

TITLE 2. ADMINISTRATION
DIVISION 2. FINANCIAL OPERATIONS
CHAPTER 1. VICTIM COMPENSATION AND GOVERNMENT CLAIMS BOARD
ARTICLE 4.1. PAYROLL CLAIMS

FINAL TEXT

Text proposed as a new regulation, or to be added to an existing regulation, is shown in underlined type. Text to be deleted from an existing regulation is shown in ~~strikeout type~~.

§ 633.9. Payroll Deductions for Charitable Contributions.

(a) Definitions

(1) California State Employees Charitable Campaign (CSECC): The annual fundraising campaign of State employees for charitable contributions through payroll deduction in State workplaces.

(2) Board: The Victim Compensation and Government Claims Board or VCGCB.

(3) Charity: An organization recognized as tax exempt under Section 23701(d) of the California Revenue and Tax Code and paragraph 3, subsection (c) of Section 501 of the United States Internal Revenue Code.

(4) Combined Fund Drive (CFD): A charitable organization as defined by (a)(3) above whose principal fundraising function is to conduct workplace fundraising campaigns on behalf of itself and multiple other affiliated charitable organizations.

(5) Principal Combined Fund Drive (PCFD): The CFD designated by the Board to conduct the annual CSECC campaign in a given geographic area.

~~(a)~~ Any State officer or employee may authorize monthly deductions from his or her salary or wages for payment of charitable contributions, or make a one-time payment contribution through the PCFD authorized by the Board to manage the CSECC in the defined geographic area in which the employee works, pursuant to a plan approved by the Board of Control Victim Compensation and Government Claims Board (“Board”) to the agency handling the principal combined fund drive in any area.

~~(1) The principal combined fund drive in any area shall be the public donation appeal of an area which combines in one specific annual drive the greatest support for charitable agencies that depend upon public subscriptions for support.~~

~~(2c)~~ In deciding whether an organization a CFD will be selected as the PCFD to conducts the CSECC campaign in a given geographic area, principal combined fund drive in an area, the Board of Control will may consider, but is not limited to, the following factors:

(1) Whether the applicant is a California-headquartered, community-based CFD, as

defined in (a)(3) and (a)(4) above with a demonstrated capacity to provide services to the geographic area in question.

(2) Whether the applicant has the demonstrated ability to coordinate with PCFDs in other geographic areas for consistent implementation of the campaign statewide.

(A3) The number of local charitable agencies organizations in the geographic area in question, which are directly affiliated with the CFD, rely on the drive for their support,

(B4) The number of dollars raised by the CFD and its affiliates in the geographic area in question during through the last most recently completed fund drive CSECC campaign.

(C5) The percentage of such dollars disbursed to charitable agencies as a result of the drive The percentage of administrative and fundraising costs the CFD proposes to deduct from contributions not including State Controller fees.

(6) Whether there is any qualified CFD applying to be PCFD in a particular geographic area. If no qualifying organization is applying, the Board may offer the opportunity to be a PCFD to other qualifying organizations, taking into consideration geographic continuity and their ability to provide service in the territory in question.

(b) Applications submitted to the Board by agencies CFDs proposing to handling manage the principal combined fund drives CSECC in a given geographic area to the Board of Control for approval of plans, shall be in the form prescribed by the Board and shall include the following:

(1) A copy of the Internal Revenue Services 501(c)(3) exemption letter stating that the organization is qualified as an exempt organization pursuant to section (a)(3) above.

(2) The names of the charitable agencies organizations that are directly affiliated with the CFD, included in the fund drive.

(3) The boundaries of the area. The defined CSECC geographic areas the CFD currently serves.

(4) A certification under penalty of perjury that the organization applicant is in compliance with the provisions of the Fair Employment Practice Act, Part 4.5, commencing with Section 1410, of Division 2 of the Labor Code. A separate certification shall be submitted by the PCFD for each affiliated member beneficiary of the principal combined fund drive. of its affiliated charities.

(5) Agreement to transmit contributions, as designated by the employee, to any charitable organization qualified as an exempt organizations pursuant to section (a)(3) above under Section 23701(d) of the California Revenue and Taxation Code, or and paragraph (3) of subsection (c) of Section 501 of the United States Internal Revenue Code of 1954, less the fundraising and administrative expenses determined costs approved by the Board and less the fees charged by the State Controller, of Control.

(6) An agreement to certify under penalty of perjury that the PCFD has distributed all charitable campaign funds from the prior year's CSECC campaign, less the Board-

approved administrative and fundraising costs and less the State Controller fees, by no later than March 1st of the following year,

(7) A written justification for any combined fundraising and administrative costs above 14 percent exclusive of State Controller fees,

~~(5)(8) Agreement that during the annual fund drive all State employees in the principal combined fund drive geographic area for which the PCFD is responsible will be provided with the following, during the fund drive, in addition to the payroll authorization form:~~

~~(A) A list of non-affiliated, charitable organizations which have been recognized approved by the Board of Control in the fund drive area. for participation which shall be provided electronically or on paper,~~

~~(B) A list of all Board-approved PCFDs, the territories they serve, and the administrative and fundraising costs they will charge to both affiliated and non-affiliated organizations,~~

~~(B) Information as to fundraising and administrative cost charged by the principal combined fund drive to non-affiliated charitable organizations designated by the employee, as determined by the Board of Control.~~

~~(C) Information regarding the costs charged by the State Controller pursuant to (D)(9) below and the costs charged by the Board pursuant to (i) below.~~

~~(C) A form on which the state employee may designate amounts to be contributed to affiliated and non-affiliated beneficiaries charitable organizations.~~

(D) A paper or electronic payroll deduction authorization form that enables State employees to contribute to any qualified charitable organization and that enables employees to make contributions through the Board-approved PCFD for the employee's work location.

