



UNITED WAY OF TARRANT COUNTY

# **COMMUNITY INVESTMENT ALLOCATION POLICIES & PROCEDURES 2018**

# Table of Contents

## I. Introduction and Overview

- Introduction
- History
- Vision
- Mission
- Values
- Guiding Principles
- Overview

## II. Allocation Process

- Purpose
- Priority
- Funding Methodology
- Review Process
- Community Investment Review Panel
- Community Investment Cabinet

## III. Investment Criteria and Procedures

- Outcome Measurement
- Investment Policy
- Methods of Procurement
- Types of Funding Agreements
- Annual Reporting Requirements
- Revenue
- Expenditures
- Failure to Submit Required Information
- Funding Transfers
- Memorandum of Agreement
- Payment of Funding Commitment
- Funding Disclaimer
- Annual Site Visits

## IV. Other Policies and Procedures

- Campaign Promotional Guidelines
- Supplemental Fundraising
- Donor Designation Policy Violation
- Capital Campaign Guidelines
- Community Assessment

# I. Introduction and Overview

## Introduction

United Way of Tarrant County (UWTC) has an obligation to our stakeholders and the community at large to manage our resources in the most effective and efficient manner possible. The policies and procedures described herein reflect the functional aspects of UWTC fund distribution as well as the standards of accountability and expectations that apply to all agencies and programs funded by UWTC.

## History

In 1922, a group of Fort Worth's community leaders gathered to consolidate the fundraising efforts of several local charities resources to create the Fort Worth Community Chest – the first Community Chest in the Southwest. In 1962, they joined with their planning body, the Community Council, to form the United Fund and Community Services, Inc. The organization officially became United Way of Metropolitan Tarrant County in 1973, and continued to grow, establishing United Way—Arlington in 1981, and United Way—Northeast in 1986.

United Way of Tarrant County continues to improve lives by uniting the power of companies, organizations, cities, religious entities, and individuals to advance the common good. The Board of Directors is composed of community leaders serving on an unpaid basis who are responsible for setting the general direction of the organization, ensuring necessary resources, and engaging in issues in ways that will position UWTC to be a leading voice in the community.

## Vision

Thriving communities, welcoming neighborhoods and a strong economy across Tarrant County.

## Mission

Provide leadership and harness resources to solve Tarrant County's toughest social challenges.

## Values

Integrity • Compassion • Excellence • Transparency • Teamwork

## Guiding Principles

Our client is the donor  
Our results tell our story  
Our focus is the community  
Our efforts are collaborative  
Our solutions are equitable

## Overview

Our objective is to identify high-potential initiatives and apply financial investments in a meaningful way. We believe UWTC can add significant incremental value into the community by leading, planning and, in some cases, resourcing initiatives that will bring crucial change on a scale large enough to effect enduring positive outcomes county-wide. To optimize our advantages in a challenging and dynamic operational environment, we have established new methods of execution that outline how we will bring viable solutions to the community.

To establish an operational framework, we will consider both leadership and diversified funding in the areas listed below.

**SAFETY NET:** The assortment of programs offered to the community through the UWTC network of partners, designed to provide economic and life security to those temporarily or chronically in need.

**SCALABLE COMMUNITY CHANGE PROGRAMS:** Programmatic work performed by our partner agencies, which are designed to affect communities, not just individuals.

**SYSTEMS CHANGE:** A new way to lead and allocate resources to not just manage social issues, but to solve them for an entire population. ([Link to RFP](#))

**INNOVATION & RAPID RESPONSE:** Programs that foster innovative solutions to social issues; ability to respond to immediate and changing needs of the community.

## II. Allocation Process

### Purpose

To allocate the net proceeds of the annual UWTC campaign to maximize the resources available to agencies addressing the community's most pressing social issues as well as the root causes common to several recurring issues. Funds available for investment are based on UWTC's annual campaign production less donor designations for specific agencies, issues, funds or other United Ways and an amount estimated for uncollectible pledges.

