

CFC – FAQ's (Frequently Asked Questions)

What is the Combined Federal Campaign (CFC) and what is its mission?

The CFC is the only authorized solicitation of employees in the Federal workplace on behalf of charitable organizations. The overall campaign window is September 1st through December 15th. Each individual Federal agency may conduct a 6 week campaign during this period. The mission of the CFC is to support and promote philanthropy through a program that is employee focused, cost efficient and effective in providing all Federal employees the opportunity to improve the quality of life for all.

Why have a CFC?

The annual fundraising campaign helps to support a variety of health, human and other services provided by close to 2,000 charitable agencies. This single campaign is the most cost-efficient fundraising method. It succeeds because volunteers from the Federal workforce combine their resources for one coordinated appeal.

Why were there new 5-digit charity codes in 2007?

The Office of Personnel Management (OPM), which oversees the CFC nationally, decided that beginning in campaign year 2007 a new 5-digit code would be issued to each charity in the CFC. OPM had various reasons for enacting this change. As more and more charities entered the CFC, the number of available 4-digit codes declined. Also, the codes were not permanently assigned to one organization, which meant that an organization's code could change from one year to the next. In addition, the same codes could be used in different campaigns, which had the potential to cause confusion.

The new 5-digit codes are permanent, and each code is assigned to only one charity.

Although this year donors will need to be careful about looking up and recording the correct codes for their designated agencies, in the long run these new codes will lead to a more efficient and effective campaign. According to CFC regulations donors may not use a charity's former 4-digit code in the 2008 campaign. The Potomac CFC is making every effort to inform donors of this change and to provide them with easy access to the new codes.

According to OPM regulations donors must use the 5-digit codes to pledge during the current campaign. Pledges made using the former 4-digit codes cannot be honored. The new codes 5-digit codes are completely different, so you cannot just add a zero to the beginning or end of the 4-digit code. To make sure that your pledge is processed correctly, please take the time to look up your agency's new 5-digit code in the print charity list or on the on-line Campaign Brochure found on this website.

Is my donation tax-deductible, and if so, what do I use as a receipt?

Yes, it is tax-deductible, and in most cases you can either use a copy of your pledge form as a receipt, a cancelled check, or if you gave by payroll deduction, your payroll stub from the end of the calendar year. Please be advised that the IRS recently changed its recordkeeping requirements for certain types of donations, and that it is a donor's responsibility to request a receipt to substantiate their CFC contribution.

On January 8, 2008 the IRS issued Notice 2008-16 which established requirements for substantiating the tax deductibility of lump sum contributions (defined by the IRS as all non-payroll deduction contributions) made through the CFC in taxable years beginning after August 17, 2006. In the case of the CFC, a "lump sum contribution" will generally mean a cash or check contribution. These requirements apply to donations of \$250 or more.

You can go to the IRS website (www.irs.gov) to get the most recent version of these regulations and more information about your tax deduction. The Potomac CFC encourages all donors to consult their tax professionals with any questions about their charitable donations.

What is the operating overhead for the local CFC?

The Potomac CFC is committed to running an efficient campaign with a low overhead rate. We are happy to report that our average overhead rate (Dahlgren/Fort A.P.Hill and Quantico) was 8.4% in 2007. This means that 92 cents of every dollar donated goes directly to the charities of choice.

The overhead expense covers the cost to produce the charity list, pledge forms and other campaign materials, as well as to manage the pledge processing, donation distribution, auditing and other accounting functions. Because the CFC reaches so many people it also helps charities reduce their fundraising rates, because they do not need to do their own marketing to reach Federal employees.

What if a non-profit organization to whom I have contributed to in the past is not on the list of participating charities this year?

By regulation charities must apply to and qualify for the CFC each year. In some cases, charities do not apply every year, or they may have qualified in the past but not for the current campaign (for a variety of reasons). If you cannot find a charity in the contributor's guide to whom you have contributed in the past, call the charity to encourage them to apply again for the next campaign.

Should I choose charities just based upon those with the lowest overhead rates?

Not necessarily. The overhead rate of a charitable organization should not be considered the primary indicator of an organization's efficiency or performance. It should only encourage a potential donor to contact the organization and/or investigate further if it appears to be unusually high. The overhead rate is calculated based upon the expenses reported on an organization's IRS form 990 for management (line 14) and fundraising (line 15), divided by total revenue (line 12). The result can be influenced by a number of factors, such as:

- Size of the organization
- Type of service
- Gain of a large revenue source
- Loss of a large revenue source
- Economic conditions

How do I know the charities participating in the CFC are legitimate?

