

8- Payroll Deductions for Charitable Purposes

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(1) Purpose

The purpose for the adoption of this human resources policy is:

1. To accommodate and assist City employees' preference for and tradition of funding charitable service providers through a payroll deduction process;
2. To minimize workplace disruption and distractions associated with charitable solicitations of City employees;
3. To promote accountability of organizations eligible to participate in the program for legitimate, effective and efficient provision of charitable services and to facilitate the ability of the City to monitor and manage the program efficiently;
4. To provide specific, fair, non-discriminatory eligibility requirements for charities seeking to solicit City employees and to provide clear administrative guidelines for the effective and efficient management of the program

(2) Definitions.

A. "Charitable organization" means 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 State of Wisconsin as a charitable corporation or non-profit organization.

B. "Umbrella organization" means an entity serving as the agent of a group of member charitable organizations to which it disburses funds or products or an entity that grants funds or products to charitable organizations. An umbrella organization shall endorse the program objectives of its member or recipient charitable organizations and shall ensure that such charitable organizations comply with all the requirements of this policy. The umbrella organization shall be a charitable organization. Any charitable organization may, under the provisions of this policy and in conjunction with five (5) other charitable organizations, form an umbrella organization.

C. "Annual Charity Drives" means the annual fundraising campaigns conducted by umbrella organizations that have been approved by the Council pursuant to this Chapter. The Annual Charity Drives will occur between April 1 and June 1 and between September 1 and November 1 each year and at those times approved umbrella organizations will be permitted to engage in fundraising activities on the City's premises and receive pledges of financial aid which may be paid through the payroll deduction system.

D. **“Committee”** means the Charitable Campaign Committee created by section (3) of this policy.

(3) Charitable Campaign Committee.

There is hereby created a Charitable Campaign Committee, which shall consist of five members, all of whom must be employees of the City appointed by the Mayor. Members shall be appointed for terms of two years, except that initially two members shall be appointed for three year terms. Upon the occurrence of a vacancy on the Committee a successor shall be appointed by the Mayor. Members shall serve at the discretion of the Mayor. All members shall serve without additional compensation. No member may serve on the Committee more than six consecutive years. The Committee shall select by majority vote a chairperson; a vice-chairperson; and a recording secretary who shall be responsible for keeping the record of the Committee.

The Committee shall annually review and establish rules and regulations for the Annual Charity Drives, which shall be available after January 1. The Committee shall consider all new applications and statements of intent to continue participation for the Annual Charity Drives after February 15. The Committee shall meet at least twice annually in order to administer this policy.

The Mayor or the Mayor's designee may provide staff assistance in support of the Committee.

(4) Council Approval Required.

In order to be eligible to participate in the Annual Charity Drives an umbrella organization must apply for and receive approval from the Council.

(5) Application for Permission to Engage in Fundraising Activities.

Umbrella organizations shall submit applications to participate in the Annual Charity Drives on forms provided by the Committee, which shall be available at the Office of the Mayor or the Mayor's designee. Each application shall be filed with the Office of the Mayor or Mayor's designee prior to February 15 of each year in order for the applicant to be eligible to participate in the Annual Charity Drives.

If the umbrella organization has been deemed eligible for a ~~two~~ five-year period, application need not be made for participating in the Annual Charity Drives for the second ~~through fifth~~ years of eligibility. Each umbrella organization shall, however, provide the Committee with a written notice of intent that it wishes to continue its participation in the Annual Charity Drive between January 1 and February 15 of each year. The notice of intent shall be accompanied by a ~~notarized~~ statement that the questions and supporting documentation contained in the original application remain correct and accurate. Any changes from the original application should be detailed and supporting documentation provided. The Committee reserves the right to request a new a application be completed.

Each application shall contain the following:

A. The name and address of the Umbrella Organization applying for permission to participate in the Annual Charity Drives.

B. The name(s) and address(es) of the person(s) who will be directly responsible for conducting the fundraising activities.

