

PERSONNEL CABINET
(New Administrative Regulation)

101 KAR 6:020. Kentucky Employees Charitable Campaign.

RELATES TO: KRS 15.905, 15.935, 41.400, 26 U.S.C. 501(c)(3)

STATUTORY AUTHORITY: KRS 18A.030, 18A.110, 2022 Ky. Acts ch. 75, sec. 21

NECESSITY, FUNCTION, AND CONFORMITY: KRS 18A.030 and 18A.110 require the Secretary of Personnel to promulgate comprehensive administrative regulations for the classified and unclassified service. 2022 Ky. Acts ch. 75, sec. 21 requires the Personnel Cabinet to promulgate administrative regulations to require the Kentucky Employees Charitable Campaign to include the Child Victims' Trust Fund as a participating charitable organization. This administrative regulation establishes procedures and requirements for the Kentucky Employees Charitable Campaign.

Section 1. Definitions.

- (1) "Charitable federation" means a legally constituted grouping, made up of or supporting at least ten (10) health and human welfare organizations, all of which:
 - (a) Qualify as exempt voluntary charitable organizations pursuant to 26 U.S.C. 501(c)(3); and
 - (b) Have a substantial Kentucky presence.
- (2) "Child Victims' Trust Fund" means the fund established by KRS 41.400 and administered in accordance with KRS 15.935 by the State Child Abuse and Neglect Prevention Board established by KRS 15.905.
- (3) "Designated nonprofit agency" means an organization with proof of tax-exempt status pursuant to 26 U.S.C. 501(c)(3) written in on a pledge card by a state employee as a choice to receive contributions.
- (4) "State employee" means a person, including an elected public official, who is employed by a department, board, agency, or branch of state government, except one (1) relating to a state college or university.
- (5) "Substantial Kentucky presence" means a facility, staffed by professionals or volunteers, available to provide its services and open at least fifteen (15) hours a week and with a regional or statewide presence that meets the requirements of Section 2(2) of this administrative regulation.

Section 2. Requirements for the Kentucky Employees Charitable Campaign.

- (1) General Purpose. The purpose of the Kentucky Employees Charitable Campaign shall be to:
 - (a) Provide an opportunity for employees to contribute to eligible Kentucky organizations through the state's payroll deduction process;
 - (b) Ensure accountability for participants in regard to the funds raised;
 - (c) Encourage the involvement of state employees as responsible citizens;
 - (d) Give recognition to state employee volunteers; and
 - (e) Minimize workplace disruption and administrative costs to Kentucky taxpayers by allowing only one (1) statewide payroll deduction charitable solicitation per year.
- (2) An organization shall be considered to have a substantial Kentucky presence if the requirements established in this subsection are met.
 - (a) Services shall be available to state employees in the local community.
 - (b) Services shall directly benefit human beings whether children, youth, adults, the aged, the ill and infirm, or the mentally or physically disabled.
 - (c) Services shall consist of:
 1. Care, research, education, or prevention in the fields of human health or social adjustment and rehabilitation;

2. Relief for victims of natural disasters and other emergencies; or
 3. Assistance to those who are impoverished and in need of food, shelter, clothing, and basic human welfare services.
- (3) The secretary shall approve a charitable organization for participation in the campaign if the charitable organization demonstrates:
- (a) Proof of tax exempt status pursuant to 26 U.S.C. 501(c)(3);
 - (b) Proof of current registration and compliance with the reporting requirements of the Secretary of State and the Office of the Attorney General;
 - (c) Proof of financial responsibility, including:
 1. Adoption of a detailed annual budget;
 2. Use of generally accepted accounting principles and procedures;
 3. The board of directors' approval for deviations from the approved budget; and
 4. An annual financial audit;
 - (d) Proof of direction by an active volunteer board of directors, which shall meet regularly and whose members shall serve without compensation;
 - (e) A written nondiscrimination policy;
 - (f) Public disclosure of fundraising administrative costs with a statement demonstrating that, if fund and administrative expenses are in excess of twenty-five (25) percent of total support and revenue, actual expenses for those purposes are reasonable under all the circumstances in its case; and
 - (g) Publication of an annual report available to the general public, which includes a full description of the organization's Kentucky activities including fundraising activities.
- (4) Nothing in subsections (2) or (3) of this section shall prevent the Child Victims' Trust Fund from being eligible to participate in the Kentucky Employees Charitable Campaign as a charitable organization.
- (5) A charitable federation may apply on behalf of all their member organizations if both the federation and all federation members meet the criteria established in subsection (3) of this section.
- (6) Authority of the Secretary of Personnel.
- (a) The Secretary of Personnel shall have the full authority over the procedures and policies relating to the operation of the Kentucky Employees Charitable Campaign.
 - (b) The secretary shall designate a group of state employees to compose the Kentucky Employees Charitable Campaign Committee to make recommendations on related matters.
 - (c) The committee shall be composed of a cross-section of state employees, involving the large cabinets and small agencies.
 - (d) The chair of the committee shall be appointed by the secretary.
- (7) Functions of the committee. The committee shall make recommendations on:
- (a) The designation of a campaign administrator who shall:
 1. Serve for a minimum period of two (2) years; and
 2. Be charged to manage and administer the charitable fund campaign for the Commonwealth, subject to the direction and control of the Secretary of Personnel. The campaign administrator shall have statewide workplace campaign experience and have the necessary staff and volunteer support to administer the Kentucky Employees Charitable Campaign;
 - (b) The establishment of the minimum amount, based on cost effectiveness, that an employee may authorize to be deducted for each approved charitable federation;
 - (c) The format of the brochure, pledge card, or other promotional materials for the annual campaign;
 - (d) The dates and duration of the campaign;
 - (e) The annual campaign budget submitted by the campaign administrator; and
 - (f) The costs of the campaign, which shall be:

1. Detailed in the budget; and
 2. Borne by each recipient organization proportionally.
- (8) Charitable federations to apply for statewide campaign.
- (a) A federation desiring inclusion shall apply by February 15 of each year.
 - (b) A federation that has previously participated in the campaign shall update its application with a letter and a copy of the most recent year's audit.
 - (c) A charitable organization that has previously participated in the campaign shall be eligible if it fulfills all conditions of eligibility.
- (9) The campaign administrator. The campaign administrator shall:
- (a) Provide staffing to manage and administer the annual campaign, which includes preparing drafts of campaign materials for consideration by the Secretary of Personnel;
 - (b) Serve as the central accounting point for both campaign cash and for payroll deductions received from the Personnel Cabinet including:
 1. The preparation and submission of an annual campaign budget. Costs of the campaign shall be divided among recipient organizations; and
 2. A separate account maintained for managing the income and expenses of the campaign;
 - (c) Distribute campaign funds received from the Personnel Cabinet to participating organizations in accordance with agreed upon time periods. This shall include distribution of funds to designated nonprofit agencies;
 - (d) Provide an end-of-campaign report to the Secretary of Personnel and to participating organizations; and
 - (e) Annually furnish a financial statement prepared by a certified public accountant.

GERINA D. WHETHERS, Secretary

APPROVED BY AGENCY: April 11, 2022

FILED WITH LRC: April 15, 2022 at 9:25 a.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall be held on June 21, 2022 at 10:00 a.m. at 501 High Street, 3rd floor, Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency in writing five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until 11:59 p.m. on June 30, 2022. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

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