



DATE: November 8, 2022

TO: Members of the Board of Supervisors

FROM: Sophie Hayward, Legislative and Public Affairs Director, Office of the City Administrator  
Jennifer Johnston, Deputy City Administrator

RE: Proposed Updated List of Federations to Participate in the 2022 Heart of the City Combined Charities Campaign

### **Summary**

The City Administrator's Office is submitting a revised list of Federations authorized to participate in the City's 2022 Heart of the City Combined Charities Campaign, replacing the previous list adopted by Resolution No. 160-22 at the April 19, 2022 Board of Supervisors meeting. [See Attachment A for the previously adopted Resolution, redlined to highlight the difference between the two lists.]

### **Discussion**

Administrative Code Section 16.93-1 requires that the City hold an Annual Joint Fundraising Drive (known as the "Heart of the City Combined Charities Campaign" or "Annual Drive") to facilitate City employee donations to charitable organizations through payroll deductions. [See Attachment B for Administrative Code Sections 16.93-1 to 16.93-5.] Over 3,000 City employees participate in the Annual Drive each year; and last year City employees donated a combined total of approximately \$1.2 million.

Eligible "charitable organizations" are limited to certain Mayor's funds and to "all federated agencies that meet the [established] criteria, as determined by the Board of Supervisors." Employees also have the option of donating directly to *any* other individual tax-exempt non-profit organization of their choice (referred to as "Donor's Choice" donations), provided that the contribution is tax-deductible.

To qualify, Federations interested in participating in the Annual Drive must establish that they meet the following criteria under Administrative Code Section 16.93-2:

- An eligible federation must represent 10 or more charitable organizations, of which at least 50% must represent organizations located in San Francisco, San Mateo, Santa Clara, Alameda, Contra Costa, or Marin counties;
- The federations must certify to the Board of Supervisors that any contribution to the represented charities are tax deductible;
- Federations must have been in existence and representing at least ten charities for a minimum of one year prior to the date of application to participate in the Campaign;
- Federated agencies must submit annual certified audits with their applications; and,
- Federations must apply annually to the Board of Supervisors.

Administrative Code Section 16.93-3 requires that the City Administrator review applications submitted by federated agencies (“Federations”) and “recommend to the Board of Supervisors whether applicants qualify to participate in the Annual Drive.” The City Administrator’s Office is required to forward the list of all eligible Federations to the Board of Supervisors for consideration; it may not include or exclude any Federation(s) based on other factors. In accordance with the proscribed timelines outlined in Administrative Code Section 16.93-4, the Board of Supervisors approved and adopted the list of four eligible Federations (and their member charities) as forwarded by the City Administrator’s Office, through Resolution No. 160-22 on April 19, 2022 (Again, see Attachment A).

Shortly after the launch of the 2022 Annual Drive in October 2022, a number of employees raised concerns with listed partner charities. The City temporarily paused the Annual Drive on October 12, 2022 to evaluate the program and process.

Working within the Administrative Code requirements, the City Administrator’s Office proposes that additional geographic requirements be placed on Federations interested in participating in the 2022 Annual Drive to ensure a benefit to local communities this year. Specifically, that each participating Federation limit its partner charities to only those that have an office located in the Bay Area and/or that provide services in the Bay Area, as defined by the counties listed under Administrative Code Section 16.93, and that agree to direct donations raised in the Annual Drive to such local offices and/or services.

The proposed amended Resolution identifies the updated list of Federations that have agreed to these additional requirements for the Board’s consideration and approval. In addition, the Federations have also further decided to limit partners for the City’s 2022 Annual Drive to those charities that also have a confirmed nondiscrimination policy.

As reflected in Attachment A, these changes will have a significant impact on the list of participating organizations. Notably, the additional geographic restriction will serve to exclude Global Impact and its partner charities, which are focused on addressing global issues such as international human trafficking and the need for clean drinking water in other countries (as opposed to providing local services). Please see the attached submission from Global Impact requesting that the Board of Supervisors consider its continued inclusion in the Annual Campaign.

Once the Board adopts an updated list of approved Federations and their member charities, the City will immediately relaunch the 2022 Annual Drive in accordance with the requirements under the Administrative Code to ensure a successful campaign. The Annual Fund materials and donor guide will be updated to specify that the City does not endorse any listed charity and remind employees that they are responsible for ensuring that the organization to which they donate aligns with their own individual values and intent; make clear what each Federation’s administrative fees are for processing designated donations; and remind employees that they also continue to have the option to donate by “Donor’s Choice” if the lists do not include their preferred charities.

Finally, this memorandum recognizes that the Board of Supervisors may also act to amend the Administrative Code requirements in whole or in part. Currently, the Administrative Code requires an annual drive and this memorandum presents an option with that requirement in place. The Board of Supervisors may also consider suspending the Annual Drive or amending the Administrative Code requirements entirely.

## **Conclusion**

We appreciate the Board's partnership and feedback in addressing the concerns raised regarding the 2022 Annual Drive. Under the existing parameters of the Administrative Code, we submit for the Board of Supervisor's consideration a revised list of eligible Federations.

## **Attachments**

Attachment A: Resolution No. 160-22, approved by the Board of Supervisors at the April 19, 2022 Board of Supervisors meeting, redlined to highlight the differences between the Federation lists.

Attachment B: Administrative Code Sections 16.93-1 to 16.93-5.