

DAVIE COUNTY

UNITED WAY

COMMUNITY INVESTMENT PROCESS

PRINCIPLES

POLICIES

PROCEDURES



INTRODUCTION

The United Way approach to financing human service programs is based on the belief that the interests of the people of Davie County are best served when a unified process is used to make decisions about funding to the agencies which provide services.

United Way grants are used to support the maintenance of the agencies and to provide funding for specific, identified service programs from the agencies. Strict accountability is expected and required of all funded agencies.

As a custodian of community contributions, United Way must assure that services meet changing needs and accepted standards and reflect effective and efficient use of funds. Central to this mission is the working relationship between United Way and its partner agencies.

The Community Investment Committee (CIC) of the United Way, also known as the Funding Panel, is the point at which community financial resources and the needs of the people meet. Sometimes difficult decisions have to be made in light of overall community priorities and available funding potential.

In Davie County, as in most places, the United Way dollar represents only a part of the total annual expenditures for local health, family and child care, youth and character building services. As such, it is important that United Way dollars are used to buy effective, meaningful, unduplicated services from the member agencies at the lowest cost to the giving public.

When an agency becomes a partner of the Davie County United Way (DCUW), the budget assumes added importance.

- ❑ It is the medium through which the agency's service is interpreted to this financing body.
- ❑ It forms the basis for the annual grant and payment of funds and the accounting for their use.
- ❑ It is the device through which the United Way can assure the contributors that their money is being used efficiently.
- ❑ It is the instrument through which community planning may be made effective: expansion in services, reorganization of programs, and consolidation and re-definition of function.

The Community Investment Committee is given the responsibility of reviewing funding applications and determining whether those applications, presented yearly by participating agencies, show an accurate analysis of program services and dollars required for such operations.

Members of this committee are volunteers -- persons who give their time and thought to study agency and community needs in relation to available funds.

Through objective study and judgment, this committee represents the citizen-givers in determining how contributed funds can best be granted for the most effective well-balanced community services.

Section 1:

COMMUNITY INVESTMENT PRINCIPLES

The Davie County United Way has an important responsibility to distribute contributors' dollars wisely, fairly and effectively. A successful process for distributing funds is based upon several fundamental principles:

- ❑ low cost fundraising through a single campaign;
- ❑ fiscal and program accountability from supported agencies that provide needed services;
- ❑ volunteer driven funding decisions;
- ❑ a fair process of awarding funds;
- ❑ a citizen review process (representing the strength of the United Way system) in which community volunteers consider needs, review agency requests and determine levels of support to needed programs;
- ❑ the consideration of funding new programs as needs for those programs are identified. (However, the decision to fund any new program must take into consideration the impact such action will have on existing partner agencies' funding levels, given the fact that the total amount of dollars to be granted is limited by the amount raised in the current campaign.)
- ❑ United Way will not support duplication of services by funding programs providing identical services. Exceptions may be made for those programs providing the same service, but in different geographic locations in the county. In the event that existing funded programs are determined to be providing duplicate services, the CIC will be charged with the responsibility of examining those duplicate programs to determine which is operating in the most efficient and effective manner. Based on this examination, the Committee will make a recommendation to the United Way Board concerning the re-directing of funds to the program which is best equipped to provide that service.
- ❑ United Way encourages those activities promoting collaboration among partner agencies. Funding decisions may be impacted by an agency's ability to demonstrate that its program is collaborating with other community agencies (or that it is willing to collaborate, but has been unable to for reasons beyond their control).
- ❑ Due to changing needs in the community, agencies will not be guaranteed a level of funding equal to that of the prior year. This is necessary in order for United Way to embrace its responsibility as a community impact agent.

