



United Way  
of Greater McHenry County

# Agency Relations Manual

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## **INTRODUCTION**

This manual replaces in its entirety the Agency Relations Manual published in August 2009.

The terms United Way and UWGMC used herein refer to United Way of Greater McHenry County, Inc., and the terms agency and agencies refer to both prospective and current member agencies of United Way.

The purpose of this manual is to define the relationship between United Way of Greater McHenry County and its agencies in matters of mutual concern, other than allocation of United Way funds.

United Way's Board of Directors reserves the right to modify the contents of this manual, to waive any provision therein, or to adopt and implement additional policies, procedures, and standards when it concludes that to do so is in the best interest of United Way and its member agencies as a group, and its contributors.

## **SECTION I: MEMBER AGENCIES**

A member agency is an organization that meets the standards in this manual and has been accepted as a member agency by the United Way of Greater McHenry County.

Member agency status **does not** confer upon the agency the right to an annual financial allocation from UWGMC. However, only a member agency may annually apply to UWGMC for an annual financial allocation.

United Way of Greater McHenry County shall only distribute funds to an agency as provided in the then current annual Memorandum of Agreement executed by UWGMC and the agency.

## **SECTION II: STANDARDS FOR UNITED WAY OF GREATER MCHENRY COUNTY MEMBER AGENCIES**

### **A. Basic**

1. The agency shall have been organized and delivering services to McHenry County residents for at least one year prior to the date it applies for UWGMC member agency status.
2. The agency shall have a charter identifying it as a not-for-profit corporation in the State of Illinois, and shall file Annual Reports with the Illinois Secretary of State.
3. The agency shall be registered with the Illinois Attorney General; have secured a charitable organization number; and annually file AG 990 - IL on a timely basis.
4. The agency shall have a "Letter of Determination" from the Internal Revenue Service indicating it is designated a 501(c)(3) tax-exempt organization and shall annually file on a timely basis an IRS Form 990 with the IRS when required.
5. The agency shall have secured and shall maintain a license from the appropriate

State agency to provide a given service when required by the State of Illinois.

6. The agency may not make organizational payments, contributions, and/or become actively involved in political organizations and/or with candidates or allow staff to make such payments or contributions on behalf of the organization.
7. The agency shall evidence significant broad non-governmental support for its mission from the McHenry County community, which may be demonstrated by: active volunteer participation, demand for services by local residents, payment of service fees by clients scaled to their ability to pay, and charitable gifts and grants from local non-UWGMC sources.
8. The agency shall comply at all times with all applicable federal, state and local government laws and regulations.

Any deviation from the basic standards reflected above shall result in the rejection of an agency's application for member agency status, or for expulsion from United Way if it is a member agency.

A Bi-annual self-assessment will be completed by each member agency to determine if any basic standards have changed. This self-assessment will launch in October 2018 with a deadline of 12/31/2018. This will be shared face to face with each agency at the October agency directors meeting and then emailed to the agencies following the meeting. The UWGMC will accept an electronic copy of the self-assessment, which will be reviewed by the executive director. Any concerns will be shared with the agency relations committee. A bi-annual schedule will be followed to ensure this self-assessment is taken every other year and monitored by the Agency Relations Committee.

## **B. Governance**

1. An agency shall have and maintain a clearly identifiable general membership body within its service area, from which it draws its governing board members. The size of this body and the extent of support it provides shall be of such significance as to clearly demonstrate broad community desire for and willingness to effectively support the agency's programs on a continuing basis.
2. The agency shall have by-laws that define the basic purpose, framework, and constraints within which its affairs are constructed.
3. The agency shall have a volunteer board which serves without financial compensation as the governing body, meets at least quarterly, and performs the policy making function of the agency.
4. The agency should establish procedures that disclose possible conflict of interest by board members, volunteers, and staff.
5. The roles and responsibilities of agency board members, volunteers, and staff shall be clearly defined.
6. The agency board shall employ the equivalent of at least one full-time person who is

responsible for administering policies of the board, directing programs and staff, and is accountable for all activities of the organization.

