

United Way of Olmsted County Designation Policy (revised May 2018)

Statement of Policy

As a service to our donors, United Way of Olmsted County will process contributions designated by the donor to a specific 501(c)3 agency. United Way will forward your contribution to the chosen organization. However, unlike gifts made to United Way's LIVE UNITED Community Fund or targeted to one of United Way's four focus areas, United Way cannot guarantee how these funds will be used or provide oversight to report measurable results.

Making a Designation

You may designate all or a portion of your United Way contribution to any 501(c)3 tax-exempt organization. Designations need to be made and submitted at the time of the pledge. Agency information, including the agency name, address, city, state, and EIN is required to ensure that a designated gift is correctly processed. Please complete as much information as you can to help ensure we are able to direct your funds to the correct organization.

Designations can only be directed to legitimate 501(c) 3 organizations with a valid tax id number. Designations cannot be made to individual programs within an organization. Any write-in designations received for individual programs will be directed to the parent organization holding the tax id number for that program. If we are unable to verify your 501(c) 3 organization, United Way of Olmsted County will contact you for further instructions.

No numeric agency code is required. Donor names and gift details are forwarded to designated agencies with each payout unless anonymity has been requested, or if a donor's employer doesn't provide detailed gift information.

Payment of Designated Gifts

Upon receipt, designated gifts made with cash, check or credit card are paid to agencies in the next scheduled designation payout beginning in February. Each year donors make pledges to United Way which are then paid through payroll deduction the following year. One fourth of each designated payroll deduction gift is paid out four times a year in April, August, October, and January.

Fund-raising and Administration

There is a charge to all agencies receiving designated funds to cover United Way of Olmsted County's cost of fund-raising, processing and distributing the designation. This charge is 10 percent, but it will vary slightly from year to year. This cost is very low in relation to the cost of raising funds at other charities, and is far below the 30 percent suggested by the Charities Review Council.

Uncollected Pledges

United Way can only distribute dollars that are actually collected. We know from historical experience that 3.75 percent of pledges will never be fulfilled for a variety of reasons - job loss, relocation, change in family circumstances, etc.

Unfortunately sometimes UWOC has no way of knowing which specific payroll pledges are unfulfilled – when companies give United Way a lump sum versus individual reports in the name of the donors. In order to make sure that these uncollected pledges are taken into account, we know (based on historical data) that 3.75 percent of all payroll deduction pledges will not be collected. For example, if \$100 is pledged, \$10 goes to United Way to help pay for fundraising and administrative costs. On average \$3.75 will not actually be received, and \$86.25 will be given to designated agencies.

Nonprofit agencies with whom we work understand this issue and take it into account when

budgeting each year. If you give by a method other than payroll deduction, such as cash, credit card or stock, the 3.75 percent uncollectible allowance does not apply.

Additional Information

For more information, contact United Way of Olmsted County at rd@uwolmsted.org or call (507) 287-2000 and request Donor Services.