

IMPACT STATEMENT

Legislation title: Authorize charitable organizations eligible to participate in the City's 2019 Charitable Campaign; authorize exemptions for charities not meeting the 25% overhead cost cap requirement.

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Presenter name: Janet Storm

Purpose of proposed legislation and background information:

The City's annual Charitable Campaign provides a means for City employees to contribute to multiple local, state, national and worldwide funds and federations. This ordinance authorizes the charitable organizations eligible to participate in 2019 and requests an exemption for Umbrella Charity member organizations from the 25% overhead cost cap requirement.

Financial and budgetary impacts:

Administrative costs associated with the Charitable Campaign are budgeted in the OMF Business Operations budget and reimbursed by the participating charities.

Community impacts and community involvement:

Charitable Campaign provides opportunity for employees to donate to local charities whose programmatic focus has a positive impact in communities throughout the city and state.

The exemption to the 25% overhead cost cap requirement will allow more organizations to qualify for eligibility in the campaign. Many 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 cannot qualify under the current Code.

The campaign coordinator works with an internal advisory group of employees who provide direction and input about the campaign in accordance with City Code Chapter 5.10. In addition, the coordinator seeks input and collaborates with charitable organization representatives and City staff to effectively manage a successful campaign season.

100% Renewable Goal:

- N/A

Budgetary Impact Worksheet

Does this action change appropriations?

YES: Please complete the information below.

NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

189194

Submitted by
Janet Storm
OMF

**City of Portland Charitable Campaign
Charitable Organizations Currently Ineligible Based on
25% Overhead Cap Requirement**

Brain Injury Association of Oregon
Oregon Public Broadcasting
Portland Gay Mens Chorus Inc.
Q Center—Portland
SafeHaven Humane Society
Salem Keizer Coalition for Equality
Sustainable Northwest
Wild Salmon Center
World Stage Theatre
Global Community Works Fund
Building Healthy Families
Klamath-Lake CARES
Oregon Association of Relief Nurseries
Silverton Together
Strengthening Rural Families
American Cancer Society, Oregon, West Region, Portland
American Diabetes Association, Oregon Idaho
Children's Cancer Association
Epilepsy Foundation of Oregon, Northwest Chapter
March of Dimes Foundation, Oregon
Muscular Dystrophy Association, Oregon, Western Division, Portland
Susan G. Komen, Oregon, Oregon & Southwest Washington
Friends of the Columbia Gorge
Northwest Center for Alternatives to Pesticides
Northwest Earth Institute
Recycling Advocates
SOLVE
The Nature Conservancy in Oregon
The Street Trust
350PDX
African Youth Community Organization
Civil Liberties Defense Center
Community Alliance of Lane County
Salem/Keizer Coalition for Equality
Asthma and Allergy Foundation of America
The Voice of the Martyrs, Inc
Disjecta Contemporary Art Center
Lakewood Center for the Arts
Metropolitan Youth Symphony
My Voice Music
Pendulum Aerial Arts
PlayWrite
Portland Institute for Contemporary Art
Third Angle New Music
Write Around Portland
Clackamas Service Center
Together We Are Greater Than (Formerly the I Have a Dream Foundation)

189194

9-26-18 amendments:
1. Emergency clause removed.
2. Directive b added

ORDINANCE No.

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 misspending 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

- 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:

Mayor Ted Wheeler

Prepared by: Janet Storm

Date Prepared: September 10, 2018

Mary Hull Caballero

Auditor of the City of Portland

By

Deputy