

CHAPTER 29**CHARITABLE FUND-RAISING AMONG
EMPLOYEES OF LOCAL UNITS
OF GOVERNMENT****Authority**

N.J.S.A. 52:14-15.9c13 and 52:18A-30.

Source and Effective Date

R.1995 d.649, effective November 17, 1995.
See: 27 N.J.R. 3586(a), 27 N.J.R. 5041(b).

Executive Order No. 66(1978) Expiration Date

Chapter 29, Charitable Fund-Raising Among Employees of Local Units of Government, expires on November 17, 2000.

Chapter Historical Note

Chapter 29, Charitable Fund-Raising Among Employees of Local Units of Government, became effective as an Emergency New Rule, August 16, 1985 as R.1985 d.469. The concurrent proposal was adopted as R.1985 d.577, effective October 18, 1985. See: 17 N.J.R. 2294(a), 17 N.J.R. 2785(a). Pursuant to Executive Order No. 66(1978), Chapter 29 was readopted as R.1990 d.519, effective September 26, 1990. See: 22 N.J.R. 2248(a), 22 N.J.R. 3386(d). By order of Governor Christine Whitman, the "sunset" provision of Executive Order No. 66(1978) was waived, and the expiration date for Chapter 29 was extended from September 26, 1995 to January 31, 1996. See: 27 N.J.R. 3379(a). Pursuant to Executive Order No. 66(1978), Chapter 29 was readopted as R.1995 d.649, effective November 17, 1995. See: Source and Effective Date. See, also, section annotations.

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SUBCHAPTER 1. GENERAL PROVISIONS**17:29-1.1 Purpose**

(a) The purpose of the regulations in this chapter is to:

1. Provide a convenient channel through which employees of local units of government may support the efforts of charitable fund-raising organizations and charitable agencies by minimizing disruption to the workplace and cost to the taxpayers that fund-raising may entail;
2. Establish a system for the planning and conduct of charitable fund-raising campaigns among employees of local units of government in order to ensure that the funds will be collected and distributed in a reasonable manner; and
3. Provide eligible charitable organizations and charitable agencies access to the public workplace for soliciting and collecting such contributions.

17:29-1.2 Scope

No deduction shall be made for compensation payable by disbursing officers of local units of government or their agents, or from the compensation payable to employees of any local unit of government, for the payment of contributions to any charitable fund-raising organization or charitable agency pursuant to N.J.S.A. 52:14-15.9c1, unless such organization or agency complies with the requirements of this chapter.

17:29-1.3 Definitions

The following words and terms when used in this chapter shall have, unless the context clearly indicates otherwise, the following meanings:

"Affiliated charitable agency" means a charitable agency which is affiliated with a charitable fund-raising organization participating in the Campaign for the purpose of directly sharing in funds raised by the organization.

"Appropriate disbursing officer" means that individual or individuals, in the case of a local unit of government, who is responsible for employee payroll of that local unit of government.

“Campaign manager” means a charitable fund-raising organization which manages a charitable fund-raising campaign.

“Campaign volunteer” means a public employee who volunteers to assist the local Campaign Manager in the administration of the local Campaign.

“Charitable agency” means a volunteer, not-for-profit organization which provides health, welfare, or human care services to individuals.

“Charitable fund-raising campaign” (Campaign) means an annual payroll deduction campaign among employees of a local unit of government, organized pursuant to this Act, to receive and distribute the voluntary charitable contributions of employees.

“Charitable fund-raising organization” means a volunteer, not-for-profit organization which receives and distributes voluntary charitable contributions.

“Compensation” means compensation payable by the appropriate disbursing officer to an employee of a local unit of government.

“Day” means a working day.

“Health, welfare or human care services” means services, provided directly or indirectly, meeting the human needs of health, welfare or care, including, but not limited to, the relief of human suffering and poverty, public education and welfare, education, civil and human rights, and environmental restoration and conservation.

“Local unit of government” means any county, municipality, board of education or instrumentality thereof.

“Payroll deduction” means a contribution deducted from a State employee’s compensation pursuant to N.J.S.A. 52:14-15.9c1.

“Unaffiliated charitable agency” means a charitable agency which provides health, welfare, or human care services within New Jersey and which is not affiliated with a charitable fund-raising organization.

“Undesignated contributions” means funds contributed to a charitable fund-raising campaign with no designation by the contributor as to the recipient charitable fund-raising organization or charitable agency.

Amended by R.1995 d.649, effective December 18, 1995.
See: 27 N.J.R. 3586(a), 27 N.J.R. 5041(b).