Section 2:

COMMUNITY INVESTMENT POLICIES

Funding Priorities by Program Area:

In 2003, the Board of Directors of the Davie County United Way along with community volunteers identified three program priority areas, also known as community impact areas, under which all programs and services funded by DCUW must fall. Those priority areas are as follows:

- 1) Children & Youth
 - a. Invest in the future success of children by providing safe environments and educational activities.
 - b. Enhance character development and self-esteem.
- 2) Health & Wellness
 - a. Promote wellness of the community through physical activities.
 - b. Provide physical, emotional and psychological caring to the sick, disabled and terminally ill.
- 3) Crisis Intervention
 - a. Provide people with the basic necessities in a disaster or other times of temporary need.
 - b. Encourage and facilitate a return to self-sufficiency.

I. Agency Eligibility

Any human services agency, having been determined by the IRS to be a tax-exempt organization under section 501(c) 3 of the tax code, or having been determined as an agency which utilizes funds for 501 (c) (3) purposes, is eligible to apply for funding for its program(s) to the Davie County United Way. After a careful and thoughtful review of all information submitted by an agency for its program(s), the CIC may take one of the following courses of action:

- ❑ Recommend to the United Way Executive Committee and Board of Directors that the applying agency's program(s) be funded at a specific level for that funding year.
- ❑ Recommend that the agency be placed on designation only status.
- ❑ Reject the agency's funding application.

II. United Way Funding for Agency Programs

The Davie County United Way provides funding to specific agency program(s), rather than to the agency as a whole. A program is defined as one or more services directed at impacting a single human service need or problem area. The program must have an identified target population, which is the primary recipient of the service and for whom the agency can identify specific client outcomes.

United Way funds must be used solely for an approved program(s). Funding is not transferable to another program without the prior, express approval of United Way.

III. Capital Expenditures

United Way funds shall not be used for capital building expenditures. These include new building/structure construction, additions/or renovations to buildings/structures, except as may be specifically agreed upon between the United Way and the agency.

Purchases of equipment necessary for the successful operation of a United Way funded program is an allowable expenditure; however, all equipment purchases which are funded by United Way dollars must be included in an agency's annual funding proposal. The panel reviewing that agency will be charged with the responsibility of determining the legitimacy of any such equipment purchases. Based on the review panel's recommendation, the Community Investment Committee may disallow any such equipment purchases with United Way dollars.

A purchase of equipment subject to approval does include computer hardware and software necessary for the efficient/effective operation of a United Way funded program. Purchases of furniture and other related furnishings may not be funded by United Way dollars, except as may be specifically agreed upon between the United Way and the agency.

IV. Unauthorized Expenditures/Commitments

The Davie County United Way will not assume responsibility for financing programs or other commitments made by an agency, without previous authorization from the United Way Board of Directors.

V. Agency Operating Deficits

The Davie County United Way will not assume responsibility for unauthorized deficits for any partner agency. When an agency finds it cannot operate within the approved budget, this information should be brought to the immediate attention of the United Way Steering Committee.

VI. Agency Autonomy

The essential responsibility of the partner organization for administering its own internal affairs shall be accepted as basic in the relationship between the United Way and the financially participating agency. The board and staff of each agency provide services to the people of the county and share the responsibility for insuring that the services provided are meeting current human services needs and acceptable standards of quality.

VIII. Agencies Should Develop Operating Revenue

Agencies shall be expected to realize and use to the fullest extent, all possible sources of operating income that might be secured through the agency's normal program of activities (e.g. fees for services, non-designated contributions, memberships).

Agencies should be encouraged to establish realistic dues and fee policies, which are feasible from the standpoint of the agency's program objectives and which will help supplement the agency's income. In general, the fee policies should insure that no one is deprived of service due to the inability to pay; however, those who can afford to do so will pay the full/partial cost of the service.

IX. Endowment Funds

Agencies are encouraged to accept gifts, devices and bequests for their endowment or permanent funds. A complete reporting of these funds shall be made to the Davie County United Way annually. All interest or earnings from invested funds shall be credited to the operating income of the agency, unless such income is designated by the donor for a specific purpose.

X. Budget Savings

When an agency realizes savings in budgeted items or receives non-designated or unexpected income to the extent that the approved Davie County United Way funding is not needed, the United Way should be informed as soon as possible.

If an agency deletes a United Way funded program, or if the need for a funded program is lessened, that agency must notify the United Way so that appropriate action may be taken.

