

members. The information must clearly present the amounts raised, the sources of contributions, the cost of fundraising, and how costs are recovered from donations.

(3) That it does not employ in its CFC operations the services of private consultants, consulting firms, advertising agencies or similar business organizations to perform its policy-making or decision-making functions in the CFC. It may, however, contract with entities or individuals such as banks, accountants, lawyers, and other vendors of goods and/or services to assist in accomplishing its administrative tasks.

(f) The Director will notify a federation if it is determined that the federation does not meet the eligibility requirements of this section. A federation may appeal an adverse eligibility decision in accordance with § 950.205.

(g) The Director may waive any eligibility criteria for federation status if it is determined that such a waiver will be in the best interest of the CFC.

(h) Two organizations—American Red Cross and United Service Organization—are exempt from the 15-member requirement of § 950.301(c).

[60 FR 57890, Nov. 24, 1995, as amended at 71 FR 67286, Nov. 20, 2006]

§ 950.302 Responsibilities of national and international federations.

(a) National and international federations must ensure that only those member organizations that comply with all eligibility requirements included in these regulations are certified for participation in the CFC.

(b) The Director may elect to review, accept or reject the certifications of the eligibility of the members of the national federations. If the Director requests information supporting a certification of national eligibility, that information shall be furnished promptly. Failure to furnish such information within 10 business days of the receipt of the request constitutes grounds for the denial of national eligibility of that member.

(c) Each federation, as fiscal agent for its member organizations, must ensure that Federal employee designations are honored in that each member organization receives its proportionate

share of receipts based on the results of each individual campaign. The proportionate share of receipts is determined by donor designations to the individual member organization as compared to total campaign designations.

[60 FR 57890, Nov. 24, 1995, as amended at 71 FR 67287, Nov. 20, 2006]

§ 950.303 Local federations eligibility.

(a) LFCC's must approve local federations that meet the applicable requirements, except that in order to determine whether the LFCC must recognize a local federation, the LFCC may request evidence of corrective action regarding any prior violation of regulation or directive, sanction, or penalty, as appropriate. A local federation that has been notified that it will not be included on the Local part of the Charity List because of failure to correct a prior violation may appeal the LFCC's decision to the Director in accordance with § 950.205(b). The Director retains the ultimate authority to decide whether the local federation has demonstrated, to the Director's satisfaction, that the local federation has taken appropriate corrective action. Failure to demonstrate satisfactory corrective action or to respond to a request by the LFCC or Director for information within 10 business days of the date of the request may result in a determination that the local federation will not be included in the Local part of the Charity List.

(b) By applying for inclusion in the CFC, federations consent to allow the LFCC and Director complete access to it and its members' CFC books and records and to respond to requests for information by the LFCC and the Director.

(c) An organization may apply to the LFCC for inclusion as a local federation to participate in the CFC if the applicant has as members of the proposed federation 15 or more charitable organizations, in addition to the federation itself, that meet the eligibility criteria of §§ 950.202, 950.203 and 950.204. The initial year an organization applies for federation status, it must submit to the LFCC applications of all its proposed member organizations in addition to the federation application. A federation must re-establish eligibility

each year, however only the applications of its new and former members that were not within the federation, as a CFC participant, in the previous year's campaign need accompany the annual federation application once an organization has obtained federation status, unless additional member applications are requested by the LFCC.

(d) After an organization has been granted federation status, it may certify that its member organizations meet all eligibility criteria of §§ 950.202, 950.203, and 950.204 to be included on the Local List. While deference should be given to federation certifications, the LFCC, during the review process, may request independent evidence of individual member organization's eligibility. Federation status in a prior campaign is not a guarantee of federation status in a subsequent campaign. Failure to meet minimum federation eligibility requirements shall not be deemed to be a withdrawal of federation status subject to a hearing on the record.

(e) An applicant for local federation status must certify and/or demonstrate:

(1) That all member organizations seeking participation in the CFC are qualified for inclusion on the Local List and provide a complete list of those member organizations it certified.

(2) That it meets the eligibility requirements contained in § 950.204 (including eligibility requirements and public accountability standards of §§ 950.202 and 950.203 that are incorporated by reference). The federation can demonstrate that it has met the eligibility requirement in § 950.204(b)(1) either through its own services, benefits, assistance or program activities or through its 15 members' activities.