17:29-1.4 Forms

In order to carry out its functions, the Chief Executive Officer of a local unit of government shall use such forms that he or she shall deem appropriate. Such forms may be amended, supplemented and/or replaced at the discretion of the Chief Executive Officer of the local unit of government.

17:29-1.5 Campaign management

(a) No charitable agency or charitable fund-raising organization shall engage in any direct solicitation activity at the work site of employees of local units of government, except as a participant in a Campaign and in accordance with N.J.A.C. 17:29.

(b) No charitable agency shall participate in a Campaign as both an affiliated and an unaffiliated agency.

(c) All activities of the Campaign shall be conducted in a manner that promotes a unified solicitation on the behalf of all participants. While it is permissible to individually identify, describe or explain, the fund-raising organizations or charitable agencies in the Campaign for informational purposes, no person affiliated with the Campaign shall engage in any Campaign activity that is construed to either advocate or criticize any specific fund-raising organization or charitable agency.

(d) No official or employee of a local unit of government shall assume the duties and responsibilities of the Campaign Steering Committee, the Campaign Steering Committee Chairman, or the Campaign Manager. In the event of the inability of the Committee to function, or a continuing vacancy in the position of Chairman or Manager, the Chief Executive Officer of a local unit of government shall have the right to cancel the Campaign. The Chief Executive Officer may designate a local employee coordinator to assist the Campaign Steering Committee.

(e) No charitable agency or charitable fund-raising organization shall be permitted to use a local employee payroll insert that is a solicitation or that in any way provides revenue to such agency or organization unless such payroll insert is part of campaign material approved by the relevant local Campaign Steering Committee.

New Rule, R.1991 d.493, effective October 7, 1991.
See: 23 N.J.R. 2228(a), 23 N.J.R. 3040(a).
Amended by R.1995 d.649, effective December 18, 1995.
See: 27 N.J.R. 3586(a), 27 N.J.R. 5041(b).

SUBCHAPTER 2. CHARITABLE FUND-RAISING CAMPAIGN STEERING COMMITTEE

17:29-2.1 General provisions

(a) Each local Campaign Steering Committee shall act as the operational unit of its local unit of government Campaign. Its actions on behalf of the members of the participating charitable fund-raising organizations shall be binding; it may assign functions, organize subgroups, and enlist others in its activities as it deems necessary in order to carry out its responsibilities.

(b) The underlying philosophy that shall govern the actions of each local Campaign Steering Committee and the relationship among participating charitable fund-raising organizations is that no one organization shall function in a manner that will be detrimental to other participating organizations or to agencies participating in the Campaign.

(c) Each local Campaign Steering Committee shall convene annually at the call of the Chief Executive Officer of the local unit of government.

(d) Each member shall have one vote.

17:29-2.2 Membership

Each local Campaign Steering Committee shall consist of one representative to be appointed by each charitable fund-raising organization eligible to participate in the local unit of government Campaign, pursuant to N.J.S.A. 52:14-15.9c7a-e, g, and one representative of the local unit of government to be appointed by the Chief Executive Officer of the unit. Each local Committee may also include two representatives of the employees or the management of the local unit of government as may be designated by the governing body of the unit.

17:29-2.3 Duties of Campaign Steering Committee

(a) Each local Campaign Steering Committee shall:

1. Elect a chairman to conduct the meetings of the local Campaign Steering Committee. The chairman shall serve for a term of one year and shall continue to serve until the election of a successor. The chairman shall be eligible for re-election;

2. Elect and oversee a Campaign Manager, who shall demonstrate to the satisfaction of the Campaign Steering Committee the administrative, financial, technical and management capability to organize, publicize and operate an extensive fund-raising campaign in an efficient and equitable manner in accordance with N.J.A.C. 17:29; and

3. Establish policies and procedures in the operation and administration of the local unit of government Campaign, including the hearing of any grievances concerning the operation and administration of the Campaign.

Amended by R.1991 d.493, effective October 7, 1991.
See: 23 N.J.R. 2228(a), 23 N.J.R. 3040(a).

Term of office and job requirements of campaign manager; grievance procedure added.

17:29-2.4 Eligibility of fund-raising organizations

(a) The requirements for eligibility are set forth in N.J.S.A. 52:14-15.9c7.

(b) Charitable fund-raising organizations found eligible to participate on the State Campaign Steering Committee shall automatically be eligible to participate on a local Campaign Steering Committee upon application to the local unit of government. The letter of the State Campaign Steering

Committee so stating eligibility shall be proof of such eligibility. See N.J.A.C. 17:28-2.6.

