

**CRITERIA & POLICY
ON COLLABORATING AGENCIES
OF MAUI UNITED WAY, INC. (MUW)
2015-2017**



Maui United Way

CRITERIA AND POLICY ON COLLABORATING AGENCIES OF MAUI UNITED WAY, INC. (MUW)

I. Introduction

All Collaborating Agencies must meet the basic qualifications outlined in this document. These may be briefly summarized as organizations conducted for charitable, health, welfare, and allied purposes providing support Maui's community, and for whom financial contributions are broadly tax deductible.

MUW's Board of Directors establishes and maintains this Collaborating Criteria and Policy providing the detailed admission requirements for the various classes of Collaborating Agencies, and it authorizes the Board to make the final decision as to agency qualifications and admissions.

Collaborating Agencies meeting the basic qualifications established fall into four basic categories:

Partner Agencies: These receive Board-authorized ongoing funding from the general annual-campaign contribution pool, typically for periods of up to two years.

Affiliate Agencies: These receive Board-authorized one-time or limited-time (less than two years) funding from the general annual-campaign contribution pool for special activities or projects.

Associated Agencies: These do not receive funding from the general annual-campaign contribution pool. However, they do receive specific donor-designated contributions that are processed through Maui United Way.

Cooperating Agencies: These do not receive funding of any kind from Maui United Way. However, they work with MUW on various efforts and programs to meet common goals.

II. Partner and Affiliate Agencies

Both of these agency types receive funding from the Maui United Way annual-campaign general pool.

Partner Agency – This is an agency that meets MUW's criteria below and has been given this status through the Community Impact Grant process. MUW funds a specific program of said agency typically for a two-year period. All grant awards made to this agency, must be used for their specified program need in Maui County (100% of MUW funding must benefit Maui County programs). A Partner Agency's program will be listed in MUW's collateral materials.

Affiliate Agency – This is an agency that meets MUW's criteria below and receives Board-authorized one-time or limited time (less than two years) funding for special

activities or projects from the annual community campaign contribution pool. Funding is time limited, and restricted to a specific project, program, or community initiative. An Affiliate Agency will be listed as a participating agency in MUW's collateral materials.

A. Basic Organizational Requirements

The agency must be incorporated, have adopted bylaws, and be organized and operated in pursuance thereof. It must:

1. Be established and operate as a nonprofit, tax-exempt corporation, gifts to which are deductible by the donor for Federal and State income tax purposes.
2. Operate in impact areas of Education, Income and Health.
3. Any agency operating under ecclesiastical control or jurisdiction must set up a clear line of demarcation, either by bylaws, policy statement or similar document, in its budget, between its religious program and its social service or health program, and must avoid religious proselytizing.
4. All agencies included must meet the Combined Federal Campaign (CFC) standard that they do not discriminate against any individual or group on account of race, color, religion, sex, national origin, age, handicap, or political affiliation. Nothing herein denies eligibility to any organization, which is otherwise eligible under this part to participate in the CFC, merely because such organization is organized by, on behalf of, or to serve persons of a particular race, color, religion, sex, national origin, age or handicap in their board representation, hiring policies and clientele served.

B. Voting Membership

In the case of corporations, the voting membership exercising basic legal control of the agency must be defined in the corporate and related papers. This membership must be representative of the main interests in the agency's field of work. It must:

1. Elect the board, so that it reflects the will of the agency's membership.
2. Possess the power of amendment to constitution and bylaws.
3. Have an annual meeting, with adequate notice of and information about matters to be acted upon.

C. Governing Arrangements

1. There must be a board, adequate in number to represent the main interests in the agency's field of work, meeting regularly, establishing policies providing supervision of operations and finances, and serving without compensation.

There should be a minimum aggregate of four meetings annually of the board or executive committee, including at least one meeting of the board, with representative attendance.

2. There should be an executive committee, which may act for the board during intervals between its meetings.
3. Additional committees may be developed to assure the performance of the main functions of the agency and to provide a sound basis for board decisions.
4. There must be provision for the election of officers, their terms, tenure and the filling of vacancies.

D. Personnel Policies and Staff

The agency must:

1. Have a written statement of personnel policies, job descriptions and provisions for staff evaluation, formally approved by the board and made available to the staff.
2. Employ an executive director and professional staff with qualifications or experience appropriate to the agency's field of operations.
3. Have policies established by the board and administered by the staff. The executive director can be a non-voting member of the board and, with other staff personnel as needed should attend board meetings and participate in the deliberations of the board and formulation of policy.

