



## ALEXIS DE TOCQUEVILLE SOCIETY DESIGNATION POLICIES AND GUIDELINES

### United Way of Larimer County Designation Policies and Guidelines

Alexis de Tocqueville Society members have the option to direct charitable dollars to all U.S. 501(c)(3) public charities, including churches, university foundations, and service organizations, for exclusively charitable purposes. Although the vast majority of designations made by donors are honored by United Way, under federal tax law, certain types of distributions, including distributions that result in a benefit to the member or a related party, are restricted.

### Designation procedures

Designations will be made by check payable to the recipient organization's legal name, and generally mailed to the organization's official address. Designations will be accompanied by a letter from United Way recognizing the donor, unless the donor requests anonymity. The letter will specify that the distribution must be used for charitable purposes and may not benefit the donor or any related party. If the letter identifies the donor, the letter will instruct the recipient not to issue a tax substantiation letter to the donor. After a designation has been made, United Way will send the donor a confirmation of the designation via an emailed account summary.

Donors to United Way who designate their gifts are eligible to take a charitable contribution deduction at the time of their contribution to United Way. Thus, any tax receipt that may be received by a donor from the designated charity should be disregarded.

- There is no minimum amount for designations.
- For auditing purposes, designations shall be submitted to United Way via pledge card or email and should include the name, address, telephone number and contact name for the recommended charity along with any special purpose for the gift (e.g., annual fund, scholarships, etc.)
- Administrative costs
  - AdT members who give at United Way's leadership level (\$500+) to one of our programs (Community Impact Fund, WomenGive, Colorado Reading Corps, 2-1-1, or Child Care Fund) are exempt from any administrative expense.
  - All other AdT members will have a small administrative cost applied to their gift designations. Currently that cost is 3.5%, which allows 96.5% of every dollar contributed to go directly to the designated programs or agencies. Our administrative cost is subject to change annually.
- Designations are paid on the following schedule:
  - Designations are paid in full upon receipt of gift on an every other week basis and requests received by 5 PM on the Friday before a payout week are included in the next week's payout.
  - Payroll deduction distributions are paid quarterly, based on payroll payments received from the employer, unless otherwise specified by the donor.
  - Donors with multiple designations may indicate in what order gifts are to be paid or if they want them to be paid proportionately.

### Permitted distributees

A permitted distributee is a U.S. § 501(c)(3) organization that qualifies as a public charity pursuant to § 170(b)(1)(A) of the Code (including a U.S. private operating foundation as described in § 4942(j)(3) of the Code).

### Prohibited distributions

- Distributions to individuals, including to a permitted distributee where the contribution is designated to a specific person
- Distributions that result in a "more than incidental" benefit to a donor or a related party
- Including payments for tickets for the donor or a related party to attend a fundraising event (even if the donor or related party pays the non-charitable portion of the ticket price and United Way pays only the charitable portion of the ticket price)
- Including payments for which the donor or a related party receives (directly or indirectly) the right to purchase tickets for seating at an athletic event (unless approved by staff, never allowed from Philanthropy Funds)
- Including items purchased at charitable auctions
- Including tuition payments
- Including dues and membership fees (e.g., country club and alumni club membership dues)
- Distributions for any non-charitable purpose
- Including distributions for lobbying purposes, and distributions to support political campaign activities
- Distributions to non-charities (e.g., a § 501(c)(4) organization), even if for a charitable purpose
- Distributions to private grant-making (i.e., non-operating) foundations

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