



**United Way
of Rock River Valley**

**United Way of Rock River Valley
Grant Allocation
Policy and Procedure Manual - Draft
2015**

1.0 Overview

1.1 United Way

United Way advances the common good in Winnebago and Ogle counties, creating opportunities for a better life by focusing on Education, Income, and Health. United Way recruits people and organizations that bring the passion, expertise, and resources needed to get things done. LIVE UNITED® is a call to action for everyone to become a part of the change.

1.2 United Way of Rock River Valley (UWRRV)

United Way of Rock River Valley is a not-for-profit corporation serving Winnebago and Ogle Counties. The organization is locally controlled and governed by a volunteer Board of Directors, charged with controlling the business affairs of the corporation and establishing policies to oversee financial activities, grant allocation procedures, and long-range planning. The President and CEO of United Way of Rock River Valley is responsible for executing the policies and procedures established by the Board of Directors, leading the activities of the staff, and administering the affairs of the organization.

1.3 Grant Allocations

United Way of Rock River Valley works to ensure people in Winnebago and Ogle counties receive the support services they need in the areas of Education, Income, and Health, while simultaneously focusing on the United Way Strong Neighborhood Initiative by bringing programs to the neighborhoods that will help overcome obstacles directly affecting the residents' quality of life.

Currently UWRRV is focusing efforts in Ellis Heights and Midtown because these neighborhoods are at risk for low student achievement, poor health care, poverty, and crime. By focusing on neighborhoods where problems are the most significant and creating partnerships with schools, businesses, faith-based organizations, and dozens of nonprofit organizations, long-lasting change can happen.

1.4 United Way's Strategies for the Common Good

At least one of the following strategies must be part of any program funded by UWRRV.

Education Programs

Quality education helps youth and adults achieve their full potential. When used to measure grant program outcomes, these measurements should illustrate an improving trend in:

- Number of children ready for kindergarten
- Number of children reading at grade level by the end of 3rd grade
- Numeracy skills in grade school and middle school
- High school readiness
- High school graduation rate
- Number of adults receiving and successfully completing literacy training

Income Programs

Financial stability promotes independence. When used to measure grant program outcomes, these measurements should illustrate an improving trend in:

- Number of adults receiving and successfully completing GED or High School Equivalency
- Number of adults finding employment
- Number of adults gaining literacy skills, legal services, re-entry services, or re-settlement services in order to resolve obstacles impeding financial independence

Health Programs

Prevention, intervention, and education lead to health and wellness. When used to measure grant program outcomes, these measurements should illustrate an improving trend in:

- Number of mothers and babies receiving maternal health and infant well-being services
- Number of seniors receiving health and well-being services
- Number of families receiving basic need services – food, shelter, clothing
- Number of individuals receiving mental health services
- Number of individuals (children and adults) receiving life-skill training

2.0 Grant Allocation Eligibility

2.1 United Way of Rock River Valley

Through Staff, Board, and Volunteer oversight, UWRRV is consistently aware of developing community needs and looks for programs best able to respond to those needs. UWRRV considers grant requests from not-for-profit agencies for programs that align with UWRRV's Strategies for the Common Good and demonstrate significant community impact in the areas of Education, Health, and Income.

Unless otherwise directed by the Board of Directors, the grant process will be open and competitive.

2.2 Eligibility for Grant Allocations

In order to be eligible for grant allocations from UWRRV, nonprofit agencies must:

- Be in operation and providing services in Winnebago or Ogle County for at least five years.
- Conduct an annual audit by an independent auditor and submit an audit to United Way of Rock River Valley on an annual basis.
- Annually submit a letter of good standing from the Illinois Secretary of State.
- Annually submit a Federal 990 and the Illinois 990AG.
- Have an active, local Board of Directors comprised of nonpaid volunteers who meet at least quarterly.
- Maintain an annual operating budget.
- Agree to United Way of Rock River Valley's Memorandum of Agreement.
- Comply in a timely manner to a request from United Way for information.
- Complete United Way's mid-term and final reports.
- Have no outstanding mid-term or final reports.
- Collect and report common data in real-time, using the data collection system provided by the UWRRV. (Applicable to Neighborhood Impact Grants only)

