

# UNITED WAY OF NORTH CENTRAL OKLAHOMA, INC.

## AGENCY RELATIONS MANUAL

### FORWARD

The purpose of this manual is to document the policies and procedures regarding agencies and the policies and procedures regarding budgeting and allocation of annual campaign contributions of United Way of North Central Oklahoma, Inc.

#### Introduction

##### **Our Vision**

United Way of North Central Oklahoma envisions a community working together to ensure that all of its members flourish and thrive.

##### **Our Mission**

The mission of the United Way of North Central Oklahoma is to improve lives by mobilizing the communities to action so all can thrive. We help neighbors strengthen their resilience by advancing health, youth opportunities and financial security.

##### **Core Values**

###### **We live United by:**

- Strengthening the community through compassionate collaboration, involvement and volunteerism.
- Embracing educational opportunities in a changing environment.
- Serving as generous stewards of community resources with high ethics, transparency and integrity.

##### **Our Community Investments**

United Way of North Central Oklahoma invests resources to address the most important needs in our community by partnering with new and existing programs that produce measurable, effective results.

##### **The Case for Change**

Our transformation to community impact brings more powerful and relevant solutions to our community's social problems.

An important dimension of change is strategy. We're bringing these solutions to scale by discovering, developing, learning and applying the best ideas to strengthen our community and improve lives.

Simply moving dollars around between programs- even with the best needs assessment, the best outcomes process and the best agencies- is not enough to create the kind of significant, sustained change in conditions that our community needs.

United Way of North Central Oklahoma has a vision of what we want to accomplish in our community. We are engaging community partners to collaborate in an effort to alleviate the underlying issues that affect our community.

## **COMMUNITY IMPACT GOALS**

Every year United Way of North Central Oklahoma conducts an annual campaign to generate resources for our community. These resources are invested in Kay County through a volunteer review process.

Trained volunteers distribute funds to programs focused on meeting the goals in three Community Impact Focus Areas.

### **Youth Opportunity**

School Readiness

Early Grade Success

Middle School Success

High school graduation

### **Financial Security**

Families Sustaining Employment

Income Supports

Savings and Assets

Manageable Expenses

Affordable Housing

### **Healthy Community**

Children and adults have affordable and equitable health care

Youth and adults live a healthy lifestyle

Children and adults are safe from violence and disaster

Seniors and persons with disabilities are able to stay in the home of their choice

Seniors and persons with disabilities are provided activities to keep them engaged in their community

### **Community Resiliency**

When disaster occurs, we're there with immediate relief and rebuild support. We help people address urgent needs today for a better tomorrow.

## **COMMUNITY IMPACT PROCESS**

United Way of North Central Oklahoma will accept proposals from qualified 501(c) 3 organizations to provide health and human services aligned with our Community Impact Goals. It is a competitive grant review process. Available resources will be determined after the conclusion of the annual campaign.

United Way's outcome-based review process requires programs to provide evidence about how they change the lives of individuals. In addition, programs are required to measure prescribed outcomes that align with United Way of North Central Oklahoma Community Impact Goals.

**BOARD OF DIRECTORS OF UNITED WAY OF NORTH CENTRAL OKLAHOMA, INC.  
COMMITTEES WITH RESPONSIBILITIES IN THE ADMISSION AND ALLOCATIONS PROCESSES**

**AGENCY ADMISSION REQUIREMENTS:**

Any human services agency requesting to become a partner of the United Way of North Central Oklahoma, Inc., which operates within the current geographic area of its responsibility, shall make a formal application to the Board of Directors of United Way of North Central Oklahoma, Inc.

Agencies must maintain active and necessary programs. The objectives of the program must be pursued with careful regard to the welfare of the public and persons served by the program, the efficiency of the operation and consultation and cooperation with other organizations, particularly those in the same area or related fields. The agency must demonstrate that the service it is providing cannot be adequately carried on by an already existing United Way funded agency and can best be performed by a separately established agency. Agencies will be ineligible if their function is primarily of a political, religious, or propaganda nature.

The agency shall certify that its governing Board of Directors has read and voted to accept the policies and procedures included in the Agency Relations Manual.

