests to arrive at decisions. Such factors include United Way priorities, other funding requests, proposed budgets, dollars available, current program outcomes and proposed program outcomes.

The budget review is also an important component to the allocations process. In reviewing proposals, United Way volunteers expect that the presented financial data demonstrate that the agency operates its program(s) with a balanced budget and within funding commitments. All financial information should be accurate and as up to date as possible. United Way funds must be used for the purpose for which they were allocated.

Minimum Standards for United Way Funded Agencies

Policy: United Way is interested in funding agency programs that can demonstrate that they meet standards of governance, use of funds and administration (Appendix A).

Procedures: United Way has a strong reputation for having high standards for funded agencies, and United Way donors expect that their dollars are used to support agencies which strive to meet these standards. The Minimum Standards for United Way Funded Agencies is a listing of the basic expectations that United Way has of agencies receiving funding.

Funding process

The agency's role in the funding process is one of providing accurate and concise verbal and written information about its programs and its overall operations. The method used for agencies to provide such information may be periodically revised.

Proposal Preparation: Information sessions, pre-review of applications and additional assistance are offered to agencies prior to the deadline for submitting the proposal. Program budgets should be fully reviewed by a key agency board member, assuring that there is full justification for the funds requested prior to submission to United Way for consideration.

Allocations to agencies

Policy: United Way dedicates a major portion of funds generated from the annual workplace campaign to provide support to agency programs which meet United Way's minimum standards, address important community needs and participate in United Way activities.

Procedures: The funds allocation process is strictly volunteer-driven. Community Impact committee members are recruited locally from throughout the community. Volunteers serving on the Community Impact committee review each funding application evaluating program results, finances, operations, accountability measures and management of each funded program. The Community Impact committee ensures that the United Way funds are being spent wisely and is positively impacting people in our community. The committee makes funding level recommendations to the United Way Board of Directors. The United Way Board of Directors makes the final decision about program and funding recommendations.

Designation to agencies

Policy: United Way recognizes that some donors may choose to designate contributions to a specific organization or to another United Way organization in another city. Any agency receiving designations must be a 501(c) (3) organization and must comply with the United States Patriot Act by submitting the proper documentation to United Way. All funded agencies agree not to promote designations and agree instead to promote United Way as the most effective way to help the most people.

Procedures: The intention behind this policy is to avoid popularity contests among agencies in times of tight budget dollars and to promote the concept of leveraging one's gift with the gifts of others to make a bigger difference in meeting community needs. It also helps to provide grant funds that can only come through undesignated donations. Any agency promoting designations to itself or any other organization risks termination of its relationship with United Way.

FUNDED AGENCIES

Funded agencies are expected to comply with specific United Way standards, as the standards apply. Failure to meet these standards is grounds for denying admission, probation, phase-out funding or termination of funding.

Agencies must demonstrate that they meet all of United Way's standards (unless otherwise exempted by law or circumstance). Any agency that does not meet all of the standards must commit to meet all of the minimum standards in a mutually agreed to time frame.

There is no guarantee of indefinite program funding by United Way. Reasons for termination vary and depend upon the decisions of community volunteers, United Way Board of Directors and the agency itself.

The following policies apply to all agencies with a funding relationship with United Way through the funding allocation process.

Reporting

Policy: In accordance with United Way's standards, agencies with operating budgets of \$500,000 or more must submit an independent audit with full disclosure conducted by an independent, certified public accountant annually. Agencies with operating budgets of \$100,000-\$499,000 must submit a review completed by a certified public accountant. Agencies with budgets less than \$100,000 can submit a Compiled Financial Statement prepared by an independent certified public accountant. Audits, Reviews and Compiled Financial Statements should include: Statement of Activities, Statement of Financial Position, Statement of Cash Flows and Statement of Functional Expenses. All financial reports must encompass all agency funds and transactions, and must be prepared on an accrual basis following Generally Accepted Accounting Principles.

Procedures: Current Audits, Reviews and Compiled Financial Statements must be included with funding application. If circumstances warrant, a written 30-day extension may be requested.

United Way Workplace Campaign

Policy: Funded agencies are expected to participate in the United Way campaign effort every year.