(c) The burden of demonstrating eligibility shall rest with the applicant.

Amended by R.1991 d.493, effective October 7, 1991.

See: 23 N.J.R. 2228(a), 23 N.J.R. 3040(a).

"Treasurer" changed to "Campaign Steering Committee."

17:29-2.5 Membership procedure

(a) At least seventy five days prior to the local unit of government Campaign, the Chief Executive Officer of the local unit of government shall publish in one local newspaper (if one exists) and one Statewide newspaper notice of application for charitable fund-raising organizations wishing to participate in the local Campaign Steering Committee. The Chief Executive Officer shall indicate a reasonable application deadline in the notice. The Chief Executive Officer shall also notify the State Campaign Steering Committee, through the State Treasurer, at least 20 days prior to the application deadline, that the local unit of government is taking applications.

(b) No later than ten days after the close of the application due date, the Chief Executive Officer of the local unit of government shall notify each applicant of its eligibility or ineligibility for the local Campaign Steering Committee. In cases of ineligibility the notice shall set forth reasons for such ineligibility.

17:29-2.6 Appeal procedure

(a) Any charitable fund-raising organization receiving notice of ineligibility shall have 10 days from receipt of such notice to submit to the Chief Executive Officer of the local unit of government any additional information addressing any deficiencies in the application.

(b) Within 20 days of receipt of any additional information, the Chief Executive Officer shall convene a special appeal panel consisting of the representatives of the employees or management and the representative of the Chief Executive Officer to review the charitable fund-raising organization's application and any additional documentation or information submitted by the charitable fund-raising organization to address any deficiency in the application as determined by the Chief Executive Officer.

(c) The special appeal panel shall conduct its review within 10 days and in that time notify the Chief Executive Officer of its decision. The decision of the special appeal panel shall be final.

Amended by R.1991 d.493, effective October 7, 1991.

See: 23 N.J.R. 2228(a), 23 N.J.R. 3040(a).

Appeals timetable revised.

17:29-2.7 Application form/organization

(a) The Chief Executive Officer of a local unit of government may request any general background information of the applicant charitable fund-raising organization which may aid the Chief Executive Officer in his or her determination of an organization's eligibility.

(b) In addition to the background information required in (a) above, the applicant must submit:

1. With respect to the requirements set forth in N.J.S.A. 52:14-15.9c7a, b, and c, from the Internal Revenue Service Letter of Determination or other proof from the Internal Revenue Service that the applicant:

- i. Is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code;
- ii. Qualifies for tax deductible contributions under Section 170(b)(1)(A)(vi) or (viii) of the Internal Revenue Code;
- iii. Is not a private foundation as defined in Section 509(a) of the Internal Revenue Code; and

2. With respect to the requirements set forth in N.J.S.A. 52:14-15.9c7e, annual financial reports which demonstrate that the organization raised, in each of the two fiscal years preceding its application to participate in the local Campaign, at least \$15,000 from individual citizens of New Jersey;

3. With respect to N.J.S.A. 52:14-15.9c7g, annual financial reports which demonstrate that the organization raised at least \$25,000 and distributed that sum among a minimum of five charitable agencies (not necessarily located within the State) in each of its two fiscal years preceding its application to participate in a local Campaign;

4. A copy of the organization's Internal Revenue Service form 990 for each of the organization's two fiscal years preceding its application;

5. Documentary evidence that the organization is registered or exempt from registration pursuant to the provisions of Title 15 of the Revised Statutes or Title 15A of the New Jersey Statutes and the "Charitable Fund Raising Act of 1971" (P.L. 1971, c.469; N.J.S.A. 45:17A-1 et seq.);

6. A copy of the organization's independent auditor's report for each of the organization's two fiscal years preceding its application;

7. A copy of the organization's annual report for each of the organization's two fiscal years preceding its application;

8. A statement affirming that the organization is directed by a governing body whose members have no material conflict of interest in their service on the governing body, and a list of the members of the governing body and the identification of its officers;

9. A list of the affiliated charitable agencies to which the organization gave funds in its two fiscal years prior to the application and a list of the agencies to which it expects to give funds received in the Campaign, and a description of the health, welfare or human care services that each provides;

10. A statement affirming that each of the organization's affiliated charitable agencies is:

- i. Registered pursuant to the provisions of Title 15 of the Revised Statutes or Title 15A of the New Jersey Statutes and the "Charitable Fund Raising Act of 1971" (P.L. 1971, c.469; N.J.S.A. 45:17A-1 et seq.), except for an agency exempt from registration under the law; and
- ii. Engaged in the provision of health, welfare or human care services; and

11. A statement affirming that the organization will be represented at meetings of the Campaign Steering Committee and providing the name of the representative.