Agency Fundraising Policy

PHILOSOPHY:

The United Way is interested in working with participating agencies and the community at-large to secure the necessary funds for support of the county's human service programs.

This policy establishes the guidelines for fundraising by agencies that have a membership status with the Davie County United Way, Inc.

The purpose of this policy is to permit the greatest amount of flexibility to member agencies in conducting their own fundraising and, at the same time, insure the best possible results for the United Way's annual campaign.

GUIDELINES

A. Activities not requiring prior United Way notification:

Agencies are encouraged to use, to the fullest extent, the following funding sources: fees for services; private non-corporate foundations and government grants; investment income, bequest and memorials; unsolicited donations; revenue from program activities and use of facilities; out-of-county contributions and special events.

- ❑ Sustaining membership drives are activities for the solicitation of individuals who may wish to identify themselves with a particular agency. Any agency will normally seek to enroll current and former board members, staff, program volunteers, clients and other individuals with whom the agency has a bona fide relationship. It is preferable that this drive be conducted **outside** the United Way time frame.
- ❑ Special events offer the donor a return for his/her contribution. These events involve strong volunteer leadership in planning and implementation of the event. These events **are not subject** to the United Way time frame.

B. Restricted Times:

- ❑ Agency fundraising activities that include direct mail solicitation, workplace campaigns (such as team recruitment for a fundraising event) and corporate solicitation of \$1,000 or more are discouraged within Davie County from September 1st through November 30th of each year to avoid conflicting with the United Way campaign.

C. Outside Organizations:

- ❑ Activities conducted by outside organizations who propose to raise funds in the name of an agency are subject to all of United Way's guidelines and restrictions and are considered to be fundraising by the agency itself.

D. Procedure for Reporting Fundraising Activities

A plan of fundraising activities should be submitted with the agency's annual funding proposal.

Funding of the agency by DCUW constitutes understanding of the fundraising activities listed therein.

In the event of an unplanned fundraiser, a letter outlining the fundraising activity and timetable should be submitted to the Executive Director of United Way forty-five (45) days prior to the scheduled beginning of the activity. United Way will make every effort to help promote such events.

Activities projected to net less than \$500 are not required to be reported but must comply with all sections of this policy.

E. Failure to Comply

Failure to comply with this policy may result in reduction of the United Way funding by an amount equal to the gross income of any non-complying activity. Continual disregard of this policy, or a pattern of failure to comply with this policy, may be grounds for termination of the membership agreement.

Campaign Designations Policy

The Davie County United Way is fully committed to three basic operating principles:

- ❑ low cost fundraising through a single campaign
- ❑ fiscal and program accountability
- ❑ the citizen review process, wherein a representative group of community volunteers plan for services and grant funds through an organized system based on needs assessment, accountability and local determination.

The United Way does not support organized “popularity” efforts promoting designations to any given agency or charity. However, the United Way does respect the right of the donor to exercise his/her free choice in accordance with the terms of this policy.

United Way will honor designations to current partner agencies to the extent of the total of the designation or the approved level of funding, whichever is **greater**.

Designations to other United Ways shall be honored, subject to reciprocal adjustment of the uncollectible factor and administrative charges.

Organized designation campaigns by United Way affiliated agencies will be considered contrary to the basic purpose of the United Way and will be viewed accordingly by the Community Investment Committee.

Appeal Policy

The Community Investment process and budget review should assure a thorough and careful consideration of annual funding by the Community Investment Committee. Every effort will be made to be fair to each organization in light of the needs of all partner agencies and available community resources.

Each agency will recognize that the judgment of its panel and the CIC will be respected unless it is clearly apparent that error or misinterpretation affected the recommendation of the panel.

Re-emphasis of points already presented to the panel is not considered a valid basis for an appeal.

