



SOCAL COMBINED FEDERAL CAMPAIGN

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Dear Keith,

This letter pertains to OPM's proposed rule to amend the Combined Federal Campaign (CFC) regulations.

OPM's rationale for the amendments appears to come from the CFC-50 Commission which delivered its report with 24 recommendations for improvement of the CFC in three main areas: donor participation, CFC infrastructure, and standards of accountability and transparency.

OPM states the amendments reflect changes that OPM has concluded will improve the CFC based on OPM's experience administering the program and its considered judgment.

I wish only to address three of the recommendations that have no foundation in the CFC-50 Commission report and, based on my experience, will not improve the CFC. Further, I believe these three recommendations are examples that show while OPM does have a considerable history as a compliance agent for the CFC, it has no experience whatsoever in running a campaign on the ground to raise donations for charities. Administration and compliance are diametrically different from campaign operations and it is misleading at best to imply that an organization that has never run a campaign possess "considered judgment" to recommend changes to campaign operations.

Fifty-one years ago the government recognized its lack of experience and depth in running charitable fund-raising campaigns when it asked a non-profit federation to organize and establish a fund raising campaign to provide federal employees a means to support charities of their choice easily and with minimal disruption to the workplace. The campaign worked for 51 years and has seen considerable change to the regulations appropriate to the advances in technology and the changes in the federal workplace. The efforts to run hundreds of local campaigns worldwide in a consistent manner have been challenging and surprisingly effective over the last 51 years even though there has been the occasional setback. The problems have been addressed effectively recognizing the many differences in local campaign operations. Despite the continued success of the CFC OPM has recommended three specific changes to the regulations that will neither improve nor further the success of the CFC. Instead these changes, if implemented, will soon be followed by the extinction of the CFC.

The three modifications that will cause the CFC to become irrelevant are as follows:

Modification of CFR950.103 to eliminate the use of cash, check and money order contributions. Instead, all donations will be required to be made through electronic means. This change dictates to the donor how they must donate their money to a charity. It assumes federal employees have access to electronic means in the federal workplace. This is not a correct assumption. The SOCAL CFC has thousands of federal employees working for the Post Office, the U.S. Border Patrol, the U.S. Marine Corps, and the U.S. Navy that do not have regular access to electronic means in the workplace.



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Additionally, it is insulting to donors to tell them their donation will only be acceptable if made in the manner required by OPM. No fund raiser in the non-profit world would apply such a restriction to a donor. It provides the potential donor a reason not to participate by telling them the organization knows better than the donor how they should participate. The donor is not interested in the efficiency of the process – they are interested in donating on their terms.

Modification of CFR950.105 to eliminate the Principal Combined Funds Organization (PCFO). This change assumes the PCFO only performs the back office functions and little else. In fact, the PCFO is the repository of CFC history, knowledge, and experience in running an effective campaign within its local area. That expertise will be lost and it will not be replaced by volunteer federal employees. OPM proposes to transfer those responsibilities to two different entities called the Central Campaign Administrator (CCA) and the Regional Coordinating Committee (RCC). However, without a PCFO to organize, train, and execute a campaign it is unclear exactly who will do this. The RCC and CCA lack the personnel, the data, the time, the knowledge and the expertise running campaigns to bring it all together and execute a successful campaign. That responsibility will fall on federal volunteers who already have full-time jobs and neither the expertise, patience or focus to run a campaign. Assuming donations are by electronic means only still requires someone to provide potential donors a compelling reason to support a charity of their choice. Someone has to make it clear why supporting charities is a worthwhile endeavor important to the nation and the community. Someone has to ask people directly and personally to consider giving through the CFC. In other words, someone has to run a campaign to educate and motivate potential donors or the effort will fail.

Finally, modification of CFR950.106 proposes that the cost of the campaign be recovered through application fees paid by the charities that apply to participate in the CFC. This is simply a shell game that fails to recognize that charities have been paying for the costs of the campaign since the start. However, by applying a fee up front to participate OPM forces charities to make a business decision based on justifying whatever that fee might be with their return on investment. Every charitable Board of Directors is going to require that justification or default to gambling their donors' investment at the risk of their mission. This simple change will favor the larger charities with deeper pockets willing to take a risk and cause many smaller, local charities to drop out of the CFC. Federal donors in turn are denied the ability to support small local charities because it is not cost effective for them to participate. The end result is the donor will find other avenues to support their charities and further erode their support of the CFC. The real answer has been and remains to take the time and make the effort to explain to the donor how CFC operates and what costs are involved. Donors understand that there is a cost to running a campaign and that without a campaign there is no support for their charities on the scale available through the CFC.



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These three amendments will make the CFC very efficient and easy to administer and completely ineffective. The demise of CFC will soon follow their implementation. I strongly recommend that OPM revise the proposed rule to amend the CFC regulations by eliminating the changes to CFR950.103, CFR050.105, and CFR950.106.

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Combined Federal Campaign