



Request for City Council Committee Action from the Departments of City Coordinator and City Attorney

Date: October 26, 2009
To: Council Member Paul Ostrow, Chair
Subject: Solicitation for Charitable Purposes Policy

Recommendation: Approve policy as amended

Department Information

Prepared by: Trudy Kjenstad, Susan Trammell Approved by: Steven Bosacker Presenters in Committee: Susan Trammell
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Reviews

- Permanent Review Committee (PRC): Approval Date October 14, 2009

Supporting Information

The City adopted the Charitable Organization Policy in 1992. The policy has not been updated since its adoption. The current policy only permits solicitation of city employees in the workplace for charitable purposes through the Annual Fund Drive and prohibits any other charitable solicitation in the workplace. The proposed Solicitation for Charitable Purposes Policy would replace the current policy. The proposed policy takes into account changes in the way the Annual Fund Drive is managed and recognizes and puts conditions on charitable fundraising conducted by departments as team building or community engagement projects and by individuals supporting their own charities.

Solicitation For Charitable Purposes Policy

Applies to: All employees, interns and volunteers of City Council Departments and elected officials

Synopsis: Regulation and procedure for: the Solicitation of Employees for Charitable Purposes; the annual giving campaign; and, the use of payroll deductions for such charitable giving.

History: Council Approval Date: Last Revision Date:

Links to Related Regulations:

Administering Department: Office of the City Attorney

Contact: Ethics Officer Susan Trammell Phone: 612-673-3230

I. INTRODUCTION

The City of Minneapolis recognizes the societal benefits that result from programs and services provided by charitable organizations. The City encourages all citizens, including employees of the City, to support charitable activities that benefit the community. In order to support and encourage such contributions, simplify the process for the city and reduce disruption of the workplace and pressure on Employees, and limit the use of city facilities, equipment and property to those uses prescribed by law, the City adopts the following policy. In adopting this policy, it is the intent of the City to establish a single city enterprise charitable campaign for each calendar year, the Annual Fund Drive, and provide guidelines and standards governing the activities of employees, charitable organizations and other entities or individuals that wish to solicit contributions from employees.

Entities and/or individuals may only solicit City employees as provided by this policy. Employees may use City personnel, property, work time, or other resources to support charitable purposes only in accordance with the criteria in the following sections.

II. CRITERIA FOR ANNUAL FUND DRIVE

The City considers an annual fund drive conducted on behalf of a number of charitable organizations to be more efficient, effective, and equitable than a fund drive that supports only one organization. In addition, the City strives to minimize the loss of productive work time from public business occasioned by such fund drives or other Solicitations for charitable purposes. Departments have flexibility to promote this Annual Fund Drive in any manner approved by the Annual Fund Drive co-chairs.

A charitable federation or charitable organization seeking to participate in the Annual Fund Drive must provide the following documentation by the deadline set forth by the Annual Fund Drive co-chairs.

1. A copy of the charitable federation's or charitable organization's latest letter from the State of Minnesota Attorney General's Office confirming its registration to solicit funds in the State of Minnesota pursuant to the Minnesota Statutes, Chapter 309, Social and Charitable Organizations.
2. A brief summary of how the charitable federation or charitable organization benefits City of Minneapolis residents, employees and/or staff, directly or indirectly.

