

ALABAMA LAW

(Regular Session, 1991)

Act No. 91-561

H. 412 — Rep. Zoghby

AN ACT

To further provide for payroll deductions for public officers and employees, so as to establish an annual Alabama state employees combined charitable campaign; to repeal Section 36-1-4.1, Code of Alabama 1975, as amended, relating to local United Way agencies and certain other health charities and payroll deductions.

Be It Enacted by the Legislature of Alabama:

Section 1. This act shall be known as the "Alabama State Employee Combined Charitable Campaign Act."

Section 2. The legislature finds that:

(a) It is the policy of the state to lessen the burden of government at both the state and local levels in meeting the needs of human health, welfare and human care services by supporting charitable giving;

(b) There is a need to provide a single convenient channel through which public employees may support charitable fund-raising federations and agencies of their choice while minimizing work-place disruption and administrative cost to Alabama taxpayers;

(c) It is necessary to establish a system to plan and implement one annual charitable fund-raising campaign among state employees in order to ensure that the funds will be collected and distributed in a responsible manner; and

(d) It is the policy of the state to permit time in the working day during the prescribed campaign period sufficient for volunteers to participate in the state campaign, with the approval of the department heads.

Section 3. As used in this act:

(a) "Alabama State Employee Combined Charitable Campaign" (ASECCC) means the annual combined charitable fund-raising

program established through this act to receive and distribute voluntary payroll deduction contributions of state employees.

(b) "Charitable fund-raising federation" means a legally constituted grouping of at least ten health and human care agencies that are bound together to raise and distribute charitable contributions.

(c) "Affiliated charitable agency" means a charitable fund-raising organization which is affiliated with a charitable fund-raising federation for the purpose of directly sharing funds raised by the organization.

(d) "Charitable agency" means a volunteer, not-for-profit organization under Federal Regulation 26 CFR 1.501(c)(3) which provides health or human care services to individuals.

(e) "Campaign Manager" means the participating federation, selected by the local agency review committee, responsible for managing the local State Employee Combined Charitable Campaign in each local geographic region or campaign community.

(f) "Campaign Community" means a local geographic region covered by a campaign manager, the exact boundaries determined by a local agency review committee and approved by a state-level steering committee.

(g) "State Employee Campaign Steering Committee" means a committee of seven state employees representing top level leadership and rank and file employees; with the three branches of state government represented, with the chair appointed by the Governor, and with staff assistance furnished by the campaign manager in the Montgomery area; responsible for reviewing appeals of local agency review committee decisions and for overseeing, at the state level, the conduct of the State Employee Combined Charitable Campaign.

(h) "Local Agency Review Committee" (LARC) means a group of state employees in each campaign community responsible for: selecting the local campaign manager; determining the geographic boundaries of the campaign community; determining the eligibility of participating agencies; allocating undesignated funds; and overseeing the actual solicitation of state employees in their respective communities.

Section 4. (a) The Governor of the State of Alabama shall be the ultimate authority for implementation of the ASECCC, including promulgation of administrative regulations and procedures not covered in this act.

(b) The campaign manager shall be selected by the LARC through a bid process and shall be responsible for managing and

administering the local ASECCC, and for furnishing staff support to each LARC.

(c) The State Employee Campaign Steering Committee shall be responsible to the Governor and shall have the following duties and responsibilities:

1. Be responsible for policy, oversight, and implementation of procedures pursuant to this act and notifying participating agencies of its rules and procedures pursuant to the administrative code.

2. Arrange for publication of information about the annual federation and agency application process.

3. On appeals from applicant federations and agencies, review and rule on decisions made by the LARC in accordance with the administrative code.

4. Notify in writing each of the appeal federations and agencies of its acceptance or rejection and provide the reason for any rejection, and provide for a hearing process.

(d) The Local Agency Review Committee (LARC) shall be chaired by the director of one of the three largest state agencies in each geographic area, with at least two other state employees, selected by the chairman, the number to be determined by the chairman. Selection of the chairman shall be approved by the State Employee Campaign Steering Committee. The LARC shall be responsible for the following:

1. Selecting through a bid process the local campaign manager.

2. Determining the boundaries of the local campaign community.

3. Reviewing applications from federations and agencies electing to participate in the ASECCC and certify that the federation, each affiliated agency, and unaffiliated agencies meet the eligibility criteria set forth in Section 5 of this act.

4. Notifying in writing each of the applying local organizations of its acceptance or rejection and of its right to appeal.

