

# STATE OF DELAWARE



## EXECUTIVE DEPARTMENT DOVER

EXECUTIVE ORDER  
NUMBER ~~EIGHTY-EIGHT~~

TO: HEADS OF ALL STATE DEPARTMENTS AND AGENCIES

RE: STATE OF DELAWARE EMPLOYEES' COMBINED CHARITABLE HEALTH  
AND WELFARE SOLICITATION CAMPAIGN

WHEREAS, State employees annually have participated in campaigns soliciting funds for the United Way and the United Negro College Fund; and

WHEREAS, the employees of the State of Delaware have demonstrated their generosity and commitment to the support of charitable health and welfare causes; and

WHEREAS, it is in the best interest of the State to provide a single annual campaign with minimum interruptions from the work and services being provided by our State employees to the citizens of our State; and

WHEREAS, it is impossible to allow every nonprofit organization to conduct a campaign but it is reasonable to establish guidelines and procedures to establish a single, combined annual campaign.

NOW, THEREFORE, I, MICHAEL N. CASTLE, by virtue of the authority vested in me as Governor of the State of Delaware do hereby declare and order the following:

- I. Establishment of Combined Charitable Health and Welfare Solicitation Campaign

The State of Delaware shall henceforth conduct an annual combined charitable health and welfare solicitation campaign (hereinafter referred to as "Campaign") to provide its employees with the opportunity to make charitable contributions either through direct payment or payroll deduction.

## II. Criteria for Selection

An organization must meet the following criteria in order to participate in the Campaign:

### A. Foundation, Umbrella Organization, or Individual Organization

An organization may be a foundation, an umbrella organization, or an individual organization.

1. A foundation means a not-for-profit organization which makes grants to other organizations. Such a foundation must meet the other criteria for selection as set forth herein.
2. An umbrella organization means an organization which meets the other criteria for selection as set forth herein and which serves as the administrative agency for at least four non-profit organizations, each of which meets the other criteria for selection as set forth herein.
3. An individual organization means an organization which meets the other criteria for selection as set forth herein and which is not affiliated with a foundation or an umbrella organization.

### B. Health and Welfare Purpose

An organization must be organized and operated for the purpose of rendering, or materially or financially supporting the rendering of, services to, and for the benefit of, the health and welfare of residents of the State of Delaware, including, but not limited to:

1. Delivery of health care to ill or infirm individuals;
2. Education and training of personnel for the delivery of health care to ill or infirm individuals;
3. Health research for the benefit of ill or infirm individuals;
4. Delivery of education, training, and care to physically and mentally handicapped individuals;



5. Education of individuals who, without assistance, would not be able to afford the cost of such;
6. Treatment, care, rehabilitation, and counseling of juvenile delinquents, persons convicted of crimes, persons who abuse drugs or alcohol, persons who are victims of family violence or abuse, persons who are otherwise in need of social adjustment and rehabilitation, and the families of such persons;
7. Relief for victims (including non-Delaware residents) of crime, war, casualty, famine, natural disasters, and other catastrophes or emergencies;
8. Neighborhood and community-wide services that directly assist needy, poor, and indigent individuals, including provision of emergency relief and shelter, recreation, transportation, and preparation and delivery of meals, educational opportunities, and job training;
9. Legal aid services that are provided indiscriminately to needy, poor, and indigent individuals solely because of their inability to afford legal counsel;
10. Protection of families that, on account of poverty, indigence, emergency, or other adversity are in need of family, child care, or maternity services, child or marriage counseling, foster care, and guidance or assistance in the management and maintenance of the home and household;
11. Relief for needy, poor, and indigent infants and children, (including orphans) including the provision of adoption services;
12. Relief for needy, poor, and indigent adults and of the elderly;
13. Assistance, consistent with the mission of the state agency or facility involved, to members of its staff or service, who, by reason of geographic isolation, emergency conditions, injury in the line of duty, or other extraordinary circumstances, have exceptional health or welfare needs; or

14. Lessening of the burdens of government with respect to the provision of any of the foregoing services.

C. Established Physical Presence in State

An organization must have an established physical presence in the State of Delaware, either in the form of an office or service facility which is staffed at least fifteen hours a week, or by making available its staff through scheduled appointments with Delaware residents or businesses at least fifteen hours a week.

D. IRS Section 501(c)(3)

An organization shall hold and maintain a currently valid designation from the Internal Revenue Service as a Section 501(c)(3) organization, and be eligible to receive tax deductible contributions under Section 170 of the Internal Revenue Code. A copy of the Internal Revenue Service designation letter shall be submitted with the application.