2.3 Ineligibility for Grant Allocations

Agencies that provide programs or services described below are ineligible for funding:

- Primarily political in nature
- Provide programs or services limited solely to the members of a particular religious group. A program run by an agency with a religious affiliation may be granted funds, but only if the program is not religion-based and grant allocation funds are clearly not used for religious activities
- Exist solely as a forum for the presentation of cultural and/or artistic achievements
- Provide only direct medical services such as hospitals, outpatient clinics, neighborhood health centers and other health service delivery systems. This does not prohibit the funding of programs that provide supportive and ancillary health services for specific client populations
- Primary services that are the mandated responsibility of a governmental organization that serves the entire community

Review and modification of these standards may be made at the discretion and approval of the United Way of Rock River Valley Board of Directors.

2.4 Sliding Fee Scale

It is the policy of UWRRV that any programs funded with UWRRV grant allocations cannot deny services based on its participants ability to pay any or all of the fees or cost for service. Each organization must establish a realistic fee schedule and cost explanation, based on the full cost of the services and the clients' ability to pay for services. Grant allocation funds provided by UWRRV are not intended to subsidize service for program clients who are able to meet a reasonable charge for the services rendered.

3.0 Grants

3.1 Program Impact Grants

Program Impact Grants:

- Are available up to \$25,000.
- Must address at least one of United Way's Strategies for the Common Good and use at least one measurement to show progress.
- Require completion of the grant application. No interview is required.
- Have a two year funding cycle and require the submission of a midterm report on expenditures and programmatic impact on the community.
- May be subject to an on-site program audit.

An agency may apply for more than one Program Impact Grant. If the total of the grants applied for exceeds \$50,000, an interview with the Program Impact Grant Committee will be required.

3.2 Community Impact Grants

Community Impact Grants:

- Are available from \$25,001 - \$150,000.
- Must address at least one of United Way's Strategies for the Common Good and use at least one measurement to show progress.
- Require an application and an interview with the Community Impact Committee
- Have a two year funding cycle and require the submission of a midterm report on expenditures and programmatic impact on the community.
- May be subject to an on-site program audit.

3.3 Neighborhood Impact Grants

Neighborhood Impact Grants are available to qualifying nonprofit agencies as part of United Way of Rock River Valley's Neighborhood Focus.

Neighborhood Impact Grants will be available only for programs that provide solutions to the identified needs of the selected neighborhoods as determined by the UWRRV's Community Impact Team. Needs will be presented on an ongoing basis. Agencies will be expected to work in a collaborative manner. A proposal for a Neighborhood Impact Grant will be created with the participating agencies.

Neighborhood Impact Grant proposals will be reviewed by the Neighborhood Impact Grants Committee, made up of community volunteers, UWRRV Board Members, and Neighborhood Representatives. Grant recommendations will be made to the UWRRV Board of Directors for approval.

To be eligible for Neighborhood Impact Grant funding, agencies must agree to fully comply with the elements of a Collective Impact model as set out below:

- Share the vision for social change including having a common understanding of the problem(s) and a joint approach to solving the problem(s) through agreed-upon actions
- Agree on a system of shared measurement, committing to a common data collection system.
- Engage with a diverse set of stakeholders, across various sectors, and be coordinated in a set of differentiated activities through a mutually reinforcing plan of action
- Engage in frequent communications with UWRRV and other key neighborhood partners, within and across organizations, building trust and informing ongoing learning and adaptation of strategy
- Acknowledge UWRRV as the Backbone Organization that will
 - guide the neighborhood vision and strategy
 - support the aligned activities
 - establish the shared measurement practices
 - build public will
 - mobilize funding

Under the Neighborhood Impact Grants procedure, there will be constant and ongoing dialogue between UWRRV staff, neighborhood residents and stakeholders, and agency partners with oversight from the Neighborhood Impact Grants Committee. Funding will be on-going as long as shared common data indicates short-term and long-term improvement in the areas of Education, Income, and Health or until the project is no longer needed. All neighborhood programs will be subject to review, change, and modification at the sole discretion of UWRRV.

