

Budgets & Admissions Manual

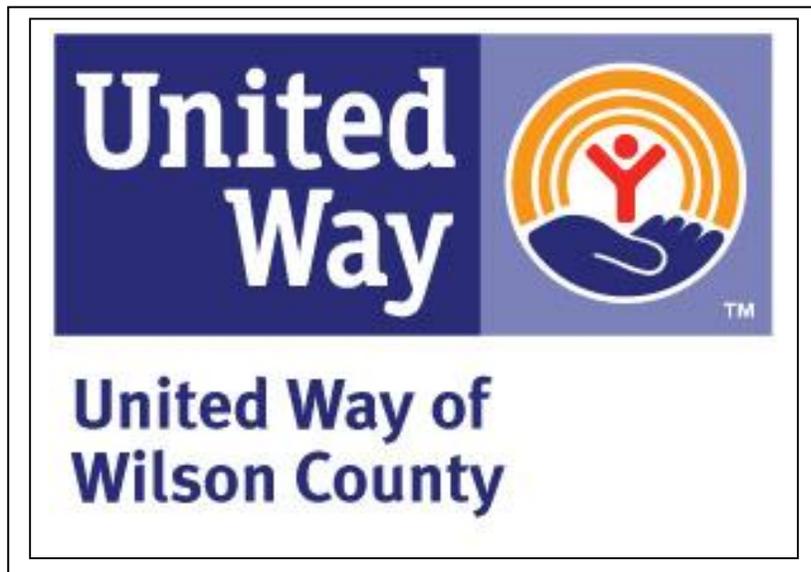


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Foreword

Each United Way agency's program is but a part of a total health, welfare, and character building group of services designed to meet the needs of the community. United Way of Wilson County has a responsibility to consider the community program as a whole when allocating funds to its member agencies.

Approval of budget allocations carries with it approval of the program in which the budgets are based. The budget should reflect rather than dictate the policies of an agency. If there comes a time when the budget is recognized as no longer representing an attainable or advisable program, it should be revised.

This manual has been prepared to provide information about budget procedure and responsibilities between United Way and its member agencies.

Responsibilities of United Way and Participating Organizations

Dual Responsibilities

Participating agencies and the United Way have a dual responsibility: to attempt to raise the funds to provide needed human services in Wilson County and to act as trustee for the funds contributed, giving assurance to the community that they are utilized effectively and economically.

United Way agencies and the United Way of Wilson County, Inc. must be audited annually by independent certified public accountants retained and paid for by each agency. A copy of the **Annual Audit shall be furnished to the United Way within 120 days from the last day of the agency's fiscal year.** (Any exceptions to this rule must be approved by United Way's Finance Committee).

United Way

United Way annually allocates funds to member agencies for operating purposes. The United Way allocation to each agency is for the calendar year beginning January 1 and ending December 31. Based on a budget which covers detailed estimates of income and expenditures as mutually agreed upon, each agency's allocation is distributed in monthly payments.

United Way Agencies

Each United Way member agency shall present a budget for the coming year to United Way on the date specified by the Budgets and Admissions Committee. This budget determines the financial needs of the agency for the coming year, taking into consideration expenditures required to carry on its program and estimated income available from its own resources and United Way. It also sets up a guide by which the agency can maintain control over its expenditures and income.

The annual budget should be based upon and correlated with a program of work that is carefully planned prior to the budget development. Conferences between representatives from the agency and the Budgets and Admissions Committee will provide opportunity for mutual understanding.

About The Budgets & Admissions Committee

The Budgets and Admissions Committee of United Way will consist of a minimum of 10 members and a chairman.

Specific duties and requirements of the Budgets and Admissions Committee include the following:

- The Budgets and Admissions Committee convenes annually in order to give consideration to the requests for funding of the participating agencies for the coming year. All B&A Members must be monetary contributors to United Way of Wilson County.
- Members of the Budgets and Admissions Committee will have the responsibility of visiting at least 60% of the member agencies. The purpose of the visits is to become familiar with the agency's programs, administration, finance, and physical requirements. ***Committee members must not serve on any boards or committees of current United Way Member Agencies, and must not have a spouse/family member on any member agency's board or employed by an agency that my cause conflict of interest.***
- The B&A Committee makes recommendations to the United Way's Board of Directors concerning the respective amounts to be allotted annually to each participating member agency.
- The Budgets and Admissions Committee informs the U.W. Board of Directors of any inter-agency or intra-agency problems of which they should have knowledge, and makes recommendations for possible solutions.