If an agency feels that it has a basis for an appeal in accordance with the foregoing description, the steps for appeal will proceed as follows:

1. Within ten (10) working days of receiving the recommendations of its reviewing panel, an agency shall send a detailed written statement of its basis for appeal with appropriate substantiation directly to the Davie County United Way.
2. Upon notification that an appeal has been submitted by the agency, the Board of Directors will designate the Community Investment Committee Chairperson to review the appeal.
3. The CIC Chairperson will appoint a Steering Committee composed of the Vice-Chairperson and panel leaders to examine the appeal.
4. If the Steering Committee feels that the appeal is warranted, a separate hearing will be held with the agency.
5. After the hearing or if a hearing is felt unwarranted, the CIC Chairperson will promptly notify the Board of Directors of the Committee’s decision.
6. The Board of Directors will notify the agency of the decision regarding the appeal.

Section 3:

PROCEDURES

I. COMMUNITY INVESTMENT COMMITTEE:

Membership

The Community Investment Committee shall consist of not less than 12 members. The Committee members shall be divided into panels for the purpose of reviewing human service agencies. The CIC members need not be members of the Board of Directors.

Every effort shall be made to secure suggestions for CIC members from a wide variety of sources, including contributors to the United Way, representatives of business, government and professional groups and others, so that committee members will represent a broad range of community viewpoints.

Committee Organization

For the purpose of reviewing the annual funding request of the member agencies and conferring with the agencies regarding these requests, the CIC is divided into three panels.

Each panel will have a leader, who will be a board member appointed by the Chairman of the CIC, and shall consist of sufficient members who will be responsible for the review of the request.

Each Panel will be assigned approximately 7 - 10 agencies to review. Individual Panel Members will be provided with a copy of each assigned agency's funding application.

Terms of Service

Members of the CIC are appointed by the CIC Chairman. The Chairman shall have at least one year of service on the CIC prior to his/her appointment by the Board of Directors.

Responsibilities

The CIC, in part or in whole, shall meet at least once each year with each participating agency.

The Committee will review the agency's proposed operating budget for the next year and discuss programs and services provided by the agency.

The CIC has the primary responsibility, within the United Way system, to lead in identifying, prioritizing, and working with agencies to implement health and human service programs in the community.

It provides leadership in bringing together diverse expertise to address human service issues, carrying out United Way's role as a funding organization and a convener.

The Committee's responsibility shall be to make financial and program recommendations to the United Way Board of Directors.

The Committee shall operate in accordance with the most recent revision of the Davie County United Way's Community Investment Process Policies and Procedures and the Memorandum of Agreement between the United Way and its partner agencies.

Relation to the Board of Directors

All acts of the CIC are subject to the final approval of the Board of Directors of the Davie County United Way.

If the Board fails to approve a recommendation of the CIC, or deems it advisable to further consider matters relative to a budget, the Board shall refer to the Steering Committee such questions for further consideration and recommendation.

The Community Investment Process should assure a thorough and careful consideration of annual funding. Every effort will be made to be fair to each agency in light of the needs of all United Way agencies and available community resources.

The Steering Committee

The Steering Committee shall consist of the CIC Chairman, the Vice-Chairman and the Panel Leaders.

Responsibilities of the Steering Committee include:

- ❑ Overseeing orientation sessions for new members of the CIC.
- ❑ Providing recommendations to the Chairman, at his/her request, names of persons to fill vacancies in the CIC.
- ❑ Being available to act on behalf of the CIC in case of an emergency requiring action before a regular meeting can be held.
- ❑ Reviewing the recommendations of the Panels and overseeing the preparation of a final report to be submitted to the Davie County United Way Board of Directors.
- ❑ Reviewing appeals submitted by agencies.

The United Way Community Investment Committee has the responsibility to evaluate how well the agency is responding to its commitment to the community to deliver a needed service in the most efficient/effective way and at the least cost.

II. AGENCY EVALUATION AND REVIEW PROCESS:

Criteria to be used in Decision Making

Recognizing that the dollars available for United Way grants will not meet the total level of dollars requested by member agencies, the Community Investment panel volunteers are asked to examine programs according to the criteria outlined below. While such criteria provide a framework for decision making, good judgment has been, and should continue to be, the strength of the process.