*Eligibility Requirements for admission:*

1. A clear mission statement for the organization. The agency must have been in existence for at least two (2) years with an active program.
2. Funding request must align with United Way's focus areas.
3. Current set of by-laws.
4. A copy of the agency's clearly stated policy of nondiscrimination as set forth by the Civil Rights Act of 1964;
5. Proof of Section 501(c) 3 status. To be admitted the agency must qualify as a not-for-profit tax-exempt organization, meeting the requirements of the Internal Revenue Service. The agency must maintain its status as a corporation organized exclusively for charitable purposes with the meaning Section 501(c)(3) of the IRS Code of 1954, and any amendments thereto;
6. If the agency is operating under the auspices of a religious organization, a written plan outlining a clear line of demarcation in its agency budget and program between strictly religious activities and its social service or welfare program. Its religious programs shall be supported by other funding sources

7. A list of the Board of Directors and officers including their addresses;
8. A copy of the Agency Agreement signed by both the Chief Volunteer Officer and the Executive Director.
9. IRS form 990, including schedule A or 990 EZ
10. A certified public accountant must prepare financial reports on the entire agency in accordance with generally accepted accounting principles are required as follows:

Compilation	Under \$100,000
Review	\$100,000 to \$200,000
Audit	Over \$200,000

Any variance from the above requirement for financial statements must be pre-approved by the United Way Board of Directors.

### **ALLOCATION COMMITTEE ORGANIZATION AND FUNCTION**

The Allocation Committee is appointed by and reports to the Board of Directors of United Way and is answerable directly to the United Way Board of Directors.

The committee consists of an uneven number of members. The number of members is determined by the Board of Directors, but will be no fewer than seven members. The chairman of the Allocation Committee is appointed by the Board of Directors and serves ex-officio of the allocation committee with voice but no vote.

#### Responsibilities of the Allocation Committee

- Review Allocation applications submitted by agencies for program funding
- Liaisons meet with assigned agencies
- Recommend to the Board of Directors the amount of funding for each agency based on the combined needs of all agencies as submitted in the Allocation Applications and the information provided by each agency's liaison and the projected funds to be raised by the Annual Campaign.
- Consider and make recommendations in regard to all matters pertaining to special appropriations, the study of budgets of all partner agencies, increases and reductions of allocations and payment to these agencies in accordance with allocation allowances, and all other matters pertaining to agency finances.
- Other responsibilities as deemed necessary by the Board of Directors.

## HOW THE ALLOCATION PROCESS WORKS

### Allocation Process Timeline

1. Letter of Intent (LOI) announced to the community
2. LOI reviewed by Allocation Chair and United Way (UW) Executive Director to see if program meets UW requirements
3. Request for Proposal (RFP) available to approved agencies
4. Completed RFP due from agencies
5. Review of allocation financial information
6. Allocation committee receives RFP to review
7. Liaison's meet with agencies
8. Allocation committee meets to review requests and make recommendations for funding
9. Board approves Allocation committee recommendations
10. Agencies are notified of approved allocation amount

### Letter of Intent:

A LOI is announced to the community in April for agencies seeking program funding from United Way. Completed LOI applications are due on the required due date and time. Late or incomplete applications will not be accepted. LOI applicants will be reviewed and notified if program aligns with the United Way focus areas. Partner agencies in good standing that have met Outcome and Financial requirements will only fill out an LOI on the existing funded program every three years.

### Request for Proposal:

Agencies that align with United Way's focus areas will be notified of the availability of the RFP. Sufficient copies of the completed application are to be turned in to the United Way office by the due date and time. All requested information is required if an agency is to be considered for funding. Packets received after the due date and time or incomplete, will not be considered for funding.

### Liaison meets with assigned agencies:

Each agency is assigned two or more liaisons from the allocation committee. The liaisons meet with the chief executive officer, chief volunteer officer and all others directly involved with the allocation request preparation. The purpose of this meeting is for the liaisons to gain a full understanding of the allocation request and the agency's programs.

### Allocation committee

Following the visits to each agency by the liaisons, the allocation committee meets to consider all agency requests and to recommend the allocations for each agency program to the Board of Directors. The committee's recommendation is based on the campaign goal and the aggregate of all the agency requests and the United Way Office Budget.

