



### **Purpose**

To help United Way of Acadiana (UWA) fulfill its mission to unite people and organizations with passion, expertise, and resources to create more opportunities for a better life. UWA promotes Health, Education, and Financial Stability as the most effective way to invest in our community's future. This policy is to be used as a guide to respect each donor's choice and only applies to gifts processed by UWA.

UWA understands that some donors choose to direct a portion of their gift to a specific agency. Donor-directed contributions are processed as a service to donors; however, UWA is unable to guarantee how designated funds to a specific agency will be used or ensure measurable results by the recipient agency.

### **Minimum Gift Amount**

The minimum agency designation amount is \$100 (per designation). There is no minimum if you choose to direct your gift to UWA's goals and projects.

### **Eligible Designations**

To be eligible to receive donor designations from the UWA, a nonprofit organization must meet the following criteria before it can receive donations:

1. An organization must be tax-exempt under Internal Revenue Code Section 501(c)(3) and provide proof of such status to UWA or to another United Way, if received through this way.
2. Funds can be designated to any eligible agency within Acadiana. For organizations outside of Acadiana, funds must be directed to the appropriate, local United Way for distribution of those designations.
3. An organization must provide UWA with a current Electronic Funds Transfer Authorization Form.

### **Not Eligible to Receive Designations**

Gifts will be redirected to the UWA General Fund if the designation is directed 1) to an agency that is not in compliance with federal law; or 2) to an ineligible agency; or 3) the amount of the designated gift does not meet the minimum requirement. When possible, the donor will be contacted.

The following are not eligible to receive as designated gifts from UWA:

- Capital campaigns;
- Cultural, arts related;
- Political, environmental, government organizations;

## Donor & Designation Policy



United Way of Acadiana

- Private schools and universities;
- Religious organizations – unless health and human service program is within a church, such as a soup kitchen;
- Civic organizations

### **Designations to Other United Ways**

Designations made from donors to UWA for another United Way will be forwarded by UWA to the other organization, net of a UWA processing fee. No minimum pledge is required to designate to another United Way.

### **Making a Designation**

1. Confirm that the agency is a legally recognized 501(c)(3) nonprofit organization by searching Guidestar (<http://www.guidestar.org/>) or using the IRS Tax Exempt Organization Search Tool (<https://apps.irs.gov/app/eos/>).
2. Provide complete and correct agency information to include name and address to ensure accuracy of gift processing.
3. Indicate desire to designate and designated amount when originally making your gift or pledge.
4. The minimum designation amount is \$100 (per designation). There is no minimum if you choose to direct your gift to UWA or any of its programs.
5. UWA's policy is that ineligible designated donations will be moved to the UWA General Fund. We will make at least one attempt to contact the donor if the designation does not fit the stated criteria; however, this may not be possible due to the volume of designations and possible lack of contact information.

### **Gifts Made by Payroll Deduction (Via Workplace Campaigns)**

UWA can only distribute dollars that are collected. United Way is given a lump sum from employers (versus individual checks) and thus, is unable to know specifically which payroll pledges are unfulfilled.

Pledge payments are applied based on the information provided by the company or pledge processor. If payments are not identified by an individual donor, then they are applied across all donors within the campaign based on a percentage of the total. Any payment shortage due to uncollected pledges will be spread proportionately and may affect designation payouts.

United Way anticipates a certain percentage of all payroll deduction pledges will not be fulfilled. This percentage (referred to as shrinkage) is reviewed each year and adjusted based on the current year and prior history of fulfilled pledges.



### **Fundraising and Administrative Costs**

United Way will deduct fundraising and administrative costs to cover the cost of fundraising, collecting, processing, and distributing donations. These fundraising and administrative amounts are determined annually using information from the most recent Form 990, using a formula approved by the United Way Board of Directors. For most current Form 990 and audit please refer to “About Us” on our website at [www.unitedwayofacadiana.org](http://www.unitedwayofacadiana.org).

### **Leadership Giving**

Leadership gifts are gifts in the amount of \$1,000 or more per year. Donors at this level are encouraged to lead the way for impact and support the community by designating less than 50% of their gift.

UWA will not apply fundraising and administrative costs from leadership gifts of \$10,000 or more, if at least 75% of the gift is unrestricted (not designated).

### **Designation Payments to Eligible Agencies and Acknowledgement of Gifts**

Designation payments, less deducted fundraising and administrative costs and shrinkage, are made quarterly based on collections.

If a donor provides authorization, UWA will send donor information to the designated organization. Acknowledgement of the gift, including IRS required language, will be provided to the donor from UWA. Designated agencies are encouraged to send donor thank you notes.

### **Policy Drafted October 2023**

Reviewed and Approved by:

UWA Finance Committee – 01/24/2024

Approved by UWA Board of Directors – 02/27/2024