

# CHARITIES UNDER Overhead

## **2014 ANNUAL REPORT TO THE PUBLIC** (5/1/13 – 4/30/14)

### **OUR MISSION**

Charities Under 5% Overhead is an IRS-recognized tax-exempt federated group representing cost-effective and efficient charitable organizations. Its mission is to organize and prepare its member charities for effective participation in at-work employee charitable fund drives and other types of fundraising activities, to screen and certify these charities to assure they meet the eligibility criteria to participate in these fund drives, to help educate contributors about the work of these worthy causes, and to provide for the secure, accurate, and timely transmission of contributions from the fund drives to the recipient charities. And to do all the above as cost-effectively as possible consistent with delivering quality service.

Originally established to help charities participate more effectively in the U.S. Government's annual employee fund drive, the Combined Federal Campaign, Charities Under 5% Overhead has expanded into fund drives conducted by state and municipal governments, and corporations, either by representing its members directly or by cooperating with other federated groups.

### **PROGRAM SERVICES**

To accomplish its mission, Charities Under 5% Overhead provides the following programs and services to its members and to the giving public:

- ✓ Fund drive application assistance.
- ✓ Review and certification of charitable agency eligibility documentation.
- ✓ Representation of the members before fund drive organizing and/or regulatory authorities.
- ✓ Disseminating information about the work of the charities to the workplace giving public.
- ✓ Organizing member participation in fund drive promotional and educational events.
- ✓ Forwarding contributor name and address information, if requested, and accounting for and transmitting gift funds, with annual audit.

### **THE YEAR TO DATE**

Charities Under 5% Overhead approved and certified 23 members in the Fall 2013/2014 fund drive campaign year and raised over \$1.1 million in cash and pledges. A complete list of the member charities, including descriptions of their programs, addresses and direct contact information is available at [www.loweroverhead.org](http://www.loweroverhead.org).

Either directly or through cooperative arrangements with other federations, members were presented in workplace fund drives reaching as many as 10 million employees. Members also had the option of participating in a variety of non-workplace fund raising programs. A detailed description of member services and benefits is available on the federation's web site.

### **Charities Under 5% Overhead**

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[www.loweroverhead.org](http://www.loweroverhead.org)

## **AUDITED FINANCIAL STATEMENTS SUMMARY**

For the year ended April 30, 2014

Public support:	
Combined Federal Campaign	\$925,664
State Employees & Corporate campaigns	3,524
Online Giving System donations	177,998
Less estimated uncollectible pledges	(167,254)
Less amounts distributed to member agencies	<u>(926,723)</u>
Total public support	13,209
Revenue:	
Charges to member agencies	<u>95,866</u>
Total support & revenue	109,075
Expenses:	
Program services	64,101
Administration	11,927
Fundraising	<u>33,047</u>
Total expenses	109,075
Changes in net assets	0
Net assets, May 1st	0
Net assets, April 30th	0

The federation is audited by the firm of Maze & Associates, CPAs, headquartered in Pleasant Hill, California. A complete copy of their report for the fiscal year ended 4/30/2014 is available on request. A copy of the federation's Form 990 IRS tax return is available on our web site.

## **MEMBER CHARITY FEES**

For the fiscal year 2013/2014, charges to members equaled \$95,866. Total costs to all members combined thus equaled 11.5% of total revenue.

Member charities share in supporting the operating costs of the federation ("Total Expenses" in the federation audited financial statements) by having membership fees deducted from the donor-designated gifts they receive from the fund drives in which they participate as members of the federation. Fees are determined on a pro rata basis. For example, if gifts made to a member charity represent ten percent of the total of all gifts made to all members, that charity's share of federation operating costs will be ten percent.

Gifts made to the federation itself (versus gifts made to an individual member agency), and other federation revenue, such as interest income, are shared among all the member charities on the same proportionate basis. For example, if gifts made to a member charity represent ten percent of the total of all gifts made to all members, that charity's share of federation revenue will be ten percent.

Therefore, as a net result, should the federation's revenue exceed expenses in any given year, the member charities share the excess income in addition to the donor-designated gifts each has received; the membership fee is effectively zero. Conversely, should the federation's expenses exceed revenue, fees are apportioned against the members' donor-designated gifts to cover the net balance.

The proportionate formula notwithstanding, for the fiscal year 2013/2014, the federation "capped" fees that any individual member charity could be assessed. For revenue generated through the Combined Federal Campaign, there was a cap of \$17,500. For revenue from other fund drives, the cap was ten percent of gifts, with no minimum fixed dollar amount. Regardless of its respective gift totals, a member cannot be assessed an amount larger than this cap.

## **MEMBER CHARITY RESULTS – FALL 2013 CFC**

### DESIGNATIONS

A Mission For Children	\$18,978
Adoption Exchange Association	36,133
Aid For Starving Children	106,717
American Indian Youth Running Strong	129,310
Americans Helping Americans	60,486
Animal Slaughter & Child Starvation Stop Here!	41,691
BOOKS for the BARRIOS, Inc.	26,733
Children & Charity – Educating, Feeding and Caring for the Needy	35,539
Children's Compassion Fund	47,414
Children's Emergency Medical Fund	27,012
Children's Emergency Relief Teams	33,664
EarthCare Fund	39,430
Food & Medicine for the Poor	48,137
Giving Hope International	24,151
Humane Farm Animal Care	27,214
IMA World Health	3,235
Lion of Judah Ministries, Inc.	5,609
Mercy Medical Airlift	20,900
Mercy-USA for Aid and Development, Inc.	9,192
National Alliance for Hispanic Health	5,972
National Council for International Visitors	1,156
Service Dogs For America	163,490
World Missions Possible, Inc.	10,555

## **GOVERNANCE AND STAFF**

Charities Under 5% Overhead is governed by an all-volunteer board of directors who receive no compensation for their services.

Ed Boyer, President  
Nancy Caldwell Mead, Vice President  
Thomas Layman, Secretary/Treasurer

The federation does not retain regular staff employees but instead retains outside service providers under the supervision of the Board of Directors. The two principal outside service providers are Maguire/Maguire Association Management, for membership and campaign support services, and Local Independent Charities of America for fiscal agent services.