

**CRITERIA & POLICY ON COLLABORATING  
AGENCIES OF THE  
HAWAII ISLAND UNITED WAY, INC. (HIUW)**



**Hawaii Island**

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# CRITERIA AND POLICY ON COLLABORATING AGENCIES OF THE HAWAII ISLAND UNITED WAY, INC. (HIUW)

## I. Introduction

All Collaborating Agencies must meet the basic qualifications set out in Article X Section 1 of the Hawaii Island United Way (HIUW) bylaws. These may be briefly summarized as organizations conducted for charitable, health, welfare, and allied purposes providing support to the Hawaii Island community, and for whom financial contributions are broadly tax deductible.

Article X further requires the Board of Directors to establish and maintain this Criteria and Policy on Collaborating Agencies of the Hawaii Island United Way, Inc. (HIUW) providing the detailed admission requirements for the various classes of Collaborating Agencies, and it authorizes the Board to make the final decision as to agency qualifications and admissions.

Collaborating Agencies meeting the basic qualifications established by Article X Section 1 fall into four basic categories:

**Partner Agencies:** These receive Board-authorized ongoing funding from the general annual-campaign contribution pool, typically for periods of up to one to two years.

**Affiliate Agencies:** These receive Board-authorized one-time or limited-time (less than two years) funding from the general annual-campaign contribution pool for special activities or projects.

**Associated Agencies:** These do not receive funding from the general annual-campaign contribution pool. However, they do receive specific donor-designated contributions that are processed through HIUW.

**Cooperating Agencies:** These do not receive funding of any kind from HIUW. However, they work with HIUW on various efforts and programs to meet common goals.

## II. Partner and Affiliate Agencies

Both agency types receive funding from the HIUW's general annual-campaign contribution pool.

**Partner Agency** – This is an agency that meets HIUW's criteria below and has been given this status through HIUW's Investment Review & Allocation process. HIUW funds a specific program or programs of said agency typically for periods of up to one or two years. The Partner Agency's program(s) will be listed in HIUW's collateral materials with contact information.

**Affiliate Agency** – This is an agency that meets HIUW's criteria below and receives Board-authorized one-time or limited time (less than two years) funding for special activities or projects from the general annual-campaign contribution pool. Funding is time limited, and restricted to a specific project, program, or community initiative. An Affiliate Agency will be listed as a participating agency in HIUW's collateral materials.

### A. Basic Organizational Requirements

The agency must be incorporated, have adopted bylaws, and be organized and operated in pursuance thereof. It must:

1. Be established and operate as a nonprofit, tax-exempt corporation, gifts to which are deductible by the donor for Federal and State income tax purposes.

2. Operate in the health, education, and/or welfare field.
3. Any agency operating under ecclesiastical control or jurisdiction must set up a clear line of demarcation, either by bylaws, policy statement or similar document, in its budget, between its religious program and its social service or health program, and must avoid religious proselytizing.
4. All agencies included must meet the Combined Federal Campaign (CFC) standard that they do not discriminate against any individual or group because race, color, religion, sex, national origin, age, disability, or political affiliation. Nothing herein denies eligibility to any organization, which is otherwise eligible under this part to participate in the CFC, merely because such organization is organized by, on behalf of, or to serve persons of a particular race, color, religion, sex, national origin, age or disability in their board representation, hiring policies and clientele served.

**B. Voting Membership**

In the case of corporations, the voting membership exercising basic legal control of the agency must be defined in the corporate and related papers. This membership must be representative of the main interests in the agency's field of work. It must:

1. Elect the board, so that it reflects the will of the agency's membership.
2. Possess the power of amendment to constitution and bylaws.
3. Have an annual meeting, with adequate notice of and information about matters to be acted upon.

**C. Governing Arrangements**

1. There must be a board, adequate in number to represent the main interests in the agency's field of work, meeting regularly, establishing policies providing supervision of operations and finances, and serving without compensation.

There should be a minimum aggregate of four meetings annually of the board or executive committee, including at least one meeting of the board, with representative attendance.