Budget Procedure

A definite date will be set each year by the Budgets and Admissions Committee by which agency budgets for the ensuing year should be delivered to United Way.

Budget Requests

In connection with the preparation, study, and approval of budgets, the following reports are essential:

- United Way will provide agencies with standard forms on which to record past financial experience and future twelve months estimate.
- United Way will also provide forms to analyze service rendered for the previous year.
- The agency's Board of Directors must formally approve agency budget requests before presentation to United Way. An adequate explanation of requested increases or notable decreases is important.
- Sufficient background material to convey an understanding of the agency's program is essential.
- Participating agencies operating on an area or district basis must report allocations from other United Ways in their initial request as well as in their quarterly reports.

Current Practices

The following are current practices with respect to budget allocations:

- Each budget is studied by the Budgets and Admissions Committee in detail together with other pertinent data prepared by the agency.
- There shall be ample opportunity for conference between the Budgets and Admissions Committee and member agencies. Budgets and Admissions Committee Members may request clarification on specific program or budget items.
- Allocations are determined as soon as possible after the conclusion of the campaign and funds available for the ensuing year are known.
- Agencies will be notified in writing as soon as possible after the final Budgets and Admissions Meeting. Allocations are subject to appeal by participating agencies to the Board of Directors of United Way (*see page 7*).
- Revision in agency budgets after the annual appropriation is determined shall be made as follows:
 - The Finance Committee, with approval by the Executive Committee, shall consider at any time during the year requests for supplementary appropriations, transfers, or use

(Budget Procedure, continued)

of unanticipated income, for the purpose of meeting unforeseen needs.

- An agency's allocation is considered to be a maximum allowance. If it is determined by the Finance Committee that for any reason, including, but not limited to, mismanagement, misappropriation, or cancellation of agency programs, that allocations are no longer appropriate, United Way reserves the right to cancel or adjust funding.

Regular Reports and Allocation Payments

To facilitate the Committee's quarterly review of current operations, each member agency must submit itemized quarterly reports on standard forms provided by United Way. These reports should be accompanied by written explanations of any items substantially at variance with the agency's budget. The quarterly reports should be in the United Way office by January 15, April 15, July 15, and October 15.

Allocation payments are made on or about the fifteenth of every month on the basis of the agency's quarterly report. United Way may advance allocation payments to an agency to meet unusual expenses.

Policies

Reserve Funds

Agencies will be allowed an operating reserve of up to 90 days. In addition, a capital reserve fund may be maintained with United Way of Wilson County Finance Committee approval.

Capital Assets

Endowments, bequests, real estate, personal property, trusts, and permanent funds remain the property of participating agencies, and they may add to them other gifts and bequests. Should endowments, bequests, real estate, personal property, trust, and permanent funds produce income and:

- If such income be designated for a specific purpose by the terms of an endowment, bequests or other governing document, the income produced by such properties will be set up in a separate fund and be used for said specified purpose, when it will be included in the budget as income and balanced out by the corresponding expenditures.
- If such general income not be so designated, it shall be considered as an item of general income in the current budget.

Endowment Funds

All additions to endowment or capital funds are to be reported annually as part of the audited financial statement and budget process.

Appeals Process for Member Agencies

Because each member agency of United Way has the right to appeal an allocation made by the Budgets and Admissions Committee, the following procedures will be followed.

