

5. payroll deductions.

F. If the Division of Administration determines that continued sponsorship of any 403(b) Tax Shelter Annuity plan for state employees paid through ISIS Human Resource System is not in the best interests of the state, it shall cause the sponsoring agencies to give adequate notice to the participants prior to terminating the plan, and shall cause the sponsoring agencies to comply with all applicable IRS regulations related to dissolving 403(b) plans.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:455 (A).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 37:1404 (May 2011).

Chapter 11. State Combined Charitable Campaign (SCCC) Deductions

§1101. Definitions

Agency Number—three digit identifier representing a single agency in the LaGov HCM payroll system which serves as a key for processing and reporting.

Campaign Period—the period of solicitation by the Principal Combined Fundraising Organization when contributions will be obtained for the State Combined Charitable Campaign. The campaign period will occur annually in the fall.

Campaign Coordinator—the state employee designated by the agency/department head to attend coordinator training, secure campaign materials and support from the Principal Combined Fundraising Organization, prepare and send communications as required to support the annual campaign at his/her location, arrange for a presentation to employees, turn in pledge forms to the Principal Combined Fundraising Organization, maintain confidentiality of pledge information, and complete the campaign evaluation form for their agency.

Charitable Organization—a volunteer, not-for-profit organization under section 501(c)(3) of the Internal Revenue Code which provides health or human services to individuals.

Charity List—a comprehensive listing of charitable organizations approved to be included in the materials prepared for and/or presented in the State Combined Charitable Campaign.

Contribution—biweekly deduction authorized by an employee during the campaign period.

Data File—the body of information documented by copies of correspondence between the Office of State Uniform Payroll, the Principal Combined Fundraising Organization, departments/agencies, charitable organizations, and state employees relative to employee solicitation, participation, contributions, and service from the Principal Combined Fundraising Organization.

Deduction—any voluntary reduction of net pay under written authority of an employee, which is not required by federal or state statute, or by court ordered action.

Department/Agency—as referenced herein shall be any one of the major departments of the executive branch of state government or any subdivision thereof as defined under R.S. 36:4.

Division of Administration (DOA)—the Louisiana state agency under the executive department which provides centralized administrative and support services to state agencies as a whole by developing, promoting, and implementing executive policies and legislative mandates.

Guidelines for Review—as referenced herein shall mean the set of criteria established for the annual evaluation process.

LaGov Human Capital Management Payroll System (LaGov HCM)—the statewide system administered by the Division of Administration, Office of State Uniform Payroll to provide uniform payroll services to state agencies.

Memorandum of Understanding (MOU)—written agreement between the Principal Combined Fundraising Organization and the Division of Administration through the Office of State Uniform Payroll to ensure compliance with rules and other necessary requirements in carrying out annual campaigns.

Office of State Uniform Payroll (OSUP)—the section within the Division of Administration primarily responsible for the administration of the rules governing state employee payroll deductions.

Principal Combined Fundraising Organization (PCFO)—the organization which conducts and manages an annual campaign among state employees on behalf of participating charitable organizations. The Louisiana Association of United Ways (LAUW) shall serve as the principal combined fundraising organization for the Louisiana State Combined Charitable Campaign.

SED-7—as referenced herein shall be the standard form, State Combined Charitable Campaign Application, required to be submitted with any application.

SED-8—as referenced herein shall mean the standard State Combined Charitable Campaign Deduction Authorization form developed by the Division of Administration, Office of State Uniform Payroll used to process employee charitable organization deductions.

State Combined Charitable Campaign (SCCC)—the annual combined charitable fundraising program established by law to receive and distribute voluntary payroll deduction contributions of state employees paid through the LaGov HCM payroll system. The State Combined Charitable Campaign shall be the only authorized payroll deduction charitable fundraising effort among state employees.

Substantial Local Presence—operations of at least 20 hours per week in Louisiana.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:456(A)(3).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 39:3272 (December 2013).

§1103. Deduction Rule Authority

A. OSUP is responsible for the administration of the rules governing state employee payroll deductions. Nonprofit community health and human services charity deductions that are authorized through OSUP are for all state employees and all state agencies of the executive branch of state government as defined under R.S. 36:4 who are paid through the central payroll system, LaGov HCM. The rules established hereunder do not create substantive rights in favor of any charitable organization or PCFO, nor do they create a cause of action in favor of any charitable organization or PCFO against or among themselves, or against the State, any participating agency, a campaign coordinator or any other employee, person or entity.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:456(A)(3).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 39:3273 (December 2013).

