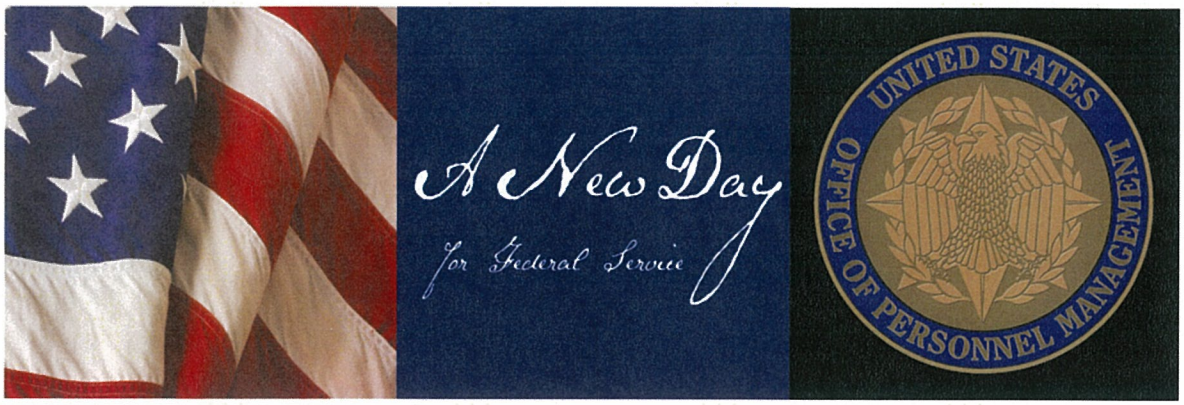
UNITED STATES OFFICE OF PERSONNEL MANAGEMENT



CFC MEMORANDUM 2012-03 **May 17, 2012**

TO: **LOCAL FEDERAL COORDINATING COMMITTEES, PRINCIPAL COMBINED FUND ORGANIZATIONS, AND CFC CHARITY APPLICANTS**

FROM: **KEITH WILLINGHAM**
DIRECTOR, COMBINED FEDERAL CAMPAIGN

SUBJECT: **ELIGIBILITY GUIDANCE (AUDITED FINANCIAL STATEMENTS, ADMINISTRATIVE AND FUNDRAISING RATES, AND REVISIONS TO CFC APPLICATION DOCUMENTS)**

This memo clarifies eligibility criteria for participation in the 2013 Combined Federal Campaign (CFC) and future campaign periods.

Audited Financial Statements

The Independent Auditor's Report in the audited financial statements must contain the auditor's signature. The corporate signature of the firm that completed the audit is considered the auditor's signature and is acceptable.

Compensation of Governing Body

The CFC regulations, set forth at 5 CFR § 950.203, require that each applicant certify that it is directed by an active and responsible governing body whose members have no material conflict of interest and, a majority of which serve without compensation. Cases where 50% of the board received compensation and 50% of the board was not compensated, as reported in the IRS Form 990, will be denied, regardless of the amount of the compensation.

A denied charity may provide additional information regarding the information presented in that IRS Form 990 or submit an amended IRS Form 990 to correct an error. However, the CFC will not accept documentation, such as revised bylaws, as evidence that the charity will be in compliance with the eligibility criteria in the future.

Administrative and Fundraising Rates

Charities which do not reflect administrative and fundraising expenses in the Statement of Functional Expenses of the IRS Form 990, resulting in a 0% rate, but show such expenses on the audited financial statement will be denied unless the audited financial statements specifically state that these services were donated.

Revisions to CFC Application Submissions

It is the responsibility of each charity to ensure that it has provided all of the required documentation with its application. Additional information or a revision to a submitted document will only be accepted if it existed prior to the application deadline. For example, if a charity submits the public inspection copy of its IRS Form 990, which did not contain an officer's signature, it may correct this error by submitting a signed copy of the document that was dated on or before the application deadline. In the case of Attachment A, the CFC will accept a revised schedule of services that describes additional services, benefits, assistance or program activities that were not captured in the initial submission.

The CFC will not accept documents that did not exist or were not set forth in final form prior to the application deadline. For example, audited financial statements that were not prepared or were in draft form at the time of the deadline cannot be used to document eligibility. Similarly, charities that had applied for, but had not obtained, 501(c)(3) status from the IRS by the deadline are not eligible to participate for that campaign period.