### **C. Financial Management**

1. Each member agency's board should establish a fiscal year process for developing, preparing, and monitoring an annual budget and for preparing and reviewing monthly financial reports.
2. The agency should follow a process for handling its financial transactions that is consistent with generally accepted principles of financial management.
3. The agency should have a policy and procedures for entering into contractual agreements.
4. The agency should have liability insurance coverage that provides suitable types and amounts of protection for the organization.
5. The agency should maintain a diverse financial base sufficient to operate its program of services.
6. The agency shall endeavor to acquire financial support from its clients for client services funded in part by UWGMC. Program service fees will be scaled according to the clients' ability to pay, and service shall not be refused to any client solely on account of the client's inability to pay for service.
7. Each agency shall follow accounting and auditing practices which conform to the latest editions of the two publications: "Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organizations," published periodically by the National Health Council, et al; and "Audits of Voluntary Health and Welfare Organizations," an industry audit guide published periodically by the American Institute of Certified Public Accountants.
8. Each member agency shall submit to UWGMC an audit prepared by an independent CPA for the agency's preceding fiscal year. If an agency has an associated organization, such as a foundation, that is holding assets for the agency and/or is raising funds for it, a copy of the associated organization's audit shall accompany the annual agency audit submitted to UWGMC.
  - a. If an agency operates two or more human service programs, one or more of which receive UWGMC funds, the audit report shall include a supplemental statement reflecting revenues and expenses by program, which at a minimum:
    1. Clearly identifies and allocates UWGMC funds to the program(s) for which they were designated by UWGMC.
    2. Includes certification by the auditor that information in the supplementary statements has been subjected to the auditing procedure applied in the audit of the basic financial statements, and, in the auditor's opinion, is fairly stated in all material respects in relation to the basic financial statements, taken as a

whole.

- b. In the event that UWGMC fails to receive a member agency's annual audited financial statements, prepared and presented as specified above, within 180 calendar days following the end of the agency's latest full fiscal year, UWGMC shall immediately suspend payment of current allocations to the agency and may elect to terminate its member agency status and payment of remaining allocations to the agency.

#### **D. Personnel Management**

Each prospective and existing member agency shall evidence a comprehensive personnel management program, including written policies and procedures, to guide it in effectively recruiting, utilizing, motivating, developing, and compensating its employees in a manner that is consistent with applicable State and Federal laws and regulations.

#### **E. Program Management**

1. The agency shall clearly define the scope and content of its services, its responsibility for providing those services, and its commitment toward easy access to those services.
2. The agency shall have qualified personnel to staff its program of services.
3. The agency shall maintain written records of program activity and service utilization in an orderly and confidential manner.
4. The agency should have a formal planning and evaluation process to monitor and control each of its programs on a short and long-range basis.

#### **F. Service Delivery**

1. The agency shall provide one or more human care service programs identified in UWGMC's Programs Manual.
2. Agency program(s) for which UWGMC funding support is sought should serve a significant number of McHenry County residents or workers.
3. Program(s) for which a UWGMC allocation is sought should not duplicate an established and effective program of another service provider within UWGMC's service area. In assessing the issue of duplication, UWGMC will consider program content and quality, clients targeted by the program, program fees, cost effectiveness, and other criteria it deems appropriate for the program(s) at issue.
4. The agency should have a service area of at least one township and/or provide services for at least two communities.
5. The agency is accountable to UWGMC for the UWGMC funded services it provides and shall regularly evaluate the quality and cost effectiveness of such services. Evaluation

results shall be available to UWGMC upon its request.