1. Budgets and Admissions Committee meets to make recommended allocations for member agencies.
2. Agencies are notified by letter/email of the dollar amount to be recommended to the United Way Board of Directors at their next meeting. This letter gives the following instructions as to the appeals process:

***Note:** Agency directors will also be told their agency's allocations amount at the Agencies Directors Meeting held the next morning following the final B&A Meeting.*

- a. Requests for appeal must be in writing, addressed to the United Way President, and in the hands of the Executive Director no more than 10 days following the Budgets & Admissions Committee final meeting.
 - b. The letter must outline all aspects of the reasoning prompting the request. **The request will then be reviewed by an Appeal Review Committee** (consisting of the four B&A Committee Members & the United Way's Executive Committee).
 - c. Agencies contemplating an appeal should bear in mind that the judgment of the B&A Committee will be respected unless it is clearly apparent that there was an error or misunderstanding in the evaluation of the allocation request. The fact that an agency wishes to reemphasize points already made to the B&A Committee, or simply believes its allocation should be higher is not a valid basis for an appeal.
 - d. If the Appeal Review Committee approves the appeal for consideration, the appeal will then be placed on the agenda of the next Board of Directors meeting. The agency will be invited to send representatives to answer questions and clarify points already presented in writing.
3. The United Way Board of Directors will decide the final allocation amount for each agency.

United Way of Wilson County Supplemental Fund Raising Policy

The United Way of Wilson County is committed to the integrity of a single community-wide campaign. However, economic reality indicates that the United Way's ability to satisfy the total financial needs of its member agencies is limited. Certain forms of agency self-support, which can compliment the United Way concept, are encouraged by United Way of Wilson County. That support is governed by the following guidelines:

No supplemental fund raising campaign shall be conducted **from August 1 through October 31** of any year. Any campaigns beginning before August 1 shall be completed before that date.

United Way, at its sole discretion, will determine the acceptability of proposed fund raising activities based on this policy and guidelines suggested by this policy. When planning fund raising activities, agencies should consider several factors, including the impact on their current activities, those of other agencies in the community, and the ability of United Way to successfully and optimally conduct its annual campaign.

All fund raising activities of member agencies **must be approved in advance** by the United Way Finance Committee. Permission will be based on these principles with a primary focus on preserving the integrity and effectiveness of the United Way Campaign. All fund raising activities conducted by guilds, auxiliaries, or other community organizations on behalf of the member agency shall be considered activities of the agency itself. The agency shall be considered responsible to assure that such fund raising activities conform to the United Way guidelines. It is the responsibility of an agency to educate all volunteers about the supplemental fund raising policy and ensure that they abide by the policy. Agencies will be limited to three supplemental fund raising activities per year. Direct Mail solicitation by an agency's national organization will be considered the equivalent of one supplemental fund raising activity.

Fund Raising Activities Generally Acceptable Without Prior Approval of the Finance Committee

Agencies are encouraged to use, to the fullest extent, the following funding sources; (These are not considered supplemental fund raising events.)

Program Service Fees - Fees related to participating in agency programs and services.

Establishment of appropriate fees are within the province of the agency's Board of Directors.

Rental Fees - Fees for the use of agency facilities are appropriate sources of agency revenue.

Purchase of Service Contracts - Reimbursements from private and public agencies for services rendered on a contractual basis.

Out of Area Contributions - Agencies rendering significant services outside the United Way of Wilson County area are expected to develop appropriate amounts of contribution support from such areas.

Government/Chamber Sponsored Community-wide Events (i.e. Wilsonfest, Sunday In The Park) – Agencies are permitted to sell goods at such events (i.e. hotdogs, drinks, popcorn, crafts, etc.).

Civic Club/Church – Requests for funds from civic clubs or churches are permitted year round, provided they are not soliciting funds from the general public in the agencies name.

Contributed Equipment, Materials, or Services - In-kind gifts are permitted which do not diminish the support of the annual United Way Campaign

Private and Government Grants - Many nonprofit foundations and government agencies offer grants for services and should be explored to the fullest extent.

Investment Income - All monies should be in interest earning investments whenever possible.

Memorials and Bequests

National Disaster Relief Appeals

Possible Supplemental Campaigns

All materials or promotional items for any supplemental fund raising activity must identify the agency as a member of the United Way. This is to promote understanding by the contributor that the appeal has been sanctioned by the United Way.

The following activities will be considered for possible supplemental campaigns if properly requested by an agency: **Note: Must be approved by the United Way Finance Committee**

Raffles - All lotteries, drawings, and games of chance classified by state law as legal gambling and not prohibited as such.

Entertainment - Motion pictures, concerts, stage plays, celebrity shows, circuses, ice shows, variety shows, amateur nights, rodeos, etc.