E. Need, Goals, Program

The agency must operate in a defined area of need, must specify its goals and conduct its program to meet that goal. Periodically it should reassess such need, goals and program. Conformity to this standard should be measured by such criteria as:

1. Evidence of need.
2. Definition of the segment of need served by the agency.
3. Resources for a substantial program in the area of defined need.
4. Maintenance of accurate service records.
5. Understanding with other agencies in its field to prevent wasteful duplication.
6. Projection of long-term and short-term program goals for specified periods, and a method of board review of achievements reached at the end of such periods.
7. Ability and willingness to change or modify goals and program in response to need and public interest, and in cooperation with appropriate planning agencies.

F. Application and Reporting

The Agency must:

1. Operate on an annual budget under defined procedures of budget preparation with board examination and formal adoption.
2. Control expenditures by such approved budget, with significant departures permitted only by board or executive committee authorization.
3. Submit monthly or quarterly financial status to its own Board of Directors and Semi-annual reports to MUW. Said reports are due January 31 and July 31, respectively.
4. An agency may request in writing, an extension for the Semi-annual Report 30 days prior to the due date (at no cost). The request must be approved two weeks prior to the due date. If Semi-annual Report or approved extension report is not received and accepted 30 days after report is due, the process of suspension of payments will be initiated. Failure to submit the required Semi-annual Report is cause for suspension of payments and termination of funding. The agency shall be given timely written notice via certified mail of such action, which notice shall include the reason(s), a 60 day time limit from the date of notice to effect correction, and the right to be heard. If the agency chooses to exercise that right, this shall be communicated to MUW in writing and will be scheduled within 30 days. If there is no communication from the agency, termination of funding will be recommended by the Community Impact Committee to the MUW Board of Directors.
5. Have approval by the agency's Board of Directors to apply for MUW funding. Such action should be reflected in agency Board minutes. Additionally it is required that the application be signed by both the Chief Volunteer Officer and the Chief Professional Officer.
6. Submit an Application for Funding to MUW every two years to reapply for partner status and funding.
7. Submit to MUW for prior review and approval, a written request and justification for any changes, additions, or deletions to any portion(s) of the funded program, grant application, or a duly executed MUW Grant Award Agreement. The agency will cooperate and assist in any effort undertaken by MUW to evaluate, inspect or otherwise monitor the effectiveness, feasibility, and/or cost efficiency of any and all practices, policies and procedures or activities pursuant to this application, any grant designation or allocation received as a result of their grant award.

G. Support Plan

The agency's financial planning must annually:

1. Assess and specify financial expectations as to source, amount and equitable distribution of support.
2. Use a support plan based on the preceding, which in the light of the previous experience and current conditions sets forth a reasonably dependable method for obtaining the income budget for the period under consideration.
3. Charge fees commensurate with services provided.

H. Cooperation with Tax-Supported and with other Voluntary agencies

The agency must maintain relations with tax-supported and other voluntary agencies in or related to its field of services. This would include:

1. Registration of research and demonstration projects with pertinent information exchange centers and making appropriate use of resulting information.
2. Clarification of respective roles and relationships of voluntary and tax-supported agencies working in the same field.
3. Participation in the national planning bodies.
4. Recognition of the obligation not to make substantial alterations of major program functions without consulting other affected agencies.
5. Reimbursement of services rendered from government agencies.

I. National-Local Relationships

The agency must establish such relations with local communities, as the nature of its work requires.

J. Education Program

The agency's education program must have valid content beneficial to significant audiences. This program and its cost must be differentiated from promotion publicity for fund raising purposes and its cost.

K. Fund Raising and Promotion Publicity

1. Adherence to General Fund Raising Practices

MUW acknowledges that some agencies may need to supplement their MUW allotment with fund raising activities. MUW, however, also acknowledges that these activities may negatively impact the amount of funding received for all agencies by MUW. To minimize this impact and to maintain amicable relations between the recipients of funds and the MUW, some guidelines have been developed. These include:

Any agency approved for funding by MUW must make an honest disclosure of fund raising costs to contributors and the general public.

The agency must comply with legislative requirements (Act 206 - Sept. 1993 and again in 1996 and HRS Chapter 467B Notice to Charitable Organizations).

The agency must not mail unordered tickets or merchandise with request for money in return, solicit funds from the general public by paid telephone solicitations, or enter into arrangements to raise funds on a commission basis. Fund raising shall be done on a pro bono, salaried, or set fee basis but not a percentage based compensation or commission basis. Agencies shall refuse to accept or pay fees, often called "finder's fees," for steering donations to the agency.