6. The agency shall operate on a year-round basis.

**G. Local Agency Units Associated With or a Part of Another Organization (herein referred to as “parent”)**

1. Parent organization and/or the local unit should fulfill each of the basic requirements listed in Section “A” of these Standards.
2. The local unit should have an advisory board, preferably with representation on the parent.
3. The local unit should be accountable for its own operations in areas of budgeting, operational policy, and program management.
4. The local unit should have input into the agency program and budgeting process for which UWGMC funding is requested.
5. The local unit shall supply the financial statements listed in Section “C” of these Standards.
6. The local unit shall be accountable for day-to-day management of its program activities.
7. The parent and local unit may share responsibility for program planning and development.
8. The local unit shall be accountable for delivery of service and quality of programming.
9. The parent and local unit may share responsibility for evaluation of program quality and effectiveness.

**H. Member Agency Support of the UWGMC Annual Campaign**

Each member agency shall assist UWGMC in an annual community wide solicitation known as the United Way of Greater McHenry County Annual Campaign.

1. UWGMC will conduct the campaign in a manner that identifies all member agencies and their funded services. Each agency will provide to UWGMC service data and related information for use in UWGMC’s community information activities.
2. Each member agency shall conduct an annual United Way campaign at its worksite(s) for its employees. The campaign shall provide each employee an opportunity for informed voluntary giving to UWGMC and the option of contributing by means of an annual payroll deduction plan administered by the agency. Agencies are expected to begin their employee campaigns in October and to file a written final report of their campaign results with UWGMC by November 15. Member agencies will also support UWGMC by displaying a United Way logo in their place of business.

3. Upon request by UWGMC, a member agency shall provide volunteers to serve in the Annual Campaign effort from amongst its officers, directors, staff, and agency volunteers. The exact level and nature of agency volunteer support shall be determined by UWGMC in consultation with the agency. UWGMC will endeavor to match its support requirements to available agency resources; to distribute the campaign volunteer activity burden equitably amongst all member agencies; and to provide volunteer assignments when practical that will help enhance donor awareness, understanding, and appreciation of its member agencies and UWGMC.
4. Each member agency accepting funds from UWMGC shall provide community impact information. This information will clearly state through stories, data and statistics, the positive impact the agency is having within our community. This information should be provided to UWGMC after signing the yearly MOA and when asked at any time throughout the year of the MOA funding.

**I. Member Agency Fund-Raising and Promotion Activity Independent of the UWGMC Annual Campaign**

1. Accountability

Achievement of the spirit and objectives implied in the standards in this section is crucial to the ability of UWGMC and its member agencies to building and sustaining confidence of the McHenry County community in the integrity of their joint and separate efforts to raise charitable gifts to support local human services.

Each member agency is accountable to UWGMC for ensuring that all efforts to raise funds for the agency are consistent with the intent and objectives of this section at all times, regardless of whether the agency or a third party using the agency's name is planning and conducting the fund-raising activity. Violations of any standard, be they overt or inadvertent, are not acceptable. Each agency is expected to have adequate management controls in place and applied consistently to avoid any violation of these standards.

2. Preamble

Objectives of the UWGMC Annual Campaign are: build awareness, understanding, and positive attitudes, within the McHenry County community towards both UWGMC and its member agencies; generate substantial charitable giving that can be distributed to support operation of local human service programs of member agencies; and restrain the burden upon the community imposed by continuous requests for charitable gifts.

United Way of Greater McHenry County acknowledges that:

- a. Funds generated by the UWGMC Annual Campaign are presently insufficient to fund through UWGMC's annual allocations process all of the needs of its member agencies for charitable support adequate to meet the financial requirements of their human service programs.
- b. Individuals and organizations throughout the community may prefer to contribute funds directly to a member agency in addition to, or in lieu of, their support of the UWGMC Annual Campaign.

- c. Member agencies have legitimate capital funding needs from time to time that UWGMC is not willing or able to fund from its limited resources.
- d. Except for occasional programs initiated and fully funded by UWGMC that are managed on its behalf by a member agency, UWGMC wishes to avoid situations whereby a member agency, or a UWGMC funded program, is so dependent upon UWGMC financial support that it likely may not survive if UWGMC funding declines for any reason.
- e. The independence and long term stability of each member agency depends upon the agency's willingness and ability to generate funding from diverse sources.

