

*Improving and Expanding Maryland's Government  
Employee Giving Campaigns*

September 2007

Deb Furry  
Tippens + Furry Consulting  
503-528-2783

## Table of Contents

Executive Summary.....	2
Introduction .....	3
Maryland Jurisdictions with Expanded Campaigns .....	3
Campaign Structures .....	4
Inclusion Criteria.....	5
Campaign Management.....	6
Benefits of Workplace Payroll Contribution Campaigns.....	6
What’s Working Well.....	7
Areas for Improvement .....	7
Opportunities .....	7
Definitions: .....	8

## Executive Summary

Government employees have a long history of supporting community nonprofit organizations through employee giving campaigns at the workplace. Over the past 25 years, as new umbrella organizations (funds and federations) have been formed, workplace campaigns have expanded to include these new groups alongside the traditional United Way option. The new umbrella organizations have helped bring new donors and dollars into the campaign.

Maryland is no exception to this trend with the following jurisdictions offering a range of choice for employee contributions: State of Maryland, Baltimore City, Frederick City, Frederick County, Frederick County Public Schools, Montgomery County, and Prince George's County; and the Combined Federal Campaign (CFC) of: Central Maryland, Western Maryland, Eastern Shore, St Mary's, and National Capitol Area.

The structure of government campaigns in Maryland varies. Some use a federated model, while others use an individual organization model and others include organizations/federation by invitation. The **federated model** is a structure that uses the expertise and accountability systems of the umbrella organization to identify and include a list of organizations that match the criteria for the campaign. An **individual organization model** is wide open in that any organization that feels it matches the criteria identified for inclusion in the campaign is eligible to apply. An oversight body of employees or a campaign management organization reviews the applications to certify inclusion. Some campaigns, like the Combined Federal Campaign (CFC) use both a federated model and allow for the inclusion of individual, unaffiliated organizations.

As a public entity, all government campaigns are required to have established, viewpoint neutral criteria that is publicized and equitably applied to all organizations requesting inclusion. The same open, fair and equitable practices that govern other government activity also apply to the workplace campaign.

The federations and funds involved in workplace fundraising recognize that government entities are a critical partner in raising funds for community services and in creating an educated and informed donor/volunteer base. Where campaigns have been expanded to include more than United Way and its agencies, the community benefits as more organizations benefit and more employees find a reason to be involved. A strong healthy nonprofit community is a vital part of a vibrant community.

Developing a culture of philanthropy and volunteerism among younger employees is critical to the success of our communities. The workplace is a wonderful forum in which to build that spirit. Offering employees a range of choice is more attractive and builds off the broad exposure they have in other arenas. Linking employees to volunteer opportunities through the campaign is a critical component in helping to directly connect giving with results/programs funded by individual support, which research has shown is important to the younger donor.

Federations can be strong partners with employee committees interested in implementing best practices from other campaigns, identifying and implementing new strategies to engage a broader employee base in the campaign, and in expanding options for giving and volunteering.

## **Introduction**

Government employees have a long history of supporting community nonprofit organizations through employee giving campaigns at the workplace. There are often natural synergies or partnerships between the work of government agencies and nonprofit organizations that deliver services, provide resources or work in other ways for the betterment of the state, county or city.

Maryland, like many states, has a number of government campaigns that have expanded to include nonprofit organizations in addition to those covered by United Way. Over the last 25 years, many nonprofit organizations have come together under umbrella organizations (federations or funds) identified by a common issue area and/or geographic region for the purpose of engaging employees in the workplace. Umbrella organizations provide one point of contact on behalf of many organizations and assure employers and donors about the legitimacy and effectiveness of the organizations under the umbrella.

Because workplace employee giving campaigns are conducted with the goal of raising funds for the participating organizations, we often lose sight of a larger purpose they also serve. That is: to create awareness of the nonprofit community and the resources that are available. Employees find resources that might include after school programs, research on a health issue, access to a natural area, or information on programs working to reduce poverty in third world countries. The community may be defined as the local area, the state, the nation or the world. In all cases, an employee campaign is as much about connecting employees to their community as it is about raising funds to support that work.

Baby boomers and their parents have been strong supporters of the community through the workplace. As the younger generations take their place in the workforce, we have an opportunity to engage them in philanthropy and volunteerism. A strong culture of philanthropy and volunteerism in the workplace contributes to the building of a personal commitment. To engage the younger donor, we must recognize that traditional campaign methods and activities including limiting the number of organizations that participate in the campaign will not be effective.

