

United Way of Nevada County Fund Distribution Policy

Approved by United Way of Nevada County Board of Directors: 2/24/03

United Way of Nevada County Mission Statement

To improve lives by mobilizing the caring power of our community.

Introduction

The purpose of this document is to specify the policies and procedures of the fund distribution process for United Way of Nevada County. It is intended that this material be available to, and understood by, United Way of Nevada County volunteers and those agencies that meet, or intend to meet, human service needs in Nevada County. For the purposes of this document, a human service agency can be defined as a nonprofit agency whose purpose is to provide services to the public that meet basic human needs.

It is recognized that United Way of Nevada County is a dynamic organization and that this document will need further development in the years ahead. All changes must be approved by the United Way of Nevada County Board of Directors.

Fund Distribution Overview

The purpose of the allocations process is to distribute undesignated campaign funds to member agencies in a manner that maximizes benefits to those in need, maintains donor confidence, and encourages the effectiveness of our member agencies. The purpose also is to review eligibility of human service agencies to receive funding.

Applications for funding will be accepted only once a year, as scheduled by United Way of Nevada County. If emergency funding must be applied for during the year, the Emergency Funding section of this policy must be conformed to.

After the fundraising campaign has been completed, the UWNC Allocations Committee, UWNC Finance Committee, and the Citizen Review Teams will review agencies' renewal applications and financial requests and develop funding recommendations. It is the obligation of each Citizen Review Team member to become knowledgeable about the agencies being reviewed. From the initial review through the final funding decision, it is imperative that program importance, cost-effectiveness, agency board involvement, agency need, possible duplication of services, and agency management be considered. Strong points as well as those areas needing improvement should be presented and discussed in pertinent, realistic terms. By doing so, a true picture of each agency will be obtained.

The recommendations of the Citizen Review Teams will be brought to the Allocations meeting by the team leader or appropriate representative of each team. This meeting of the Allocations Committee and the Citizen Review Team leaders is the forum for the balancing of fund distribution to agencies. The end result of this process is a comprehensive recommendation of specific dollar amounts for each agency, not to exceed the amount of undesignated campaign funds available less a specified contingency dollar amount. Their recommendation will be forwarded to the Board of Directors via the Executive Committee. The Board of Directors shall have the final decision-making authority for all funding decisions.

In order to maintain the integrity of the allocations process, the Allocation Committee is responsible for presenting allocation dollar amounts to the United Way of Nevada County Board, based on the recommendations of the Citizen Review Team.

Additionally, the United Way of Nevada County Board of Directors may establish initiatives and allocate growth dollars to programs designed to address these initiatives. The Board may utilize Community Assessment Project priorities in the establishment of its Board initiatives. At the Board's discretion, member agencies may be funded for such program development, or the Board may issue an RFP (Request for Proposal). Member agencies and non-member agencies could be eligible to respond to the RFP. The RFP process would be overseen by the Allocations Committee according to guidelines adopted by the Board.

Allocation Committees

Allocations Committee - Serves as a year-round committee. Composed of the Chair(s) and Vice-Chair of Allocations, and can include the past Allocations Chair. The Allocations Committee reviews the management section of the renewal applications while the UWNC Finance Committee reviews all agency financial forms. The Finance Committee also reviews all requests for emergency funding. The Allocations Committee makes the final recommendation of allocation amounts to the United Way of Nevada County Board of Directors based on the recommendations of the Citizen Review Team leaders.

Citizen Review Teams - Serve one month. All Citizen Review Team (CRT) members and leaders attend a training meeting prior to allocation process. Teams are assigned member agencies to visit and hold additional meetings as necessary to review agency programs, goals, outcomes, and needs.

Each team has a leader selected by the Allocations Committee. The Team Leader schedules and plans the team's agency visits and leads team members through the agency review process. Each member of the team fills out an Agency Rating Form for each agency visited. The team then agrees on a final rating for each agency. The Team Leader carries the team's ratings to the Allocations meeting where allocation amounts are jointly discussed and determined. All rating forms are collected by the Allocations Chair(s), transcribed with their comments, and then mailed to the appropriate agency for it to address.

The Allocations Committee and the CRT Leaders meet during the first week in May to develop a comprehensive funding proposal. The agencies immediately receive a letter from the

Allocations Chair stating the recommended allocations for their agency before amounts are given to the UWNC Board for approval. The Allocations Committee may meet a second time if any agency appeals its original allocation. Final recommendations of funding levels are then forwarded to the Board of Directors for its review and approval.

