



INDEPENDENT SECTOR

A vital voice for us all

June 7, 2013

Keith Willingham, Director, Combined Federal Campaign
U.S. Office of Personnel Management
Room 6484A
1900 E Street NW
Washington, DC

RE: RIN 3206-AM68

Dear Mr. Willingham:

Thank you for the opportunity to provide comments on the proposed regulatory changes to the Combined Federal Campaign (CFC). On behalf of the undersigned member organizations of Independent Sector, the leadership network for nonprofits, foundations, and corporate giving programs committed to advancing the common good in America and around the world, we are pleased to share our views on this important matter.

We have deep concerns about several of the proposed rule changes, beginning with the likely financial impact on participating charities. Shifting the expense of the program from the donors to the charities, via a non-refundable charity application fee, would unfairly require participating charities to pay the fee in advance, and without knowing how much they would collect in donations. What's worse, if a charity receives less than the anticipated level of contributions, or decides to withdraw from the campaign, the overpayment of the fee is not refunded. In many cases, charities may see their net proceeds (after the application fee) from participation in CFC campaigns significantly decrease, and for some, the fee may be even greater than the total amount of CFC donations directed their way. As a result, in subsequent campaigns, these charities may decline to participate, reducing the number of charities donors have to choose from and potentially creating a disincentive for their own participation.

In addition, OPM is proposing to eliminate the use of cash, check, and money order contributions to the Campaign, instead mandating electronic donations. While this might help with administrative efficiency, it is also likely to be a barrier to donation for federal workers, many of whom still choose to donate via traditional means: the longest running and largest online campaign, the National Capital Area campaign, has only 45% online giving participation. There also are significant cohorts of the federal workforce, in the military or the Foreign Service, who do not have access to the internet or computers so, if the campaign were to be exclusively electronic, would be unable to participate. Finally, running an entirely electronic campaign would mean no human interaction and no opportunity to build a relationship with the charitable community—two factors that are repeatedly cited as important in nurturing and growing donor participation.

We are also concerned that shifting the governance structure from Local Federal Coordinating Committees (LFCC) to a smaller number of Regional Coordinating Committees will result in a loss of the feeling of local “ownership” of and engagement with the campaign, which in turn may lead to decreased participation and donations, especially for local charities. Having a coworker lead the local CFC gives the campaign a personal touch that a detached regional structure will lack. In addition, shifting from the LFCC structure will reduce the opportunity for government agencies to continue to use the LFCC Chair role as an employee development and succession planning tool.

In addition to the concerns we have outlined, we would also propose several changes that might improve the CFC program. First, a concerted effort should be made to create an organized, sustainable program to engage federal retirees in continued support of their preferred CFC charities. Tapping this currently unused resource has the potential to generate millions of additional dollars for participating organizations.

Finally, under the new rules, CFC should ensure that the charitable organizations that also engage in advocacy are eligible to participate. We urge OPM to revise sections referring solely to “services” or “benefits” to reflect the diverse ecosystem of nonprofit program activity and recommend OPM use “program activities” as the preferred shorthand throughout.

We appreciate the opportunity to comment on the proposed regulatory changes to the CFC. We urge you to finalize the proposed rule in a way that strengthens the successful CFC program while ensuring continued productive participation by both charities and federal workers.

Sincerely,

America’s Charities

United Way Worldwide

National Committee for Responsive
Philanthropy

Feeding America

United Negro College Fund

Public Allies

March of Dimes

YMCA of the USA

Colorado Nonprofit Association

International Primate Protection League

Reston Interfaith

LIVESTRONG Foundation

The Greater Boston Food Bank

Michigan Nonprofit Association

The Maryland Association of Nonprofit
Organizations

American Cancer Society Cancer Action
Network

National Multiple Sclerosis Society

Goodwill Industries International, Inc.

Global Impact

Association of Direct Response Fundraising
Counsel