Accordingly, member agencies are encouraged to seek financial support from diverse sources beyond the UWGMC campaign in a manner consistent with the objectives and guidelines expressed in this section. Such fund-raising activities may be conducted by the agency itself, or by a third party on behalf of the agency, such as the agency's affiliated foundation or a local community or business group.

### 3. Exempt from Solicitation Policy

#### a. Purpose

The purpose of this policy is to protect leading donors to the most recent Annual Campaign from repeat solicitation of **operating** funds for member agencies during UWGMC's fiscal year.

#### b. Annual Exempt from Solicitation List

At the start of each fiscal year, UWGMC will publish a list of employer organizations, entrepreneurs, professionals, and other individuals in McHenry County who shall be exempt from solicitation of **operating** funds by member agencies during the fiscal year.

#### c. Listing Criteria

Criteria by which an account qualifies for inclusion on the exempt from solicitation list shall be set annually by UWGMC with the intent of limiting the list to clearly leading donors within McHenry County to the prior Annual Campaign. Contemplated thresholds for exemption are combined corporate and employee per capita giving and total dollar contribution levels achieved in the prior campaign.

### 4. Waiver of Exemption from Solicitation

A member agency shall not solicit operating funds from any account on the list that has not notified UWGMC that it wishes to waive its exemption and consider individual agency requests for operating funds on a case-by-case basis. Member agencies are barred from asking listed donors to waive exemption. UWGMC will afford listed donors an opportunity to waive exemption and will notify all member agencies if a listed donor does waive exemption.

### 5. Notice to UWGMC of Agency Fund-Raising Activities

All appeals by or on behalf of a member agency for either operating or capital funds require advance written notice to UWGMC and its assent to the fund-raising activity. The member agency shall be accountable for this notice and assent requirement even though the fund-raising activity is contemplated by a third party on behalf of the agency. Notice shall address the nature of the fund-raising activity, timing, method, and cost.

Recognizing an agency's need to generate diverse financial support, UWGMC will endeavor to agree to independent fund-raising events so long as they do not appear to UWGMC to defeat the purpose and objectives of this policy. However, UWGMC reserves the right to require that a member agency, or its third party benefactor, modify or cancel any fund-raising activity that UWGMC believes is not in the best interests of the community.

6. Donor Designations to an Agency through the UWGMC Campaign

Member agencies shall not seek individual donor gifts designated to the agency by a donor through the Annual Campaign. However, unsolicited donor designations to a member agency through the UWGMC Annual Campaign will be honored by including the donor designations in UWGMC's annual allocation to the agency. An agency's annual UWGMC allocation will not be less than the amount of such donor designations actually paid to UWGMC.

7. Operating and Capital Gifts Direct to a Member Agency

A member agency may retain all gifts, bequests, and grants given directly to the agency at any time by a donor for either capital or program (operating) purposes. Such contributions shall not be offset against the member agency's annual allocation from UWGMC.

8. Solicitation of Foundations

Foundations, including those organized, funded, or controlled by donors on the UWGMC Exempt from Solicitation list, may be solicited for operating or capital gifts when the foundation's policies allow such solicitation. The member agency is accountable to UWGMC for confirming the giving policies of a foundation before it solicits a gift, so as not to violate the spirit and intent of the Exemption from Solicitation Policy.

9. Solicitation of Employees of UWGMC Annual Campaign Worksite Campaign Sponsors

Member agencies and their third party benefactors are barred, without exception, from soliciting directly or indirectly at the worksite the workforce of any employer that sponsors an annual UWGMC worksite campaign during the Annual Campaign.

**J. Member Agency Community Information Programs**

1. An agency's full name and logo may appear on campaign and public information materials published by UWGMC.
2. The agency will develop and implement a program to inform the community of its purposes, programs, and achievements on a year-round basis. The program shall endeavor to achieve increased public awareness and support of both the agency and UWGMC support of the agency. Information provided to the public by the agency as part of this program shall be informational, as opposed to fund-raising, in nature.