(c) In order to meet its application requirement, each charitable fund-raising organization found eligible to participate on the State Campaign Steering Committee need only submit along with its request to participate in the Campaign the letter of the State Campaign Steering Committee so stating eligibility to participate in the State Campaign. Charitable fund-raising organizations which participated on the Local Campaign Steering Committee for the immediately preceding Campaign and which do not participate on the State Campaign Steering Committee need only submit the most recent information to update the information required in (b) above.

Amended by R. 1991 d.493, effective October 7, 1991.
See: 23 N.J.R. 2228(a), 23 N.J.R. 3040(a).
Additional documentation required.

SUBCHAPTER 3. LOCAL UNIT OF GOVERNMENT CHARITABLE FUND- RAISING CAMPAIGN

17:29-3.1 Eligibility

(a) A charitable fund-raising organization eligible for membership on a local Campaign Steering Committee shall be eligible to participate in the charitable fund-raising Campaign for that local unit of government campaign.

(b) A charitable agency shall be eligible to participate in a local unit of government Campaign if it is affiliated with a charitable fund-raising organization which is participating in the local unit of government campaign or if the agency meets the requirements of N.J.S.A. 52:14-15.9c7a-e.

1. The burden of demonstrating eligibility shall rest with the applicant.

17:29-3.2 Application procedure

(a) See N.J.A.C. 17:29-2.5 for the application procedure of charitable fund-raising organizations.

(b) The application procedure for charitable agencies is as follows:

1. At least 75 days prior to the local unit of government Campaign, the Chief Executive Officer of the local unit of government shall publish in one local newspaper (if one exists) and one Statewide newspaper notice of application for charitable agencies wishing to participate in the local unit of government Campaign. The Chief Executive Officer shall indicate a reasonable application deadline in the notice. The Chief Executive Officer shall also notify the Campaign Steering Committee, through the State Treasurer, at least 20 days prior to the application deadline, that the local unit of government is taking applications.

2. No later than 10 days after the close of the application due date, the Chief Executive Officer of the local unit of government, with the advice of the local Campaign Steering Committee, shall review applications of unaffiliated charitable agencies wishing to participate in the local Campaign and shall notify each applicant of its eligibility or ineligibility to participate in the local Campaign. In cases of ineligibility, the notice shall set forth reasons for such ineligibility.

3. Any charitable agency receiving notice of ineligibility shall have 10 days from receipt of such notice to submit to the Chief Executive Officer of the local unit of government any additional information addressing any deficiency in the application.

4. No later than 20 days after receipt of any additional information, the Chief Executive Officer shall convene a special appeal panel consisting of the representatives of the employees or management and the representative of the Chief Executive Officer to review the charitable agency's application and any additional documentation or information submitted by the charitable agency to address any deficiency in the application as determined by the Chief Executive Officer.

5. The special appeal panel shall conduct its review within 10 days and in that time notify the Chief Executive Officer of its decision. The decision of the special appeal panel shall be final.

Amended by R.1991 d.493, effective October 7, 1991.

See: 23 N.J.R. 2228, 23 N.J.R. 3040(a).
Stylistic changes.

17:29-3.3 Application form/affiliated charitable agency

Affiliated charitable agencies wishing to participate in a local unit of government Campaign shall be certified as affiliated by their charitable fund-raising organization.

17:29-3.4 Application form/unaffiliated charitable agency

(a) The Chief Executive Officer of a local unit of government may request any general background information of the applicant charitable agency which may aid the Chief Executive Officer in his or her determination of an agency's eligibility.

(b) In addition to the background information required in (a) above, the applicant must submit:

1. With respect to the requirements set forth in N.J.S.A. 52:14-15.9c7a, b, and c, a Letter of Determination from the Internal Revenue Service or other proof from the Internal Revenue Service that the applicant:

- i. Is exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code;

- ii. Qualifies for tax deductible contributions under Section 170(b)(1)(A)(vi) or (viii) of the Internal Revenue Code; and

- iii. Is not a private foundation as defined in Section 509(a) of the Internal Revenue Code;

2. With respect to the requirements set forth in N.J.S.A. 52:14-15.9c7e, annual financial reports which demonstrate that the agency raised, in each of its two fiscal years preceding its application to participate in a local unit of government Campaign, at least \$15,000 from individual citizens of New Jersey;

