



Administrative Policy
COMBINED MUNICIPAL CAMPAIGN

A.P. No.	A.P 2-16
Effective Date:	Upon Approval

1. POLICY STATEMENT

This City of Houston policy establishes a mechanism for the solicitation of charitable contributions from City employees by the creation of the Combine Municipal Campaign (“CMC” or “campaign”).

2. POLICY PURPOSE

The purpose of this policy is to:

- 2.1. Enable the solicitation of charitable contributions from City employees so as to promote efficiency, minimize disruption in the workplace, and allow deductions in an administratively convenient manner;
- 2.2. Provide clearly defined procedures for soliciting charitable contributions from City employees for CMC;
- 2.3. Allow City employees, who wish it, an avenue to express their generosity by choosing one or more specific charitable organizations for their donation(s);
- 2.4. Establish required criteria charitable organizations must meet to receive contributions from City Employees; and
- 2.5. Establish the designated administrators of the CMC.

3. SCOPE

This policy applies to all City offices, departments, divisions, and employees.

4. DEFINITIONS

Administrative Fee: A 4% fee to administer the Citywide CMC program for the purposes of defraying related expenses including, but not exclusive to, pledge form, printing materials, the CMC Recognition Reception, etc.

Applicant: An organization, fund or federation applying to participate in the CMC.

Campaign Beneficiary: An organization, fund or federation that is the recipient of campaign contributions.

Campaign Coordinator: A City employee, designated by the HR Director, who manages and coordinates CMC activities.

Charitable Organization: Any entity described in Internal Revenue Code section 501(c)(3) (26 U.S.C. Sec. 501(c)(3)) and exempt from income tax under Internal Revenue Code section 501(a) (26 U.S.C. Sec. 501[a]) and supported in part by voluntary contributions from the public and which, unless exempt, is registered with the Attorney General of Texas or the Texas Secretary of State as a charitable corporation or nonprofit organization.

Charitable Organization Fund: An organization, to which tax-deductible charitable contributions may be made

Approved:

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Date Approved:

08/27/2021

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pursuant to section 170(c) of the Internal Revenue Code, which solicits and distributes charitable contributions on behalf of other charitable organizations.

Combined Municipal Campaign (CMC or campaign): The fund-raising solicitation of City employees conducted on behalf of charitable organizations meeting the City's eligibility requirements. The CMC annual event will occur during October of each year. During that time, approved charitable organizations, funds and federations may engage in fund-raising activities on City premises and receive financial pledges which may be paid through 24 pay-period payroll deductions, through one-time contributions in the form of a payroll deduction, or by check or money order. Upon written approval by the Director of Human Resources (HR), City Departments may hold additional, periodic, fund-raising activities and events soliciting City employees throughout the calendar year which will count toward the CMC during the month of October.

Combined Municipal Campaign Pledge Form: An electronic or paper form approved by HR for City employees to authorize campaign payroll deductions one-time pledges.

Department Coordinator: An employee, designated by each department director, who is responsible for conducting the CMC with the department.

Federation of Charitable Organization (Federation): An organization which may receive tax deductible charitable contributions pursuant to section 170(c) of the Internal Revenue Code, and which consists of five or more charitable organizations that solicit and distribute contributions on behalf of its member or recipient organizations and shall ensure that these organizations comply with all state, federal and CMC regulations governing solicitation of campaign contributions.

5. POLICY DETAILS

- 5.1. The administrative fee shall be deducted from money donated to the charitable contributions.
- 5.2. Notification of the administrative fee shall appear on each employee donation form, whether paper or electronic.
- 5.3. True voluntary giving is fundamental to municipal fundraising activities. Actions that do not allow free choices or create the appearance employees do not have a free choice to give or not to give are prohibited. Activities contrary to the non-coercive intent of the CMC include, but are not limited to:
 - 5.3.1. Solicitation of employees by their supervisor or by any individual in their supervisory chain of command. This does not prohibit the department director from performing the usual activities associated with the campaign kick-off and to demonstrate his/her support of the CMC in employee newsletters or other routine communications with employees;
 - 5.3.2. Supervisory inquiries about whether an employee chose to participate or not to participate or the amount of an employee's donation. Supervisors may be given nothing more than summary information about the major units that they supervise;
 - 5.3.3. Setting a participation goal at or above 95 percent;
 - 5.3.4. Developing and using lists of non-contributors; and
 - 5.3.5. Using as a factor in a supervisor's performance appraisal the results of the solicitation in the supervisor's unit or organization.
- 5.4. Departments wishing to hold campaign or events throughout the calendar year shall submit their written request to the HR Director which detail the event or activity, the proposed dates on which the event or activity will occur, and the participating charitable federation, fund or organization. The number and nature of events occurring outside of the month of October should be reasonable in duration and frequency,

such that campaigns are not being conducted every month of the year and employees are not likely to be oversaturated with solicitation requests throughout the year as determined by the HR Director.