### Priority

Priority will be given to issues based on the results of our Community Assessment.

### Funding Methodology

UWTC's 2018 strategic plan outlined the funding breakdown as follows:

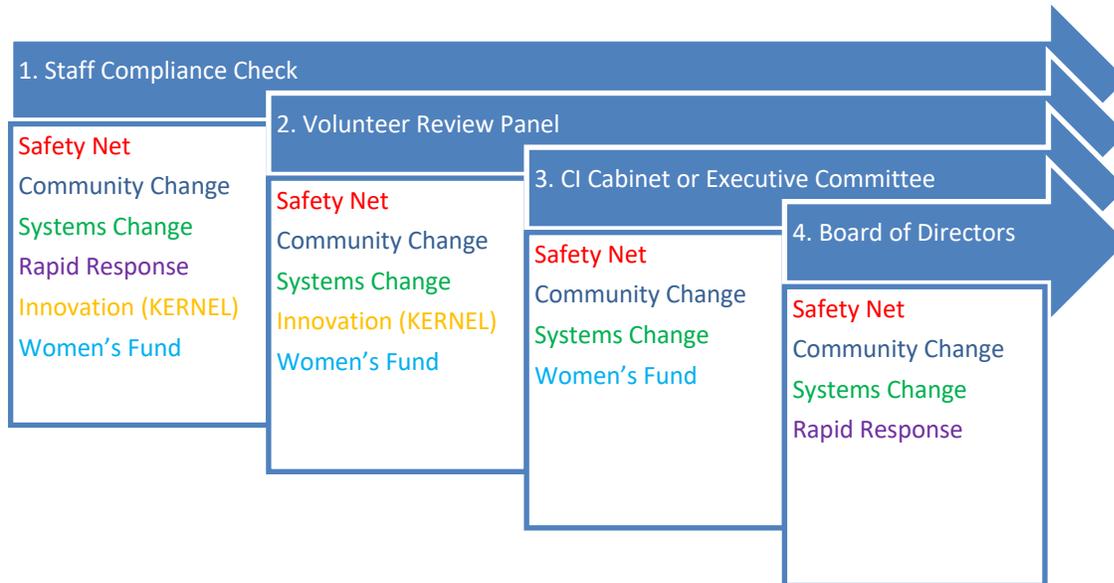
- Safety Net 35-45%
- Scalable Community Change 40-50%
- Systems Change 13%
- Innovation & Rapid Response 2%

This shift allows UWTC to invest in the areas where it believes it has the greatest potential and ability to make a difference.

### Review Process

All organizations requesting funding will submit a completed funding application for a particular funding year. They are responsible for providing all required documentation and information as outlined on the application. UWTC staff will conduct an initial compliance check to ensure adherence to the application requirements. A Review Panel will review the applications,

score accordingly and make funding recommendations. Depending on the type of funding, the process varies at this point. The review process for specific funding types is outlined in the chart below.



*\*Veterans Fund excluded*

Organizations will be subsequently notified of the amount of their respective investment and any required contingency actions.

### Community Investment Review Panel

The Community Investment Review Panel continues to be an essential element in shaping UWTC's decisions about program funding. The Review Panel will be comprised of volunteers from various backgrounds. The Review Panel will also consist of 2-3 members from the Community Investment Cabinet. Teams of two or more reviewers are each assigned to review an application. They formulate ground-level recommendations for funding based on an understanding of the Strategic Plan, Community Assessment, and program outcome plans and results. Other factors to be considered include the use of evidenced-based models, need of the target population, collaborations with other organizations, cost-saving strategies, and equity in all aspects of the organization, especially in program services.

The Community Review Teams shall:

1. Assist in evaluating an agency or program by reviewing materials received and/or participating in site visits.
2. Meet with agency representatives for the consideration of programs and budgets.
3. Report to the Community Investment Cabinet their findings and concerns and make funding recommendations.