3. A Copy of the agency's Internal Revenue Service form 990 for each of the agency's two fiscal years preceding its application;

4. Documentary evidence that the agency is registered or exempt from registration pursuant to the provisions of Title 15 of the Revised Statutes or Title 15A of the New Jersey Statutes and the "Charitable Fund Raising Act of 1971" (P.L.1971, c.469; N.J.S.A. 45:17A-1 et seq.);

5. A copy of the agency's independent auditor's report for each of the agency's two fiscal years preceding its application;

6. A copy of the agency's annual report for each of the agency's two fiscal years preceding its application;

7. A statement affirming that the agency provides health, welfare or human care services within New Jersey, and a description of the services; and

8. A statement affirming that the agency is directed by a governing body whose members have no material conflict of interest in their service on the governing body, and a list of the members of the governing body and the identification of its officers.

Amended by R.1991 d.493, effective October 7, 1991.
See: 23 N.J.R. 2228(a), 23 N.J.R. 3040(a).
Additional documentation required.

SUBCHAPTER 4. CAMPAIGN ADMINISTRATION

17:29-4.1 General provisions

The provisions of this subchapter shall apply to employees of local units of government.

17:29-4.2 Campaign period

(a) Each local Campaign Steering Committee shall schedule the Campaign solicitation period for its local unit of government.

(b) Participating charitable fund-raising organizations and charitable agencies may not engage in educational activities among employees of local units of government at the work site of the employees during the local Campaign period.

(c) Participating charitable fund-raising organizations and charitable agencies may not engage in solicitation activities among employees of the local unit of government at the work site of the employees during the non-campaign period.

17:29-4.3 Payroll deduction

The appropriate disbursing officer for each local unit of government shall establish a payroll deduction system for the collection and distribution of voluntary charitable contributions by employees of the local unit of government in accordance with the Act.

17:29-4.4 Campaign literature

(a) Each local Campaign Steering Committee shall be responsible for the design, printing and distribution of Campaign pledge/designation cards and other Campaign literature.

17:29-4.5 Distribution of campaign literature

During working hours, campaign volunteers shall distribute at the request of the local Campaign Manager, only Campaign information or literature approved by the Chief Executive Officer for distribution in the local unit of government Campaign.

17:29-4.6 Designated contributions

(a) Employees may designate, on the Campaign pledge/designation card, their contribution to a specific charitable fund-raising organization and/or charitable agency, and/or may select the undesignated option. For contributions through the payroll deduction there shall be a minimum of \$.50 per week (\$26.00 per year) per organization or agency designated. The minimum contribution requirement shall be met for each additional organization or agency designated.

(b) A campaign pledge/designation card shall be valid only for the calendar year of the Campaign. An employee who wishes to participate in a subsequent Campaign must file a new Campaign pledge/designation card valid for the subsequent Campaign.

Amended by R.1991 d.493, effective October 7, 1991.
See: 23 N.J.R. 2228(a), 23 N.J.R. 3040(a).
Pledge card valid only for campaign year.

17:29-4.7 Distribution of contributions

(a) Designated contributions shall be distributed in a manner established by the local Campaign Steering Committee and in accordance with the wishes of the designating employees of local units of government.

(b) Undesignated contributions shall be distributed to participating or nonparticipating charitable fund-raising organizations or charitable agencies in such amounts as the local Campaign Steering Committee shall determine.

Administrative Correction to (b).
See: 24 N.J.R. 2925(b).

SUBCHAPTER 5. CAMPAIGN ACCOUNTING

17:29-5.1 General provisions

The Chief Executive Officer of each local unit of government shall establish a system to ensure that the total amount of contribution as requested by the employees of the local unit of government is deducted from employees compensation and that amount is remitted to the local Campaign Steering Committee.

17:29-5.2 Campaign accounting

At the end of the Campaign solicitation period the Chief Executive Officer of the local unit of government shall provide to the Campaign Manager information containing the total amount contributed by the employees of the local unit of government to charitable fund-raising organizations and charitable agencies participating in the local Campaign.

17:29-5.3 Costs

(a) The operation of the payroll deduction system for each local unit of government campaign will be provided by the local unit of government as a service to its employees in the same manner that other authorized deductions are provided.

(b) Other costs attributed to the local unit of government Campaign including, but not limited to the design, printing, preparation, and distribution of the Campaign materials, Campaign accounting and administration to be conducted by the local Campaign Manager shall be approved by the local Campaign Steering Committee and payable by the Committee from contributions. These costs shall not exceed ten percent of the total amount contributed in the local unit of government Campaign.