Memberships - All types of membership programs wherein the member becomes involved and identified with the agency and is a part of an active constituency.

Meals and Refreshments - Breakfasts, lunches, dinners, picnics, wine-tasting, cocktail parties, teas, etc.

Shows - Painting, photography, antiques, home and garden, hobbies, flower arranging, pets, boats, autos, sporting goods, program activities, fashions, etc.

Public Sales - Income from value received sales of products directed toward the community at large.

Sports Tournaments - Golf, bowling, tennis, bridge, baseball, basketball, football, automobiles, airplanes, boats/horses, etc., directed toward the general public.

Social Activities - Dances, tours, charter trips, skating parties, excursions, etc., directed toward the general public.

Solicitations of Agency Board Members, Volunteers, and Staff Only.

Unacceptable Fund Raising Activities

Direct Solicitations - Except for the specific activities listed above, it is not appropriate for affiliated agencies to engage in any direct solicitation of contributions and/or designations for operating or current program purposes from the community at large, including telephone, internet, radio, door to door, published, or direct-mail solicitations.

Solicitation at Workplace - The concept of a single contribution at work is the United Way philosophy. Direct soliciting of workers at their workplace or for payroll deduction is not permitted.

Sales - While certain sales may be permitted, these sales shall be limited in scope and must provide reasonable value for the buyer. These activities must be pre-approved by the United Way Finance Committee. Broad based sales to the general public through telephone or direct solicitation will not be considered appropriate.

Procedure

It is preferable that agency supplemental campaigns be a part of the United Way Budgets and Admissions process. When this is not possible, all requests for supplemental fund raising by agencies shall be submitted in writing to the United Way office not less than ninety (90) days before the intended beginning date of the fund raising activity. Upon receiving a written request, the United Way Finance Committee will meet and make a recommendation to the Executive Committee for final approval. The agency will be advised in writing of the decision. A special form will be provided to the agency seeking a supplemental campaign.

Capital Fund Drives

Agencies may be permitted to conduct a capital fund drive for the purpose of obtaining a new building, major improvements to existing buildings or other major expenditures such as automobiles, trucks, vans or expensive office equipment. Capital Fund Drives are subject to the guidelines below:

- All requests must be in writing and submitted to the United Way Finance Committee at least 90 days before solicitation is to begin. Requests will include estimated costs for maintaining the facility or vehicle, and all data used to research the proposed purchase, to include alternative locations or discounted merchandise.
- The request must be approved in writing by the United Way Finance Committee.
- Campaigns must not be conducted during the United Way campaign period, August 1st through October 31st.
- No door-to-door, direct mail or telephone solicitations to the community-at-large will be permitted.
- Only one agency per year will be allowed to conduct a capital fund drive.

Failure to adhere to these guidelines will be addressed by the Finance Committee and the Executive Committee.

United Way of Wilson County Admission Guidelines

1. The agency must be incorporated, not-for-profit, and have an IRS tax exempt letter. United Way must verify compliance with the state's charitable regulations, must receive a copy of an IRS tax exempt letter or 501(c)(3) status and the agency bylaws.
2. The agency must offer human service programs.
3. The agency must provide a community service based on documented need. Services should be clearly defined, their impact documented, and targeted to a population or locale not presently served by existing programs.
4. The agency must be nondiscriminatory in programs, services, staffing, and volunteer development.
5. The agency must have an active, rotating, volunteer leadership that represents the diverse elements of the community and meets at least quarterly. Members of the volunteer structure should not receive financial remuneration from the programs or services they oversee.
6. The agency should have sound financial and program management. The organization must provide a copy of its annual audit using an independent certified public accountant or accounting firm.

The procedure for seeking membership as a United Way agency is as follows:

- Agency makes its request in writing to United Way by **April 1**.
- The Finance Committee meets in April/May to determine if the above six criteria are met, and makes a recommendation to the Executive Committee. The Executive Committee or Board of Directors gives final approval.
- If the agency is approved for Membership, the Budgets and Admissions Committee includes the new agency in its annual agency review process.
- If approved for funding by the Budgets and Admissions Committee, the recommended allocation comes before the United Way Board of Directors for approval along with all other agency allocations.