§1105. Fees

A. Fees incurred as a result of the State Combined Charitable Campaign shall be handled in accordance with the procedures agreed upon by OSUP and the PCFO as outlined in the MOU.

1. The PCFO shall deduct all fees from the employee's contribution prior to distributing contributions to charitable organizations.

2. Disclosure of any and all fees shall be included on the standard State Combined Charitable Campaign Deduction form (SED-8) and included in campaign material, and displayed on any electronic enrollment site.

3. The PCFO shall provide OSUP with a breakdown of fees withheld on an annual basis.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:456(A)(3).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 39:3273 (December 2013).

§1107. Charitable Organization Application Process

A. Applications must be submitted annually and will be accepted by OSUP between January and March 1 each year. The standard application form (SED-7) can be obtained from OSUP.

1. Applications must meet all requirements established by OSUP and the PCFO as outlined in §1111.

2. Charitable organizations that do not provide all documentation and/or do not meet all eligibility requirements established by OSUP and the PCFO will not be considered. Charitable organizations who do not meet all

requirements will receive written notification from OSUP of denial of their application.

B. OSUP and the PCFO will conduct a review of all applications submitted for compliance and eligibility as stated in this rule. OSUP/PCFO will maintain basic guidelines for review to follow in the conduct of the annual review of charitable organizations. These guidelines are on file at OSUP/PCFO and are available upon request.

C. On or before April 30 annually, OSUP shall provide to the commissioner of administration, or his designee, recommended actions relative to charitable organization compliance with all other provisions of this rule.

D. On or before May 31 annually, the commissioner of administration, or his designee, shall advise OSUP whether recommendations have been accepted or denied.

E. On or before June 30 annually, OSUP will:

1. notify each charitable organization whether their application was approved or denied. Approval of charitable organization in no way constitutes endorsement or certification of the charitable organization by the state;

2. notify the PCFO of the charitable organizations approved to be included on the charity list for the upcoming campaign period.

F. Any charitable organization that was included in the preceding charitable campaign must complete a new application annually in order to be included in the next annual charitable campaign.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:456(A)(3).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 39:3273 (December 2013).

§1109. Definition of Community Health and Human Services Charities

A. Defined as federations or agencies whose primary mission is to directly benefit human beings in a non-discriminatory manner, whether children, youth, adults, the aged, the ill and infirm, or the mentally or physically handicapped.

B. Services must consist of assistance, care, research, or education in the fields of human health or social adjustment or rehabilitation; relief for victims of natural disasters and other emergencies; or assistance to those who are impoverished and in need of food, clothing, shelter, and basic human welfare services.

C. A community health and human services charity may serve Louisiana as a whole, or may serve a targeted geographic area of Louisiana, or may target certain demographics of Louisiana residents with health or medical needs unique or predominating in the defined population.

D. Specific exemptions may be made from time to time for charities that primarily serve the poor overseas in the aftermath of natural or man-made disasters and emergencies.

E. The following are specifically excluded from consideration as health and human services charities.

1. Educational Charities: organizations whose primary purpose is the direct or indirect financial support of a particular institution or affiliated institutions of primary, secondary or higher education. An education-affiliated charity that otherwise meets the definition of a community health and human services charity, which provides those services and which does not divert public support to the financial support of a particular institution or affiliated institutions of primary, secondary or higher education, shall not be excluded as a community health and human services charity by virtue of its educational affiliation.

2. Cultural Charities: organizations whose primary purpose is cultural, including those which concern themselves primarily with promoting, assisting, identifying, teaching or empowering individuals, groups, families, or communities to accept, identify with, participate in or learn about particular non-health related characteristics or activities of a state, country or region, or an ethnic, national, religious, ancestry or cultural group, including but not limited to: race, national origin, religion, ancestry, sexual orientation, practices, age, art, crafts, architecture, beliefs, industry, music, dance, sports, literature, food, history or fashion associated with such a group.

3. Religious Charities: organizations whose primary purpose is religious, including those which concern themselves primarily with promoting, assisting or empowering a particular religion or belief system, or which promotes, assists or empowers individuals, groups, families or communities to accept, identify with, participate in, worship under, convert to or learn about the particular beliefs, teachings or practices of a religion. A religious-affiliated charity that otherwise meets the definition of a community health and human services charity, which provides those services, and which does not divert public support to religious purposes or activities, shall not be excluded as a community health and human services charity by virtue of its religious affiliation.