6. ROLES AND RESPONSIBILITIES

6.1. The Mayor or Mayor's designee shall be responsible for:

- 6.1.1. Notifying employees of the annual campaign;
- 6.1.2. Expressing support for the annual campaign;
- 6.1.3. Speaking at the Mayor's Executive Luncheon and CMC Recognition Reception;
- 6.1.4. Making an appearance at the Citywide CMC agency fair; and
- 6.1.5. Promoting the campaign, whenever feasible.

6.2. The Human Resources Department (HR) Director shall be responsible for:

- 6.2.1. Establishing procedures, and guidelines to foster Citywide compliance with this administrative policy;
- 6.2.2. Establishing guidelines for distributing contributions to campaign beneficiaries;
- 6.2.3. Ensuring that all donating employees have been made aware of the existence, amount and purpose of the administrative fee;
- 6.2.4. Approving the criteria to determine applicant eligibility;
- 6.2.5. Authorizing the campaign budget;
- 6.2.6. Approving all printed material for the campaign; and
- 6.2.7. Approving Department requests for additional CMC activities and events throughout the calendar year;

6.3. Department Directors shall be responsible for:

- 6.3.1. Allotting time and encouraging support of and participation in the campaign among their respective department employees;
- 6.3.2. Selecting one or more department employees to serve as the department's campaign coordinator(s); and
- 6.3.3. Authorizing department expenditures necessary to support the campaign.

6.4. The Campaign Coordinator shall be responsible for:

- 6.4.1. Providing guidance to the department coordinators;
- 6.4.2. Preparing and submitting the campaign budget to the HR Director;
- 6.4.3. Determining the eligibility of all applicants requesting participation in the campaign;
- 6.4.4. Organizing the campaign;

6.4.5. Recommending the campaign financial goal, campaign logo, slogan, brochure, posters, pledge cards and all other printed materials for campaign use; and

6.4.6. Preparing the final Citywide campaign report.

6.5. The Department Coordinator shall be responsible for:

6.5.1. Conducting the campaign, including submitting a request for any additional campaign activities or events throughout the calendar year for their respective department to the HR Director through the Campaign Coordinator;

6.5.2. Attending the working lunch, executive lunch and/or coordinator training;

6.5.3. Leading any department sub-coordinators;

6.5.4. Entering all paper payroll deduction pledge forms received in the department into the online system; and

6.5.5. Ensuring proper documentation and accounting of all pledges and contributions to campaign beneficiaries.

6.6. The Administrative & Regulatory Affairs (ARA) Payroll Services Division, in coordination with the Controller's Office shall be responsible for:

6.6.1. Deducting the proper elected donated amount from employee checks;

6.6.2. Ensuring proper accounting and record keeping of all payroll deductions;

6.6.3. Coordinating the distribution of contributions to campaign beneficiaries;

6.6.4. Deducting the applicable administrative fee from all employee pledges; and

6.6.5. Preparing and processing contributions to campaign beneficiaries.

6.7. The Human Resources Department's Financial & Accounting Management Division shall be responsible for:

6.7.1. Preparing quarterly reports;

6.7.2. Initiating and processing an expense off-set with the administrative fees for each quarter; and

6.7.3. Preparing and submitting a budget status report to the Campaign Coordinator and the HR Director.

6.8. The Applicant shall be responsible for completing and submitting all documentation requested by the City within in the deadline.