A group of federations and organizations participating in Maryland government campaigns gathered on September 19, 2007 and invited representatives from the various government jurisdictions to join them to talk about government employee giving campaigns. The group was interested in knowing what was working well from the government perspective, as well as areas that might be improved, especially reaching new and younger donors. Also of interest was understanding how the participating federations might work more closely to support government staff working on the campaign. The primary goals were to continue what is working well and assist in improvement where possible. A secondary goal was to encourage and support the expansion of public sector campaigns in Maryland.

## **Maryland Jurisdictions with Expanded Campaigns**

The following is a list of governmental jurisdictions in Maryland that have an employee giving campaign that includes more than the local United Way and its organizations.

Combined Federal Campaign (CFC)

- Central Maryland
- Western Maryland
- Eastern Shore
- St Mary's
- National Capitol Area (covers the District and parts of Maryland and Virginia)

State of Maryland

Baltimore City

Frederick City

Frederick County

Frederick County Public Schools

Montgomery County

Prince George's County

Worcester County

The campaign for federal employees is clearly the largest of the campaigns at \$6,303,535 for the four in Maryland and \$61,632,687 when the National Capitol CFC is included (2005 campaign numbers). The State of Maryland Campaign raised \$3,824,000 in its 2006 campaign and the Combined Charity Campaign for Baltimore City raised almost \$1,200,000. Number were not readily available for the other campaigns.

Employee participation rates were only available for the CFC and they range from a low of 17.6% to a high of 47%.

## Campaign Structures

The structure of government campaigns in Maryland varies. Some use a federated model, while others use an individual organization model and others include organizations/federation by invitation.

The **federated model** is a structure that uses the expertise and accountability systems of the umbrella organization to identify and include a list of organizations that match the criteria for the campaign. Federations play a key role in bringing their workplace campaign expertise to assist government employees charged with overseeing or implementing the campaign. They also save time and resources for all parties by coordinating the collection and distribution of campaign information and receipts to their member organizations.

An **individual organization model** is wide open in that any organization that feels it matches the criteria identified for inclusion in the campaign is eligible to apply. An oversight body of employees or a campaign management organization reviews the applications to certify inclusion. The fact that an organization may be part of an umbrella organization is not relevant in the context of this type of campaign.

Some campaigns, like the Combined Federal Campaign (CFC) use both a federated model and allow for the inclusion of individual, unaffiliated organizations.

Montgomery County uses a slight variation on this process whereby they allow federations that are "umbrella" types of organizations that have expressed an interest in participating in the

Montgomery County Employees Charity Campaign to be interviewed by an employee committee, the members of which make the final selections for inclusion in the campaign.

## **Inclusion Criteria**

As a public entity, all government campaigns are required to have established, viewpoint neutral criteria that is publicized and equitably applied to all organizations requesting inclusion. The same open, fair and equitable practices that govern other government activity also apply to the workplace campaign.

Criteria often include the following items.

- How organizations are to be included – as a member of a federation or other umbrella organization or as an unaffiliated organization
- The state and federal registrations required – generally 501(c)3 non profit tax-exempt status
- Nondiscrimination policies that match local protected classes
- Limits on administrative and fundraising expenses
- Geographic area served (local, state, national, or international)
- Age of organization – usually requiring that the organization must be in existence for at least 2 years or more to make certain it is legitimate.
- Submission of audits, 990's or other financial information
- Areas of nonprofit service: advocacy, community development, environment, health, human service and social services.

Many states use a process whereby each jurisdiction sets its own criteria for inclusion in the campaign. There are a few exceptions. Illinois amended section 5 of the Government Salary Withholding Act in 1989 to bring local governments in compliance with legal decisions prohibiting public employers from enacting policies which violate the first amendment rights of charities and employees. This has resulted in a number of jurisdictions using the same list of qualifying organizations, which has helped to reduce time and costs in managing the campaign.

Section 5 of the Government Salary Withholding Act provides:  
*Any local governmental agency, unless otherwise provided in any statute specifically creating or governing any such agency, may provide by ordinance or resolution for the deduction, upon the written request of the employee, from each regular payroll period from the compensation of such employee the amount specified in such authorization for payment to the United Fund and to the other organizations found qualified by the State Comptroller pursuant to the Voluntary Payroll Deductions Act of 1983. The term "United Fund" means the same as that term is defined in Section 3 of the Voluntary Payroll Deductions Act of 1983, as now or hereafter amended. (Emphasis and underscore added. Attorney General Lisa Madigan, opinion, July 26, 2004)*

## **Campaign Management**

Larger campaigns are often managed by a “campaign management organization,” which is often one of/or a team of the participating federations. The campaign management organization works closely with an employee or a committee of employees who have oversight of the campaign. This oversight can include assuring that the criteria for inclusion of organizations and other rules and regulations for the campaign are equitably applied.