4. Political Purpose Charities: organizations whose primary purpose is political, including those which concern themselves primarily with promoting, assisting or empowering a particular political party, set of political beliefs, set of political ideas, or endorsing a particular candidate or set of candidates or political party, or which promotes, assists or empowers individuals, groups, families and communities to participate in the political process, vote, organize to vote or to support political candidates, or to accept, identify with or learn about the political views of any candidate, group, party or organization. An organization which otherwise meets the definition of a community health and human services charity but which has diverted public support to a political purpose, may be excluded from consideration as a health and human services charity.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:456(A)(3).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 39:3274 (December 2013).

§1111. Charitable Organization Requirements and Responsibilities

A. Charitable organization applicants shall meet and maintain the following:

1. provide an annual application as set forth in §1107 of this Rule;

2. comply with R.S. 42:456(A)(3):

a. be a health and human services charity as defined in §1109 of this Rule;

b. not be organized for cultural, educational, religious, or political purposes, as defined in §1109 of this Rule;

3. comply with the following admissions criteria as outlined on the official application form (SED-7):

a. certify compliance with the USA Patriot Act of 2001;

b. certify the organization operates without discrimination in regard to all persons and comply with all requirements of law and regulations respecting non-discrimination and equal employment opportunities with respect to its officers, staff, employees and volunteers;

c. provide documentation that the IRS recognizes the charitable organization as a public charity under §501(c)(3) of the Internal Revenue Code;

d. ensure that an equivalent amount collected as contributions will be spent to provide services and benefits primarily to the citizens of Louisiana unless an exception is granted per §1109.D of this Rule, and certify the dollar value of health and human services provided in the state of Louisiana during the previous calendar year(s);

e. certify a substantial local presence within the state of Louisiana;

f. demonstrate that fundraising and administrative expenses represent no more than 25 percent of total support and revenue according to the submitted copy of its most recent IRS 990 form or a pro forma IRS 990 for organizations not required to file an IRS 990;

g. be registered and in good standing with the Louisiana secretary of state and submit proof of that registration;

h. be governed by a board of directors which meets regularly and whose members serve without compensation;

i. provide the organization's most recent annual budget, which must consist of a 12-month period;

j. provide the organization's most recent audited financial statements conducted by a CPA within the last 12 months at the time of the application;

k. indicate the regions served in Louisiana;

4. agree to pay a reasonable annual participation fee assessed by the PCFO and approved by OSUP;

5. solicitation of charitable donations through payroll deduction is only allowed during the annual campaign period, or other time periods approved by OSUP and the PCFO. All solicitation materials must be prepared and approved by OSUP and the PCFO;

6. provide all documentation and meet all deadlines and eligibility requirements established by the PCFO in coordination with OSUP.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:456(A)(3).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 39:3274 (December 2013).

§1113. PCFO Requirements and Responsibilities

A. The PCFO shall:

1. enter into a MOU with the Division of Administration through the Office of State Uniform Payroll;

2. be registered and in good standing with the Louisiana secretary of state;

3. maintain all records as required by federal and state laws;

4. provide to OSUP annually and as requested, reports containing data as required by OSUP;

5. provide the projected campaign budget to OSUP annually for approval;

6. report the fee structure to OSUP for approval. Any changes in the fee structure must be approved by OSUP;

7. disclose to OSUP any and all fees that are associated with the oversight of the campaign period, enrolling charitable organizations in the campaign, accepting funds from the LaGov HCM payroll system on behalf of donor employees, and disbursement of these funds to the participating charitable organizations;

8. submit a report to OSUP of total dollars/number of deductions sent to each charitable organization on a frequency agreed upon, with an option to obtain employee detail as requested;

9. review applications submitted by charitable organizations, ensure applicants meet all requirements and provide recommendations to OSUP;

10. submit campaign materials to OSUP for review and approval prior to the annual campaign period;

11. print and supply annual campaign and publicity materials;

12. include a list of charities in campaign materials that are approved for payroll deduction;

13. ensure campaign materials include disclosure of all fees/administrative costs that will be deducted from contributions. The State of Louisiana shall not be liable for

any fees/administrative costs charged in association with the SCCC. All fees and administrative costs shall be assessed in accordance with federal and state law, and shall be consistent with nationwide charitable giving standards;

14. oversee the annual campaign period solicitation;

15. ensure employee solicitations are conducted only during duty hours using methods that permit true voluntary giving and shall reserve to the individual the option of disclosing any gift or keeping it confidential;

16. disburse contributions to charitable organizations in accordance with employee deduction authorizations less any agreed upon fees;

17. maintain records that indicate employee choice of specific charitable organization selected for payroll deduction.