2. There should be an executive committee, which may act for the board during intervals between its meetings.
3. Additional committees may be developed to assure the performance of the main functions of the agency and to provide a sound basis for board decisions.
4. There must be provision for the election of officers, their terms, tenure and the filling of vacancies.

**D. Personnel Policies and Staff**

The agency must:

1. Have a written statement of personnel policies, job descriptions, and provisions for staff evaluation, formally approved by the board and made available to the staff.
2. Employ an executive director and professional staff with qualifications and/or experience appropriate to the agency's field of operations.
3. Have policies established by the board and administered by the staff. The executive director can be a non-voting member of the board and, with other staff personnel as needed, should attend board meetings and participate in the deliberations of the board and formulation of policy.

#### **E. Need, Goals, Program**

The agency must operate in a defined area of need, must specify its goals and conduct its program(s) to meet that goal. Periodically it should reassess such need, goals, and program(s). Conformity to this standard should be measured by such criteria as:

1. Evidence of need.
2. Definition of the segment of need served by the agency.
3. Resources for a substantial program in the area of defined need.
4. Maintenance of accurate service records.
5. Understanding with other agencies in its field to prevent ineffective duplication.
6. Projection of long-term and short-term program goals for specified periods, and a method of board review of achievements reached at the end of such periods.
7. Ability and willingness to change or modify goals and program in response to need and public interest, and in cooperation with appropriate planning agencies.

#### **F. Application and Reporting**

The Agency must:

1. Operate on an annual budget under defined procedures of budget preparation with board examination and formal adoption.
2. Control expenditures by such approved budget, with significant departures permitted only by board or executive committee authorization.
3. Submit monthly or quarterly financial status to its own Board of Directors and semi-annual and final reports to HIUW. HIUW reports are due January 31 and July 31, respectively.
4. An agency may request in writing, an extension for the semi-annual report and final report 30 days prior to the due date (at no cost). The request must be approved two weeks prior to the due date. If semi-annual report, final report, or approved extension report is not received and accepted 30 days after report is due, the process of suspension of payments will be initiated. Failure to submit the required semi-annual report and final report is cause for suspension of payments and termination of funding. The agency shall be given timely written notice via certified mail of such action, which notice shall include the reason(s), a 60-day time limit from the date of notice to effect correction, and the right to be heard. If the agency chooses to exercise that right, this shall be communicated to HIUW in writing and will be scheduled within 30 days. If there is no communication from the agency,

termination of funding will be recommended by the HIUW Community Building Committee to the HIUW Board of Directors.

5. Have approval by the agency's Board of Directors to apply for HIUW funding. Such action should be reflected in the inclusion of a letter of support from the agency's Board Chair with submittal of application. Additionally, if the application is not being submitted by the Executive Director, a letter of support from the agency's Executive Director is also required with submittal of application.
6. Submit a Collaborating Agency Application for Funding to HIUW after end of each grant period.

#### **G. Support Plan**

The agency's financial planning must annually:

1. Assess and specify financial expectations as to source, amount, and equitable distribution of support.
2. Use a support plan based on the preceding, which in the light of the previous experience and current conditions, sets forth a reasonably dependable method for obtaining the income budget for the period under consideration.
3. Charge fees commensurate with services provided.

#### **H. Cooperation with Tax-Supported and with other Voluntary agencies**

The agency must maintain relations with tax-supported and other voluntary agencies in or related to its field of services. This would include:

1. Registration of research and demonstration projects with pertinent information exchange centers and making appropriate use of resulting information.
2. Clarification of respective roles and relationships of voluntary and tax-supported agencies working in the same field.
3. Participation in the national planning bodies.
4. Recognition of the obligation not to make substantial alterations of major program functions without consulting other affected agencies.
5. Reimbursement of services rendered from government agencies.

#### **I. National-Local Relationships**

The agency must establish such relations with local communities, as the nature of its work requires.

#### **J. Agency-wide Marketing Materials**

The agency's marketing materials must have valid content beneficial to significant audiences. The agency's general marketing materials and its associated costs must be

differentiated from promotion publicity for fund raising purposes and its associated costs. Agency use of HIUW identification (i.e. HIUW logo/branding) on all agency promotional materials such as letterhead, newsletters, advertisements, annual reports, etc. as well as storefront(s) and/or office(s) is required. Appropriate HIUW logos/branding for various purposes will be provided to agency by the HIUW upon approval as collaborating agency.