(i) The federation must complete the certification set forth at § 950.203(a)(2) without regard to the amount of revenue reported on its IRS Form 990 and must provide a copy of its audited financial statements. The audited financial statements provided must verify that the federation is honoring designations made to each member organization by distributing a proportionate share of receipts based on donor designations to each member.

The audit requirement is waived for newly created federations operating for less than a year as determined from the date of its IRS tax-exemption letter to the closing date of the CFC application period.

(ii) The federation must provide a listing of its board of directors, beginning and ending dates of each member's current term of office, and the board's meeting dates and locations for the year prior to the year of the campaign for which the organization is applying.

(iii) The federation must certify that it prepares and makes available to the public, upon request, an annual report that includes a full description of the organization's activities and supporting services and identifies its directors and chief administrative personnel. The federation must provide a copy of its most recently completed annual report covering the fiscal year ending not more than 18 months prior to January of the campaign year to which the federation is applying or the preceding calendar year. The annual report must also include an accurate description of the federation's membership dues and/or service charges received by the federation from the charitable organizations participating as members. The information must clearly present the amounts raised, the sources of contributions, the cost of fundraising, and how costs are recovered from donations.

(3) That it does not employ, in its CFC operations, the services of private consultants, consulting firms, advertising agencies or similar business organizations to perform the policy-making or decision-making functions in the CFC. It may, however, contract with entities or individuals such as banks, accountants, lawyers, and other vendors of goods and/or services to assist in accomplishing its administrative tasks.

(f) The LFCC will notify a federation if it is determined that the federation does not meet the eligibility requirements of this section. A federation may appeal an adverse eligibility decision in accordance with § 950.205.

(g) The Director may waive any eligibility criteria for federation status if it

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is determined that such a waiver will be in the best interest of the CFC.

[60 FR 57890, Nov. 24, 1995, as amended at 71 FR 67287, Nov. 20, 2006]

§ 950.304 Responsibilities of local federations.

(a) Local federations must ensure that only those member organizations that comply with all eligibility requirements included in these regulations are certified for participation in the CFC.

(b) If the LFCC requests information supporting a certification of local eligibility, that information shall be furnished promptly. Failure to furnish such information within 10 business days of the receipt of the request constitutes grounds for the denial of local eligibility.

(c) Each federation, as fiscal agent for its member organizations, must ensure that Federal employee designations are honored in that each member organization receives its proportionate share of receipts based on the results of each individual campaign. The proportionate share of receipts is determined by donor designations to the individual member organization as compared to total campaign designations.

[60 FR 57890, Nov. 24, 1995, as amended at 71 FR 67288, Nov. 20, 2006]

Subpart D—Campaign Information

§ 950.401 Campaign and publicity information.

(a) The specific campaign and publicity information, such as the official Charity List, will be developed locally, except as specified in these regulations. All information must be reviewed by the LFCC for compliance with these regulations and will be developed and supplied by the PCFO. All publicity information must have the approval of the LFCC before being used. Federations must notify the PCFO in writing of their desire to participate in the development of campaign and publicity information. The PCFO must respond in a timely manner to a federation's request to participate in the development of campaign and publicity information. Federations must also respond in a timely fashion

in the development of campaign and publicity information.

(b) During the CFC solicitation period, participating CFC organizations may distribute bona fide educational information describing its services or programs. The organization must be granted permission by the Federal agency installation head, or designee to distribute the material. CFC Coordinators, Keyworkers or members of the LFCC, are not authorized to grant permission for the distribution of such information. If one organization is granted permission to distribute educational information, then the Federal agency installation head must allow any other requesting CFC organization to distribute educational information.

(c) Organizations and federations are encouraged to publicize their activities outside Federal facilities and to broadcast messages aimed at Federal employees in an attempt to solicit their contributions through the media and other outlets.

(d) Agency Heads are further authorized to permit the distribution by organizations of promotional information to Federal personnel in public areas of Federal workplaces in connection with the CFC, provided that the manner of distribution accords equal treatment to all charitable organizations furnishing such information for local use, and further provided that no such distribution shall utilize Federal personnel on official duty or interfere with Federal government activities. LFCC members and other campaign personnel are to be particularly aware of the prohibition of assisting any charitable organization or federated group in distributing any type of literature, especially during the campaign period. Nothing in this section shall be construed to require an LFCC to distribute or arrange for the distribution of any material other than the Campaign Charity List and the pledge form.

(e) The Campaign Charity List and pledge form is the official source of CFC information and shall be made available either in hard copy or electronic format to all potential contributors. All CFC Charity Lists must inform employees of their right to make