

WAC 240-10-040 Basic standards and criteria for agency membership applicable to all agencies. (1) Basic standards.

(a) Federal exemption. Each charitable organization must submit a copy of the Internal Revenue Service determination letter indicating that it is an exempt organization under Internal Revenue Code Section 501 (c)(3), or is a governmental entity receiving charitable contributions which are entitled to a deduction under Internal Revenue Code Section 170 (c)(1). An advance ruling on its exempt status shall meet this requirement.

(b) Registration and reporting. Each charitable organization shall have registered as a charitable organization with the secretary of state under the provisions of chapter 19.09 RCW (charitable solicitations) and with the attorney general under the provisions of chapter 11.110 RCW (charitable trusts) unless specifically exempt from registration by state law, and shall have filed all required reports within any established time limits.

(c) Integrity of operations. Each charitable organization must have at least a minimal history of service and demonstrate a real capability to serve. Funds contributed to charitable organizations by state employees must be used for their announced purposes. There shall be no payment of commissions for fund-raising, no mailing of commercial merchandise, and no paid general telephone solicitors.

(d) Finances. The charitable organization must use standards of accounting and a financial system based on generally accepted accounting principles which includes accounting procedures that would be acceptable to the American Institute of Certified Public Accountants. The committee may require an independent audit by a certified public accountant. The charitable organization must conduct its fiscal operations in accordance with a detailed annual program budget which is prepared and approved at the beginning of each fiscal year by the board of directors. Prior authorizations by the board of directors shall be required for any significant variation from the approved budget. The committee may require that the charitable organization prepare and make available to the general public an annual financial report.

(e) Nondiscrimination. The charitable organization shall have a policy and procedure of nondiscrimination in regard to race, color, religion, national origin, handicap, age, or sex applicable to persons served by the charitable organization.

(f) Annual reports. The charitable organization shall prepare an annual report available to the general public which includes a full description of the charitable organization's activities including types of solicitation for contributions, the names of its chief administrative personnel, and a full disclosure of the source and use of contributions.

(g) Agency organization. The charitable organization must maintain an active volunteer board of directors, serving without compensation through regular meetings and exercising satisfactory administrative controls in accordance with the agency's articles of incorporation, bylaws, and, preferably, standards adopted by its national or state affiliate.

(h) Fund-raising costs. Each organization shall disclose to the committee the estimated percentages of the money collected which will be applied to the cost of solicitation and to the charitable purpose. The information thus provided will be disclosed to state employees during the campaign.

(i) Application deadline. Completed applications must be received before the closing date established annually by the committee.

(2) Criteria.

(a) Service programs. Each charitable agency must have a substantial local presence in a Washington state community with a history of providing programs aimed toward direct services, research, and education in an effort to meet human health, welfare, or social service needs within a Washington state community: Provided, That voluntary charitable health and welfare agencies whose services are rendered exclusively or in substantial preponderance overseas, and that meet all the criteria set forth except for the requirement of direct and substantial presence in the local campaign community, shall be eligible for agency membership; and each must be able to comply with integrity and other applicable standards that such services are indeed provided.

(b) Participation in eligible federations.

(i) No charitable organization may participate in more than one eligible federation (umbrella organization) in a county.

(ii) No charitable organization may participate both individually and as a member of an eligible federation (umbrella organization) within a county.

(iii) Applications submitted on behalf of eligible federations (umbrella organizations) shall include a certification that all participating constituent agencies meet the basic standards and criteria, and agree to comply with rules and regulations as set forth by the committee.

[Statutory Authority: WAC 240-10-010(7) and Executive Order 84-13. WSR 95-09-025, § 240-10-040, filed 4/12/95, effective 5/13/95; WSR 92-19-082, § 240-10-040, filed 9/15/92, effective 10/16/92. Statutory Authority: RCW 41.04.035, 41.04.036 and 41.04.230. WSR 87-18-003 (Order 87-1), § 240-10-040, filed 8/20/87; WSR 86-08-070 (Order 86-1), § 240-10-040, filed 4/1/86; WSR 86-02-015 (Order 85-2), § 240-10-040, filed 12/23/85.]