Procedures: Agency staff is not required to contribute to United Way. However, agency directors are expected to set an example for the United Way campaign and provide staff with the opportunity to contribute by allowing a United Way staff member or volunteer to directly solicit contributions from employees during the United Way campaign. This procedure would not apply to agencies without paid employees.

Co-marketing

Policy: Each agency is expected to publicly acknowledge its relationship with United Way and to promote local giving through United Way during the annual campaign. United Way's ability to raise funds from the local community is deeply dependent upon the help and positive public support of the agencies that receive funds from the annual workplace campaign. Agencies should use public service

announcements, brochures, fliers and public speaking engagements as opportunities to promote its relationship with United Way as well as the added value of funding allocation process.

If the funding relationship ends, use of the United Way logo in co-marketing must cease.

Procedures: All materials created to inform the community about a specific program which received United Way funding must include an acknowledgement of this support and display a United Way logo.

Supplemental fundraising

Policy: Recognizing that United Way funds only a portion of any agency's budget, supplemental fundraising is necessary. As noted in the co-marketing policy in this manual, each agency is responsible for recognizing its relationship with United Way in any written materials promoting the agency or any related fundraising effort.

There are two restrictions on fundraising conducted by funded agencies with one or more funded programs:

- 1) No solicitation of corporate funds for monetary support. There are circumstances; however, in which an agency can solicit gifts from specific companies. The only circumstances are the following:
 - Solicitation for capital expenses
 - Solicitation for donation of company products
 - Solicitation for sponsorship of specific fund-raising events
- 2) No solicitation of employees in the workplace. Funded agencies can never conduct employee workplace giving campaigns.

Procedures: United Way considers all agency fundraising plans on a case-by-case basis. Agencies are required to annually submit fundraising plans to United Way as a supplement to the program proposal for funding. United Way may contact the agency as needed to clarify the scope and purpose of specific fundraising efforts upon reviewing such plans. Unless notified otherwise, the plan will be considered approved by United Way upon signing the annual agreement.

Requests for exceptions to the restrictions outlined in this policy or for additional events not presented in the annual funding proposal must be presented in writing to the United Way President. The agency must receive written approval before engaging in fundraising conflicting with this policy.

It is extremely important that funded agencies comply with this policy consistently. Failure to do so could be detrimental to the fundraising abilities of both the agency and United Way. If United Way becomes aware that the policy is not being followed, the agency will be contacted by United Way to alert the agency of the problem. In addition, violation of the policy will result in a meeting between the agency and representatives of United Way, whom will recommend appropriate action to the United Way Board of Directors. After review of the United Way Representatives recommendation, the United Way Board of Directors will determine final action including (but not limited to) a written warning, surrender of funds raised in the violation, reduced allocation, probation or termination.

GENERAL POLICIES

The policies outlined below apply to any agency receiving United Way funds.

Program funding

Policy: In its efforts to ensure accountability and fund services addressing priority needs, United Way chooses to fund specific programs. A program is a service or group of related and supportive services that work together to accomplish specific outcomes. A program has one budget and is typically one of several ways an agency operates to fulfill its mission.

Procedures: It is important to write United Way funding proposals with specific information about the program(s) for which funding is requested, the amount of funding needed and the specific purpose for use of the funds being requested. Any significant changes to funded programs of funded agencies must first be approved by the United Way before a funding request will be considered.

Funding disbursements

Policy: United Way funds are distributed during an April 1-March 31 funding year.

Procedures: United Way allocations are paid by check at the beginning of each month.

Agency reserves

Policy: United Way does not fund agency reserves.

Procedures: All requests for funds must be for a specific program that provides services to the community. However, United Way does encourage agencies to build its security by establishing a board-designated reserve fund. United Way suggests that a reserve equal the amount of funds needed for a three-month (90-day) operating period as a sound management practice. Agencies with facilities to maintain may accumulate up to six months. Funding may be reduced if an agency maintains a reserve in excess of six months without a specific, time-limited plan.

Administrative fees

Policy: United Way funds cannot be used for non-program directed administrative fees and costs.

