

ORDINANCE No. 189194 As Amended

Authorize charitable organizations eligible to participate in the City's 2019 Charitable Campaign and authorize exemptions for charities not meeting the 25% overhead cost cap requirement (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. City Council established standards and guidelines for conducting the Charitable Campaign and authorized the use of the payroll deduction system for making donations to charities. The guidelines are reflected in City Code Chapter 5.10.
2. The eight City-Partnered Nonprofits and 12 Umbrella organizations and their member charities listed below are being recommended to participate in the 2019 Charitable Campaign.
3. All participating agencies have met the Code requirements outlined in Section 5.10. The City's Charitable Campaign Advisory Committee recommends that Council approve the participation of these organizations in the 2019 Campaign.
4. City Code 5.10 requires that a charity may spend no more than 25% of its unrestricted income on overhead (administrative and fundraising expenses). The 25% rule was enacted in 1989 when City Code 5.10 and the Citywide Charitable Campaign were first introduced.
5. An audit of the umbrella member organizations that applied to participate in the 2019 Citywide Charitable Campaign found that 48 were currently ineligible based on the 25% Overhead Spending Limitation. Most are small organizations that support elimination of prejudice and poverty, provide services for minorities and the underprivileged, promote public health, public arts, and arts education, work to protect animals and the environment, and promote public welfare in general.
6. The State of Oregon's Charitable Fund Drive, Metro's Charitable Giving Campaign, and Multnomah County's Annual Giving Campaign do not include a limit on overhead expenditures.
7. GuideStar, The BBB Wise Giving Alliance, and Charity Navigator are the three leading sources of information about charities in the United States and all have advocated for an end to the conception that financial ratios are the sole indicator of nonprofit performance.
8. The State of Oregon enacted a law in 2013 that disqualifies charities from registering in the state if the most recent three-year average of expenditures on administration and expenses exceeds 70% of their total revenue. The law was

enacted to protect donors by filtering out charities that were unsustainable or were mispending funds. This is a built-in layer of protection for the City's campaign.

9. The City's Charitable Campaign Advisory Committee is of the opinion that the City's 25% overhead cost cap is not in line with current best practices.
10. The City's Charitable Campaign Advisory Committee recommends that the requirement be waived for the 2019 campaign to allow the 48 charities to participate and enable the committee time to submit a future recommendation for a code change to the requirement.

NOW, THEREFORE, the Council directs:

- a. The following City-Partnered Nonprofits and Umbrella organizations and their member organizations as shown in Exhibit A are eligible to participate in the City's 2019 Charitable Campaign.

City-Partnered Nonprofits

- Columbia Slough Watershed Council
- Depave
- Johnson Creek Watershed Council
- Joyful Noise Child Development Centers
- Portland Homeless Family Solutions
- Portland Fire Bureau Toy & Joy Makers
- Portland Parks Foundation
- Sunshine Division of the Portland Police Bureau

Umbrella Organizations

- All Hands Raised (formerly Portland Schools Foundation)
- America's Best Local Charities (formerly Local Independent Charities)
- America's Charities
- Black United Fund of Oregon
- Children's Trust Fund of Oregon
- Community Health Charities of Oregon
- Earth Share of Oregon
- Global Impact
- MRG Foundation (Formerly McKenzie River Gathering Foundation)
- Neighbor to Nation
- Work for Art (Regional Arts & Culture Council)
- United Way of the Columbia-Willamette

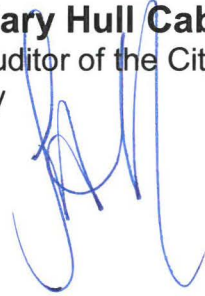
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- b. The Citywide Charitable Campaign Coordinator will provide a link on the enrollment form that shows what each charitable organization reported as administrative and fundraising expenses to the Oregon Department of Justice as part of their Annual CT-12 Report.

Passed by the Council: OCT 03 2018

Mayor Ted Wheeler
Prepared by: Janet Storm
Date Prepared: September 10, 2018

Mary Hull Caballero
Auditor of the City of Portland
By



Deputy

Agenda No.
ORDINANCE NO. 189194 As Amended
 Title

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<p>INTRODUCED BY Commissioner/Auditor: Mayor Wheeler</p> <p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance & Administration - Wheeler <i>NR</i></p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Eudaly</p> <p>BUREAU APPROVAL</p> <p>Bureau: OMF/Business Operations Bureau Head: Tom Rinehart <i>TR</i> Division Head: Carmen Merlo <i>CM</i></p> <p>Prepared by: Janet Storm Date Prepared: Sept. 10, 2018</p> <p>Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>City Auditor Office Approval: required for Code Ordinances</p> <p>City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter</p> <p>Council Meeting Date September 26, 2018</p>	<p>CLERK USE: DATE FILED <u>SEP 18 2018</u></p> <p>Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <i>[Signature]</i> Deputy</p> <p>ACTION TAKEN:</p> <p>SEP 26 2018 PASSED TO SECOND READING As Amended OCT 03 2018 9:30 A.M.</p>
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AGENDA
<p>TIME CERTAIN <input type="checkbox"/></p> <p>Start time: _____</p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>
<p>CONSENT <input type="checkbox"/></p>
<p>REGULAR <input checked="" type="checkbox"/></p> <p>Total amount of time needed: <u>15</u> (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	✓	
2. Fish	✓	
3. Saltzman		✓
4. Eudaly	✓	
Wheeler	✓	