Fundamental Principles and Values of the Fund Distribution Process

The fund distribution process is based upon a set of principles and values. They are:

- UWNC cannot guarantee that agencies will receive the entire amount they request. If there are enough funds, if an agency's application is complete and meets UWNC standards, the agency is fulfilling its obligations to UWNC and the community, and if the Allocations Committee considers that there is sufficient merit in the request, the request will be considered.
- Decisions about how the United Way distributes community funds it receives will be made by informed community volunteers who reflect the diversity of the community and are trained for the task.
- Funds will be distributed with fairness and impartiality, with the betterment of the broad community in mind.
- The process will be a cooperative one with agencies, one that respects and recognizes that a cooperative system is essential.
- The process will be guided by planning, research, and policy decisions related to changing community needs and resources. If a current needs assessment, approved by the Board, is available it will be considered during allocations.
- Organizations that receive United Way funding will be held accountable in terms of fiscal, management, and program delivery standards. Such standards will be flexible so they can relate to diverse groups or organizations, and a range of funding relationships. The basic purpose is to ensure that distributed funds are used to support the provision of needed quality services.
- A member agency must have a written policy of non-discrimination and provide services without regard to race, color, religion, sex, sexual orientation, national origin, or ancestry.
- In general, United Way financial support should not exceed 50% of the member agency's gross revenue.
- Allocated dollars that are used for programs and services by the member agencies must be spent on programs and services within Nevada County.
- Organizations that receive funding will abide by United Way of Nevada County's Criteria for Membership.

- At the joint meeting of the Allocations Committee and the Citizen Review Team leaders every effort will be made to avoid a reduction in allocated funds from the previous year. Decreases will happen only if total undesignated campaign funds do not match previous year's total or if an agency does not satisfactorily meet its obligations to UWNC and the community. Any decrease must include documentation that substantiates the deficiencies and can be presented to the agency in question.
- Decreases in allocated funds due to agency performance will be kept to 5% of the previous year's allocation unless total allocated funds have been reduced, in which case the reduction should be based on equitable percent reduction of the allocation according to previous year's allocation. If an agency does not meet the standard of performance determined by UWNC, the 5% decrease will apply the first year the agency is reported as unsatisfactory. If the following year still shows substandard performance, a greater decrease may occur at the recommendation of the Allocations Committee.
- Agencies receiving a reduction of allocated funds from the previous year's funding due to performance will receive a visit from the Allocations Committee Chair(s) to go over the evaluation of the agency's performance.
- Increases in allocated funds to agencies should be based on performance improvements based on CRT appraisals but are not restricted to a percentage limitation.
- If an agency continues to fail to meet UWNC's performance standards and/or complaints about the agency are received from its community, at the direction of the UWNC Board, the Allocations Committee will notify the agency by letter that its United Way membership has been terminated.
- **Targeted Funds:** Approximately 5% of total undesignated campaign funds will be set aside for agencies requesting Targeted Funds, up to \$2500 per request. The Allocations Committee and Citizen Review Teams are not obligated to recommend full funding of an application. Also CRT's are not obligated to interview or visit an agency requesting targeted funds unless they have additional questions about an agency's request.
- **"Special Purpose" agencies:** Certain agencies that benefit the entire community will be placed in a special category labeled "Special Purpose". Approximately 12% of total undesignated campaign funds will be set aside for these agencies. The Allocations Committee will make recommendations to United Way of Nevada County Board of Directors to determine which agencies will be included in this category.

Membership Overview

Eligibility to receive United Way of Nevada County funding must be reestablished each year. UWNC agencies must renew their membership each year by returning the Renewal Application to the UWNC office on or before the due date listed on the renewal package. Should the applying agencies be suffering severe and long standing problems with eligibility, programs, organization, or finances, reconsideration of membership renewal will be recommended by the Allocations Committee to the Board of Directors via the Executive Committee.

Affiliate Members

Community human service agencies may apply for new membership in the United Way of Nevada County. These agencies must file extensive information including: by-laws, legal status, program descriptions, organization charts, financial data, etc. Application forms are available in the United Way office at the beginning of the UWNC membership renewal process. A review of this information and an agency visit will be conducted by the Allocations Committee. A recommendation regarding affiliate status will be made to the Board of Directors via the Executive Committee. An affiliate member will be listed as a United Way of Nevada County member but will receive only designated funds until it becomes a full member. The Board of Directors will consider a request for transfer to full membership after the Board considers the budget impact such a move will make.

Agencies applying for either new or full UWNC membership are applying for the upcoming campaign and therefore cannot request allocation funding until the next campaign.

Special Funding Requests Policy

If member agencies are in need of special or additional funding, they may request an advance of allocation and/or additional funding. To receive such funding, the following information must be supplied:

- Amount of request
- Cause of the problem
- Will United Way funding resolve the problem?
- If no, sources for other funding?
- Any remedial actions planned?
- Impact on services if funding is not advanced

If an agency request is below 2% of the total United Way allocations amount, the Finance Committee will review the above material and make a recommendation to the Board of Directors.

If an agency request is above 2% of the total United Way allocations amount the Finance Committee and Allocations Committee will review the request. Any recommendation to the Board will be from both committees.

In addition, the agency may be asked to:

- Have members of the Finance committee conduct a cash flow analysis
- Provide a copy of the current audit
- Provide current Balance Sheet and Income Statements

Any agency requesting special funding will have the right to have a representative at the Finance Committee meeting.

The Finance Committee will review the cash flow position of United Way of Nevada County and will recommend to the Board of Directors the ability to fund a request.

(Special Funding Requests Policy - Adopted Aug.17, 1994)
(Updated to include new Mission Statement – February 23, 2015)