

STATE OF WASHINGTON
EMPLOYMENT SECURITY DEPARTMENT
POLICIES AND PROCEDURES

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SUBJECT: Fund-Raising for Charitable Purposes

PURPOSE: To provide guidance in conducting fund-raising activities or events.

POLICY: At various times during the year, particularly during holiday seasons, employees may wish to raise funds for various charitable purposes. Employment Security Department supports these efforts. Employee's fund-raising activities for charitable purposes must meet both legal and ethical guidelines. In using state resources, the following must be considered:

- The activity must be organizationally supported;
- Be of negligible cost;
- Not interfere with the performance of official business of the agency;
- Not violate the state's **Ethics in Public Service** law (RCW Chapter 42.52); and
- Not undermine public trust and confidence.

Gambling, in any form including raffles, drawings, lotteries and sports pools in which profits are generated to support charitable activity(s), is prohibited. (Exclusion: The contents of this document do not pertain to formally organized employee organizations registered with the Secretary of State as a Washington State nonprofit corporation. These organizations may conduct such gambling functions as outlined in RCWs 9.46.010, 9.46.020 and 9.46.030, providing proper clearances are obtained in advance from the State Gambling Commission.)

The following is a list of some ideas that are legally and ethically appropriate for fund-raising purposes – this list is not all-inclusive:

- Games of skill where participants pay an entry fee and the winner is awarded a prize;
- Sale of crafts, i.e., sewing, ceramics, paintings;
- Sale of cooking, i.e., cakes, cookies, candy;
- Silent auctions of donated merchandise;
- White elephant sales;
- Direct cash or merchandise contributions; and
- Car washing.

Washington's **Ethics in Public Service** law RCW 42.52.140 strictly prohibits the solicitation by state employees of external businesses or organizations. ESD employees must be particularly mindful of this guidance as the department has a regulatory relationship with most businesses in the state as defined in RCW 42.52.150(4).

For example, an ESD employee goes to a local florist requesting an arrangement or gift certificate that could be used in a silent auction as part of the fund-raising events to support Adopt-a-Family. Soliciting the floral donation is an inappropriate activity, regardless of the intended purpose. However, the employee could purchase the floral arrangement or gift certificate, at fair market value, and donate it to the silent auction.

The Executive Ethics Board has reviewed and approved this policy per RCW 42.52.360 (4) in formal session on April 20, 2001. The Executive Ethics Board adopted rules in WAC 292-110-010, as well as, the state's **Ethics in Public Service** law (RCW Chapter 42.52) which provided direction for the guidance given in this fund-raising policy.

APPROVED
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PROCEDURES: Employees planning to conduct a fund-raising activity(s) for charitable purposes must *first* provide a written description of the proposed activity(s) for the approval of the local Leadership. Local Leadership is accountable for all ESD employee fund-raising activities conducted within his or her jurisdiction.

Local Leadership is responsible for:

1. Reviewing, and evaluating the fund-raising request to ensure compliance with this policy;
 - A. Recipients of the fund-raising effort(s):
 - (1) **If an organization is selected as a recipient of the fund-raising activity**, the organization must be organized and operated exclusively for one or more of the purposes set forth in § 501(c)(3) and none of the earnings of the organization may inure to any private shareholder or individual. In addition, it may not attempt to influence legislation as a substantial part of its activities and it may not participate at all in campaign activity for or against political candidates. Further: The exempt purposes set forth in § 501(c)(3) are charitable, religious, educational, scientific, literary, testing for public safety, fostering national or international amateur sports competition, and the prevention of cruelty to children or animals. The term charitable is used in its generally accepted legal sense and includes:
 - (a) Relief of the poor, the distressed, or the underprivileged;
 - (b) Advancement of religion;
 - (c) Advancement of education or science;
 - (d) Erection or maintenance of public buildings,
 - (e) Monuments, or works;
 - (f) Lessening the burdens of government;
 - (g) Lessening of neighborhood tensions;
 - (h) Elimination of prejudice and discrimination;
 - (i) Defense of human and civil rights secured by law; and
 - (j) Combating community deterioration and juvenile delinquency.
 - (2) **If a family is chosen as a recipient**, referral from a recognized service provider helps eliminate any issues that might suggest special interest or privilege.
2. Agreeing upon the amount of state resources, such as time, equipment, facilities, etc., that *might* be used. (As stewards of the state's resources, it is important to remember that Washington created the Combined Fund Drive to consolidate charitable solicitations into one annual campaign that gives state employees an opportunity to contribute directly to the charity of their choice.);
3. Providing a written response to the requestor indicating organizational approval or disapproval;

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4. Providing a written description of the approved activity(s) to the Director of the Office of Staff Development Services, Administrative Services Division for review on compliance with RCW Chapter 42.52. *Written concurrence from that Office must be received prior to posting notices or beginning any activities related to fund-raising.*
5. Maintaining a log containing all employee fund-raising proposal requests and reviewed activities.

SUPERSEDES: 0019 Fund Raising for Charitable Purposes (6/8/99)

DIRECT INQUIRIES TO: Director, Office of Staff Development Services, Administrative Services Division (360) 407-5217.

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Executive Ethics Board

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