### Community Investment Cabinet

The Community Investment Cabinet, with the assistance of the review panel, is responsible for reviewing all requests during the annual fund distribution process. The Community Investment Cabinet shall consist of Board members and non-members representing a cross sector of Tarrant County. The Co-Chairs of the Community Investment Cabinet are appointed by the UWTC Board of Directors. All actions of this Cabinet are subject to approval by the Board of Directors.

The Community Investment Cabinet shall:

1. Organize and operate a systematic program of disbursing funds raised in the annual UWTC Campaign.
2. Evaluate agency budget requests in terms of community needs, analyze and evaluate the cost of programs, and devise and improve methods of evaluating program effectiveness.
3. Recommend to the Board of Directors proposed funding levels of prospective funded agencies or services.
4. Serve, as needed, for the purpose of reviewing reports provided by the agencies, considering grant requests, and for evaluating and revising the fund distribution policies and procedures of Community Investment.

## III. Investment Criteria and Procedures

### Outcome Measurement

UWTC is accountable to its donors to ensure contributions are used wisely, deliver results and produce maximum impact. To ensure accountability, UWTC directs funds strategically where they will achieve the greatest results. For the UWTC, this means placing greater focus on both program and community outcomes. These two measurement systems assist UWTC in measuring the impact that funded programs make on specific populations and in measuring the impact UWTC is having in changing community conditions. All funded partners are required to measure, track and report on outcomes.

<b>Outcomes</b>	Changes sought in knowledge, attitudes, motivation, skills, behavior, condition, status, or other characteristics of a specific individual or group of individuals
<b>Program outcomes</b>	Changes that program activities intend to create in program participants
<b>Community outcomes</b>	Changes in a defined community population brought about by changing conditions in the community
<b>Scalable community change</b>	Changes that improve lives across our diverse communities by prioritizing needs based on targeted issues from Community Assessment
<b>Systems change</b>	Change in policy, practice, resource allocation or other characteristic of a community system or institution, association, organization, network, neighborhood environment, or other community elements

Funded partners are required to submit outcome measurement data, including an outcome evaluation plan at the beginning of the grant period specifying data collection and measurement methods, followed by outcome evaluation results as required by the application.

### Investment Policy

Funding for community services will be based on achievement of positive outcomes, need for service, and the extent to which programs align with the funding criteria outlined in the application.

Zero-based investment/planning allows a change from allocation of resources based largely on historical funding to investment of UWTC funds based on current needs and priorities.

In any given funding cycle, some agency programs inevitably will not be funded.

## Methods of Procurement

UWTC recognizes that it cannot use one single investment vehicle to achieve community change, but must use an array of methods to ensure maximum benefit and return on investment. Therefore, UWTC may use any one of the following methods to establish funding relationships with the most appropriate providers.

**Funding Application:** programs in which UWTC wants to make a continuing investment are required to complete an online funding application

**Request for Proposal:** solicitation of competitive proposals from agencies and organizations to provide specific programs or services

**Request for Application:** highly specified procurement method used only when there is one or a very small number of applicants

*(Please note that Requests for Proposals and Requests for Applications will be posted on the UWTC website.)*

**Direct Purchase of Service:** procurement method that provides flexibility and effective management of resources by reimbursing a provider for a defined number of services already rendered on a client-by-client basis.

## Types of Funding Agreements

**Performance-based grant** (including funding commitments formerly called allocations and impact grants): funding awarded and disbursed on a defined regular schedule based on a set of agreed-upon performance goals that should be met.

**Contract:** an agreement that outlines a transaction between two parties enforceable by law.

**Vendor Agreement:** a contract with a specific provider to obtain agreed-upon services for a specified period of time.

## Annual Reporting Requirements

Partners applying for funding from UWTC are required to submit financial and program data by the designated deadline. Budget information submitted to UWTC should account for all income sources and expenditures of the operating budget as stipulated in UWTC's policies and procedures.