Grant Requests from Non-Member Agencies

Requests for funding from nonmember agencies will be accepted and reviewed by the Finance Committee. At the time of the request, the agency must submit full documentation to define the need for which the request is being made. This should include records of past financial experience and future funding expectations. In making a determination on grant requests, the Finance Committee must be mindful of the allocations made to member agencies, particularly if the grant request is greater than the least amount allocated to any member agency. Whenever feasible, the grant proposal will be reviewed and the funding level will be set by the Budgets and Admissions Committee.

Once a decision is made regarding the request, the Finance Committee will communicate the decision to the requesting agency.

All grant requests must be approved by the United Way Board of Directors, or the Executive Committee.

Membership Agreement United Way of Wilson County

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This Membership Agreement is made and entered into this ____ day of _____, 20____, by and between United Way of Wilson County, Inc., hereinafter referred to as United Way, and _____, hereinafter referred to as the Member Agency.

For adequate consideration from each to the other, the receipt of which is acknowledged, the parties to the MEMBERSHIP AGREEMENT do hereby agree as follows:

1. To cooperate with other agency members of the United Way in eliminating duplication, securing economy and efficiency, and promoting the best interest of social work in the Wilson County area.
2. To maintain such books and records as may be necessary to produce desired information on finances and service. See Exhibit A for specific requirements.
3. To give free access to their books of account and records for examination by authorized representatives of United Way as may reasonably be requested by United Way.
4. To operate under the management of a responsible unpaid Board of Directors who shall hold regular meetings at least quarterly.
5. Within reason, to publicize in all written materials, audio/video presentations at facilities and to any public gathering, that the agency is supported by United Way of Wilson County.
6. **Member agencies may not solicit funds for current operating expenses within the territory covered by United Way's Campaign, without the prior consent of the United Way Finance Committee.** This provision is understood to cover those situations where the solicitation is made in the name of the member agency financed by United Way.
7. **Member agencies agree not to conduct/endorse/participate¹ in any fundraising activities (includes telephone, Internet, radio, television, print, and photo opportunities) during United Way's campaign period, August 1st through October 31st.**
Note: This clause excludes Grandfathered-in campaigns and campaigns associated with major disasters (i.e. hurricanes, tornadoes, etc.) which may be conducted by Salvation Army and American Red Cross.

¹ An agency is considered a participant of a promoted fundraising event if the agency is identified in any way, and the money raised is accepted by the agency, regardless of whether or not the agency had prior knowledge of the fundraising event.

- 8. To use its best efforts to promote the United Way Campaign in the community, as well as, its own organization, and to not request of anyone a **direct contribution and/or designation** in lieu of a United Way contribution. A record of all direct contributions will be recorded and presented to the United Way in its regular reports and in its proposed budget request as prepared for the Budgets and Admissions Committee.
- 9. Member agencies may not solicit funds for capital improvements within the territory covered by United Way’s general campaign without prior approval of the United Way Finance Committee, and will abide by the decisions of the Directors as to the time of such solicitations and manner in which they shall be conducted. This provision is understood to cover those situations where the solicitation is made in the name of any agency financed by United Way although the purpose is to raise money for a division of service not financed by United Way.
- 10. To consider this Agreement to be in effect in all particulars throughout the entire fiscal year.
- 11. **Acknowledge receipt of, and agreement with, the current Budgets & Admissions Manual.** Understanding of the following from page 5. "If it is determined by the Finance Committee that for any reason, including, but not limited to, mismanagement, misappropriation, or cancellation of agency programs, that allocations are no longer appropriate, United Way reserves the right to cancel or adjust funding."
- 12. Violations of the membership agreement will result in a reduction of the current year's allocations for each violation and may jeopardize membership status of the agency. Penalties shall be imposed as follows, as they occur within a three-year period;
 - 5% for the first violation,**
 - 10% for second violation, and**
 - third or subsequent violations will be dealt with by United Way’s Board of Directors.**

The Board of Directors of United Way may terminate the participation of any agency by two-thirds vote of the members present at any regular or special meeting of the Board, provided, however, that said member and each member of the Board of Directors shall receive at least ten days written notice of such proposed action and the time and place of such meeting. A recommendation from the Finance Committee is necessary to initiate the above action.