Our goal is to find a balance that will direct limited resources to the high priority services, but which at the same time, will recognize that other factors such as an agency's management performance and ability to generate other funding resources are also important.

It is further recognized that community needs and government funding patterns change. What United Way supports today may not be where support should be directed tomorrow.

United Way volunteers understand that, through the citizen review process, dollars must be granted to the most pressing community problems and to where volunteer support will have the greatest impact.

United Way Community Investment Panel Members utilize a specific score sheet when making funding determinations. Five areas are assigned point values and weighted by receiving a score of 1 – 5. An average score for the program is determined by multiplying the score for each area by the weighted point value of that area. An agency's program must achieve an average score of 300 points in order to be eligible for funding. The funding application has been re-evaluated to directly correlate with the score sheet and asks questions in the following areas:

Community Need: 20 points - Does the program address a United Way funding priority? (0 points here will disqualify a program for funding.)

Impact & Evaluation: 35 points – Does the application describe all input, outputs, activities, goals both successful and unsuccessful, and tracked data that keep the program running? Outcome Measurement Definitions are as follows:

Program Inputs - What resources are consumed by this program? (*This includes staff, volunteers, facilities, equipment, funding, etc.*)

Program Activities - What methods are used for providing the program? (***Detail specific processes or events undertaken.***)

Program Outputs - Detail the direct product of program activities. (*How many clients served, how often, over what duration?*)

Outcome Goals - Provide a specific statement of desired change in the lives of your clients that this program will accomplish.

Outcome Indicators - Detail the specific data tracked to measure progress in achieving outcomes. (*What methods do you use in your Agency to make sure this program is effectively meeting the goals you set out to achieve?*)

Ability to Deliver: 25 points – Does the application describe the facilitating agency's ability to deliver the program for which funding is requested? Does it explain why it is appropriate for this agency to

be delivering this program? Has it included expertise level of staff and/or volunteers as well as any past experience the agency had in providing this program or service.

Commitment to Community Partnership: 10 points - Does the application describe the agency's partnerships and collaborations with others in the community, giving examples of the agency's commitment to pool resources for planning and providing innovative services?

Financial Accountability: 10 Points - Community Investment Panel Members will be scoring in the area of Financial Accountability from the information obtained through the budgets provided and the Agency Certification Section of the Application. They will be considering whether or not:

- the budget information is well prepared;
- the agency operates by utilizing a board approved annual budget;
- the agency utilizes responsible planning and efficient management of resources, reflected in a comparison between budgeted & actual figures.

Impact of United Way Support

1. How important is United Way funding to the program:
 - a) given the importance to the community of the problem that the service addresses?
 - b) given the amount of service already being delivered?
 - c) given alternative sources of funding for that service?
 - d) given the relative importance to all other programs seeking United Way support?
2. Will United Way's support allow more people to participate in the program?
3. Will United Way's support serve a segment of the community not presently being served?

Extent of Need for the Program

4. Does the program for which the agency is requesting support, address one or more of United Way's community impact areas?
5. What is the amount of need in relation to:
 - a) the estimated number of persons affected?
 - b) the estimated number for whom services are not available?
 - c) gaps and duplication in service delivery?
6. Trend of the need:
 - a) is it growing?
 - b) is it relatively stable?
 - c) is it declining?
7. Severity of the need:
 - a) to what degree is personal function impaired by the need?
 - b) will failure to resolve the need produce additional harmful effects for the person?
 - c) will failure to resolve the need lead to additional needs?

Agency Management Performance

8. Are the services provided consistent with the agency's purpose?
9. Is there evidence of good fiscal and program planning?
10. Does the agency demonstrate mechanisms for coordination to ensure inter-agency cooperation?
11. Is the agency in compliance with United Way's policies and reporting requirements (audit, Form 990)

Cost/Benefit Relationships

12. Are item and unit costs as low as possible?
13. Are there an appropriate number of people being served?
14. Are volunteers being utilized effectively?
15. Is there effective utilization of other sources of income such as program fees and third party payments?
16. Does the service provided lend itself to program accounting and budgeting and to service measurement?