Procedures: United Way funds can only be utilized to fund specific program expenses related to the delivery of services that address education, financial stability, health and support services.

Capital fundraising

Policy: United Way program funding is not to be used for capital expenditures (defined as equipment or facility expenses exceeding \$500).

Procedures: Any United Way funded agency wishing to undertake a capital campaign of any amount, which will include the solicitation of corporate gifts, must submit such a campaign plan in writing to the United Way President.

Non-compliance with United Way policies

Policy: All United Way funded organizations are expected to adhere to all applicable policies, supporting procedures, other directions outlined in this manual, the funding agreement and/or funding contingencies.

Procedures: United Way and its funded agencies are expected to act in good faith in carrying out all conditions of the funding relationship, which are spelled out in funding agreements, this manual and contingencies placed on any allocation. If good faith efforts fail, both parties reserve the right to terminate the relationship.

*THIS STARTS Appendix A (Minimum Standards for United Way Funded Agencies)

MINIMUM STANDARDS FOR UNITED WAY FUNDED AGENCIES

The Agency must offer programs directed toward addressing education, financial stability, health and support services needs to the residents of the United Way service area. All of the agencies we support meet the strict requirements of and have the designation of 501(c) (3) under the Internal Revenue Code. However, not every 501(c) (3) organization fits our parameters. For example

- A. We are not affiliated with a particular religion and do not espouse or promote the creeds, beliefs or moral positions of any religious organization. Programs funded by our United Way must be made available to the general public and not tied to subscription to a particular faith or belief.
- B. We choose to remain neutral in the complex discussions about reproductive health and family planning issues. United Way of Southeast Mississippi does not fund programs concerning reproductive health, rights of the unborn, termination of pregnancies and adoption issues.
- C. We are not a political organization and do not support programs, agencies, or agendas that seek to advance particular parties, candidates, or positions of a political nature.

We reserve the right to reject a particular agency if it espouses or advocates positions concerning religion, politics, sexuality or reproductive health.

Governance

- 1. The agency is incorporated.

Documentation: articles of incorporation

- 2. The organization is a nonprofit with tax exempt status under the IRS code.
Select Status: 501 (C) (3) _____ Other (Please list status) _____

Has own IRS Determination _____ OR
Subsidiary Covered Under Another Organization’s IRS Determination _____

Documentation: determination letter from IRS

- 3. The agency is governed by a board (consisting of at least nine volunteer members) that meets regularly (at least four times a year), operates with a quorum and records minutes of all meetings.

Documentation: board of directors list, dates and times of meetings and names of those present

- 4. The agency volunteer board is governed by bylaws which are reviewed annually and ratified or revised as needed.

Documentation: bylaws or constitution, most recent review of bylaws and most recent revision of bylaws

- 5. Board members must serve without compensation. No paid staff of the agency may serve as a voting member of the board.

6. The board controls the fiscal affairs of the organization, including the development and adoption of an annual budget and written financial policies and procedures.

Documentation: budget, financial statements and balance sheet distributed to board members and minutes recording acceptance; written financial policies and procedures, 990 tax filing form (if required)

7. The agency must have been actively conducting business for at least two years.

Use of funds

8. The agency with an annual budget of \$500,000 or more has an independent audit. An agency with an annual budget of \$100,000-\$499,000 has a review completed by a certified public accountant. In the case of an agency having a budget below \$100,000, has a compilation conducted annually by a certified public accountant.

Documentation: audit with management letter or compilation

9. The agency must be willing to comply with all financial reporting requirements.

Documentation: submitted reports

10. The agency has outlined its goals in a long range or strategic plan and the use of funds is in accordance with the mission.

Documentation: long range/strategic plan

11. Each program has an annual operational plan with quantifiable outcomes that specify the results to be achieved during the defined time period.

Documentation: program objectives

12. There is a system in place to measure progress on achieving outcomes and to report progress to the board.

Documentation: indicators for measuring outcomes and board minutes that record reporting progress to the board.