*Full disclosure* requires agencies to report all budget and beneficiary information regardless of whether some of the information pertains to programs not funded by UWTC. It is essential for UWTC to:

- a. Be fully aware of all agency programs.
- b. Be able to communicate, to the public and private sector, programs provided in a particular investment area.
- c. Be fully aware of agency finances and support given to it by its associated corporations (auxiliaries, agency foundation, etc.).
- d. Understand the basis and percentage of UWTC support to the agency's total operating budget.

**Agencies must submit:**

1. A balanced budget with programs and evaluation reports to UWTC by specified dates, on forms provided.
2. *An Annual Audit and Management Letter, **if issued***, prepared by a certified public accountant, are to be submitted by each agency. The audit should be submitted to UWTC within 30 days of the final issued audit report. If a management letter was not issued, the agency should state so.
3. *Beneficiary Reports*, due in February with the fund application, cover the previous calendar year. Beneficiary reports must be accurate and complete. Beneficiary data indicates whether certain geographic areas or demographic groups need additional, or more focused attention. These annual reports represent an ongoing system of data collection, analysis, and utilization, which is necessary for:
  - a. Accountability to donors, clients, volunteers, agencies and the community.
  - b. Development of a campaign case, based on beneficiary statistics and representing actual clients being served.
  - c. Fulfillment of UWTC's stewardship role.
4. *Service Classification*: Program partners shall report the unduplicated number and the units of service delivered as specified for each service in the UWTC Classification of Services.

**Funded Partners receiving annual program funding must adhere to the following:**

- Funded partners should maintain books, accounts, and records in accordance with the Generally Accepted Accounting Principles of Not-for-Profits, promulgated by the Financial Accounting Standards Board.
- **July 1 through June 30** is the UWTC fiscal reporting period used for funding, budgeting, and financial and program reporting.
- Currently, only Safety Net partners are required to use the *e-Clmpact online system* to submit budget, program and beneficiary information.

**Revenue**

Each funded partner is expected to obtain and utilize, to the fullest extent, all possible operating revenue that might be secured through the agency's programs and activities.

*Income from Fees*: Unless prohibited by law, partners shall establish a fee scale policy for the full service cost to those who can afford to pay and a sliding scale that does not deny service because of inability to pay. UWTC encourages agencies to secure full unit cost service reimbursement from third-party purchasers.

*Investment Income*: Generally, all investment income (interest and dividends) is considered unrestricted income in the year earned (unless restricted by donor or by law).

*Foundation and Government Income*: Partners are encouraged to seek financial support from foundations, federal, state and other governmental bodies.

*Business Enterprises*: Partners operating a business enterprise should have regular reviews by the agency's board to prevent jeopardizing tax-exempt status, assure it is meeting a community need, and produce reasonable operating profit that supports the programs of the agency.

Operating Reserves: UWTC recognizes that operating reserves are an integral part of a prudent business plan. Staff will examine the reserve level during the annual budget process.

Endowment Funds: Partners' audits should reflect endowment income and their budgets should show the use of earnings from endowments.

Use of Capital or Special Funds as Operating Income: UWTC will not commit itself to future funding increases to replace the use of capital or special funds used to balance a budget.

## Expenditures

Funded partners are expected to prepare a realistic and balanced budget. All items should be allocated among various agency programs in a logical, supportable manner.

Funding Commitment: UWTC funding commitments are for operating purposes and may not be used for fixed assets, capital expenditures or operating reserves.

Interest Expense: Interest on indebtedness may not be offset against UWTC funds.

Mortgage Payments: Principal and interest payments on mortgages are legitimate operating expenses, if they are equivalent to competitive rental rates. Payments of amounts greater than competitive rental rates should be offset by special purpose income included in the operating budget and not charged to UWTC funds.

