

State Employees' Community Campaign

SECC Fiscal & Campaign Services



FAQs for Charitable Organizations

1. Is the SECC the United Way campaign?

The State Employees' Community Campaign (SECC) is not the United Way. The SECC is a workplace fund raising campaign by and for Indiana State employees. It is a fund raising campaign that operates by rules developed by State employees. We, the Indiana Association of United Ways (IAUW), are a contractor which carries out SECC directives.

2. How does a charity get on the SECC list?

There is no application procedure for the SECC. State employees can contribute to any not-for-profit organization that has a 501(c)(3) ruling from the United States Internal Revenue Service. When a state employee makes a contribution to a charity that does not already have a SECC code number, we verify that it has a 501(c)(3) ruling from the IRS, and, assuming it does, we assign a code number. That charity will then appear on the searchable list of charities on the SECC web site (www.insecc.org). There is no printed list of charities that have an SECC code.

3. Who pays for the cost of the SECC?

The charities that benefit from contributions through the SECC support its cost. The State allows state employees to use the State's payroll system to contribute to charity, but no public or State money is used to support the operation of the SECC. We pay all the SECC costs we incur out of our own funds first and then we are allowed to recover the costs of carrying out our responsibilities. Our contract with the state specifies everything we must do and when we must do it.

4. Do the charities get any percentage of undesignated dollars? Who decides the distribution of undesignated dollars?

There are no undesignated dollars in the SECC. Under the State's rules, all contributions must be directed to a charity of the employee's choosing. State employee *must* specify where they want their contributions to go.

5. To how many charities can a State employee contribute?

There is no limit.

6. Is there a minimum contribution amount?

Yes, under the SECC rules, the minimum payroll deduction pledge is \$1 per pay, per charity or \$26 dollars annually. The minimum cash (one-time) contribution is \$5 per charity.

7. If a State employee makes a payroll deduction pledge in the Fall, when will withholding start?

Withholding starts with the first payroll in the following year.

8. When are charities notified of their contributions and how are they paid?

We notify charities of the contributions they can expect to receive, along with a list of donors, after the current year's campaign closes. We do this before January 15 of the following year. Our contract with the State specifies that we make distributions following the end of each calendar quarter throughout the year during which withholding is occurring. We make disbursements in April, July, and October; the final disbursement is made the following February. We deduct your share of the SECC administrative cost (7.34%) from the first check. To the last disbursement we add your share of interest income earned on banked SECC monies.

To keep the cost of the SECC as low as possible, we do not cut checks for less than \$25 except for the final disbursement when all remaining amounts are paid.

9. Is a donor breakdown provided with payment checks?

If you request a breakdown of your check and provide us with your internet email address, we will email you a breakdown with the cumulative amount paid out for each donor.

10. What is the best way to track and account for a workplace giving campaign like the SECC?

The best way to account for a workplace campaign is as follows: In your fund-raising system you should create an account for SECC contributions in which you post the full amount of the pledge we report to you. Then create memo-accounts or soft-accounts for the individuals and affiliate them to the SECC account. You then post payments to the SECC account, not the individuals. You use the memo- or soft-accounts to send the donor a thank you for the full amount of her/his gift. For the general ledger, you credit an income account called SECC Contributions for the full pledge and debit an asset account called Pledges Receivable. Then set-up contra-revenue accounts for the administrative fee and estimated collection loss. As payments are received, you debit Cash and credit Pledges Receivable. At year end, you write-off uncollected balances.

11. How do I receipt donors?

You should not send donors a contribution receipt for tax purposes. A donor may have made contributions to several different charitable organizations through the SECC, either by payroll deduction or by cash/check. You only know about the portion of the contribution to your organization. We have the information and the documentation donors need for their total charitable gifts through the SECC. As Fiscal Agent, we issue tax receipts when appropriate. If you receipt them they will have two tax receipts for one contribution. So, we ask you to thank donors, but not receipt them.

12. How do employees get thanked?

You should thank donors and credit them for the full amount of their contribution **as soon as we notify you** that they have made a **pledge** to your organization. On the SECC pledge form there is a box the donor can check to request acknowledgment from the charities to which she or he contributes. By checking that box, the employee authorizes us to release their name and address to you so that you may send the donor a thank-you letter. Again, please note that a thank-you letter is not a contribution receipt for IRS tax purposes.

Please do not send thank-you letters or cash receipts to the SECC Fiscal Agent. We are not the donor, we are a pledge processor. Please do keep us informed if your mailing address changes.

13. How do I contact the SECC if I have further questions?

You may contact us by email, phone or letter at:

SECC Fiscal/Campaign Services

IaUW

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