C. A full statement of the character and extent of the charitable work being done by the umbrella organizations as well as the geographic region or location where the charitable work is done.

D. A statement to the effect that, if the application is approved, such approval will not be used or represented to be an endorsement by the City of the applicant.

E. Such other information as may be required by the Committee to carry out its duties under this policy.

(6) Eligibility Requirements.

The Committee shall recommend to the Council that Umbrella Organizations satisfying the following requirements be authorized to conduct fundraising activities on City premises and receive donations through the City's payroll deduction system.

A. Umbrella organizations must disburse or grant funds or products to at least five (5) charitable organizations and must demonstrate proof of such disbursements in the calendar year prior to its application. Each charitable organization receiving funds or products from an umbrella organization must meet all of the requirements of this policy.

B. Charitable organizations and umbrella organizations must have a policy and procedure of nondiscrimination in regard to race, religion, color, national origin, handicap, age, marital status, sex or sexual orientation applicable to persons served by the charitable organization, applicable to charitable organization staff employment, and applicable to membership on the charitable organization's governing board.

C. Funds contributed to charitable organizations by City employees must be used for the announced purposes. An umbrella organization's fundraising and administrative expenses shall not exceed 25 percent of its unrestricted income as demonstrated by its annual financial reports. Designated contributions by employees shall not constitute restricted income.

D. An umbrella organization must **submit a letter to the city stating it has** ~~have~~ the express written permission of each charitable organization it represents to use said charitable organization's name in the Annual Charity Drives.

E. Charitable organizations must conduct their fundraising activities for the direct good or benefit of the public, located in the State of Wisconsin, the national community or the international community in the fields of health and human services, education, the environment, or the arts.

F. Umbrella organizations must provide documented proof of at least one year of operation. Both charitable and umbrella organizations shall satisfy all other criteria contained in this policy.

G. Both charitable and umbrella organizations must be governed by a Board of Directors which serves without compensation.

H. The organization must operate in compliance with all applicable federal, state and local laws. The organization must operate under current, valid articles of incorporation and by-laws or other governing instruments which comply with federal and state laws.

I. The organization must hold and maintain a current, valid designation by the IRS as a 501(c)(3) organization and be eligible to receive tax-deductible contributions under Chapter 170 of the Internal Revenue Code. This requirement also applies to each constituent agency of the umbrella organization.

J. Organizations making solicitations of City employees or receiving contributions through payroll deductions are not instrumentalities of the City of Waukesha and are separate from the City. The City is not responsible for decisions made by any such organization or its constituent agencies.

~~(7) Grandfathered Organizations~~

~~Two charitable organizations have successfully conducted solicitation campaigns among City of Waukesha employees: United Way and the United Performing Arts Fund/Waukesha Area Arts Alliance. Based on past performance and their reasonable expectations to continue, these two organizations will be allowed to participate during the Fall 2006 campaign. Beginning in 2007, however, both organizations must adhere to all policies and procedures contained herein and any future amendments thereof.~~

(8) Recommendation to Council.

The Committee shall recommend to the Council that permission to participate in the Annual Charity Drives be granted to those umbrella organizations that it finds have satisfied the requirements contained in Section (5). Umbrella organizations recommended for approval shall be presented to the Council no later than the first day of month preceding the Annual Charity Drive in which the Organization seeks to participate.

(9) Council Approval.

If the Council finds that the provisions of this Chapter have been satisfied by an umbrella organization requesting permission to participate in an Annual Charity Drive, it shall approve the application of the umbrella organization.

(10) Effect of Council Approval.

Approval by the Council of an umbrella organization's application under this policy shall not constitute an endorsement by the City of Waukesha of the umbrella organization or any charitable organization represented by an applicant. No charitable organization or umbrella organization shall represent in any way that such approval constitutes an endorsement by the City of Waukesha.

(11) Revocation of Approval.

A. The Committee may recommend that the Council revoke its decision that an umbrella organization be permitted to participate in the City of Waukesha's Annual Charity Drives for violation of the provisions of this policy.