MUW expects each agency to generally conduct its supplemental fund drives in accordance with the United Way concept of minimizing solicitations.

The agency's promotional publicity must adhere to ethical standards in all ways, such as respect for clientele, factual accuracy regarding needs served, and character of services offered.

2. Compliance with MUW Expectations/Requirements

The agency must inform the MUW before any capital fund drive is undertaken.

The agency must be responsible for giving information about its major fund raisers, how much it expects to raise, and tentative dates to MUW's Community Impact Committee (CIC).

The month of August is MUW's Black-out period and is set aside for its annual campaign, whereas all partners refrain from community fundraising. MUW's Black-out period may be extended or shortened by vote of MUW's Board of Directors. During the Black-out period, no fund raising campaigns may be conducted by participating agencies except as approved by the MUW Board of Directors. Requests for exceptions must be submitted on a timely basis, in writing to MUW, and prior approval must be granted by MUW for such event.

3. Exceptions During the "MUW Campaign" Window

In granting approval for agency fund raising activities during the "MUW Campaign Window" period, the following factors shall be considered by the MUW Board of directors in the following order:

- a) Competitiveness with MUW's annual campaign.
- b) Consistency of the activity with the agency's schedule of activities as submitted in its annual application to MUW; and
- c) Sensitivity of activity to season or other activities beyond the control of the agency, i.e., County Fair, Thanksgiving, and Christmas.

An agency may request and the MUW Board of Directors may grant multiple year approval for exceptions provided such approval does not exceed three years. Requests will be considered on a case-by-case basis.

L. Financial Management and Accounting

Agencies should adhere to generally accepted standards of financial management including the bonding of personnel handling finances.

Agencies must annually submit either an audit or a review by an independent, certified public accountant. The Board of Directors of the MUW retains the authority to require an agency to submit an audit rather than a review. It must have:

1. Audits or reviews showing all of the agency's income, disbursements, assets and liabilities, together with changes in endowment and other funds, reserves and surplus during the period, should be in sufficient detail to be in accord with sound accounting practices and Generally Accepted Accounting Principles (GAAP). It is estimated that all items in the foregoing categories which are under the agency's ownership or control must be included in the audit or review.
2. An auditor's report should be in the conventional form developed by the American Institute of Certified Public Accountants.
3. The agency should participate in efforts to develop systems of accounting in cooperation with representatives of contributors, other agencies and the general public, which will work toward comparability of items agency to agency.
4. When a system of uniform fiscal reporting has been developed which is acceptable to the accounting profession, agencies, significant contributor groups and contributor reporting services, the agency must adhere to it.

M. Annual Report

The agency must make annual program and financial reports to its membership and the

general public. The financial report may be in summary form but must be consistent with the audit or review. The agency must respond to requests for detailed information on any aspect of its operations or program from any responsible source.

N. Evaluation

The agency must have an orderly plan for periodic evaluation, whether by staff and board arrangements, outside consultants, or a combination.

While it is to be expected that evaluation would be a continual function of administration, formal evaluation should be undertaken periodically by the board to review programs in light of current needs and in terms of the agency's stated purpose, specified goals and relations with other agencies in its field, especially tax-supported agencies.

The agency must cooperate with independent evaluating bodies in an effort to provide an objective report for the general public.

O. Other MUW Compliance Requirements for Partner Agencies

MUW Partner agency compliance is recorded and reviewed in consideration for funding requests and review. As MUW partners, you agency will be required to maintain compliance with the following items:

1. Volunteer and/or staff participation at an agency interview or site visit with MUW is required. The interview will normally be scheduled in April - May.
2. Agency agrees to use MUW identification (logo and signage) on agency promotional materials such as letterhead, newsletters, website, brochures, advertisements, annual reports, etc.
3. Agency agrees to provide information to use in MUW campaign collateral and respond to MUW communications in a timely manner.
4. Agency agrees to participate in the LIVE UNITED fundraising campaign, with timely dissemination and return of MUW campaign packets.
5. Agency agrees to report in writing, to MUW's President & CPO, any investigation by any police agency, any government treasury department investigation or any other regulatory agency investigation (particularly regarding allegations of financial or managerial misconduct or allegations of criminal misconduct by the agency or by any member of its board or staff). The Agency further agrees the MUW will be advised in a timely manner of an adverse accountant or auditor reports or remedial financial recommendations.
6. Agency agrees to provide representation at all campaign or partnership related

events and/or meetings, as specified in MUW's Grant Agreement.