Federal employees in the Potomac CFC area volunteer to serve on the Eligibility Advisory Committee which evaluates each charity to receive designations from local CFC contributors. Each charitable agency must meet the following requirements, as defined by federal law and OPM rules and regulations:

- Must certify that it provides or conducts real human health and welfare services, benefits, assistance or program activities.
- Must provide a letter from the IRS recognizing it as a 501 (c) 3.
- Must provide a completed copy of its IRS form 990.
- Must demonstrate that it has a substantial local or statewide presence which includes a staffed facility or office available to the public seeking its services.
- This facility must be open at least 15 hours per week and have a telephone dedicated to the organization.
- Must submit an audit report if it has an annual budget in excess of \$250,000.
- Must certify that it does not knowingly employ individuals or fund organizations on government terrorist lists.
- Must have an active and responsible governing body whose members have no conflict of interest and a majority of whom serve without compensation.

Charitable agencies on the national and international lists are reviewed annually by OPM according to the appropriate Federal laws, rules and regulations. For further information, see 5 CFR part 950. <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=5f2c4e5f63079e59489c81f4377a300c&rgn=div5&view=text&node=5:2.0.1.1.41&idno=5>

How do Federal Employees benefit from participation in the CFC?

- Creates added community visibility for Federal employees and the Federal agencies for which they work.
- Federal employees are viewed by the community as good neighbors, concerned with the welfare of others.
- Federal employees benefit from an improvement in the quality of life in the Potomac CFC area.
- Participation in a single, efficient, annual campaign offers individuals the opportunity to meet their civic responsibility to the community.

How can I find out more about participating CFC charities?

The following links have a variety of information about most of the charities that participate in the CFC:

- CharityNavigator.org - evaluates and rates over 3,400 charities nationwide, primarily based upon financial performance.
- Guidestar.org - requires registration, but has detailed information

You can also find links to the web sites of participating charities, if they have one, in the 2008 Campaign Brochure.

Can I designate to a charity not listed in the book?

Unfortunately, no. All charities must apply annually to participate in the CFC, and are rigorously reviewed to ensure that they are financially responsible and are legitimately performing the services that they describe they do. If there is a charity not in the book that you would like to see listed, please have them contact Kathleen Smith at ksmith@rappahannockunitedway.org or 540-373-0041 x17 to be e-mailed an application.

Do I need to put my social security number on the pledge form?

Social Security numbers are not required by the local CFC to process the pledge forms. The box is there only if the federal agency payroll office requires the social security number to identify the employee. Check with your CFC Coordinator or payroll office, and if they don't require it then it can be left blank. In addition, the yellow copy of the pledge form that goes to the local processing office ("Central Receipt Point") has the social security number box blacked out. The copies on which it would appear should only be seen by a CFC Coordinator and an agency payroll office.

What is the CFC's Relationship with United Way?

By regulation every local CFC in the country must contract with a local non-profit organization to serve as the Principal Combined Fund Organization (PCFO). The PCFO is responsible for the fund collection, disbursement, and general management of the campaign, and reports to the Local Federal Coordinating Committee (LFCC). The PCFO for the Potomac CFC has been the Rappahannock United Way since 1984.

Who decides how to spend my donation?

You designate your dollars (minus the administration cost) to meet your interests. You may pick a single cause – or several causes – and apportion your contribution among them in any way that you like.

Can I get help from a CFC campaign participating charity?

Yes. The services of CFC campaign participating charities are available to anyone who needs them (and meets the minimum qualifications set by the charity), to include Federal employees.

Does the Rappahannock United Way have any control over where a donation is designated?

Absolutely not. Wherever a donor designates his or her pledge, via the five-digit code on the pledge form, that's where the donation goes. The only difference is if a donation is undesignated. By CFC regulation such funds are distributed at the end of the campaign to all charities receiving donations through the local CFC, based upon the percentage of total designated donations each charity receives.

Can I cancel my donation?

Yes, for payroll deduction pledges. Just notify your payroll office in writing, and they will stop the distribution. Unfortunately, we cannot refund cash contributions.

What happens if I retire or leave my federal agency before the end of the year?

Your donation will be stopped by your payroll office. You may fulfill your pledge by sending in a check to the Potomac CFC @ P.O. Box 398, Fredericksburg, VA 22404 (made out to the "CFC"). Please include your name, work site and the campaign year in the memo.