B. In the event that an umbrella organization fails to receive donations through the payroll deduction system from at least 25 employees, or total donations of at least ~~one~~ five thousand dollars (\$5000) in Annual Charity Drives, such organization will be ineligible to participate in the Annual Charity Drives for the following year. After its year of ineligibility expires, an umbrella organization may reapply to participate in the Annual Charity Drives.

C. In the event that the Council finds that a charitable organization or umbrella organization is or has been in violation of the provisions of this policy, the Council shall revoke its authorization for any such organization to participate in the Annual Charity Drives and to receive monies through the City's payroll deduction process.

(12) Annual Charity Drives.

A. The Committee shall be responsible for establishing rules and regulations for the conduct of the City of Waukesha's Annual Charity Drives. The Committee shall annually publish these rules and regulations no later than March 1 of each year.

B. Only umbrella organizations approved by the City Council are authorized to participate in the Annual Charity Drives.

C. The Annual Charity Drives shall be conducted in a manner which permits voluntary giving. No employee should feel in any way coerced to contribute.

D. The Annual Charity Drives authorized by this policy shall occur between April 1 and June 1 and between September 1 and November 1 of each year.

E. The City may contract for the organization and management of the Annual Charity Drives.

F. Workplace solicitations of employees may occur only during the Annual Charity Drives and only in accordance with procedures established by the Committee. The collection of contributions in the form of personal checks shall be processed as determined by the Committee.

G. City employees may volunteer, but shall not be requested, to contribute money or personal time towards the Annual Charity Drives. No employee should feel in any way coerced to contribute to the Annual Charity Drives. Coercive activities include, but are not limited to:

1. pressuring an employee to participate in a charitable campaign;
2. inquiring as to whether another employee has chosen to participate in a charitable campaign or the amount of an employee's deduction except as necessary to administer the deduction;
3. establishing a goal for 100% participation or establishing a dollar contribution goal or quota for an employee or group of employees;
4. using or providing to others a list of employees who did or did not make donations during a campaign for any purpose other than making deductions or administering the deduction;
5. making participation in a charitable campaign a work assignment; or,
6. using the participation in a charitable campaign as a factor in a performance appraisal.

H. Work time and City equipment ~~may shall not~~ be used for the Annual Charity Drives ~~if approved by the employee's Department Director unless prior approval is secured from the Committee.~~

(13) Annual Reporting.

A. Umbrella organizations shall ~~submit a letter prepare and submit~~ by March 1 of each year an annual report to the Committee ~~stating they maintain information containing the which includes a~~ full description of the umbrella organization's solicitation activities, the names of its chief administrative personnel, a full disclosure of the source and use of contributions, and a financial report which shall be certified by an independent certified public accountant, at no cost to the City. The same information must also be available to the general public and the charitable organizations represented by the umbrella organization, ~~if requested.~~

B. Charitable organizations receiving funds or products through a participating umbrella organization shall submit a special report containing such information as may be requested by the Committee to determine compliance with this policy.

(14) Costs.

A. All administrative costs associated with the Annual Charity Drives shall be shared by all

participating umbrella organizations in direct proportion to the total contributions received by the umbrella organization.

B. The Human Resources Office (Payroll) will provide each umbrella organization with a monthly total of pledges made and pledges received. The City will not be liable for any uncollectible pledges.

(15) Distribution of Payroll Deductions.

The Human Resources Office (Payroll) shall deduct from each employee's biweekly paycheck the amount(s) designated by the employee. Deductions shall be made for the amount per biweekly pay period and for the number of pay periods as indicated by the employee. All deductions shall be sent to the umbrella organization in the manner designated by the employee. The distribution of funds to each charitable organization represented by an umbrella organization shall be the responsibility of the umbrella organization

Passed this ~~4th day of October, 2006~~ 1st day of March, 2016.

Approved this ~~4th day of October, 2006~~ 1st day of March, 2016.