3. List of a charitable federation's member agencies, including address, phone number, and chief executive officers
4. Either
 - a. Written documentation from the State of Minnesota indicating the charitable federation qualifies as a registered combined charitable organization (RCCO) in accordance with M. S. § 43A.50 for the current year; or
 - b. Documentation from the Charities Review Council that the charitable organization has been reviewed and meets their standards.
5. Completed and signed Affidavit of Compliance assuring the City of Minneapolis that:
 - a. The or charitable organization or charitable federation and its member agencies are exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and to which contributions are tax deductible under Section 170 of the Internal Revenue Code. The charitable federation shall maintain on file copies of letters confirming this status for each member agency and shall provide them upon request.
 - b. If a charitable federation a representation that the charitable federation represents at least ten separate agencies.
 - c. The charitable organization or charitable federation and each of its member agencies has a responsible, volunteer governing body that holds at least two meetings a year with a majority of board members in attendance.
 - d. The charitable organization or charitable federation and each its member agencies have the permission of its board of directors for the use of its name and participation in this fund drive.
 - e. The charitable organization or charitable federation and each its member agencies are in compliance with state and federal laws governing charities.
 - f. The charitable organization or charitable federation and each its member agencies shall not discriminate with respect to those classes of people protected by law.
 - g. The charitable organization or charitable federation and each its member agencies shall make available to the general public, on request, copies of its annual report, if any, and its most recent financial statement.
 - h. The charitable organization or charitable federation accounts for its funds in accordance with generally accepted accounting principles (GAAP).
 - i. The charitable organization or charitable federation shall use ethical methods of promotion, publicity, and solicitation. Solicitations, publicity, and informational materials shall be accurate and not misleading and shall include a clear description of the programs and activities for which funds are sought.
 - j. The charitable organization or charitable federation has used, and shall continue to use, the funds contributed by employees for its announced purposes.
 - k. The charitable organization or charitable federation expends no more than 30 percent of total contributions received in the organization's accounting year last reported for management and general costs and fund-raising costs.
 - l. The charitable organization or charitable federation distributed at least 70 percent of total contributions received in the organization's accounting year last reported to affiliated agencies, programs, and designated agencies.
6. The charitable organization or charitable federation agrees to use the information provided by the City (employee names, addresses, and phone numbers) only for the designated purpose. Any further use of private data is prohibited. Employee information will not be used to solicit support for any particular charitable organization.

III. CRITERIA FOR DEPARTMENT FUNDRAISING

The City of Minneapolis does not encourage nor prohibit fundraising outside of the City's Annual Fund Drive. The City understands the importance of setting standards for staff to follow when fundraising. Therefore, the following criteria shall apply to all department fundraising activities.

1. Department fundraising must be approved by the department head. Department heads may only approve a solicitation of donations, participation, or other direct support for those 501(c)(3) entities that:
 - a. provide community-wide service;
 - b. have an established place of business within the City;
 - c. have an established history of service to the community.
2. Information announcing the department fundraising, the "Announcement" may be communicated to employees using the City's email, City Talk, and/or Minneapolis Matters. If email is used, the communication must come from the department head or designee.
3. Outside of the Announcement, a supervisor may not solicit, either in person or via other communication methods, from an employee who reports directly or indirectly to him or her.
4. An employee shall not solicit or perform other tasks related to the department fundraising during the employee's work time or in work areas. (For example, bringing collected food items to the Charitable Organization)
5. An employee shall not solicit another employee during the other employee's work time or in the other employee's work area.
6. City facilities may be used only to the extent of providing a drop-off site for drives of food, clothing, etc.
7. Monetary donations are highly encouraged to be by check made out to the charitable organization. If cash is accepted, a receipt with the charitable organization's imprint must be provided at the time the cash is accepted.
8. An employee may participate in an event hosted by or for a charitable organization only when off-duty.
9. No public funds or resources, other than those specifically allowed by other provisions of this policy, are to be used to support a department's fundraising.
10. An employee may not solicit current or potential vendors to support or sponsor department fundraising.

IV. CRITERIA FOR OTHER EMPLOYEE FUNDRAISING. Employee fundraising, other than provided in Sections II and III above, must be in accordance with the following criteria.

1. An employee may not use the City's e-mail, City Talk, Minneapolis Matters and other city electronic resources to solicit for a charitable purpose.
2. An employee, including a supervisor, may post price sheets and order forms in non work areas.
3. Other than provided in 2 of this Section IV, a supervisor may not solicit, either in person or via other communication methods, from an employee who reports directly or indirectly to him or her.
4. An employee shall not solicit or perform other tasks, such as taking of orders, collection of donations, delivery of goods purchased, etc. related to fundraising during the employee's work time or in work areas.
5. An employee shall not solicit another employee during the other employee's work time or in the other employee's work area.
6. An employee may participate in an event hosted by or for a charitable organization only when off-duty.