3. UWGMC will develop and implement a program to inform the community of its mission, methods, and needs. As part of this program, it will endeavor to support its agencies by providing to the public information about their programs and results.
4. UWGMC and the agency shall coordinate their community relations efforts to avoid duplication of effort and to maximize the effectiveness of their joint community relations efforts.

**SECTION III: AGENCIES AND PROGRAMS NOT ELIGIBLE FOR UNITED WAY OF GREATER MCHENRY COUNTY MEMBER AGENCY STATUS AND FUNDING**

Units of government and their agencies are not eligible for UWGMC membership as they are financed primarily through tax revenues and are not charitable [501(c)(3)] corporations.

Also excluded from UWGMC membership or funding are those private agencies and programs that have the primary purpose of providing advocacy, transportation, recreation, culture, legislation, public relations, formal education, or religion, or provide programs that are considered highly objectionable or controversial on moral or political grounds by significant segments of McHenry County’s population.

**A. Examples of Non-Eligible Organizations**

1. Federal, State, County, and Municipal agencies are tax supported. These agencies have the responsibility for delivering broad-based, life-sustaining programs to the community’s extremely needy.
2. Counties, townships, and municipalities tax themselves in order to provide a variety of services. These same entities also may use state and federal tax dollars to support their human care services. In many cases, such funds are controlled by a local Board of Trustees to provide services to their constituents.
3. Local park districts and recreation departments are tax-supported bodies.
4. Agencies with the primary mission of providing either abortion or “right to life” counseling and related health services are not considered eligible for member agency status due to the highly controversial nature of such organizations and services in the McHenry County community.

**B. Examples of Non-Eligible Programs**

1. Welfare services are the responsibility of the Township and the State of Illinois Department of Public Aid.
2. Direct financial assistance to the aged, blind, and disabled, and to dependent children is generally handled through the county in conjunction with the Illinois Department of Public Aid.

**SECTION IV: NATIONAL HUMAN SERVICE ORGANIZATIONS**

UWGMC may consider and elect to modify or waive, as its Board of Directors deems proper on a case-by-case basis, its established policies, standards, procedures, programs and practices, including, but not limited to those stated in the Agency Relations Manual, to achieve locally unique mutually acceptable fund-raising and allocations arrangements with National Human Service Organizations or local chapters thereof.

## **I. REQUIREMENTS AND PROCEDURES FOR APPLYING FOR UNITED WAY MEMBER AGENCY STATUS**

### **A. Standards**

An agency applying for UWGMC member agency status should meet all of the standards outlined in this document. It must satisfy all standards expressed in Section II-A of this manual prior to the date of application.

### **B. Application Procedure**

1. United Way's Agency Relations Committee will ~~develop~~ follow this annual process and schedule for considering applicants for United Way member agency status.
  - Step 1: New agencies will complete the UWGMC self-assessment checklist and submit a letter requesting consideration.
  - Step 2: The Agency Relations committee will review submission as well as consider capacity to expand agency support to new agencies.
  - Step 3: The Agency Relations Committee member visits agency with Executive Director to thoroughly understand the agencies request to become a member agency.
  - Step 4: After review of the self-assessment and a visit, new agencies may be invited to complete the member agency application, if recommended by the Agency Relations Committee.
2. Once invited, an agency may apply for United Way member agency status by completing an "Application for Member Agency Status" and submitting it to United Way on a timely basis.

This process will be the same for new agencies taking over existing programs discontinued by a member agency.
3. Applications shall be considered by United Way's Agency Relations Committee. The Committee, at its option, may choose to conduct one or more interviews with or visits to the agency in the course of considering the application.
4. Following consideration of the agency, the Agency Relations Committee shall develop and present a recommendation to United Way's Board of Directors for approval or rejection of the application. The decision of the Board of Directors shall be final and not subject to appeal.
5. After attaining United Way member agency status, an agency may apply in the next grant cycle requesting an annual allocation from United Way for the United Way fiscal year beginning on July 1 of the calendar year following achievement of member agency status.