7. PROCEDURES

7.1. Each applicant who wishes to participate in the campaign shall:

7.1.1. Be qualified to do business in Texas;

7.1.2. Submit the names of agents who will be representing them before the City;

- 7.1.3. Assume responsibility for the actions and soliciting behavior of its agents to ensure City employees are solicited in accordance with this procedure; making certain that the work environment of the employee and supervisor is not disturbed, and City employees are not harassed;
 - 7.1.4. Be a nonprofit, tax-exempt, charitable federation, fund, or organization supported in part by voluntary contributions from the general public, and providing charitable services;
 - 7.1.5. Retain its status as a 501 (c) (3) and 26 U.S.C. Sec. 170 tax-exempt entity pursuant to the Internal Revenue Code and the applicable laws of Texas for the period in which funds are being requested;
 - 7.1.6. Certify that it accounts for its funds on an accrual basis (cash, modified cash, modified accrual and any other methods of accounting are not acceptable) in accordance with generally accepted accounting principles and that an audit of its fiscal operations is completed annually by an independent certified public accountant in accordance with generally accepted auditing standards if gross receipts reported to the IRS in the preceding year exceeded \$100,000. A copy of the organization's most recent annual audited financial statements must be included with the application. The audited financial statements must cover the fiscal period ending not more than 18 months prior to the January of the year of the campaign for which the organization is applying. For example, the audited financial statements included in the 2021 application must cover the fiscal period ending on or after June 30, 2019;
 - 7.1.7. Comply with all laws and regulations regarding nondiscrimination and equal employment opportunity with respect to its clients, officers, employees and volunteers;
 - 7.1.8. Ensure that its promotional activities and printed materials are based upon actual program operations and are truthful, nondeceptive, and include all material facts relative to its cause; and
 - 7.1.9. Verify that its publicity and promotional activities protect against unauthorized use of its contributor lists, and do not permit the payment of commissions, kickbacks, finder's fees, percentages, bonuses, or overrides for fundraising and solicitation of the public.
- 7.2. Federations, funds, and organizations seeking participation in the CMC shall apply by filing an application with the Campaign Coordinator on or before May 1st every three (3) years. Contact information and administrative percentages must be updated every year for continued inclusion in the CMC. The application must include the following information:
- 7.2.1. The organization's official name, headquarters or local address, telephone number, and contact person;
 - 7.2.2. The organization's purpose or mission statement;
 - 7.2.3. List of the federation or fund members or constituent organizations;
 - 7.2.4. Description of the services provided by the organization;
 - 7.2.5. Copy of the organization's written policy of nondiscrimination;
 - 7.2.6. Copy of the organization's most current annual report, if available;
 - 7.2.7. Copy of the organization's most current financial audit;
 - 7.2.8. Evidence of nonprofit, tax-exempt status, eligibility for charitable contributions under the provisions of the Internal Revenue Code, and licensure to do business in Texas; and

7.2.9. Authorization to the City allowing for the deduction of the applicable administrative fee.

- 7.3. Applicants will receive a written notice from the HR Director announcing the status of their application by June 1st.
- 7.4. Applicants who are not selected as campaign beneficiaries may appeal to HR by requesting a hearing within 10 calendar days of receiving the denial notification. The applicant may submit new information and supporting documentation when making the hearing request. The request must be in writing and hand-delivered to the office of HR Director.
- 7.5. Reasons for an applicant to not be selected can include an incomplete application package; a business model that includes administrative fees greater than 25%; an organization is primarily engaged in the propagation of a religious faith or belief; an organization is a private foundation, or was organized solely to participate in the CMC.
- 7.6. The HR Director shall hold an appeal hearing within 15 calendar days of receipt of the written request.
- 7.7. After rendering a determination on the appeal, the HR Director will notify the Applicant and the Campaign Coordinator.
- 7.8. A City employee who chooses to donate shall be responsible for enrolling online or submitting a signed CMC pledge form to his/her department's campaign coordinator.
- 7.9. Payroll deductions will begin the first full pay period of each January and will continue twice monthly for 24 pay periods unless the employee selected a one-time payroll deduction.
- 7.10. Employees desiring to discontinue contributions by payroll deduction may do so by completing the appropriate form available through their department payroll representative. The department coordinator must ensure that the proper payroll transaction form is prepared and forwarded to ARA Payroll Services.

8. CONFLICT AND REPEAL

This Policy supersedes Administrative Policy 2-16, Combined Municipal Campaign, signed on July 2, 2013, which shall be of no further force or effect.

9. RELATED DOCUMENTS AND INFORMATION

- Article VI, Section 7a, of the City Charter of the City of Houston

10. POLICY SPONSOR

Department: Human Resources Department