E. Nondiscrimination

An organization shall have a policy and demonstrate a practice of nondiscrimination on the basis of race, color, religion, sex, age, national origin, or physical or mental handicap, applicable to staff employment, and to memberships on the governing board.

F. Annual Report

An organization shall prepare an annual report or report to the general public on an annual basis, which shall include a full description of the mission, target population, activities, objectives and achievements of the organization and the names of its chief administrative personnel. Organizations with an annual budget of less than \$100,000 shall not be required to prepare an annual report, but, must submit a copy of the Form 990 which they filed with the Internal Revenue Service.

G. Limit on Administrative and Campaign Costs

Each foundation, umbrella organization, and individual organization shall submit a statement certifying that its management, general, and fund-raising expenses are not in excess of 25% of total revenue.



If such costs are in excess of the percentage of total revenue established above, an organization shall provide an explanation and documentation that its actual expenses for those purposes are reasonable and appropriate under the circumstances. The Steering Committee established in Section IV of this Order, shall decide that such excess is acceptable or shall require the organization to come within the percentage cap within a certain time period.

H. Fund-raising Practices

The publicity and promotional activities of a foundation, an umbrella organization and its constituent organizations or an individual organization must be based upon the actual program and operations of the entity and must be truthful, nondeceptive, and consumer oriented. Fund-raising practices must assure: protection against unauthorized use of the organization's contributors' list; no payment of commissions, kickbacks, finder fees, percentages, or bonuses for fund-raising; no mailing of unsolicited tickets or commercial merchandise with a request for money in return; and no general telephone solicitation. This requirement shall apply only to those activities connected with the Campaign.

I. Voluntary Board of Directors

An organization shall be directed by an active, voluntary board of directors which serves without compensation, holds regular meetings, and exercises effective administrative control. If the board of directors is not located in Delaware, there must be a local board comprised of Delaware citizens which advises the board of directors with respect to Delaware activities.

J. Accounting Standards

An organization shall adopt and employ the Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organizations from the American Institute of Certified Public Accountants (AICPA) and provide for an annual external audit by an independent, certified public accountant. Organizations with an annual budget of less than \$100,000 shall not be required to submit to an independent audit, but, must submit a copy of the Form 990 which they filed with the Internal Revenue Service.



K. Establishment of Organization

An organization must have been in operation in Delaware for at least three years prior to application in order to demonstrate a reasonable degree of continuity and economical, effective, and efficient operation.

L. Organizations Deemed Not Eligible

The following organizations are not eligible to participate in the State Campaign:

1. Those with partisan political and propaganda programs.
2. Those with programs which exist solely to advocate particular religious or ethical beliefs.

III. Responsibilities of Approved Umbrella Organizations

An approved umbrella organization shall certify that each of its participating organizations meets the criteria for selection as set out above. The certification shall apply only for purposes of the Campaign.

The documentation supporting the certification of an individual organization shall be provided to the Steering Committee upon request.

An organization may not affiliate with more than one umbrella organization for purposes of the Campaign.

IV. Establishment and Appointment of Combined Charitable Health and Welfare Solicitation Campaign Steering Committee

The Combined Charitable Health and Welfare Solicitation Campaign Steering Committee (hereinafter referred to as the "Steering Committee") is hereby established and shall consist of seven members who shall be state employees and who shall be appointed by the Governor. Of the members appointed, there shall be at least one employee from each of the three counties.

In addition, one of the appointees shall be an employee who is represented by one of the unions under which the employees of the State are organized; one shall be an employee of the Department of Finance recommended by the Secretary of Finance; and one shall be a representative from the Governor's staff.

The Governor shall appoint a chairman of the Steering Committee.

Two of the initial appointments shall be for a term of four years, three of these appointments shall be for a term of three years, and two shall be for a term of two years. Thereafter, all new appointments shall be for terms of three years. Committee members may be reappointed, but no member shall serve more than two complete terms on the Committee.

In the event of a vacancy in an unexpired term, the Governor shall appoint a replacement who shall serve for the remainder of that term.

Four members of the Steering Committee shall constitute a quorum. A simple majority vote of a quorum of voting members shall be required for the Steering Committee to take formal action.

A representative of the organization which serves as administrator for the program shall attend the meetings of the Steering Committee, but shall not be a voting member. The Department of Finance and the Office of Information Systems shall be notified in advance of meetings of the Steering Committee so that they may send appropriate representatives to the meetings.

Meetings of the Steering Committee shall be open to the public in accordance with State law, including representatives of the approved and participating foundations, umbrella, and individual organizations.