### United Way Office Budget

The United Way office is the central service of the entire system responsible for campaign, allocations, planning and general administration.

It is the responsibility of the United Way executive committee and staff to develop the office budget. The budget is presented to the Board of Directors by the executive committee. For purposes of acquainting itself with the United Way campaign and administration costs, the allocation committee may review the United Way office budget with the executive committee and staff for their information.

Comments and recommendations of the allocation committee concerning this budget may be submitted to the board with its final report. The office budget must be approved by the Board of Directors.

### **REPORTING REQUIREMENTS AND BUDGET ADMINISTRATION**

Monthly payments of allocation are requested by completing the United Way Agency Request for Payment of Allocation form and submitting it to the United Way Executive Director no later than the fourth Monday of each month.

Because of the year-round responsibility of United Way to have an understanding of each agency's financial condition, agencies must submit a Balance Sheet and Profit and Loss report quarterly.

The agency shall control its operations within the limit of its total budget as originally approved, including the amount of its United Way allocation.

#### Adjustments Within the Budget:

During the year in which the approved budget applies, adjustments necessitated by unforeseen conditions within the approved budget totals may properly be made by an agency without requiring the approval of the United Way Board of Directors with the exception listed below.

- Adjustments which involve a departure from the scope and program of an agency as originally approved or any item specifically disapproved previously by the allocation committee.

#### Deficits

United Way cannot assume responsibility for unauthorized deficits in agency operating budgets. Potential deficits of any size should be dealt with before they become a reality. Serious deviations from the planned and approved budget sometimes cannot be avoided, but any such situation or trend should be reviewed with the allocation committee as early as possible so joint planning to meet the problem can be worked out before a deficit results.

### Operational Needs

To assist in the support of an approved program which may be jeopardized by either a reduction in anticipated revenue or substantial and unexpected increase in expenditure items.

To be considered an emergency, the agency must show:

- that a reduction in projected revenue is beyond their capacity to control and
- the anticipated expenses to the agency cannot be reduced accordingly and
- the expenditures are critical to the continuation of operations

Ordinarily, such requests will not be considered before an initial six months of agency operations are completed.

### Surplus

Surplus funds on hand at the end of the year may be retained by the agency, reflected as a separate income item in the year-end report and accounted for as a part of the following year's allocation; or may be returned to United Way.

## **AGENCY SELF-HELP INCOME AND SUPPLEMENTARY FUND DRIVES**

The intent of the following guidelines is to make it possible for agencies to obtain contributions and other needed means of self-support in accordance with the United Way agreement. There should be joint recognition by United Way and the agencies it helps to support.

To be fair and equitable to all agencies the following limitations are necessary. Failure to comply will result in possible sanctions by United Way which may consist of a reprimand, refusal to allow future fund-raising efforts, deductions from current allocations or elimination of future United Way support.

- Any agency's supplementary fund drive and letter appeal shall have approval of the United Way Board of Directors and shall be established with United Way at the time of the allocation conference. An agency must not make any public or private appeal for operating or capital funds, nor permit any affiliated body to do so, without prior discussion and written permission of United Way. Approval of an agency fund raising appeal, for any purpose, does not imply nor commit United Way to increased operating subsidy.
- Supplemental drive and letter appeal proceeds are to be recognized as part of the agency's total annual operating budget.
- Solicitation shall not be conducted during **August 15th, September, October and Novemebr 15<sup>th</sup>** nor should it otherwise jeopardize the United Way campaign.
- Solicitation shall never be publicized as a necessary campaign to supplement inadequate United Way allocation.

**DESIRABLE METHODS OF AGENCY SELF-SUPPORT  
REQUIRING APPROVAL**

Sales of manufactured products

- Prices for goods should be set at a level comparable to those of other suppliers.
- The articles must be of a quality that justifies the charge levied.
- All direct operating costs should be reflected in the price, including promotional activities, salaries and fixed costs.
- Memberships of any kind whether primarily for the benefit of agency or constituency.

Ticket Sales

- Value of tickets shall have a reasonable relationship to its sale price.
- No direct or indirect pressure shall be exerted for bulk or block sales.