7. Other than provided in 2 of this Section IV, employees shall not use city facilities, supplies, equipment or other resources to solicit or perform other tasks related to fundraising.
8. An employee is prohibited from conducting fundraising in the employee's official capacity.
9. An employee may not solicit current or potential vendors to support or sponsor the employee's fundraising efforts.
10. This policy does not, in any manner, limit any employee's activities conducted off duty, away from a city workplace, and without the use of City resources or personnel.

V. DEFINITIONS

ANNUAL FUND DRIVE means an annual effort by charitable organizations to obtain monetary donations or pledges from employees.

ANNUAL FUND DRIVE CO-CHAIRS means the two management-level employee volunteers who generate enthusiasm for the campaign and coordinate participation throughout the city enterprise.

CHARITABLE FEDERATION means a private, non-profit organization that solicits donations for a charitable purpose on its own behalf and on behalf of several separate non-profit member agencies

CHARITABLE ORGANIZATION means a private, non-profit organization that solicits donations for a charitable purpose on its own behalf.

CHARITABLE PURPOSE means a health, welfare, educational, cultural, artistic, or public interest purpose.

CHARITIES REVIEW COUNCIL means Minnesota established entity whose purpose is to set standards for charitable organizations and issues decisions on whether specific charitable organizations have met those standards.

DEPARTMENT FUNDRAISING means solicitation for a charitable purpose organized and undertaken by the members of a department of the City and approved by the department head in accordance with this policy.

DONATION means money (cash, credit card, personal check or cash equivalent) contributed, a gift-in-kind contribution or a pledge to contribute money.

EMPLOYEE means any person hired and paid under the salary authority of the City Council and includes elected officials. Employee includes volunteers and interns, paid and unpaid.

FUND DRIVE means an effort by a charitable organization to obtain monetary donations or pledges from City employees.

FUNDRAISING means collection of donations for charitable organization through solicitation or participation in an event hosted by or for a charitable organization.

GIFTS IN-KIND means a kind of charitable giving in which, instead of giving money to buy needed goods and services, the goods and services themselves are given.

MEMBER AGENCY means a private or public non-profit organization that Solicits donations for charitable purpose through a charitable federation.

PLEDGE means the promise to pay monetary contributions at a later date.

SOLICIT or SOLICITATION means communications of any sort initiated by an individual to secure another individual's agreement to:

- a) join or support a charitable organization;
- b) participate in a event hosted by or for a charitable organization;
- c) make a donation or pledge to a charitable organization; or
- d) purchase products or services, the sale of which benefit a charitable organization.

WORK AREA means those areas of City facilities where employees perform their job duties or responsibilities, but do not include employee break rooms, lounges or other such non-working areas.

WORK TIME means the time the employee is to be performing work for the City and being paid by the City. Work-time does not include, lunch or other authorized break periods, vacation, personal or comp time.

VI. ROLES AND RESPONSIBILITIES

1. Ethics Officer

- a. The Ethics Officer is responsible for answering inquiries related to this policy.
- b. The Ethics Officer is responsible for working with Departments to resolve inquiries and complaints related this policy.
- c. The Ethics Officer is responsible for providing inquiry and complaint updates to the Ethical Practices Board.

2. City Coordinator or Designee

- a. The City Coordinator or designee is responsible for logistics related to the Annual Fund Drive.

3. Departments

- a. Departments are responsible for distributing this policy to their employees.
- b. Departments are responsible for investigating and taking appropriate action on complaints related to this policy.

4. Employees

- a. Employees are responsible for using good judgment when fundraising in the workplace.
- b. Employees should not solicit for a charitable purpose which would compromise, or appear to compromise, the employee's ability to make objective and fair decisions.