4.0 Grant Allocation Committee Policies

4.1 Communitywide Impact Committee

The Communitywide Impact Committee (CWIC) is a board-level committee responsible for oversight of the grant allocation process. A UWRRV board member shall be appointed by the Chair of the Board of Directors, in consultation with UWRRV's President and CEO, to the position of Vice-Chair of Community Building and chair of the CWIC. The Vice-Chair of Community Building shall serve a three (3) year term. The CWIC shall be comprised of the Vice-Chair of Community Building, the Chair of the Program Impact Grants Committee, the Chair of the Community Impact Grants Committee, and the Chairs of the Neighborhood Impact Grants Committees.

The CWIC shall:

- Appoint members of the Program Impact Grant Committee, the Community Impact Grant Committee, and the Neighborhood Impact Grant Committees.
- Prequalify grant applications.
- Review the grant recommendations of the Program Impact Grants Committee and the Community Impact Grants Committee.
- Amend, in consultation with UWRRV's President and CEO and UWRRV Staff, the grant recommendations of the Program Impact Grants Committee, the Community Impact Grants Committee and the Neighborhood Impact Grants Committee.
- Recommend Program Impact Grant Allocations, Community Impact Grant Allocations, and Neighborhood Impact Grant Allocations to the UWRRV Board of Directors.
- Review the Grant Allocation Policies and Procedures on a regular basis and recommend additions and/or changes in the policies to the UWRRV Board of Directors.
- Review issues regarding agencies' compliance with UWRRV's Memorandum of Agreement.

4.2 Program Impact Grant Committee

The Program Impact Grant Committee (PGIC) shall be comprised of no more than eleven (11) members and no fewer than seven (7) members. No more than three (3) members shall be appointed from the UWRRV Board of Directors – one shall serve as Chair of the Program Impact Grant Committee and serve on the CWIC. Other members serving on the PIGC shall be community volunteers, appointed by the CWIC, in consultation with UWRRV staff. Members of the PIGC will serve one (1) three (3) year term. This term may be renewed once for a total of six (6) years.

The PIGC will review Program Impact Grant applications and resubmission and evaluation applications and recommend grant allocations to the CWIC. If an agency submits more than \$50,000 total in Program Impact Grant applications, the PIGC will be responsible for holding a grant interview with that agency. In addition, the PIGC will be responsible for any on-site program audits for agencies funded with one (1) or more Program Impact Grant.

4.3 Community Impact Grant Committee

The Community Impact Grant Committee (CIGC) shall be comprised of no more than eleven (11) members and no fewer than seven (7) members. No more than three (3) members shall be appointed from the UWRRV Board of Directors – one shall serve as Chair of the Community Impact Grant Committee and serve on the CWIC. Other members serving on the CIGC shall be community volunteers, appointed by the CWIC, in consultation with UWRRV staff. Members of the CIGC will serve one (1) three (3) year term. This term may be renewed once for a total of six (6) years.

The CIGC will review Community Impact Grant applications and resubmission and evaluation applications and recommend grant allocations to the CWIC. The CIGC will be responsible for all grant interviews for agencies submitting a Community Impact Grant application. In addition, the CIGC be responsible for any on-site agency program audits for agencies funded with one (1) or more Community Impact Grant.

4.4 Neighborhood Impact Grant Committee

The Neighborhood Impact Grant Committee (NIGC) shall be comprised of no more than eleven (11) members and no fewer than seven (7) members. Up to three (3) members shall be appointed from the UWRRV Board of Directors – one shall serve as Chair of the Neighborhood Impact Grant Committee and serve on the CWIC. Two (2) members of the NIGC shall be residents of the Neighborhood and may serve up to three (3) years. These members shall be appointed by the CWIC in consultation with the UWRRV Community Impact Team. Other members serving on the NIGC

shall be community volunteers, appointed by the CWIC, in consultation with UWRRV staff. These community volunteers and UWRRV board members shall serve one (1) three (3) year term. This term may be renewed once for a total of six (6) years.

There shall be one (1) Neighborhood Impact Grant Committee for each of UWRRV's focus neighborhoods.

The NIGC will work with the UWRRV Community Impact Team and selected not-for-profit agencies to design a solution to issues identified as obstacles in a selected UWRRV Strong Neighborhood. The NIGC will review grant allocation proposals above \$15,000 and recommend grant allocations above \$15,000 to UWRRV's Board of Directors.

