

## Chapter Adm 30

## PAYROLL DEDUCTIONS FOR CHARITABLE PURPOSES

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**Adm 30.01 Authority.** Section 20.921 (1) (a) 4., Stats., authorizes state employes to designate payroll deductions for charitable purposes approved by the department of administration and the governor.

History: Cr. Register, March, 1980, No. 291, eff. 4-1-80.

**Adm 30.02 Purposes.** The purpose of this chapter is to ensure that:

(1) Only approved charitable organizations are permitted to be designated for payroll deductions by state employes.

(2) The funds contributed by state employes by means of payroll deductions are used for the announced purposes of the charitable organizations.

History: Cr. Register, March, 1980, No. 291, eff. 4-1-80; am. (1) and (2), Register, March, 1982, No. 315, eff. 4-1-82.

**Adm 30.03 Definitions.** In this chapter, unless the context requires otherwise:

(1) "Charitable organization" means any corporation or other entity described in internal revenue code section 501 (c) (3) and exempt from federal income tax under internal revenue code section 501 (a) and supported in part by voluntary contributions from the public and which, unless exempt by state law, is registered with the department of regulation and licensing as a charitable organization.

(2) "Contribution" means money or property, including the promise to pay, or payments for merchandise, advertising or other rights when a representation is made by or on behalf of a seller or solicitor that the whole or any part of the consideration will be given to a charitable organization. "Contribution" does not mean funds obtained by a charitable organization through grants from a governmental agency. The amount of the contribution when a sale is made is the sale price less the cost to the charitable organization of the item sold.

(3) "Secretary" means the secretary of the department of administration.

(4) "Umbrella organization" means an entity which serves as the agent of a group of charitable organizations. An umbrella organization shall endorse the program objectives of the other charitable organizations for which it acts as agent, and shall accept responsibility to ensure that the charitable organizations for which it acts as agent

comply with all the requirements of this chapter. The umbrella organization shall be a charitable organization.

History: Cr. Register, March, 1980, No. 291, eff. 4-1-80; am. (4), Register, July, 1986, No. 367, eff. 8-1-86.

**Adm 30.04 Approval.** Only those charitable organizations which have been approved by the secretary pursuant to the requirements of this chapter may be designated by state employes for a payroll deduction.

History: Cr. Register, March, 1980, No. 291, eff. 4-1-80.

**Adm 30.05 Requirements.** (1) TYPE OF ORGANIZATION. Only charitable organizations are eligible for approval.

(2) UMBRELLA ORGANIZATION. Only charitable organizations that are members of an umbrella organization will be approved for a payroll deduction. Each umbrella organization must have as members at least 5 charitable organizations, each of whom must meet all of the requirements of this chapter. Any charitable organization may, under the provisions of this chapter and in conjunction with 4 other charitable organizations, form an umbrella organization.

(3) FEDERAL EXEMPTION. Each charitable organization must submit a copy of the internal revenue service ruling indicating that it is an exempt organization under internal revenue code section 501 (c) (3). An advance ruling on its exempt status shall meet this requirement.

(4) REGISTRATION AND REPORTING. Each charitable organization shall have registered as a charitable organization with the department of regulation and licensing, unless specifically exempt from registration by state law, and shall have filed all required reports within any established time limits.

(5) INTEGRITY OF OPERATIONS. Funds contributed to charitable organizations by state employes must be used for the announced purposes.

(6) FINANCES. Each charitable organization shall obtain annually from an independent licensed certified public accountant, an audit opinion which indicates that financial statements have been prepared in accordance with generally accepted accounting principles applicable to the nature of the organization. The charitable organization must conduct its fiscal operations in accordance with a detailed annual budget which is prepared and approved at the beginning of each fiscal year by the board of directors. Prior authorization by the board of directors shall be required for any significant variation from the approved budget.

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(10) **FUND RAISING PRACTICE.** (a) The charitable organization's fund raising practice shall include the following safeguards:

1. Publicity and promotional activities shall be based upon the actual program and operations of the charitable organization.

2. The charitable organization shall not sell or otherwise permit others to use lists of its contributors.

4. There shall be no mailing of unordered tickets or merchandise with a request for money in return.

(b) Except for the requirement of par. (a) 1., any of the requirements of this section may be waived by the secretary if the charitable organization is otherwise in compliance with this chapter and the charitable organization has presented a reasonable justification for a fund raising practice otherwise prohibited hereunder.

(11) **NONDISCRIMINATION.** The charitable organization shall have a policy and procedure of nondiscrimination in regard to race, color, religion, national origin, handicap, age, or sex applicable to persons served by the charitable organization, applicable to charitable organization staff employment, and applicable to membership on the charitable organization's governing board.

(12) **ANNUAL REPORTS.** The charitable organization shall prepare an annual report available to the general public which includes a full description of the charitable organization's activities including types of solicitation for contributions, the names of its chief administrative personnel, and a full disclosure of the source and use of contributions. The charitable organization shall also prepare and make available to the general public an annual financial report which shall be certified by an independent certified public accountant.

(13) **SPECIAL REPORT.** To determine compliance with this chapter and upon request, the charitable organization shall submit a special report giving such information as may be requested by the secretary.

History: Cr. Register, March, 1980, No. 291, eff. 4-1-80; am. (2), (3), (5) and (13), r. (6) to (8), (10) (a) 3. and 5. and (14), Register, March, 1982, No. 315, eff. 4-1-82; am. (9), Register, July, 1986, No. 367, eff. 8-1-86.