Foundations and Government Grants

- Agencies whose regular programs harmonize closely with known interest of a foundation or government agency should strive for maximum regular support from that source.

Troop projects organized by local troops for financing of their activities.

Special purpose letter or new media solicitation for specific purposes; i.e.: camp, Christmas activities, disasters, etc.

**DESIRABLE METHODS OF AGENCY SELF-SUPPORT  
NOT REQUIRING APPROVAL**

Bequests

- Bequests designated by the donor do not require United Way approval before acceptance.

Interest proceeds from unrestricted endowments used to cover current operation as may be appropriate.

Fee Charging

- The service furnished must be of a quality that justifies the charge levied.
- Non-members should be expected to pay more for a service than members.
- In establishing rates, overhead cost should be taken into account.
- Participants who can afford to pay for services should not be subsidized by others.
- To insure those who are not able to pay are served, professional staff members should be empowered to waive or reduce fees under specific guidelines and procedures.

### Sale of Supplies and Equipment

- Items sold to participants (badges, pins, gloves, etc.) for use in programs should be priced to include acquisition and handling cost
- To the extent that the nature of the program and its clientele permit, a factor of appropriate margin should be included to keep prices comparable with local retailers selling similar goods or services.

### Restaurant or Cafeteria

- To the extent that the facility is open to the general public, charges should reflect all appropriate costs including space rental, amortization of the cost of equipment, supervision, and taxes in addition to a reasonable margin.
- Charges should be in line with competing businesses.
- Price adjustments for agency's primary beneficiaries may be used, if necessary, i.e.: discounted meals.

### Room Rentals

- Charges should be scaled for a reasonable margin after direct and overhead costs are considered.
- Assuming a genuine client group should be served; adjustments would be in order for those unable to pay full charges.

### Camp Fees

- All direct operating costs should be reflected in the fee including promotion, salaries, etc.
- Adjustments of a fee to an individual circumstance should be made if necessary.

Refunds from clients or repayments of loans may be treated as refunds or as unsolicited contributions.

### Unsolicited Gifts

- Agencies are encouraged to maintain active interest of citizens to the point where a giver will take the initiative to contribute without being asked specifically to do so.
- Acceptance of gifts from civic or service clubs and similar organizations is acceptable provided agencies do not approach clubs to conduct fund-raising projects in which the agency is the announced beneficiary and gifts are not the result of a direct solicitation for a specific amount for a stated need.

### Out of Area Contributions

- Agencies are encouraged to develop full financial support from areas served outside Ponca City, either by application to another United Way or by independent campaign.

## CAPITAL FUND DRIVES

Capital expenditures include any building program, purchase of land, or substantial remodeling of current facilities. To provide for capital funds, United Way recognizes the need for a fund-raising campaign and wants to promote all possibilities of a maximum campaign yield.

United Way Board of Directors approval of any such effort is required.

### Guidelines for Capital Fund Drives

Capital campaigns must not be allowed at the expense of the annual United Way campaign for operating funds, therefore, ***only one capital campaign per calendar year*** will be allowed. Any special circumstances must be discussed with the United Way Board of Directors. No campaign shall be conducted between ***August 15th and November 15th***.

Adequate planning of a capital campaign is important to its success. The agency needs to submit the proposed drive and resulting construction for approval to United Way 12 months prior to the beginning of the drive. An agency can expect United Way action on any such proposal no later than six months prior to the drive.

The following materials should be presented in support of a request to conduct a capital campaign.

- Documentation of the need for campaign, i.e.: program expansion, space, replacement.
- List alternate possibilities considered other than community appeal, i.e.: foundations, grants, selected individuals, strong agency supporters.
- Detail program use of campaign funds effect on program operating budget in the next five years including staff, occupancy and materials.
- Acceptable alternatives should campaign fall short.
- Site plans, architectural renderings and estimated costs.
- Campaign details:
  - Timetable including advance cultivation, deadline for initial contact, and deadline for end of follow-up contact.
  - Method of solicitation and estimated direct and indirect costs of the campaign.
  - Statements of agreement to conduct campaign as outlined, and conclude within the time table established before the drive.

Within 60 days of the completion of the fund-raising effort, a report will be made to United Way indicating approximate results including gross receipts, direct/indirect expenses and net receipts.