Under the Neighborhood Impact Grants procedure, there will be constant and ongoing dialogue between UWRRV staff, neighborhood residents and stakeholders, and agency partners with oversight from the Neighborhood Impact Grants Committee. Funding will be on-going as long as shared common data indicates short-term and long-term improvement in the areas of Education, Income, and Health or until the project is no longer needed. All neighborhood programs will be subject to review, change, and modification at the sole discretion of UWRRV.

4.5 Confidentiality Agreement

Each Program Impact Grant, Community Impact Grant, and Neighborhood Grant Committee member will annually sign a confidentiality agreement.

The agreement will pertain to any and all information obtained from organizations in respect to budgets, salaries, programs and projects, personnel, future plans, business and legal affairs, and any other sensitive information. Under the agreement, committee members are not allowed to discuss any grant allocation recommendations or decisions with anyone other than UWRRV committee members, board members and staff.

4.6 Two Year Grant Funding Agreement – Program Impact and Community Impact Grants

Programs funded by a Program Impact Grant(s) or a Community Impact Grant(s) will be subject to a two (2) year funding agreement. Funded agencies will be required to complete a mid-term report with the following information:

- A description of each funded program
- A detailed list of program expenditures
- A detailed summary of how each program has impacted the community including how each program has shown an improving trend in at least one of the measurements of United Way's Strategies for the Common Good
- A summary of any changes that need to be made to each program

This mid-term report will be due on July 15 and should reflect 12 months of program activity. Midterm reports will be evaluated by the appropriate Impact Grant Committee – either the Program Impact Grant Committee or the Community Impact Grant Committee. Failure to submit a mid-term report will result in a suspension of funding.

A final report (reporting on 18 months of program activity) will be due on January 15 of the following year. This final report shall contain the information above. Failure to submit a final report will exclude the agency from any further grant allocation consideration until the final report is filed with UWRRV.

During Year 2 of the grant cycle, there is a potential for a negative adjustment to allocations due to a negative performance in the UWRRV Community Campaign or at the discretion of the Impact Grant Committees based on the assessment of the midterm report.

4.7 Guidelines for Reallocation, Disaffiliation or Remediation

Disaffiliation, remediation or reallocation may be initiated by either UWRRV or the agency. Reason for reallocation, disaffiliation or remediation may include, but are not limited to:

- Change of directions for either the program, agency or United Way
- Diminishing need/demand for service
- Duplication of services with other organization
- Agency mismanagement
- Unacceptable fiscal responsibility or controls
- Unacceptable administrative responsibility or controls
- Unsatisfactory performance in meeting service objectives
- Non-compliance with United Way Memorandum of Agreement

4.8 Reallocation, Disaffiliation or Remediation Process

Issues calling for reallocation, disaffiliation or remediation may be initiated by: the Program Impact or the Community Impact Committees, UWRRV staff, the Communitywide Impact Committee, the Vice-Chair of Community Building or at the agency's request. Information or issues requiring possible UWRRV initiation of reallocation, remediation, or disaffiliation will be brought to the immediate attention of the Vice-Chair of Community Building.

- The party initiating the process must provide in writing the action requested and the rationale for the action. Letters from UWRRV will be sent to both the Executive Director and Board Chair of the not-for-profit agency. Letters from the agency must be sent to the UWRRV CEO, who will share the letter with the Vice-Chair of Community Building.
- The UWRRV CEO and the Vice-Chair of Community Building will review the information provided and, based on the information, may immediately temporarily suspend funding, in full or in part, to the affected program(s), informing the organization of the suspension in funding and reasons for the suspension.
- Within 30 days of receiving the letter, the UWRRV CEO and the Vice-Chair of Community Building will request and collect information pertinent to the review and convene the CWIC for discussion.
- Within 45 days of receiving the letter, a meeting will be scheduled between the CWIC and the agency:
 - To discuss the issues and allow for response and input
 - To give the affected agency adequate guidance and time to develop correction action
- The CWIC may take one or more of the following actions:
 - Approve and monitor corrective action plans submitted by the organization
 - Suspend or terminate the grant based on the outcome of corrective actions taken or not taken by the organization
 - Modify the grant allocation
 - Terminate the grant allocation immediately or over time
 - Reallocate funds to different programs within the organization or to other organizations
 - Disaffiliate with the organization
 - Take no action
- Any action or recommended action under this policy is subject to approval of the Board of Directors of the UWRRV.

