

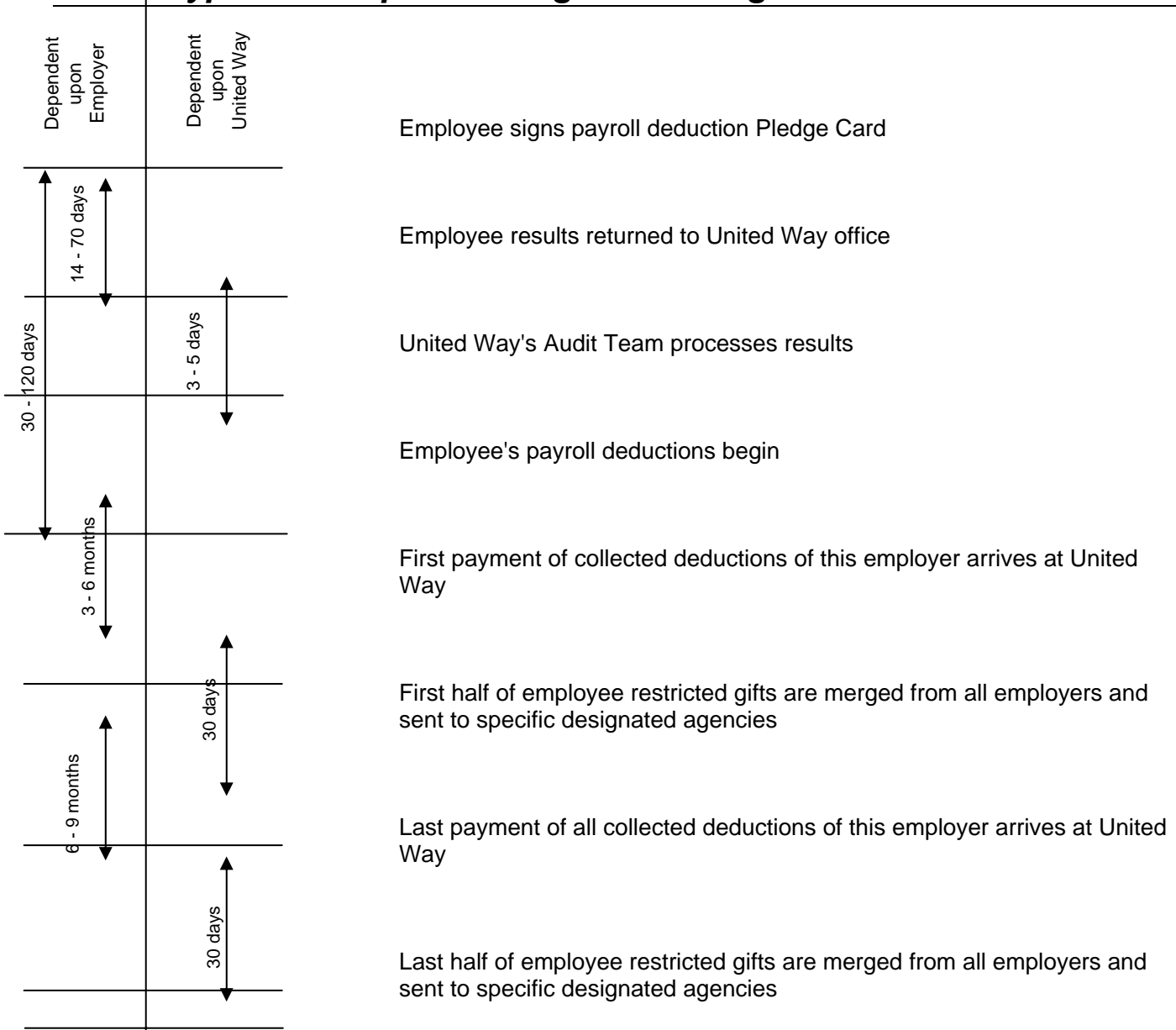


## 2007-2008 Annual Campaign Designation/Restricted Gift Policy Summary

- 1) A donor may restrict their gift to one or more of the following areas:
  - Community Care Fund - United Way's Network for Caring/Power of Partnership
  - Type of Impact Area (issue related)
    - Children
    - Families
    - Seniors
  - Current United Way Community Collaborations and Initiatives
  - Any Geographic Area in USA or Santa Barbara County
  - Specific Agency (must be an IRS recognized 501(c)(3) charitable organization)
- 2) In order to avoid paying out designated/restricted dollars that are never received, we ask you to complete a new designation/restricted gift form each year. The average workplace turnover rate in Santa Barbara County is in the 15-25% range. Because of this, we need to ensure that designated/restricted monies being sent to charities are actually collected. Gifts not restricted will be distributed locally to the dozens of different services that comprise United Way's Network for Caring/Power of Partnership.
- 3) A minimum \$100 per restricted pledge per designated agency per year is required for a donor to restrict his/her charitable gift. In order to keep costs as low as possible for our donors, a pledge of \$99 or less will be treated as a gift to United Way's Network for Caring/Power of Partnership to benefit the entire local community.
- 4) Employees and other individuals are eligible to designate/restrict their individual gifts.
- 5) According to recent standards established by hundreds of national and regional employers, pledge processors, and United Way of America, a service fee equal to 13.3% of the designated gift amount will be applied up to a maximum of \$250 per donor per year. This fee complies with all of the new nation-wide standards.
- 6) Designated/Restricted gifts can only be paid out if contributions are received. Because of normal employee turnover, most organization's employee total pledges are not paid in full. As a result, United Way of Santa Barbara County must apply an uncollectible rate to balance all the payments received from all employers for a specific restricted charity or area. Each employer's actual rate of collections is used when sending the funds to the restricted charity or area. United Way will send 100% of the actual funds received, less the nation-wide standard service fee, to the restricted charity.
- 7) Payouts to designated charities or areas are made annually, bi-annually or quarterly, on an "as received" basis from the donor's employer. To avoid processing payments that may actually cost more to process than the payment itself, we have a set total minimum payment of \$75 per restricted charity per quarter prior to the final quarterly payments. Any quarter that the total donations accumulated to date on a restricted charity's behalf exceeds \$75, a check will be generated. Your final payment will include all remaining dollars that have been accumulated regardless of the total. For more specific information please see United Way's "Pledge and Designation Process Timeline" sheet.
- 8) All restricted gifts are paid directly to the charity or area, separately and regardless of the charity's funding from this or any other funding source or United Way organization.



## Typical Workplace Pledge and Designation Process Timeline



- Payroll deductions are typically for a 12-month cycle.
- Final deduction payments take an additional 3 months to arrive at United Way (now 15-18 months or more from the time an employee signs their Pledge Card).
- United Way's staff usually process designation payments within 30-45 days of receipt of funds.
- Out of an average 18 month cycle time, United Way is responsible for 65 days. The employer is responsible for the remaining 300-500 days.