## **K. Fund-Raising and Promotion Publicity**

### **1. Adherence to Fund Raising Practices**

The HIUW acknowledges that some agencies may need to supplement their HIUW allotment with fund raising activities. The HIUW, however, also acknowledges that these activities may negatively impact the amount of funding received for all agencies by HIUW. To minimize this impact and to maintain amicable relations between the recipients of funds and the HIUW, some guidelines have been developed. These include:

Any agency approved for funding by HIUW must make an honest disclosure of fund raising costs to contributors and the general public.

The agency must comply with legislative requirements (e.g. HRS Chapter 467B Notice to Charitable Organizations).

The agency must not mail unordered tickets or merchandise with request for money in return, solicit funds from the general public by paid telephone solicitations, or enter into arrangements to raise funds on a commission basis. Fund raising shall be done on a pro bono, salaried, or set fee basis but not a percentage based compensation or commission basis. Agencies shall refuse to accept or pay fees, often called "finder's fees," for steering donations to the agency.

The HIUW expects each agency to generally conduct its supplemental fund drives in accordance with the United Way concept of minimizing solicitations.

The agency's promotional publicity must adhere to ethical standards in all ways, such as respect for clientele, factual accuracy regarding needs served, and character of services offered.

### **2. Compliance with HIUW Expectations/Requirements**

The agency must inform the HIUW before any capital fund drive is undertaken.

The agency must be responsible for giving information about its major fund raisers, how much it expects to raise, and tentative dates to HIUW's Community Building Committee via the Collaborating Agency Application for Funding.

The months of September and October are set aside for the HIUW annual campaign. The "HIUW Campaign" period may be extended or shortened by vote of HIUW's Board of Directors. Any changes to the "HIUW Campaign" period shall be relayed by the HIUW to the agency thereafter. During the "HIUW Campaign" period, no fund-raising campaigns may be conducted by participating agencies except as approved by the HIUW Board of Directors. Requests for exceptions must be submitted on a timely basis to HIUW, and prior approval must be granted by HIUW for such event.

3. Exceptions During the "HIUW Campaign" Period

In granting approval for agency fund raising activities during the "HIUW Campaign " period, the proceeding factors are primarily considered by the HIUW Board of Directors in the order as follows:

- a) Competitiveness with HIUW's annual campaign;
- b) Consistency of the activity with the agency's schedule of activities as submitted in its Collaborating Agency Application for Funding; and
- c) Sensitivity of activity to season or other activities beyond the control of the agency, i.e., County Fair, Thanksgiving, and Christmas.

The preceding factors are not exhaustive. Requests will be considered on a case-by-case basis.

**L. Financial Management and Accounting**

Agencies should adhere to generally accepted standards of financial management including the bonding of personnel handling finances.

Agencies must annually submit either an audit or a review by an independent, certified public accountant. The Board of Directors of the HIUW retains the authority to require an agency to submit an audit rather than a review. It must have:

1. Audits or reviews showing all of the agency's income, disbursements, assets and liabilities, together with changes in endowment and other funds, reserves and surplus during the period, should be in sufficient detail to be in accord with sound accounting practices and Generally Accepted Accounting Principles (GAAP).

It is estimated that all items in the foregoing categories which are under the agency's ownership or control must be included in the audit or review.

2. An auditor's report should be in the conventional form developed by the American Institute of Certified Public Accountants.
3. The agency should participate in efforts to develop systems of accounting in cooperation with representatives of contributors, other agencies and the general public, which will work toward comparability of items agency to agency.
4. When a system of uniform fiscal reporting has been developed which is acceptable to the accounting profession, agencies, significant contributor groups and contributor reporting services, the agency must adhere to it.

**M. Agency Annual Report**

The agency must make annual program and financial reports to its membership and the general public. The financial report may be in summary form but must be consistent with the audit or review. The agency must respond to requests for detailed information on any aspect of its operations or program from any responsible source.

