

## EXECUTIVE SUMMARY

### CFC Proposed Rule Changes Will Shrink Federal Employee Giving to Charities

#### BACKGROUND

- As a member of the America's Charities' family of federations (America's Charities, Children First, Health First or Community First), you know our work on your behalf includes applying to the Combined Federal Campaign (CFC), to state and local government workplace giving campaigns, and gaining access for you to the growing private sector workplace giving environment. We provide many other services, but for the purpose of this document, we will focus on the CFC.
- The CFC was created 51 years ago by Presidential Executive Order. The CFC's mission as stated in that Executive Order is: "...to lessen the burdens of government and of local communities in meeting the needs of human health and welfare; (and) to provide a convenient channel through which Federal public servants may contribute to these efforts..."
- In 2011, the 50<sup>th</sup> Anniversary of the CFC, the Office of Personnel Management (OPM), which is responsible within the Federal government for managing the CFC, convened a special CFC50 Commission whose mission was to identify ways to revitalize, strengthen and grow the CFC, which in recent years has seen a drop in both participation and giving.

#### THE THREAT

- In part as a result of the CFC50 Commission's work, OPM posted proposed CFC regulation in the Federal Register on April 8, 2013 with a 60-day public comment period ending on June 7, 2013. We encourage you to [review the Proposed Rule in the Federal Register](#).
- **These proposed new regulations pose an imminent threat** to the funds you receive from Federal employees through the CFC. We must act to request OPM officials to reconsider them.

#### THE MAJOR AREAS OF CONCERN

- **Charities will have to pay an annual, non-refundable, upfront entry fee of unknown amount that will change annually.** The purpose of the fee is to cover OPM's cost to manage the campaign, and it will not be refunded even if the charity withdraws from the campaign or is denied. This new rule is not only a financial risk for charities, but an unnecessary administrative burden. This is totally unacceptable.
- **Many current giving options will be eliminated which will result in a dramatic drop in giving.** OPM has proposed eliminating paper pledges in favor of online and electronic giving. Electronic giving is currently used by only 22% of donors. Non-electronic forms of giving are particularly important to military personnel, Postal Service employees and many others who do not have access to technology and who are generous supporters of the campaign. OPM has also proposed eliminating cash and check gifts - cash donations are currently over \$27 million, nearly 10%, of the nationwide campaign.
- **Local leadership and involvement will be drastically reduced.** Under the current rules which have worked extremely well for decades, Federal employee volunteers are engaged in all aspects of the campaign. The proposed changes discontinue this and move to a centralized structure that will result in a drop in participation and giving. We understand that some streamlining may be in order, but not a wholesale reorganization without concern for engagement at the local market level.
- **Without your help, the changes will go into effect.** We believe you will see a dramatic drop in your CFC contributions, and that the entire CFC will be at risk at a time when the \$260 million in unrestricted funding raised for charities, and the hundreds of millions of additional dollars they leverage, are needed more than ever.

It will take the collective voice of participating CFC charities to reach key members of Congress to ask OPM to reconsider.

**The accompanying backgrounder provides additional depth around the issues and timetable for action.**