**Adm 30.06 Application.** To be considered for eligibility for payroll deduction initially, the charitable organization must do the following:

(1) **SEPARATE APPLICATION.** Each charitable organization must complete a separate application. Umbrella organizations may make application on behalf of member charitable organizations.

(2) **PLACE OF FILING.** Two copies of the application shall be filed with the office of the secretary.

(3) **TIME OF FILING.** Applications must be received on or before February 1 of any year in order for a charitable organization to be considered for eligibility for payroll deduction during the following year.

(4) **CONTENT OF APPLICATION.** The application shall include the following information, documents and data:

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(b) **Requirements.** Information shall be provided showing that the applicant meets the requirements of s. Adm 30.05.

(d) **Salaries.** A list shall be submitted showing the individual salaries and positions of directors, executives and other administrative personnel earning in excess of \$20,000 per year.

(f) **Finances.** Information shall be furnished, with a certification by an independent certified public accountant showing compliance with the standards described in s. Adm 30.05 (9).

(g) **Fund raising practice.** A statement of compliance with all factors indicated in s. Adm 30.05 (10) shall be furnished.

(h) **Nondiscrimination.** A written assurance of nondiscrimination as required by s. Adm 30.05 (11) shall be furnished.

(i) **Annual reports.** A copy of the most recent annual report as required by s. Adm 30.05 (12) shall be furnished.

History: Cr. Register, March, 1980, No. 291, eff. 4-1-80; cr. (intro.), r. and recr. (3), r. (4) (a), (c) and (e), Register, March, 1982, No. 315, eff. 4-1-82; am. (3) (a), r. (3) (b), Register, December, 1983, No. 336, eff. 1-1-84.

**Adm 30.07 Eligibility decisions.** Decisions as to eligibility are made by the secretary. The secretary shall establish an advisory eligibility committee of active or former state employes and employe organization members. The secretary's decisions shall be based upon the information filed with the charitable organization's application and any recommendation of the eligibility committee after its review of each application.

History: Cr. Register, March, 1980, No. 291, eff. 4-1-80.

**Adm 30.08 Eligibility committee actions and activities.** The eligibility committee shall:

(1) Review all initial requests for authorization for payroll deduction filed pursuant to s. Adm 30.06.

(2) Check each applicant's status with the department of regulation and licensing.

(4) Investigate past fund raising and expenditures of any applicant.

(5) Determine if the applicant meets all the requirements of this chapter.

(6) Make written recommendations regarding eligibility for payroll deduction authorization for charitable organizations to the secretary.

(7) Review and recommend discontinuance of payroll deduction for any charitable organization which, after approval, ceases to comply with this chapter.

History: Cr. Register, March, 1980, No. 291, eff. 4-1-80; am. (1) and r. (3), Register, March, 1982, No. 315, eff. 4-1-82.

**Adm 30.085 Eligibility committee.** The eligibility committee may waive the requirements of s. Adm 30.06 (3) for good cause shown and if the review of the late application or part of the application can be completed by the eligibility committee before the final format for the printed materials is established for use in the state employes com-

bined campaign which is held in October and November of each year.

History: Cr. Register, December, 1983, No. 336, eff. 1-1-84.

**Adm 30.09 Eligible charitable organizations.** The secretary shall issue a list, which shall be kept current, indicating the names of all charitable organizations recognized for payroll deduction.

History: Cr. Register, March, 1980, No. 291, eff. 4-1-80.

**Adm 30.10 Distribution of payroll deductions.** The secretary may, as a matter of administrative convenience, determine that there will be only one payroll deduction for charitable contributions from each employe's paycheck, and that the total amounts deducted from state employes' salaries for charitable purposes, either on a state-wide or area-wide basis, shall be paid to one umbrella organization for distribution. If this procedure is followed, the total charitable contributions shall be sent to the umbrella organization designated by all umbrella organizations as their agent for this purpose, and the actual distribution to each umbrella organization or charitable organization shall be the responsibility of the designated umbrella organization.

History: Cr. Register, March, 1980, No. 291, eff. 4-1-80.

**Adm 30.11 Removal from list.** The secretary may, at any time, remove the name of a charitable organization from the list of eligible charitable organizations upon request of the charitable organization, or if the secretary determines that the charitable organization has ceased to comply with this chapter. After removal, no further payroll deduction shall be permitted for the charitable organization.

History: Cr. Register, March, 1980, No. 291, eff. 4-1-80.

**Adm 30.12 Effect of approval.** Approval by the secretary for payroll deduction shall not constitute an endorsement

by the state of Wisconsin of any charitable organization so approved, and no person or charitable organization shall intentionally claim or imply directly or indirectly any such endorsement.

History: Cr. Register, March, 1980, No. 291, eff. 4-1-80.

**Adm 30.13 Eligibility after initial acceptance.** To be considered for eligibility for payroll deduction after initial acceptance, the following procedure must be followed:

(1) By February 1 of any year, the umbrella organization must certify in writing to the secretary that the charitable organization is in compliance with all provisions of this chapter in order for that charitable organization to be considered for eligibility for payroll deduction during the following year.

(2) The information required by this chapter must be on file in the office of the umbrella organization at the time the certification required by sub. (1) is made.

(3) The information referred to in sub. (2) must be maintained in the file of the umbrella organization for 2 years.

(4) The information required by this chapter must be available for audit by the secretary or his or her designee with 24 hours advance notice to the umbrella organization by the secretary or his or her designee.

(5) The secretary shall, by May 1 of each year, notify the umbrella organization in writing of the acceptance or rejection for payroll deduction of each charitable organization.

History: Cr. Register, March, 1982, No. 315, eff. 4-1-82; am. (5), Register, December, 1983, No. 336, eff. 1-1-84.