Depreciation: Depreciation is **not** funded by UWTC and should **not** be reflected in annual operating budgets submitted to UWTC.

Non-Tarrant County Services: Programs and services outside of the UWTC service area will not be funded by UWTC.

Volunteer Expenses: Travel expenses for volunteers will not be funded by UWTC.

Dues to Affiliates: A portion of dues to state and national affiliates may be included in the UWTC portion of the annual operating budget, subject to review and approval by Cabinet volunteers. However, the agency must demonstrate that dues paid provide a comparable benefit to Tarrant County residents. Examples of services include direct service, research, public education and assistance in obtaining state and federal funds. Documentation should include need for service, local staff and volunteer support and training for local staff and volunteers.

## Failure to Submit Required Information

Extensions on submitting applications are not granted. Funding disbursements may be withheld if information is submitted late without notification, is inadequate or incomplete, or if the funded partner continually fails to meet deadlines.

## Memorandum of Agreement with Program Partners

To ensure understanding and cooperation between UWTC and funded program partners, a Memorandum of Agreement is to be signed annually by an authorized representative of the program partner.

## Payment of Funding Commitment

Funding commitments made to organizations receiving performance-based grants will be paid out in ~~1/12 monthly~~ quarterly

allotments. Payment amounts and schedules for other methods of funding may be negotiated between UWTC and the program partner.

### Funding Disclaimer

Funding available for distribution by UWTC is contingent each year upon the success of the annual campaign. Yearly investments made to funded programs will be communicated in writing July 1 each year.

Funding commitments made to program partners are contingent upon a periodic review in which sufficient progress towards outcomes and performance standards is evident. Partners must also be in compliance with UWTC 's policies, procedures and expectations, as specified in this manual.

### Annual Site Visits

Annual site visits/conferences are offered to program partners on a voluntary basis. The purpose of these visits is to gain greater understanding of changes taking place at UWTC and changes the agencies are facing. UWTC volunteers are invited to join UWTC staff during site visits; their attendance is encouraged, but not mandatory. UWTC will make every effort to ensure volunteer participation. The Community Review Teams conduct site visits and meet with agency representatives, who describe directly to the reviewing team that agency's funding needs and other concerns.

## IV. Other Policies and Procedures

### Campaign Promotional Guidelines

Community partners supporting the annual campaign by participating in speaking engagements are expected to:

- Cover the multi-tiered approach of the agency services and initiatives.
- Talk about their work, but not request individual agency designated gifts.
- Promote the UWTC Community Fund.

### Supplemental Fundraising

UWTC recognizes the need for each community partner to increase self-support throughout the year. All supplemental fundraising must meet the highest ethical and generally accepted community standards. There are no "blackout" periods restricting supplemental fundraising during the campaign.

### Donor Designation Policy Violation

UWTC's goal is to conduct a single, community-wide campaign that generates funds to support direct service programs and to mobilize Tarrant County to create lasting change in community conditions. Community partners are asked not to promote or seek designations for their organization while participating in the annual fund drive. Violations to the donor designation policy will be examined on a case-by-case basis. Confirmed violations could result in a reduction of funding or termination of partnership.

### Capital Campaign Guidelines

UWTC does not provide for the capital needs of our program partners whose programs we support. Capital campaigns are defined as the fund solicitation for new buildings, major renovations in building designs, major equipment purchases and debt payment. Because we understand the need for such campaigns and because we want to be helpful to the extent possible in

ensuring their effectiveness, UWTC requests that program partners provide a letter describing the nature and scope of projected capital campaigns.

## Community Assessment

Periodically, UWTC assesses needs in our community through a variety of research methods that include surveys of residents or other knowledgeable individuals, focus groups, and the tracking of demographic and other trends. This information is used in identifying the most critical areas for attention. These critical areas may become investment priorities for UWTC. UWTC actively seeks partnerships with other organizations both to support these research efforts and to build strategic alliances to create needed solutions to our most pressing community issues.