## **TERMINATION OF FINANCIAL SUPPORT**

The relationship between United Way and an agency will continue until the Board of Directors of United Way gives written notice or until an agency expresses its desire to withdraw from participation.

Reasons for terminating financial support:

- There is continued evidence of the agency's inability to comply with accepted fiscal responsibility and control.
- An agency refuses to implement recommendations designed to improve its services to the community.
- An agency is unable to administer its programs.
- A review of fund limitations and/or of funding priorities indicate that subsidy of given service is no longer in the best interest of the community.
- An agency does not meet United Way requirements regarding quarterly Outcomes and Financials.
- A review of services available to the community indicate that subsidy of a given service is no longer in the best interest of the community.
- Agency income from other sources is sufficient to meet the agency's operating requirements.

## **EXPULSION FROM THE UNITED WAY**

A partner agency may be expelled at any time from United Way, by a majority vote of the entire Board of Directors. The agency shall have had thirty-day written notice of the charge upon which the proposed expulsion is based and shall be given a hearing by the Board of Directors. All members of the Board shall have been notified in writing of such contemplated action at least ten days prior to the meeting.

## **PHILOSOPHY OF FEDERATED MOVEMENT**

### Objective Decisions:

What is good for the entire community is best for United Way and every partner agency. In making decisions the allocation committee keeps this objective viewpoint. Personal feeling for or against any agency must be avoided if such decisions are to be impartial. An agency exists and merits public support only for the service it renders to the community. It does not exist for its board, staff or itself.

Use of influence or pressure should be studiously resisted. Threats of withdrawal from membership merit no consideration in the face of honest facts.

All Agencies Must Adhere to United Way Policies:

No matter what method of financing is used and no matter what amount of money is allocated, each partner agency must adhere fully to the policies established by United Way of North Central Oklahoma.

Designations:

A contribution designated to an agency does not increase the allocation to that agency unless total designations received by the agency exceed its original allocation. In the event designations total more than the amount allocated, the designations will be honored and the agency will receive the full amount designated.

Campaign Failure:

In the event of a campaign failure, 'across the board' percentage cuts are an inequitable procedure and are not desirable in determining agency allocations. The allocation committee shall determine new allocations to be approved by the United Way Board of Directors and shall use all means to ensure that agencies will be able to continue their programs.

All designations to an agency will be honored in the case of a campaign failure.

An agency may not appeal the United Way Board of Directors decision regarding reduced allocations due to campaign failure.

## **FUNCTIONAL BUDGETING**

It is necessary to have an annual budget that represents a detailed and feasible plan of action for the ensuing year. It has been traditional to accumulate costs by object of expense and to summarize these in what is known as a line-item budget. Using a line-item budget, the allocation committee tends to compare an agency's expense category of one year against another, rather than relating costs to the programs which the agency plans to undertake. To avoid this, a system of functional budgeting has been developed.

For accounting purposes records are maintained so that internal controls on expenditures can be exercised within the budgeted availability of funds. For interpretation, for understanding and for the purposes of communicating with an allocation committee and the public, it is important that functional budgeting be used.

With the publication of the Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organizations in 1964 concept of functional accounting was introduced to United Way organizations. Functional accounting requires that agencies record and report their financial activities in terms of 'programs' or 'services' they provide, as contrasted with the practice of line-item accounting referred to above.

Functional budgeting is the distribution of all revenue and expenditures to general management, fund raising and the programs operated by an agency. Within each of the functional category's income and expense are reported by line item. However, the ultimate

report distributes overhead costs among program costs in order to arrive at an accurate accounting of the total costs of all of the agencies' programs.

The following specific benefits are as follows:

- Framework for accountability
- Long-range planning
- Promotes optimization of resources
- Organizational self-study and analysis
- Rational decisions

Functional budgeting adds the dimension of purpose to the costs of services performed, and if properly utilized, can be a useful tool in the management of the agency, to the United Way allocation committee, but most importantly, to the contributors.

Amended-Board Approved

August 9, 2016, Reviewed May 2022, name change 12/2022, Mission and Impact areas updated for rebranding 2/2025, reviewed 4/2026