



a New Day for Federal Service



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2015 Combined Federal Campaign Local Charity Eligibility Training



Application Timeline

April 1 – Deadline for 2015 local application period
(campaigns may set earlier deadlines)

April 23 – Deadline for PCFOs to enter application data in
Charity Registry

April 30 – Deadline for LFCC to notify local organizations of
eligibility decisions in writing

June 5 – Deadline for decisions by LFCC on all local
organization appeals

July 31 – OPM completion of local appeal reviews

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Review Process

Sampling of Federation Members

- Federations **MUST** submit full applications of all members not approved for participation in 2014
- 20% Sampling of federation membership encouraged

Completeness Review

- Contact applicant regarding administrative oversights



Key Application Documents

Att. A

2014 Service
Description

Att. C (if appl.)

Audited
Financial
Statements

2015 CFC
Application
Certifications

Att. B

IRS
Determination
Letter

Att. D

IRS Form 990
(same period
as audit)



CFC Certification Statement #1

Local Presence

NEW!

CFC Memo 2014–06 removed adjacent and statewide presence options from applications.

Substantial Local Presence – Office within local campaign area open 15 hours per week with a dedicated phone line

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CFC Memo 2014-6 FAQ's

Will adjacent and statewide charities be printed in my paper Charity List?

Does a federation have to document a local presence?

What happens to federations that have some members in my area and some members in other campaign areas?

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CFC Certification Statement #1

Local Presence

- WHO received the service, benefit, or assistance
- WHAT the service, benefit, or assistance is
- WHEN it was delivered
- WHERE it was delivered

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CFC Certification Statement #1

Local Presence

Applicants should avoid...

- Generalized statements
- Listing “offered” services
- Listing location of members, affiliates, or board members
- Listing the residences of visitors to a facility
- Listing services provided by the service recipient or other entity
- Fundraising activities as a service



CFC Certification Statement #1

Local Presence

Examples of Qualifying Attachment A:

Texas

Fort Worth, Calendar Year 2014 The DFW Autism Society provided after-school care and therapeutic programs for 41 children ages 5-16 who have been diagnosed as having a condition on the autism spectrum. Services were provided by 12 licensed autism therapists Monday-Friday from 3-7PM.



CFC Certification Statement #1

Local Presence

Example of *Non-qualifying Attachments A*:

Fort Worth The Philanthropy Museum, based in San Diego, recorded 25 visitors from Fort Worth in 2014.

Dallas August 10, 2014 XYZ Institute conducted a fundraiser at the Dallas Independence Day celebration that raised \$22,000. 250 Texan residents, representing 45 counties contributed.

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CFC Certification Statement #1

Local Presence

Examples of *Non-Qualifying Attachment A*:

Irving, TX The Lone Star Charity was formed in 1992 to preserve and promote the rich history and culture of Texas. We have made presentations to students in hundreds of public schools as well as distributed educational videos and workbooks to high school teachers. All services are free of charge.



CFC Certification Statement #2

Tax-Exempt Status

Not part of group exemption

- ✓ Has own IRS letter

Part of Group Exemption

- ✓ Name may not be unique
- ✓ EIN listed in IRS BMF

501(c)(3)
Tax-
Exemption

Chapter/Affiliate

- ✓ Letter from CEO
- ✓ Name and EIN may be same as the parent org.

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CFC Certification Statement #2

Tax-Exempt Status

Family support and youth activities (also known as Morale, Welfare and Recreation organizations or “MWRs”) must meet criteria outlined at 5 CFR 950.204(d).

Commanding officer’s letter must specify that organization is a “Non-Appropriated Fund Instrumentality that supports the installation MWR/FSYA program.”

Day care centers located on Federal property may not participate under these guidelines.

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CFC Certification Statement #2

Tax-Exempt Status

Any charity that has not been verified by OPM as having 501(c)(3) tax-exempt status cannot be approved by the LFCC.

LFCC cannot approve a charity that has not been verified as 501(c)(3) in the Charity Registry.

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IRS Verification Myths or Facts?