In testimony whereof, this MEMBERSHIP AGREEMENT has been duly executed in duplicate originals by proper representatives of the United Way and the Member Agency on the day and year first written above. This AGREEMENT is filed annually with United Way.

United Way of Wilson County, Inc.

Member Agency

BY: _____
Board President, United Way of Wilson County, Inc.

BY: _____
Member Agency Board President

BY: _____
Budgets & Admissions Rep., United Way of Wilson Co., Inc.

BY: _____
Member Agency Executive Director

Attest: _____
Executive Director, United Way of Wilson County, Inc.

Exhibit A (*Membership Agreement-Page 3 of 3*)

- a. Every agency shall maintain a general ledger and subsidiary ledger as deemed necessary by United Way or the entity's auditor.
- b. Quarterly financial statements shall be reported on a cash basis and on a standard United Way form.
- c. Quarterly financial statements must be submitted to the United Way office by Jan. 15, April 15, July 15, and Oct. 15.
- d. All agency expenditures must be supported by invoice or voucher.
- e. All agency checks shall require two (2) signatures. Pre-signing checks and using facsimiles shall be prohibited.
- f. Anyone having access to organization's funds shall be bonded.
- g. Every agency shall have an annual audit performed by an independent auditor. **Audited financial reports shall be received by United Way within 120 days from the last day of the agency's fiscal year.** (Any exceptions to this rule must be approved by United Way's Finance Committee). Failure to adhere to this policy shall result in withholding monthly payments, beginning with November, until compliance is performed.

Designation-Only Agency Membership Agreement United Way of Wilson County

(Page 1 of 2)

This Agreement is made and entered into this ____ day of _____, 20____, by and between United Way of Wilson County, Inc., hereinafter referred to as United Way, and _____, hereinafter referred to as the Designation-Only Member Agency.

For adequate consideration from each to the other, the receipt of which is acknowledged, the parties to the DESIGNATION-ONLY AGENCY MEMBERSHIP AGREEMENT do hereby agree as follows:

1. To cooperate with other agency members of the United Way in eliminating duplication, securing economy and efficiency, and promoting the best interest of social work in the Wilson County area.
2. To give free access to their books of accounts and records for examination by authorized representatives of United Way as may reasonably be requested by United Way. To submit a copy of the agency's annual audit, performed by an independent auditor. **Audited financial reports shall be received by United Way within 120 days from the last day of the agency's fiscal year.** (Any exceptions to this rule must be approved by United Way's Finance Committee). Failure to adhere to this policy shall result in withholding payments, until compliance is performed.
3. To use its best efforts to promote the United Way Campaign in the community, as well as, its own organization, and to not request of anyone a **direct contribution and/or designation** in lieu of a United Way contribution.
4. To consider this Agreement to be in effect in all particulars throughout the entire fiscal year.
5. Acknowledge receipt of, and agreement with, the current Budgets & Admissions Manual. Understanding of the following from page 5. "If it is determined by the Finance Committee that for any reason, including, but not limited to, mismanagement, misappropriation, or cancellation of agency programs, that allocations are no longer appropriate, United Way reserves the right to cancel or adjust funding."

The Board of Directors of United Way may terminate the participation of any agency by two-thirds vote of the members present at any regular or special meeting of the Board, provided, however, that said member and each member of the Board of Directors shall receive at least ten days written notice of such proposed action and the time and place of such meeting. A recommendation from the Finance Committee is necessary to initiate the above action.

Designation-Only Agency Membership Agreement Cont'd. (Page 2 of 2)

In testimony whereof, this DESIGNATION-ONLY AGENCY MEMBERSHIP AGREEMENT has been duly executed in duplicate originals by proper representatives of the United Way and the Member Agency on the day and year first written above. This AGREEMENT is filed annually with United Way.

United Way of Wilson County, Inc.

BY: _____
President, United Way of Wilson County, Inc.

BY: _____
Budgets & Admissions Rep., United Way of Wilson Co., Inc.

Attest:

Executive Director, United Way of Wilson County, Inc.

Designation-Only Member Agency

BY: _____
Chief Volunteer Officer

BY: _____
Chief Professional Officer