4.9 Review of Funding Decision Policy

The recommendations of the Program Impact, Community Impact, and Neighborhood Impact Committees and the CWIC are final once approved by the UWRRV Board of Directors.

An organization may request review of a grant decision **only** if Program Impact, Community Impact, Neighborhood Impact Committees, the Communitywide Impact Committee or the UWRRV Board of Directors has failed to follow its own procedures as outlined in this policy manual or has failed to properly address a conflict of interest identified during the grant process.

If an agency believes a grant decision should be reviewed, the agency must mail or deliver in writing a request for review within thirty (30) days of the date of the grant decision. The request will be reviewed by the Communitywide Impact Committee, the UWRRV CEO, and appropriate UWRRV staff.

The Vice-Chair of Community Building will present the request to the UWRRV Board of Directors at its next regularly scheduled meeting. The Board of Directors will determine whether further review is warranted and the appropriate body to conduct the review. This may be the Program Impact, the Community Impact, the Neighborhood Impact Committee, CWIC, or the UWRRV CEO and staff, all under direction of the Vice-Chair of Community Building. Organizations may **not** present any new information or any information not provided during the grant process in the review of a grant decision and no new information will be considered during the review.

The Vice-Chair of Community Building will report back to the Chair of the Board of Directors and the recommended action will be approved by the Board at the next regularly scheduled board meeting. The Vice-Chair of Community Building will notify the agency in writing of the Board's decision.

All decisions of the Board of Directors on review are final.

5.0 Supplemental Fundraising Policies and Procedures

5.1 Definition

Supplemental fundraising is any fundraising effort or activity planned to raise funds on behalf of a UWRRV partner agency. Supplemental fundraising includes the solicitation of individuals, corporations (including corporate foundations), other business enterprises, and other organizations.

This policy is applicable to all supplemental fundraising efforts conducted by any entity, including:

- An agency
- An agency sub-group, component or program
- An agency's auxiliary or guild
- Any other organization, entity or corporation that raises funds on behalf of a given agency (third party)

5.2 Philosophy

United Way of Rock River Valley raises financial resources to improve the quality of life within the region. This is accomplished as a result of the following:

- quality and dedication of United Way volunteers
- generosity of the community
- cooperative relationships with and the organizational strength of partner agencies

- efficiency, transparency, and accountability of the United Way organization

All partner agencies are expected to be supportive of activities designed to ensure the success of UWRRV's annual Community Campaign. Agencies support these efforts by adhering to the policies and guidelines regarding supplemental fundraising, self-promotion, co-branding and visibility.

UWRRV recognizes that, in spite of the annual campaign's success, partner agencies must seek public contributions in addition to United Way funding. United Way actively encourages these efforts, believing that a diverse revenue stream contributes to financial stability and organizational strength. However, UWRRV is also aware of the challenges that are potentially inherent in supplemental fundraising activities when conducted by partner agencies. If implemented inappropriately, independent fundraising can weaken the United Way annual campaign, potentially decreasing funds available to the community.

This policy has been developed in an attempt to promote the mutual interests of United Way of Rock River Valley and its partner agencies by:

- Focusing efforts on and protecting the United Way annual campaign so that it raises the greatest amount of funds possible.
- Allowing partner agencies the greatest possible flexibility so that independent fundraising results may be maximized.

This policy also seeks to provide consistency, clarity of the types of fundraising activities that partner agencies may conduct, and identification of consequences for policy violations.

The goal of this policy is for the agency to willingly adhere to the guidelines because it acknowledges through its actions that there is value to the partnership with United Way of Rock River Valley.

5.3 Guidelines

In an effort to avoid an agency's actions in the workplace from unfairly impacting all other United Way agencies, the following policies will be enforced by the United Way of Rock River Valley.