- The IRS determination letter must be currently dated **MYTH!**
- The IRS letter does not need to contain an Employer Identification Number (EIN) **FACT!**
- The campaign can approve the campaign 'contingent' on OPM's confirmation of its current 501(c)(3) status **MYTH!**



CFC Certification Statement #5

Audited Financial Statements

Total Revenue Per 990	>\$250k	\$100-250k	<\$100k
Accrual Accounting (GAAP)	✓	✓	
Audited Annually	✓	✓	
Submit Audit	✓		

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CFC Certification Statement #5

Audited Financial Statements

- Audit must cover the fiscal period ending on or after June 30, 2013 (18 months prior to January 2015)
- Audit must state organization accounts for its funds in accordance with generally accepted accounting principles (GAAP) and it was audited in accordance with generally accepted auditing standards (GAAS)
 - ✓ “except for” statements may cause denial
- Audit report must be signed, dated and be on the audit firm’s letterhead

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Audited Financial Statements Myths or Facts?

- The audit requirement is waived for all organizations with total revenue less than \$250,000 **MYTH!**
- The LFCC can waive the audit requirement
MYTH!
- The LFCC can approve an organization with a GAAS or GAAP exception noted in the Independent Auditor's Report **MYTH!**



CFC Certification Statement #6 990 vs. Pro Forma 990

IRS Form 990

- Filed with IRS
- Match FY of Audit
- FY ended on or after 6/30/13
- Officer's Signature
- All sections

Pro Forma 990

- Download 990 from IRS website
- FY ended on or after 6/30/13
- Officer's Signature
- Parts I, II, VIIA, VIII, IX and XII only



IRS Form 990 Myths or Facts?

- The preparer's signature is not required.

FACT!

- 990EZ's are acceptable **MYTH!**

- The LFCC can give a charity more time to submit documents not in final form at the time of the deadline **MYTH!**

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CFC Certification Statement #8

Governing Body

“I certify that an active and responsible governing body, whose members have no material conflict of interest and a majority of whom serves without compensation, directs the organization named in this application.”

- The number of voting members on page 1 must be equal to or less than the number of individuals identified as a director or trustee in Part VII (see CFC Memo 2010-5).
- If page 1 lists more voting members than are listed in Part VII, the organization must either provide an explanation of the difference or submit an amended IRS Form 990

CFC Certification Statement #8 (cont.)

K Form of organization: Corporation Trust Association Other ▶ L Year of formation: M State of legal domicile:

Part I Summary

1 Briefly describe the organization's mission or most significant activities: _____

Activities & Governance	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	10
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	6
	5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	85
	6	Total number of volunteers (estimate if necessary)	6	350
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	30,000
	7b	Net unrelated business taxable income from Form 990-T, line 34	7b	6,000

Revenue		Prior Year	Current Year
		8	Contributions and grants (Part VIII, line 1h)
9	Program service revenue (Part VIII, line 2g)		
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)		
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)		

CFC Certification Statement #8

compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)							(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former				
(1) Dr. Herbert Hellebor Board Chair	10	✓							1,000	0	0
(2) Belle Hood CEO & President	65	✓		✓	✓	✓			161,000	0	0
(3) Ed Stanton Vice Chair, Treasurer, and CFO	60			✓	✓				113,000	5,000	13,000
(4) Dr. Hosta Daylilly Director	1	✓							0	0	0
(5) Mrs. Eva Stanton Director	1	✓							0	0	0
(6) George W. Kirk Director & Secretary	1	✓							0	0	0
(7) Benjamin Butler Director	1	✓							0	0	0
(8) George Thomas Director	1	✓							0	0	0
(9) Daisy Thomas Director	1	✓							0	0	0
(10) E. P. Butler Director	1	✓							0	0	0
(11) J.L. Chamberlain Operations Manager	45			✓					106,000	0	0
(12) Freda Forsythia Director	1	✓							0	0	0
(13)											
(14)											
(15)											



Governing Body Myths or Facts?

- Columns D, E and F of Part VII may be left blank if no compensation was provided

MYTH!

- Charities may present governing body in attachments to the IRS Form 990

MYTH!

- The LFCC must deny an organization that compensated 50% or more of its governing body

FACT!

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Federation Requirements

- Listing of Eligible Member Organizations (Legal name, DBA, EIN, and AFR)
- Submission of Audit Regardless of Size
 - ✓ Audit must include verification organization is honoring designations
- Board Terms and Meeting Dates/Locations
- Annual Report
 - ✓ Describe Dues and/or Fees Arrangements

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Federation Myths or Facts?

- Federations member applications may have photocopied signatures **FACT!**
- Federations are required to receive applications from each member each year **FACT!**
- Federations must have a local presence **MYTH!**
- Federations may participate with less than 15 member organizations **MYTH!**
- The requirement that the audit verify it honors pledges to member organizations is new and can be waived by the LFCC **MYTH!**

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Questions?

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