Memorandum of Agreement

between

United Way of Southeast Mississippi

and

(Agency Name)

Funding Period: April 1, 2017 – March 31, 2018

This agreement is based upon the mutual beliefs of both United Way and the partner agency that:

- a community-wide fundraising approach, collaborative planning to meet the community's educational, health, and human service needs, and the awarding of funds based upon citizen review of programs are the most effective and efficient ways to improve lives in the community;
- a clear understanding and mutual acceptance of the respective roles of United Way and the Partner Agency is essential to their joint effort to improve lives by meeting the educational, health and human service needs of the community, and to work together to meet these needs.

Section I Annual Fundraising Campaign

United Way agrees to:

- a) conduct an annual community-wide fundraising campaign and to perform all collection duties of the pledges received during the campaign;
- b) allocate the contributed funds through a volunteer-led funds distribution review process.

The partner agency agrees to:

- a) cooperate with United Way in conducting the most effective campaign possible by providing help when requested. This includes, but is not limited to, providing campaign volunteers, public relations support and attending campaign functions.
- b) not solicit local employee groups at anytime during United Way Workplace campaign.
- c) not conduct campaigns to encourage designations.

Section II Funding awards

United Way agrees to:

- a) be advised by community members in awarding donated funds.

The partner agency agrees to:

- a) accept the final award approved by United Way's Board of Directors and to use it for program expenses only. Bricks and mortar expenses are not allowable expenses.

Section III Public Relations

United Way agrees to:

- a) generate community support for United Way and its partner agencies, in addition to annual campaign activities, through year-round marketing and public relations efforts;
- b) publish and distribute throughout the UWSEMS service area information that indicates, at a minimum, the name and telephone number of all United Way partner agencies.

The partner agency agrees to:

- a) mention United Way affiliation in publications, press releases, flyers, presentations, etc., use the United Way logo on printed material where appropriate.
- b) comply in a timely manner with all United Way requests for agency-related articles, photos, narratives and other reasonable public relations information which, in turn, allows United Way to meet its obligation stated above.

Section IV Administration

United Way agrees to:

- a) respect the partner agency's autonomy and right to determine its own policies and programs;
- b) provide at the beginning of each year a tentative calendar for the upcoming year, and to provide a tentative list of the items the partner agency is required to submit to United Way throughout the year;
- c) foster a cooperative atmosphere for service delivery by collaborating with partner agencies and other organizations when planning ways to serve targeted areas or populations;
- d) ensure fairness in the treatment of partner agencies by monitoring each for compliance with this agreement.

The partner agency agrees to:

- a) have an active, local volunteer board which ensures effective management and meets at least quarterly (unless otherwise agreed upon between United Way and the partner agency), and to make the minutes of those meetings available to authorized United Way volunteers;
- b) collaborate with other agencies in the development and delivery of services to the community and, when appropriate, to work to eliminate unnecessary duplication of such services;
- c) submit audited financial statements, or an otherwise agreed upon set of financial statements, that include at a minimum, a compiled balance sheet and statement of income and expenses for the most recently completed fiscal year;
- d) comply with all applicable legal, federal, state and local operating and reporting requirements (e.g., generally accepted accounting practices, annual audit, Form 990 or Form 990Z and non-discrimination);
- e) submit complete and accurate reports mid-way through the funding period (by the last day of September) and at the end of the funding period (by the last day of March);

- f) inform United Way of any significant procedural, administrative, managerial, program-related, or financial changes that are expected to occur, or have occurred since submission of the last report;
- g) comply with the spirit and intent of the United States of America Patriot Act and other counterterrorism laws and to submit certification to United Way indicating such, as part of the funding request process;
- h) comply with all other United Way policies not specifically stated herein.

Section V Noncompliance

Noncompliance with this agreement will be reviewed by United Way on a semi-annual basis and could result in funds being withheld in subsequent months, and will be taken into consideration when determining future funding awards.

This agreement shall be reviewed and approved annually by United Way and the partner agency.

This agreement has been read, approved and signed by:

Partner agency Executive Director: _____

Signature: _____ Date: _____

Partner agency President of Board of Directors: _____

Signature: _____ Date: _____

This agreement has been read and approved by United Way of Southeast Mississippi.

President/CEO: Tracie Fowler _____

Signature: _____ Date: _____