- At all times agencies are prohibited from joining other federated fundraising organizations and/or soliciting or accepting any payroll deductions outside of the annual United Way campaign.
- Agencies are prohibited from directly or indirectly soliciting designations through agency presentations, campaign presentations, advertising, telemarketing, word-of-mouth or any other means.
- Agencies are not prohibited from conducting wage-deduction or employee campaigns within the agency itself asking for support for their own organization or an affiliated foundation. Such campaigns can be separate or combined with the UWRRV campaign.
- Many local businesses have outstanding corporate fund-raising programs involving their own employees who raise funds for local not-for-profits. United Way agencies are often the beneficiary of these programs. Nothing in this policy prohibits such participation unless the corporation is conducting the employee campaign simultaneously with the annual UWRRV campaign and/or includes a particular UWRRV agency on the same employee pledge card with UWRRV. In such an event, the chosen United Way agency will undertake a good-faith effort to remove itself from the pledge card or simultaneous campaign explaining to the sponsoring organization the long-standing United Way campaign philosophy as well as urging that such

corporate support efforts be conducted separate and apart from the United Way campaign and not include the device of employee wage deductions.

5.4 Consequences of Policy/Procedure Violations

This policy takes into consideration that, on occasion, violations may occur. However, repeated violations imply that the agency does not have systems in place to uphold the terms of the partnership with UWRRV. Violations will be tracked on a five year rolling calendar. UWRRV will endeavor to work with its partner agencies to remediate violations of the fundraising partnership agreement. The remedial steps below are intended to be exemplary and the application of any or all of the steps outlined is discretionary on the part of the UWRRV Board of Directors. A violation that is willful and/or egregious in nature may result in termination of funding in the first instance.

First Violation

- The agency will receive notification of the violation from the United Way of Rock River Valley CEO.

Second Violation

- The agency will receive notification of the violation from the United Way of Rock River Valley CEO and it will be reported to CWIC and the Board of Directors.

Third Violation

- The agency will receive notification of the violation from the United Way of Rock River Valley CEO.
- The CWIC will determine a course of action, which may include changes in or suspension of funding allocations.

6.0 Organization Restructuring Policies and Procedures

6.1 Restructuring or Cooperative Arrangements

The improvement of service delivery is a key objective of the UWRRV. In cases where organizational restructuring, consolidation, or discontinuation of programs on an intra-agency basis or cooperative arrangements with other funded agencies will contribute to the improvement of funded programs or overall efficiency for an agency, UWRRV will assist in the restructuring in order to achieve the key objective.

United Way's chief considerations under this policy are:

- Effect on the quality and quantity of service
- Cost of service delivery
- Organization's ability to manage the resulting program(s) in a proposed restructuring

Continued UWRRV fund allocation is not guaranteed, regardless of whether changes were made with or without the cooperation of UWRRV. Funding continuation and any increases or decreases in funding will be determined on a case-by-case basis.

Agencies implementing operational or organizational restructuring will be expected to inform UWRRV as soon as possible AND before making any public announcements. Using the same process as outlined in Section 4.8 Guideline for Reallocation, Disaffiliation and Remediation, the agency or agencies must provide written notice of changes including an overview of the changes and when they are expected to take place. The implementation and impact on funded programs will be reviewed using the outline in Section 4.8.

6.2 Merger or Consolidation with an Unaffiliated Organization

In considering requests for continued support when an agency enters into a merger or consolidation with an unaffiliated organization, UWRRV will consider each request for continued UWRRV membership as a unique situation.

When a funded agency approaches UWRRV regarding intent to merge or consolidate with an unaffiliated organization and requests continuation of program funding, the CWIC will undertake an evaluation of the request and respond to the organization in a timely manner.

- Requests that UWRRV continue funding of programs delivered by a member agency that will be consolidated with an unaffiliated agency should be made in writing and should address the reasons for the consolidation that may include:
 - Continued or improved accountability
 - Assuring that the community's and donors' funds are being used in the most efficient and effective way
 - Operational and mission specific synergies
 - Improved fiscal health, financial accountability and decreased dependency on UWRRV funding
 - Improved service delivery or enhanced ability to provide services that have seen reductions in public or NGO funding
- Requests pursuant to this policy should be sent to the UWRRV CEO who will share the information with the Vice-Chair of Community Building. Requests will be reviewed by the Communitywide Impact Council and will, in turn, make a recommendation to the Board of Directors. A response to the request will be made as quickly as possible and will be final.