COMBINED FEDERAL CAMPAIGN

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May 15, 2013

Keith Willingham
Director, Combined Federal Campaign
U.S. Office of Personnel Management
Room 6484A
1900 "E" Street NW
Washington, DC 20415

Dear Mr. Willingham:

The Local Federal Coordinating Committee for Intermountain CFC has thoughtfully considered the Office of Personnel Management's proposed changes to the Combined Federal Campaign. We thank you for inviting comments on these changes. We applaud OPM for its commitment to ensure CFC continues to serve federal employees who support charitable organizations which benefit our local communities, our nation and our world. To that end, we support the following proposals:

- § 950.102(a) Changing the CFC Solicitation period to October 1 - January 15.
  Note: The local federal oversight committee should retain the ability to approve the local campaign solicitation period.
- § 950.102(a)(1) Immediate eligibility to give upon entering federal service.
- § 950.104 OPM will train and oversee the local federal oversight committee (RCC or LFCC).
- § 950.201(a)(2)(c) Charity application will be valid for two years.
- § 950.203(a)(2)(ii) Change the audit threshold to $250,000 and require a review when revenues are between $100,000 - $250,000.

While not specifically mentioned in the proposals, we anticipate Universal Giving will be a tremendous boon to the CFC. We praise OPM's efforts to make it a reality. We also encourage OPM to aggressively promote legislation to allow solicitation of retired federal employees and the ability to give through retirement annuities. In our opinion, the above-named changes are promising. However, we would like to comment and make recommendations on the following changes which seem detrimental to the long-term success of the CFC:

§ 950.103 and § 950.106 Changing the structure of the CFC to eliminate LFCCs and PCFOs and replace them with Regional Coordinating Committees, Central Campaign Administrators and marketing firms.

- Comment: It is inefficient and potentially cost-prohibitive to replace one organization (PCFO) with two organizations (Central Campaign Administrator and local marketing firm). Currently, the PCFO performs both functions and maintains a local presence which allows for quick, streamlined and efficient customer service to volunteers, donors and charities. Also a non-profit entity, the PCFO shares a common vision with the CFC to support and promote philanthropy while minimizing expense. On the other hand, it is the nature of a marketing firm to focus on maximizing its profits. Our PCFO has established relationships with local non-profits and understands the needs of our campaign's major stakeholders; namely, federal agencies, campaign volunteers, federal employees/donors, and charities. Today, a volunteer can contact the PCFO with questions regarding campaign outreach/marketing *and* historical/pledge data; under this proposed change, two organizations would need to be contacted and two organizations would be required to respond. With much larger territories to cover, the CCA would be unable to respond to these types of individual requests in a timely manner. This change will result in poor customer service and increased expenses.
- Recommendation: Intermountain CFC operates under a successful model that has already allowed us to organically develop into an active regional campaign presence in five states. We are willing to share our strategy which promotes combining local campaigns into a regional campaign that makes sense culturally, geographically and demographically.

§ 950.104 Moving to 100% electronic forms of giving and eliminating paper Charity Lists and Pledge Forms.

- Comment: Five years after implementing e-Giving, Intermountain CFC still receives a majority of donations via paper pledge forms. We aggressively promote online giving as a cost-effective, efficient and convenient way to pledge. However, we also realize 35% of our workforce does not have regular access to the internet during the course of their daily work. Additionally, paper forms are the primary method of giving at fundraising events. These events are critical; they generate a tremendous amount of awareness and enthusiasm for the CFC, while increasing morale for federal agencies. Eliminating the opportunity for federal employees to spontaneously give cash/checks at these events will significantly damage the ability to attract and motivate donors – in essence, taking the FUN out of FUNdraising.
- Recommendation: The transition to 100% electronic giving will eventually happen. Allow it to evolve naturally rather than risk alienating donors who currently cannot (or do not wish to) give by electronic means.

§ 950.107 Charging charities an annual application fee.

- Comment: We surveyed 2013 charities and gathered data on paying an annual, non-refundable application fee. Survey feedback clearly shows that if forced to pay a fee, charity attrition would occur in a short period of time, resulting in fewer choices for donors, decreased donations for local charities, and fewer services for vulnerable people – all of which is fundamentally contradictory to the very reason for the CFC's existence. Out of 182 respondents, 77% would not be willing to pay a fee, or would pay a fee of less than $100, while 63.7% would drop out of the CFC entirely rather than pay a fee of more than $100. Furthermore, our research does not support the notion that federal employees are overly concerned with campaign costs. When we surveyed volunteers about the most frequently cited reasons for not giving, "administrative costs" was not even in the Top 3. Charity choice, ease-of-giving, and personal connection were much more important.
- Recommendation: The current system of campaign expenses being shared by all charities based on a percentage of their designations is a more equitable system of paying for CFC costs.

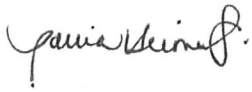
§ 950.801 Transferring pledge disbursement duties to federal payroll centers.

- Comment: At present, federal payroll centers do not provide detailed reports to the PCFO regarding disbursement payments. Payroll centers fail to supply accurate allocation data regarding which federal agencies and which donors these payments represent. The PCFO researches these issues independently. If payroll centers do not presently provide this information, we cannot confidently expect them to accurately pay tens of thousands of charities directly. Additionally, payroll centers (or CCAs, for that matter) will not be able to respond in a timely manner to individual donor or volunteer requests concerning their particular pledges. This poor level of service from payroll centers will cause donor dissatisfaction.
- Recommendation: The PCFO currently resolves these issues effectively and timely. No change is needed.

As the LFCC for Intermountain CFC, we genuinely appreciate the intent of these proposed changes to reduce waste and increase efficiencies. However, we are then compelled to ask, "At what cost to the CFC and the charities it supports?" Nowhere in the proposed new regulations was there a reference to specific research conducted to ascertain if these proposals will, in fact, achieve the desired results. Rather, the proposal was replete with phrases such as "OPM believes" or "we believe." Proposing sweeping changes to the CFC based on subjective opinion, instead of data analysis, is not a formula for success. There are strategic ways to enhance efficiencies without sterilizing the CFC to the point that it becomes simply an electronic, faceless campaign that will be largely ignored by charities and federal employees alike. We sincerely urge OPM to engage in study and communication with all stakeholders, in a manner that will result in sound decisions to improve and grow the CFC for many years to come, while preserving its grassroots approach to fundraising.

Regards,

James Brenneman
LFCC Co-Chair, Intermountain CFC



Pania Heimuli
LFCC Co-Chair, Intermountain CFC

This letter was unanimously approved by the Intermountain CFC LFCC during its May 14, 2013, quarterly meeting.