## **II. TERMINATION OF MEMBER AGENCY STATUS**

### **A. Definition**

Status as a United Way member agency shall automatically terminate in the event:

1. United Way's Board of Directors revokes payment to the agency of its current annual allocation, or;
2. United Way's Board of Directors does not provide any allocation of funds to a member agency at the time it adopts United Way's annual budget, or;
3. A member agency advises United Way in writing that it wishes to give up its United Way Member Agency status.

### **B. Agency Appeal of Termination of Member Agency Status**

1. In the event United Way takes action that results in termination of member agency status, United Way's Vice President - Agency Relations shall send a letter via certified mail to the agency's board president advising of the action and the reason(s) why the termination action occurred.
2. The agency may appeal the termination by addressing a letter to United Way's Vice President - Agency Relations postmarked within 21 days from the date notification of termination was posted to the agency. The letter shall request a meeting between representatives of the agency and United Way's Agency Relations Committee to discuss reinstatement of the agency. Failure of the agency to file a timely appeal shall automatically preclude reconsideration of its termination by United Way.
3. Upon receiving a hearing request from the agency, a meeting shall be held within 21 days from United Way's receipt of the agency's request. During the meeting, the agency shall be afforded the opportunity to state and explain reasons why it should not have been terminated as a member agency.
4. Following its meeting with the agency, the Agency Relations Committee shall develop one of three recommendations, as stated below. It shall be forwarded to United Way's Board of Directors prior to the Board's next scheduled meeting.
  - a. Recommendation to sustain the original agency termination decision.
  - b. Recommendation to reverse the original termination decision.
  - c. Recommendation to restore the agency to member agency status on certain conditions imposed by United Way.
5. Action by the Board of Directors of United Way to either sustain or reverse its original decision to terminate the agency shall be final, not subject to appeal by the agency to any body.

In the event United Way restores the agency to member agency status on a conditional basis, the agency shall be notified of the terms by certified mail. The

agency shall have 21 days from posting of United Way's letter to accept in writing by certified mail the conditions of reinstatement as stated by United Way. Failure of the agency to accept United Way's offer of reinstatement within the time specified herein shall constitute rejection of the offer by the agency and conclusion of the appeal process.

### **III. ALLOCATION PROCESS**

#### **A. Steps in Allocation Process**

1. Prior to January 15<sup>th</sup> of each year an email will be sent out to all member agency heads advising of the date and time for the allocation presentations.
2. Prior to February 15<sup>th</sup> of each year an email of information will be sent to each member agency head. This email will include all information which needs to be submitted prior to the due date. All instructions and forms will be included.
- ~~3.~~ Each year allocation applications will be due no later than the end of normal business hours on or before March 15<sup>th</sup>. Failure to have the allocation application completed online on time will automatically disqualify the application from any further consideration.
4. Allocation interview sessions with volunteers from the community will take place in mid to late April and early May.
5. Final allocation decisions will be communicated to member agencies prior to the end of June.

#### **B. Agency Appeal for Late Allocation Submission**

1. Should an allocation application be disqualified for any reason, notice will be sent to the agency by registered mail no later than the day following the decision.
2. The agency affected by the disqualification shall have one week from the date they receive the notice of disqualification to send a letter of appeal to the President of the Board of Directors at the United Way of Greater McHenry County main office.
3. A special meeting of the Executive Committee will be called and the agency will be invited to discuss the circumstances surrounding the disqualification.
4. Following this meeting the Executive Committee will make the final determination on the allocation application and a notice will be sent to the member agency by registered mail.
5. If the Executive Committee decides not to accept the allocation application, the agency would cease being a member of the United Way of Greater McHenry County at the end of the current fiscal year. Prior to the end of the fiscal year the agency may apply for member agency status. This is required based on Section VI, Subsection A, Point 2 of this manual.