

May 8, 2017

MEMORANDUM OF POLICY

RE: Donations made to closed, delinquent or merged charities

OVERVIEW

This statement discloses the policy drafted by the Washington State Combined Fund Drive (CFD) on the handling of donations made to charities that are closed, delinquent or merged.

One of the strengths of the CFD is to provide donors with vetted charities that have been approved to operate at both the federal and state level. This policy addresses what happens to funds that are designated to charities that close, become delinquent with the Office of the Secretary of State (OSOS) Charities Program or merge with other charities.

PROCESSES

Each night, the OSOS Charities Program system sends the CFD a feed of all charities that have placed applications with the State of Washington. This feed also includes a list of closed, delinquent and merged charities. A stipulation of participating in the CFD is that a charity must be in an active status to benefit from CFD donations.

DEFINITIONS

Statuses used by the OSOS Charities Program are defined as follows:

- **Closed (*Not Registered*):** There is not a current registration on file. It may be voluntary or involuntary. The organization should not be soliciting until it has filed the appropriate documents with our office.
- **Closed INV (*Failure to Register or renew*):** The organization failed to renew by their renewal deadline and did not respond to our delinquency notices. Subsequently, the Charities Program "closed" their registration involuntarily.
- **Delinquent (*Not Registered*):** There is not a current registration on file – usually for failure to file a renewal by their renewal deadline OR they did not follow up to our request for information when their document was pended. The organization has been contacted by mail regarding their delinquent status and should not be soliciting until it has filed the appropriate documents with our office.
- **Merged (*Merged*):** Registered charity merged with another entity. The "non-survivor" will be listed on the Charity Profile Report under "Other Names Used."

The CFD will only consider a charity closed, dropped or merged under the following conditions:

- The status is changed on the OSOS Charities Program report or the [OSOS Charities Program website](#)
- The charity contacts the CFD state office directly
- A volunteer or donor contacts the CFD state office directly and the CFD is able to confirm the charity is no longer in an active status

PROCEDURE

It is the goal of the CFD to maintain an accurate database of active charities. This is maintained through the following procedure:



Secretary of State

Kim Wyman

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1. A weekly report is generated by the CFD highlighting all charities that have been marked as closed, delinquent or merged within the previous week.
2. An email notification is sent to each charity a donor is actively giving to.
 - a. The charity is given 30 days to renew its application with the OSOS Charities Program
 - b. Proof of registration is required for the CFD to continue maintaining the charity in the CFD system
3. If the charity has not taken steps to correct its closed or delinquent status after 30 days, donors making pledges to the organizations will be notified and all donations to the closed charity will be moved or cancelled depending on the wishes of the donor. The closed or delinquent charity will be dropped from the CFD.

Communicating with donors about closed, delinquent or merged charities:

Once the CFD has completed the process of notifying closed, delinquent or merged charities about their status and the 30-day time frame has elapsed, CFD staff must notify any donors pledging to the charity in question. A donor's current pledge and any money that has been collected within the disbursement quarter of the charity closure, delinquency or merger is no longer able to be sent to the closed, delinquent or merged charity. The procedure is as follows:

1. An email notification is sent to all donors giving to said charity.
 - a. The donor is given different options regarding the handling of their pledged and collected dollars:
 - i. If applicable, spread the dollars collected and pledged amongst the other charities the donor is currently giving to
 - ii. Donations can be reallocated to any charity the donor has given to in the past
 - iii. Offer other giving options based on the category of the closed or delinquent charity
 - iv. Redirect the current pledge and collected amount to the CFD non-specified fund
 - v. Provide a full refund of all collected money within the disbursement quarter of the charity closure or delinquency and a cancellation of the pledge in question
 - b. The donor is given 30 days to make a decision regarding their donation
2. If no answer is received from the donor within 30 days, the pledge will be cancelled and any money collected during the open disbursement quarter of charity closure or delinquency will be refunded to the donor.

CFD procedure on merged charities:

When two or more charities merge, they inform the OSOS Charities Program and officially close all information on the "non-survivor." The CFD receives this information in the weekly report from the [OSOS Charities Program website](#) and uses the following procedure:

1. The "non-survivor" is immediately dropped.
2. All donations to the "non-survivor" are switched over to the "survivor" and the donors are informed immediately.
 - a. All donors are given the option of cancelling or moving their donations



3. The "non-survivor" charity name is entered into the "Program Designation" category, ensuring that the "survivor" is made aware of the donor's wishes.

Regarding the University of Washington Combined Fund Drive:

The University of Washington Combined Fund Drive (UWCFD) participates in an annual contract with the CFD state office that allows the UWCFD to communicate with donors and local volunteers directly. As a result of this agreement, pledges and donations made to closed, delinquent and merged charities are handled through the following procedure:

1. A weekly report is generated by the CFD highlighting all charities that have been marked as closed, delinquent or merged within the previous week.
2. An email notification is sent to the UWCFD Campaign Executive as needed containing the list of closed charities and donors attributed to each organization. The email contains:
 - a. Charity Name
 - b. Charity Status (closed, delinquent or merged)
 - c. Donor Name
 - d. Donor Employee ID
 - e. Donor Email
 - f. Amount collected during the open disbursement quarter
3. The UWCFD contacts the donors giving to each closed, delinquent or merged charity with the same options as regular CFD donors regarding the handling of their pledged and collected dollars.
4. Once the donor has made his/her request, the UWCFD informs the CFD state office of the donor's decision, and any changes, cancellations and/or refunds.
5. If the issue cannot be resolved by the disbursement deadline (the second week of each month of disbursement), the donation is immediately cancelled and a refund of all collected funds within the disbursement quarter will be issued to the donor.
6. The UWCFD informs the CFD state office of all changes, cancellations to ensure that refunds are processed if necessary. Refunds are issued by the UWCFD for the open disbursement quarter and changes are made by the CFD state office to donations made by a donor.

This policy has been so approved on May 8, 2017 by:



Stephanie Horn
Community Programs Deputy Director



Philip Kerrigan
CFD Program Manager