V. Responsibilities of the Steering Committee

A. The Steering Committee shall have the following duties, responsibilities, and authority:

1. Develop all necessary time lines, policies and procedures to implement this Executive Order.
2. Develop, receive, and review applications for participation in the Campaign by foundations, umbrella organizations, and individual organizations.
3. Approve eligible foundations, umbrella organizations, and individual organizations for participation in the Campaign.
4. Select the administrator for the Campaign in accordance with the procedures set forth at Section VII.



5. Oversee the management of the Campaign.
6. Recruit employee chairpersons, loaned executives, and solicitors.
7. Promote and publicize the Campaign.
8. Review pamphlets, donor cards, and other promotional materials for the Campaign.
9. Provide a critique of the campaign administrator.

VI. Selection of Eligible Organizations by Steering Committee

- A. Organizations interested in participating in the Campaign shall submit an application in accordance with the procedures set forth by the Steering Committee.
- B. The Steering Committee, in accordance with its procedures, shall review each application and determine whether an organization should be approved for participation in the Campaign.
- C. In the event the Steering Committee determines to reject an organization for participation in the Campaign, the Steering Committee shall send the subject organization a certified letter return receipt requested, advising the organization that the Steering Committee has rejected its application, and stating the reason(s) for that rejection.

The decision of the Steering Committee with respect to approval of eligible foundations, umbrella organizations, and individual organizations, shall be final.

VII. Administration of Combined Charitable Health and Welfare Solicitation Campaign

- A. The Campaign shall be administered by one of the umbrella organizations which has previously been approved for participation in the Campaign.
- B. The Steering Committee shall issue to all umbrella organizations previously accepted for participation in the Campaign an invitation to bid to provide administration of the Campaign.



- C. The bid specifications shall describe the services to be provided, including but not limited to:
1. organization and administration of any informational presentation to employees;
  2. assistance to any department or division which wishes to have a rally or other event by providing professional or trained assistance and promotional materials;
  3. manufacture and distribution of informational pamphlets, posters, donor cards or other promotional materials;
  4. collection of donations and donor cards and tabulation of fund designation information;
  5. proper distribution of donations to approved organizations, both with respect to funds collected at the time of the Campaign and those which will be forwarded to the administrator from the Department of Finance representing payroll deductions authorized during the Campaign by employees; and
  6. audit of the Campaign.
- D. Bid proposals shall include a statement from the umbrella organization which substantiates a claim of:
1. demonstrated administrative and financial capability to manage and operate an extensive fund-raising campaign among State employees in an efficient manner; and
  2. public accountability, by certifying that it annually submits to a financial audit by a certified public accountant; making its audited financial statement, or a summary thereof, available to the public upon request; providing evidence that it has engaged in sound management practices that indicate that contributions donated by the public have been utilized with the utmost integrity.
- E. Bid proposals shall further include a percentage figure representing that portion of each donated dollar the umbrella organization would charge if chosen to serve as the administrator of the Campaign.

- F. The Steering Committee shall choose as the administrator of the program that umbrella organization which submits a responsible bid with the lowest percentage figure as outlined above, unless the Steering Committee determines that the State's interest is best served by selecting other than the lowest responsible bidder, in which case the Steering Committee shall state, in writing, its reasons for such determination. The Steering Committee may choose to reject all bids and rebid the matter.
  - G. In the event no responsible bidder is found, in any year, no Campaign shall be held, that year.
  - H. The organization which is chosen to administer the program shall not assign, subcontract, or otherwise transfer its duties and responsibilities to manage and administer the Campaign unless expressly permitted to do so by the Steering Committee.
- VII. Combined Charitable Health and Welfare Solicitation Campaign Fund Drive Programs
- A. All facets of the Campaign program shall have safeguards to ensure fair and equitable treatment and representation of the approved organizations.
  - B. If practical, all pamphlets, donor cards, and other promotional materials representing the Campaign shall be formatted in such a way as to provide equal representation of each of the approved organizations.
- IX. Distribution of Contribution
- A. Contributions shall be distributed to organizations as designated by contributors. Undesignated funds shall be distributed to each approved organization in an amount proportionate to that percentage of the total designated funds which was contributed to that approved organization. Likewise, shrinkage due to unfulfilled pledges shall be absorbed by each approved organization in an amount proportionate to that percentage of the total designated funds which were contributed to each approved organization.





APPROVED THIS 8<sup>th</sup> day  
of January, 1991.

Michael N. Castle  
Governor

ATTEST:

[Signature]  
Secretary of State

date: January 8<sup>th</sup>