**N. Evaluation**

The agency must have an orderly plan for periodic evaluation, whether by staff and board arrangements, outside consultants, or a combination.

While it is to be expected that evaluation would be a continual function of administration, formal evaluation should be undertaken periodically by the board to review programs in light of current needs and in terms of the agency's stated purpose, specified goals and relations with other agencies in its field, especially tax-supported agencies.

The agency must cooperate with independent evaluating bodies in an effort to provide an objective report for the general public.

**O. Other**

The following requirements are to be observed by the agency:

1. Upon invitation, volunteer and/or staff participation at an agency interview following review of submitted Collaborating Agency Application for Funding with the HIUW is required. The interview is typically scheduled in March - May.
2. Cooperation in the annual campaign through own annual agency-wide workplace campaign and/or special fundraiser, timely return of requests for information to use in HIUW campaign collateral, and timely dissemination and return of HIUW campaign packets is required.
3. Agency is required to be involved in a minimum one (1) HIUW volunteer opportunity annually (i.e. special events, campaign preparation, representation at HIUW community events, workplace campaign presentations, etc.).
4. Agency is required to attend the Collaborating Agency Final Meeting which typically occurs in May.

**P. Non-Compliance**

Should a participating agency be in non-compliance of the above noted criteria, the HIUW Board of Directors may consider appropriate sanctions including but not limited to reduction or elimination of funding for one or more years, and/or ineligibility to apply for funding in subsequent years. The HIUW Board of Directors shall consider such sanctions on a case-by-case basis upon the recommendation of the HIUW Community Building Committee.

**Q. Right of Appeals**

Any participating agency may submit notification in writing appealing any decision by the HIUW Community Building Committee to the HIUW Board of Directors within thirty days after notification of its allocation. Only in exceptional circumstances will any appeals be acknowledged if received by the HIUW after the thirty-day period.

**III. Associated Agencies**



**Associated Agencies** – This is an agency or program in Hawaii that is not a HIUW Partner or Affiliate Agency, but has been designated as a financial recipient by a donor during the HIUW general annual campaign, and also meets HIUW’s criteria below.

Gifts designated under this option are not subject to HIUW’s review process and HIUW makes no certification of agencies’ efficiency, effectiveness, or performance. There is an administrative processing charge in the amount of 10% for these gifts. Associated Agencies may be listed in HIUW’s collateral materials on a case-by-case basis as determined by the HIUW Board of Directors.

Any single donor may designate a minimum gift of \$50.00 or more for an Associated Agency, if the agency meets all the following criteria:

1. The agency must be recognized as a public charity by the Internal Revenue Service (that is, it is a 501 (c) (3) agency and not a private foundation).
2. The agency must be registered as a charitable organization by the State of Hawai`i, State Department of Commerce and Consumer Affairs.
3. The agency must provide health and human services in the State of Hawai`i.
4. The agency should be organized for the purpose of providing health or human services directed at one or more of the following human needs: health care research and public information; individual or family counseling; child care services; protective or preventive services for children or adults; foster care for children or adults; support services to aid children, the chronically or acutely ill or persons with disabilities; day care or services for children or adults; specialized transportation; preparation and delivery of meals; adoption services; food and shelter emergency assistance; neighborhood development and community organization services; developmental recreation activities; social adjustment and development services; residential treatment services; vocational and daily rehabilitation services, or a combination of services which are designed to meet the needs of specific groups such as children and youth, the aged, ill and infirm, persons with disabilities, or the economically or socially disadvantaged.
5. The agency is not organized for general cultural, educational (elementary, secondary, or higher education), religious or political purposes.
6. The agency is not a part of a governmental entity.
7. The donation is not for a capital campaign.

#### **IV. Cooperating Agencies**

**Cooperating Agency** – An agency or organization that receives no funding from or through the HIUW, however it works with HIUW to achieve common goals by more fully engaging the range of assets available within our communities. These organizations may be from the not-for-profit, business, or government sectors in order to develop community-supported positive-impact solutions. Cooperating Agencies may be listed in the HIUW’s collateral materials on a case-by-case basis as determined by the HIUW Board of Directors.

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