Criteria for who can manage the campaign, how they will be chosen and their role is often included in the administrative rule or legislation that authorizes or governs the campaign. The role of the management organization may include the following:

- Solicit and organize requests for inclusion in the campaign for the committee’s approval
- Develop campaign materials (pledge cards, combined campaign brochure, website, etc.)
- Train employee coordinators implementing the campaign
- Collect and process pledge forms
- Report to participating federations the results of the campaign, designations to the federation and its agencies, names of donors for acknowledgement, and campaign costs
- Distribution of campaign receipts to federations or individual organizations

The Combined Federal Campaign, Maryland State Campaign, City of Baltimore, Frederick City, County and School, and Prince George’s County use a Campaign Management Organization. Some of the smaller county campaigns are administered in-house with many of the functions identified above being carried out by employees.

Community Health Charities, Global Impact, United Way of Central Maryland and United Way of the National Capital Area each provide campaign management services to one or more of the government campaigns in Maryland.

## **Benefits of Workplace Payroll Contribution Campaigns**

The opportunity for payroll contributions offers many benefits to both the donor and recipient organizations.

- Charities prefer to process a single check from the campaign, rather than numerous checks from individual contributors. This method keeps their administrative costs low.
- Charities know early in the year roughly what their revenue from campaign pledges will be, and they can plan their programs accordingly. Systematic planning is not possible with sporadic individual contributions.
- Charities appreciate the low overhead costs with workplace campaigns which increases revenue for their programs.
- Payroll deduction is a painless way to give—as a donor we don’t miss money we never see. And most of us can give a substantial annual gift by giving on a bi-weekly or monthly basis. (*Payroll gifts through the Combined Federal Campaign tend to be 4 to 6 times greater than direct gifts*).
- An employee gift through a workplace campaign has a greater impact, because it is combined with contributions from other employees.
- As an employee donor, you are part of a generous workplace community.

## **What's Working Well**

In a quick brainstorming session among some of the participants in Maryland's government campaigns, the following items were identified as what is working well with the expanded campaigns.

- Employees have more choice as the campaigns have responded to employee interest
- Successful MD state campaign kickoff creates visibility for the groups and the campaign
- The Montgomery County kickoff led by employees who are invested in the campaign
- The Federation model works well where it is in place
- Combined Federal Campaign continues to grow each year. It is well managed and a good model for state and county campaigns

## **Areas for Improvement**

Also as part of a quick brainstorming session, participants were asked what areas could be improved. The following were identified:

- Simplify the application process – create either a standardized process for all counties, or an application to one entity that then allows for inclusion in all others
- Communicate transparently on all ends – what's being done, who is involved, results, participation rates
- Establish clear criteria for who can be involved and how they apply
- Identify a point person or employee committee at the government entity who has responsibility for the campaign
- Provide opportunities to share campaign best practices with employees overseeing the campaign
- Work with employees overseeing the campaign regarding how to measure campaign success – looking at dollars raised but also looking at employee participation in the campaign and volunteer opportunities

## **Opportunities**

The federations and funds involved in workplace fundraising recognize that government entities are a critical partner in raising funds for community services and in creating an educated and informed donor/volunteer base. Where campaigns have been expanded to include more than United Way and its agencies, the community benefits as more organizations benefit and more employees find a reason to be involved. A strong healthy nonprofit community is a vital part of a vibrant community.

There are many government entities in Maryland without clear criteria for who can participate in the campaign and consequently, do not include organizations beyond the United Way. While there is concern about diluting the support for the local United Way, experience repeatedly

demonstrates that new federations bring new donors into the campaign and new and old donors alike make multiple designations bringing new money into the campaign.

Developing a culture of philanthropy and volunteerism among younger employees is critical to the success of our communities. The workplace is a wonderful forum in which to build that spirit. Offering employees a range of choice is more attractive and builds off the broad exposure they have in other arenas. Linking employees to volunteer opportunities through the campaign is a critical component in helping to directly connect giving with results/programs funded by individual support, which research has shown is important to the younger donor.

The federations can be strong partners with employee committees interested in implementing best practices from other campaigns, identifying and implementing new strategies to engage a broader employee base in the campaign, and in expanding options for giving and volunteering.

**Definitions:**

Expanded campaigns: a campaign that includes more than the United Way and its list of agencies.

Federation: an umbrella organization that has a set membership, generally focused on a specific issue and/or geographic area.

Fund: an umbrella organization that gives grants and lists its grant recipients as its agency list.

Umbrella organization: an organization that represents 10 or more organizations in a workplace employee giving campaign.