7. Agency agrees to provide one (1) agency/program presentation annually in support of the MUW campaign as requested.

P. Non-Compliance

Should a participating agency be in non-compliance of the noted criteria in this document, the MUW Board of Directors may consider appropriate sanctions including but not limited to reduction or elimination of funding for one or more years. The MUW Board of Directors shall consider such sanctions on a case-by-case basis upon the recommendation of the Community Committee (CIC) or Subcommittee.

Q. Right of Appeals

Any participating agency may submit notification in writing appealing any decision by the MUW Community Impact Committee (CIC) or Subcommittees to the Board of Directors of the MUW within thirty days after notification of its allocation. Only in exceptional circumstance will any appeals be acknowledged if received by MUW after the thirty-day period.

R. Non-Discrimination

It is the policy of MUW and for those who do business with MUW to provide equal employment opportunities and services to all persons regardless of race, physical disabilities, color, religion, sex, age, sexual orientation, national origin or AIDS/HIV infection status as mandated by the Federal Civil Rights Acts, as amended, and any other federal or state laws relating to equal employment opportunities and rights.

S. Grant Awards & Designations

All MUW grant awards are not to exceed \$50,000 per funding year. An agency may submit an application for funding for up to two (2) programs each funding cycle (two year cycle), per each 501(c)(3) organization. All MUW awarded funding targets health and human service programmatic needs in Maui County.

Designated contributions to non-partner agencies are collected in their entirety (receipt of payroll contributions may vary depending on the company's ability to process payments in a timely manner), then forwarded to the awarded agency once full payment has been received. All designations made to non-partner agencies are assessed a 10% processing deduction from their overall award. However, this 10% deduction is added to the General Fund to be allocated to partner agency's program funding.

Designated contributions to partner agencies are included in their overall grant allocation, not to exceed their overall grant request, unless the designations are higher

than the actual request. These designations are factored into their overall award, and are distributed monthly to the agency from July 15th through June 15th of MUW's fiscal year. All designations made to partner agencies are assessed a 10% processing deduction, however, that 10% is added to the General Fund to be allocated to partners program funding.

III. **Associated Agencies**

Associated Agencies – This is an agency or program in Maui that is not a MUW Partner or Affiliate Agency, but has been designated as a financial recipient by a donor during the MUW community campaign, and also meets MUW's criteria below.

Gifts designated under this option are not subject to MUW's review process and MUW makes no certification of agencies' efficiency, effectiveness, or performance. There is an administrative processing charge for these gifts. Associated Agencies may be listed in MUW's collateral materials on a case-by-case basis as determined by the Board of Directors.

A donor may designate a gift of \$50.00 or more for an Associated Agency, if the agency meets all the following criteria:

1. The agency must be recognized as a public charity by the Internal Revenue Service (that is, it is a 501 (c) (3) agency and not a private foundation).
2. The agency must be registered as a charitable organization by the State of Hawai'i, State Department of Commerce and Consumer Affairs.
3. The agency must provide health and human services in the State of Hawai'i.
4. The agency should be organized for the purpose of providing health or human services directed at one or more of the following human needs: health care research and public information; individual or family counseling; child care services; protective or preventive services for children or adults; foster care for children or adults; support services to aid children, the chronically or acutely ill or persons with disabilities, the handicapped (delete); day care or services for children or adults; specialized transportation; preparation and delivery of meals; adoption services; food and shelter emergency assistance; neighborhood development and community organization services; developmental recreation activities; social adjustment and development services; residential treatment services; vocational and daily rehabilitation services, or a combination of services which are designed to meet the needs of specific groups such as children and youth, the aged, ill and infirm, persons with disabilities, physically handicapped (delete) or the economically or socially disadvantaged.
5. The agency is not organized for general cultural, educational (elementary, secondary or higher education), religious or political purposes.

6. The agency is not a part of a governmental entity.
7. The donation is not for a capital campaign.

IV. Cooperating Agencies

Cooperating Agency – An agency or organization that receives no funding from or through MUW, however it works with MUW to achieve common goals by more fully engaging the range of assets available within our communities.

These organizations may be from the not-for-profit, business, or government sectors in order to develop community-supported positive-impact solutions. Cooperating Agencies may be listed in MUW's collateral materials on a case-by-case basis as determined by the Board of Directors.

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