

United Way of Sumter, Clarendon & Lee Counties
Participating Agency Certification
Approved by Board of Directors 4/22/2008

I. Introduction

In 2005, the United Way of Sumter, Clarendon & Lee Counties began distributing funds for identified issues to the organizations most capable of addressing those needs. This process insures that the United Way supports high quality programs because organizations wishing to compete for funds must be “certified” as meeting minimum standards for nonprofit organizations. This guide outlines the minimum standards and the process for becoming certified.

II. Application Eligibility

A. United Way may partner with 501(c)(3) health and human service organizations that have been in existence for at least one year and that meet the following criteria:

- Provide direct services to clients
- Assist individuals in becoming more self-sufficient, in preventing dependency, and in strengthening family relationships
- Support personal, physical and social development
- Help ensure the health and well-being of individuals, families, and communities
- Provide service to individuals, groups and/or families in Sumter, Clarendon and Lee counties.

B. United Way does not partner with the following types of organizations:

- Organizations that exclusively serve their own members
- Organizations whose primary missions are promoting arts and culture, environmentalism, or animal rights or care.
- Organizations whose primary work is advocacy and not direct services.
- Organizations whose primary purpose is to raise money or fund programs that are not directly managed by the organization.
- Partners are certified for three years, but interim annual reports are required annually.

III. Required Standards

a. Legal Standards

1. Incorporation, Not-For-Profit Status, IRS Tax Exemption: Certified agencies must 1) be incorporated as not-for-profit organizations and 2) have status as a 501(c)(3) tax exempt agency from the Internal Revenue Service. Operating divisions’ parent corporation must meet this requirement and provide the same information required for their free standing organizations.
2. Secretary of State’s Office Registration: Certified agencies must be registered with the South Carolina Secretary of State’s Office for charitable solicitation or have a current letter stating exemption from such registration.

3. **Non-Discrimination:** The organization must have an up-to-date policy on non-discrimination that is in compliance with all applicable federal, state, and local laws or regulations.

b. Governance Standards

1. **Governance Structure:** The organization must have and operate in accordance with at least the following governing instruments: 1) articles of incorporation, 2) charter, bylaws, and 3) personnel policies.
2. **Active Governing Body:** The organization must have an active governing body of at least nine members that:
 - Establishes policies
 - Meets at least quarterly, with a quorum
 - Supervises a chief administrative staff, paid or volunteer
 - Has a membership rotation policy
 - Has term limitations
 - Approves and monitors agency budgets
 - Has a plan for membership diversity in Board Bylaws

- c. **Community Need Standards:** The organization addresses or meets a documented issue or issues in Sumter, Clarendon and/or Lee counties, as outlined in the most current Facing Facts: A Study of Issues that Shape Our Region or other appropriate documents. The agency must provide documentation of the human service need or problem it addresses.

- d. **Program Services Standards:** The organization has provided program services for at least one year and provides services in one or more of the three counties of Sumter, Clarendon and Lee.

e. Fiscal Standards

1. **Audited Financial Statements:** The organization prepares financial statements in accordance with American Institute of Certified Public Accountants guidelines as evidenced by the following:
 - Agencies that are in compliance with all federal and state laws and have an annual operating budget over \$250,000 must prepare financial statements in accordance with American Institute of Certified Public Accountants guidelines as evidenced by the following standards:
 - Agencies with budgets less than \$250,000 may submit all certification materials EXCEPT the audit for preliminary review. A successful preliminary review will result in certification of the Agency contingent on a satisfactory audit conducted within 4 ½ months following the close of the agency's most recent fiscal year.
 - **Unqualified Opinion:** The audit has an unqualified opinion or documented steps acceptable to the United Way both in terms of time and action are being taken to correct any deficiencies that led to a qualified opinion.