18. provide documentation for audit purposes within 30 days of notification by OSUP or other state entity;

19. ensure that payroll deductions are submitted using the standard State Combined Charitable Campaign Deduction Authorization form (SED-8) approved by OSUP and the PCFO for use by agencies/employees paid through the LaGov HCM payroll system or through other authorized electronic means.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:456(A)(3).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 39:3275 (December 2013).

§1115. Deduction Guidelines

A. Deductions must be authorized by employees on the approved deduction form (SED-8) or through other authorized electronic means.

B. An employee shall not make a designation to a charitable organization not listed in the official approved charitable organizations authorized for payroll deduction list.

C. An employee shall be allowed to make a designation to any charitable organization listed in the official approved charitable organizations authorized for payroll deduction list regardless of the region they live or work in.

D. No deduction will be taken in any pay period in which the employee's net pay, after all legal and previously authorized deductions, is insufficient to cover the portion of the employee's pledge which would normally be deducted. No adjustments will be made in subsequent periods to withhold any missed deductions.

E. An employee may cancel their deduction at any time. No refunds will be issued to employees for any amounts withheld from a previous pay period prior to cancellation.

F. Deductions will be withheld from employee's paychecks every payday and funds will be remitted to the PCFO by OSUP on a monthly basis via electronic funds transfer (EFT).

ADMINISTRATION

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:456(A)(3).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 39:3275 (December 2013).

§1117. Department/Agency Responsibility

A. The department/agency shall:

1. designate a Campaign Coordinator;
2. provide time during normal working hours for volunteers to perform their assigned campaign responsibilities and for campaign presentations to all employees;
3. only accept the standard State Combined Charitable Campaign Deduction Authorization form (SED-8);
4. forward all SED-8 forms to the PCFO.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:456(A)(3).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 39:3275 (December 2013).

§1119. Rule Transition

A. All existing United Way entities receiving payment through payroll deduction on the LaGov HCM payroll system on the effective date of this rule shall continue to receive payment separately from the PCFO until January 2015. Beginning January 2015 all payments will go through the PCFO.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:456(A)(3).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 39:3276 (December 2013).

§1121. Removal of Charitable Organization from the SCCC for Cause

A. OSUP, in coordination with the Division of Administration's Commissioner's Office, may remove a charitable organization from the SCCC for violating the provisions of this rule, other applicable provisions of law, or any directive or instruction from OSUP.

B. OSUP will consider previous violations, harm to state employee confidence in the SCCC, and any other relevant factors in its decision to remove a charitable organization from the SCCC.

D. A charitable organization will be notified in writing of OSUP's intent to remove them from the current campaign

and will have 10 business days from the date of the receipt of the notice to submit a written response.

E. OSUP's final decision will be communicated in writing to the charitable organization, with a copy being sent to the PCFO.

F. A charitable organization removed from the SCCC under any provision of this rule must demonstrate to the satisfaction of OSUP that they have taken corrective action to resolve the reason for removal and they have implemented reasonable and appropriate controls to ensure that the situation will not occur again prior to being allowed to participate in subsequent SCCC's.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:456(A)(3).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 39:3276 (December 2013).

§1123. Appeal Process

A. Any charitable organization participating in the SCCC that is removed from the SCCC for any reason shall have the right to have that action reviewed by filing a written request for review with the commissioner of administration.

B. Any charitable organization filing an application to become a participating charitable organization in the annual SCCC that is subsequently denied from participating in the SCCC shall have the right to have that action reviewed by filing a written request for review with the commissioner of administration.

C. Written requests sent to the commissioner of administration must be:

1. filed within 10 days from the notice of removal / denial;
2. a written decision shall be rendered by the commissioner of administration on any request for review within 14 days of receipt of the written appeal;

D. the decision of the commissioner of administration shall be the final administrative review.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:456(A)(3).

HISTORICAL

NOTE:

Promulgated by the Office of the Governor, Division of Administration, Office of State Uniform Payroll, LR 39:3276 (December 2013).