5. Determining the allocation of undesignated funds.

6. Overseeing the actual solicitation of state employees in their respective communities.

Section 5. (a) Participation in the Alabama State Employee Combined Charitable Campaign shall be limited to voluntary, charitable, health and human care federations and agencies with a substantial local presence that provide or support direct health and welfare services to individuals or their families and meet the criteria

set forth in this section. "Substantial local presence" is defined as a facility, staffed by professionals or volunteers, available to provide its services and open at least 15 hours a week. Such services must be available to state employees in the local campaign community, unless they are rendered to needy persons overseas. Such services must directly benefit human beings, whether children, youth, adults, the aged, the ill and infirm, or the mentally or physically handicapped. Such services must consist of care, research, or education in the fields of human health or social adjustment and rehabilitation; relief for victims of natural disasters and other emergencies; or assistance to those who are impoverished and in need of food, shelter, clothing, and basic human welfare services.

(b) For the purposes of the Alabama State Employee Combined Charitable Campaign, basic health and human care service shall not include:

- (1) Organizations whose primary purpose is the direct or indirect support of institutions of higher education;
- (2) Organizations engaging in litigation activities on behalf of parties other than themselves;
- (3) Lobbying; and
- (4) Religious activities.

(c) To be included in the Alabama State Employee Combined Charitable Campaign, a charitable federation or agency, in addition to meeting the other requirements in this section, shall:

- (1) Be a tax exempt charitable organization and submit a 501 (c)(3) exemption from the Internal Revenue Service;
- (2) Be incorporated or authorized to do business in this state as a private, nonprofit organization;
- (3) Not be a foundation;
- (4) Demonstrate to the local agency review committee that at least 60% of funds raised locally in each of the two fiscal years preceding its application to participate in a campaign consist of individual contributions from citizens of the State;
- (5) Be directed by an active local board which meets at least quarterly, whose members serve without compensation and are residents of the local geographic region served (with the exception of agencies serving the needy overseas);
- (6) Adopt and employ the standards of accounting and financial reporting for voluntary health and welfare organizations; prepare and make available to the general public a detailed annual budget;

provide for an annual external audit by an independent public accountant and make such audit available to the general public; and provide and make available to the general public an annual report.

(7) Provide programs of services directed at one or more of the common human needs defined in Section 5(a) in the State of Alabama or in countries overseas;

(8) Have a stated policy of nondiscrimination and be in compliance with all requirements of law and regulations respecting nondiscrimination and equal employment opportunity with respect to its clients, officers, employees, and volunteers;

(9) (For federations only, with the exception of federations serving the needy overseas): Have raised at least \$60,000 at the local level, and distributed that sum among at least 10 charitable agencies in each of its last two fiscal years preceding its application to participate in the campaign; and

(d) A charitable federation or agency shall automatically be eligible to participate if it is currently participating in the State of Alabama employee campaign under the provisions of Section 36-1-4.1 of the Code of Alabama 1975, as amended.

Section 6. (a) ASECCC is the only authorized payroll deduction charitable fund-raising effort among state employees.

(b) The state comptroller and each disbursing officer shall promptly transmit the amounts deducted, and an accounting of the amounts designated to the various charitable fund-raising federations or charitable agencies, to the respective campaign manager who shall be responsible for final distribution of the amounts to the designated organizations or agencies.

(c) The State Employee Campaign Steering Committee shall, within 120 days after the effective date of this act and from time to time thereafter, adopt regulations and procedures as shall be necessary to implement the provisions of this act.

(d) The undesignated contributions shall be distributed to the participating agencies on a percentage basis determined by the level of charitable funding of services provided in the local community or by the level of health research funding raised in the State of Alabama by each agency less administrative and fund-raising costs, except for those agencies serving the needy overseas, which shall receive an agreed set percentage.

Section 7. The provisions of this act are severable. If any part of this act is declared invalid or unconstitutional, such declaration shall not affect the part which remains;

Section 8. Section 36-1-4.1, Code of Alabama 1975, as amended, is hereby specifically repealed.

Section 9. After passage by the Legislature and approval by the Governor, this act shall become effective on July 1, 1992.

Approved July 29, 1991

Time: 6:55 P.M.

I hereby certify that the foregoing copy of an Act of the Legislature of Alabama has been compared with the enrolled Act and it is a true and correct copy thereof.

Given under my hand this 31st day of July, 1991.

GREG PAPPAS
Clerk of the House