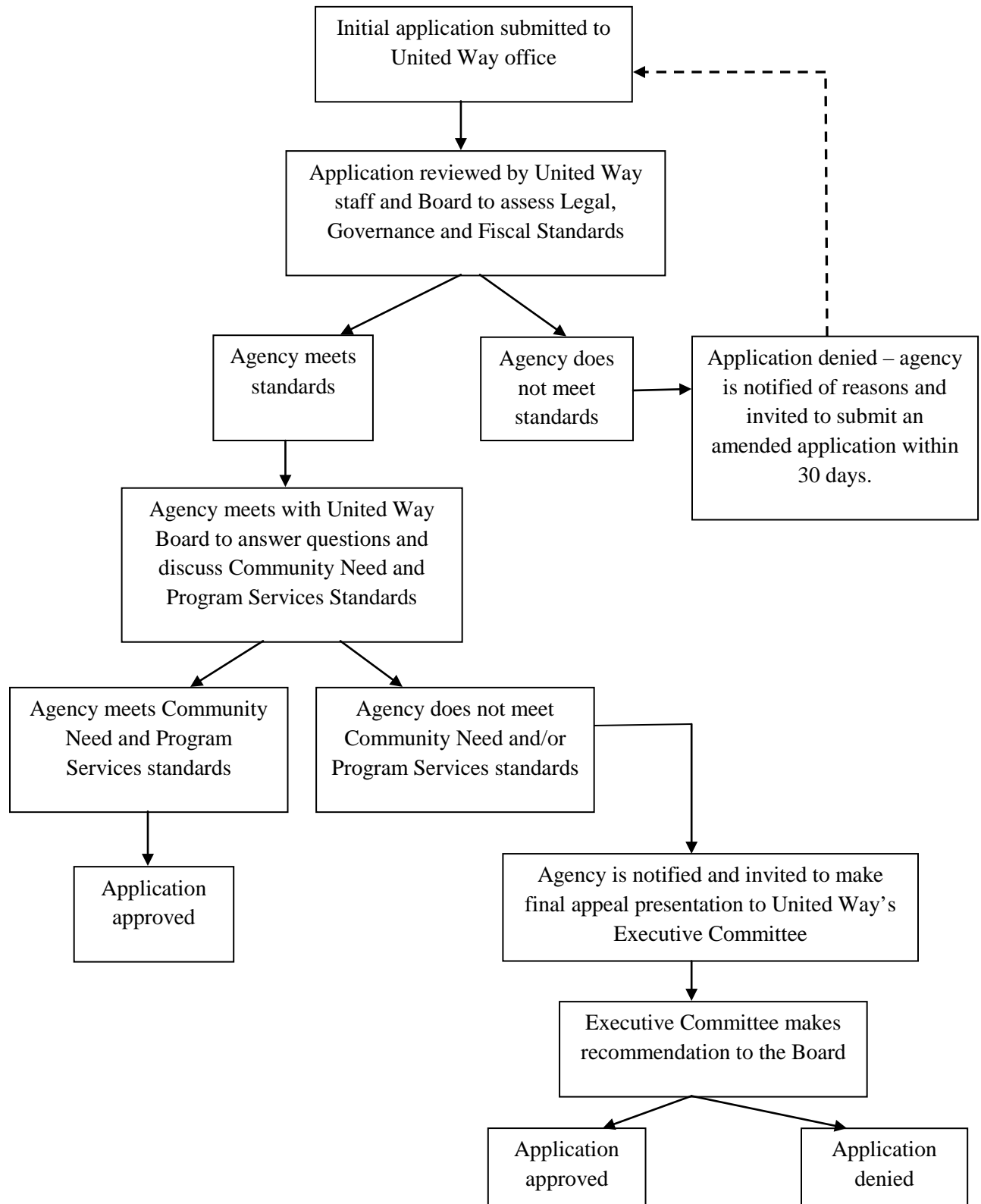
- **Review by Governing Board:** The audited financial statements are reviewed by the auditor with either the full governing body or a committee of the governing body.
2. **Operating Budget:** A detailed operating budget is adopted officially each year by the organization's governing board.
 3. **Interim Financial Reporting:** Financial reports that compare the results of operations with the official budget are prepared for and reviewed by the governing body.
 4. **Support Service Expenses/Latest 990:** Support service expenses make up 25% or less of the total expenses for the year. The agency must file a 990 with the IRS annually, unless is not required by the IRS to do so.
- f. **Personnel Standards:** The organization can demonstrate that it has sufficient staffing paid and/or volunteer to handle administrative as well as program matters.
- g. **Cooperation:** The agency must be willing to sign a Memorandum of Agreement which includes the following:
1. Support and assist in the annual United Way campaign in appropriate ways, if funded.
 2. Publicly acknowledge United Way's support and have United Way's logo on publications (e.g., Annual Report, Newsletters, etc.)
 3. Refer to United Way funded programs at public functions and in press releases.
 4. Comply with agency fund raising guidelines.

IV. Certification Process (See diagram attached):

- a. Certification applications must be received in the United Way office no later than March 31.
- b. United Way Staff and Board review application to assess Legal, Governance and Fiscal Standards.
- c. If the agency does not meet Legal, Governance and Fiscal Standards, the application will be denied. The agency will be notified of the reasons and invited to submit an amended application within 30 days.
- d. If the agency meets Legal, Governance and Fiscal Standards, the Board will meet with the agency to discuss the Community Need and Program Services Standards.
- e. If the agency meets the Community Need and Program Services Standards, the application will be approved.
- f. If the agency does not meet the Community Needs and/or Program Services Standards, the agency will be notified and invited to make a final appeal presentation to United Way's Executive Committee.
- g. The Executive Committee will make a recommendation to approve to deny the application to the Board.

(Please see the diagram of the Certification Process on page 4)

Participating Agency Certification Process





Application for Agency Participation

Date: _____

Legal Name of Organization: _____

Physical Address: _____

Mailing Address: _____

Telephone: _____ Website: _____

Contact Person/Title: _____

Contact's Email Address: _____

Please attach the following:

- A. Description of the organization, which includes history, description of current services, geographic area covered, target population, number of individuals/families served within the past year, description of any fees charged for services.
- B. Charter/Articles of Incorporation, Constitution, and By-Laws
- C. Personnel Policies/Employee Handbook
- D. IRS determination of tax exempt status
- E. List of Board Members with addresses and places of employment. This list should also indicate officers of the board (president/chair, secretary, treasurer, etc.)
- F. Letter of Authorization to solicit funds from the South Carolina Secretary of State, Division of Public Charities
- G. Copy of the organization's most current Annual Report
- H. Copy of the organization's most recent audit (not required for organizations with annual budgets less than \$250,000).
- I. Current operating budget
- J. Most current IRS Form 990
- K. List of paid staff members showing title or position
- L. Board minutes for the last 12 months
- M. Signed Agency Relationship Policy/Memorandum of Agreement

The Board of Directors of this organization is aware that this application is being submitted to the United Way of Sumter, Clarendon & Lee Counties, has read the application and its attachments, and approves this application.

President/Chair, Board of Directors

Executive Director

Date

Date