~~(69) An agreement to pay, in the manner and time determined by the State Controller, the additional cost to the State of making deductions and remitting the proceeds.~~

~~(710) Such other provisions deemed necessary by the Board of Control or the State Controller.~~

~~(ee) Charitable organizations or CFDs which are not affiliated beneficiaries of the principal combined fund drive with a PCFD may apply to the Board of Control for inclusion on the listing of approved non-affiliated organizations which the principal combined drive is all PCFDs are required to provide to each employee solicited. Such applications shall be in the form prescribed by the Board of Control and shall include the following:~~

~~(1) The name of the organization.~~

(2) If a CFD, the names of the charitable organizations that are directly affiliated with it.

~~(23)~~ If the organization does not provide services statewide, the boundaries of the geographic area in which the organization normally solicits public contributions. provides services.

~~(3)~~ The name of the principal combined fund drive recognized by the Board of Control for the area defined above, in which the organization applies to be included.

~~(4)~~ If a CFD, the defined CSECC geographic area(s) it currently serves.

~~(45)~~ An agreement to pay to the principal combined fund drive agency that the PCFD processing the employee contribution shall deduct the Board-approved administrative and fundraising costs and the State Controller fees from the contribution(s) before forwarding the contribution(s) to the non-affiliated organization. the amount necessary to reimburse the principal combined fund drive agency for fundraising and administrative expenses, as determined by the Board of Control.

~~(56)~~ A copy of the Internal Revenue Services 501(c)(3) exemption letter stating certification that the organization is qualified as an exempt organization pursuant to section (a)(3) above. under Section 23701(d) of the Revenue and Taxation Code, or and paragraph (3) of subsection (c) of Section 501 of the Internal Revenue Code of 1954.

~~(67)~~ A certification under penalty of perjury that the organization is in compliance with the provisions of the Fair Employment Practice Act, Part 4.5, commencing with Section 1410 of Division 2 of the Labor Code.

~~(78)~~ Such other provisions deemed necessary by the Board of Control or the State Controller.

~~(e)~~ For the purposes of Government Code section 13923, a charitable organization means an organization that is qualified as an exempt organization under Section 23701(d) of the Revenue and Taxation Code, and paragraph (3) of subsection (c) of Section 501 of the Internal Revenue Code.

~~(df)~~ All organizations recognized pursuant to Sections ~~(e)~~ (d) and (e) shall be included in the listing in subsequent fund drives upon notification to the Board of Control, at least 90 days before the commencement of each annual fund drive, certifying that the organization's status and conditions of approval remain the same as indicated in the original application.

(1) The Board shall send or cause to be sent preprinted or electronic application forms to all organizations annually.

(2) Organizations not directly affiliated with a PCFD or other CFD shall return their forms to the Board; affiliated organizations shall return their forms to the PCFD or CFD with which they are affiliated.

~~(eg)~~ Procedures for payroll deductions for charitable contributions will include the following:

(1) Employee authorization must be in writing upon the form prescribed by the State Controller, signed by the officer or employee, and submitted to his or her employing

agency's authorized internal campaign committee, which shall then forward it to the PCFD to review, verify, and enter the information into its pledge processing database and then forward the ~~employee~~ authorizations to the State Controller or other State payroll office.

~~(2) The form on which a state employee may designate contributions to an organization affiliated with or not affiliated with the principal combined fund drive shall be in triplicate, one copy each for:~~

~~(A) The employee,~~

~~(B) The employee's designated beneficiary agency, and~~

~~(C) The principal combined fund agency.~~

~~(32) New M~~monthly deductions may be authorized in any amount of \$ ~~2.00~~5.00, or more.

(3) State officers or employees may cancel or modify current deductions for charitable contribution upon notice to the State Controller in the format required by the Controller.

~~(4) State officers or employees may not authorize more than one payroll deduction for charitable purposes to be in effect at the same time.~~

~~(54) An authorization or cancellation shall not be effective as to for any payroll period unless received in sufficient time for the State Controller to process and enter or cancel the deduction on the payroll for that period.~~

~~(65) The State Controller may combine authorized deductions for employee association dues and authorized charitable deductions in his or her records.~~

(h) A PCFD must obtain Board approval prior to implementing any modifications to its agreement with the Board.

(i) The Board's program costs will be prorated based on how much money was raised in each PCFD territory during the most recent CSECC campaign. There will be no charge to any PCFD with a total annual amount raised less than \$1,500. The percentage will be adjusted annually based on the prior year's actual operating costs as determined by the Board and the total annual contributions for all combined PCFD agencies total funds raised in all PCFD service areas combined.

(j) The Board may terminate the participation of any PCFD or charitable organization that fails to comply with the requirements of Government Code section 13923 and this section or its agreement with the Board.

(1) The Board shall notify any PCFD in writing of the Board's intent to terminate the PCFD's participation.

(2) A PCFD so notified shall have 30 calendars days to appeal to the Board. The Board shall hear the appeal at a regularly scheduled Board Meeting. All parties shall be notified of the hearing at least 30 calendar days in advance.

(k) If the Board terminates the participation of a PCFD for an area during a campaign year, the Board shall authorize another qualified CFD to act as PCFD for that area for the remainder of the year. The designated PCFD shall be entitled to charge the same administrative and fundraising cost approved by the Board for its primary service area.

(l) If a CFD organization ceases to be a PCFD, whether voluntarily or pursuant to (j) above, that organization shall forward all donor designation information from prior campaigns to the successor PCFD within 30 days of termination.

AUTHORITY:

Note: Authority cited: Section 13923, Government Code. Reference: Section 13923, Government Code.