



CFC Times

Issue Three – January 2007

Lincoln/Lancaster County Combined Federal Campaign Newsletter

Website: www.cfclincoln.org

WELCOME!

Welcome to another issue of CFC Times! This newsletter is designed to share information about the Combined Federal Campaign (CFC) with Federal employees in Lincoln and Lancaster County and is written by Federal employees serving on your local CFC committee. We would love to hear what you think about your Combined Federal Campaign. We are especially interested in hearing from those of you whose lives may have been directly affected by the generosity of Federal employees contributing through CFC. Please let us know if you have a story to share! Comments and suggestions for the newsletter may be e-mailed to the newsletter coordinator at Beverly J McGhghy@dhs.gov.

THANK YOU TO ALL EMPLOYEES FOR A SUCCESSFUL 2006 CAMPAIGN

The grand total raised by federal government employees in the Lincoln/Lancaster campaign area is \$182,047.46. Wow! This is an increase over last year. This will certainly help the receiving charities. Thank you all for your contributions.

**The Lincoln and Lancaster County CFC received an award at the 83rd Annual Meeting of United Way of Lincoln and Lancaster County for being #7 in the Top 10 Supporters for 2006.
*CONGRATULATIONS!***

COMBINED FEDERAL CAMPAIGN 2006 FINALE CELEBRATION

The CFC Finale Celebration will be held: **January 24, 2007**
8:00 a.m.-9:30 a.m.
VA Medical Center
600 South 70th Street
Lincoln, NE

All Directors, LFCC Members, Key Workers, and Friends of the CFC are invited to attend. A light breakfast buffet will be available. Please RSVP by January 19th to Milt Schmidt with your name and any others from your agency who will be attending. Milt can be reached at:

Telephone: 402/441-6167
Fax: 402-441-6088
E-mail: mschmidt@unitedwaylincoln.org

WELCOME TO THE 2007 LFCC

Look forward to hearing more from Susan Lewis, Social Security Administration. Susan has agreed to be the LFCC 2007 Campaign Chairperson.

2007 Officers: Linda Kruger, President (NRCS, NSSC)
Christy Funcke, Vice President (U.S. Postal Service)
Evelyn Martin, Secretary (U.S. Citizenship & Immigration Services)

STATEMENT REGARDING NBC “FLEECING OF AMERICA” PROGRAM

The Office of Personnel Management is concerned that the NBC “fleecing of America” story on the CFC which aired in November 2006 and feels unfair and undue attention was given to charities which are the exception rather than the rule. The CFC is the world’s largest and most successful annual workplace charity campaign, with more than \$260 million in pledges in 2005. Of the more than 22,000 charities which participate in the CFC, only slightly more than 100 (less than one percent) have been cited for not documenting their tax status and have been suspended from the program. OPM has and will continue to make every effort to screen charities so that Federal employees can continue to have confidence in the CFC. OPM will reinstate these charities if they submit proof they have reestablished tax exempt status with the IRS under Section 501(c)(3).

In the meantime, OPM is working with the IRS to establish a more efficient process of ensuring participating charities are indeed tax exempt, and OPM has adopted GAO recommendations for the current campaign. Federal law, however, does not allow OPM to screen charities for federal tax compliance.

NEW GUIDELINES FOR PAYROLL DEDUCTION CONTRIBUTIONS TO CHARITIES

The Internal Revenue Service has announced new guidelines for the substantiation of donations to charities made through payroll deductions.

Starting in 2007, employees who give via payroll deduction will need:

- 1) A copy of their pledge card to prove which charities got their money
- 2) Their year-end pay stub that shows the total amount which was withheld to claim the gift as a deduction on their taxes.

Employees should keep the pink or employee copy of their pledge card when filing their taxes in 2007. Copies of the pledge card can be obtained from your LFCC.

The Pension Act of 2006 offers changes to the documentation required for an individual and the documentation they must maintain to prove gifts to non-profits. This becomes effective in tax year 2007. Therefore, those who make cash gifts of \$250 or more, during the current campaigns, will get the tax letters as appropriate and that is all that is required. Those making gifts under \$250 are not required to have the letters, but in all good record keeping, should be able to prove such a gift by cancelled check, receipt, etc. Not for profits are not required to acknowledge gifts under \$250 for the remainder of 2006. Many organizations often send thank-you letters to their donors, but they are not required to do so.

The changes occur in 2007, and these are as follows – it is incumbent upon the taxpayer to maintain proper documentation for ALL gifts. Thus, any funds received after January 1, which are claimable in the 2007 tax year – they must have proper documentation. Their pay stub, in conjunction with their pledge card will satisfy this requirement. The pledge card alone will not – as this does not prove the money was withheld from the paycheck.

The new rules apply for contributions made next year, not this year. Employees do not have to obtain copies of 2006 pledge cards.

Please understand the LFCC is posting this in an attempt to help donors understand the new requirements, but we **strongly** suggest that they consult with their tax advisors if they have any specific questions regarding the new IRS rules. The LFCC does not employ tax accountants or tax lawyers and therefore cannot be held responsible if some of this information is not accurate.

The above is from IRS Issue Notice 2006-110, and can be viewed at <http://www.irs.gov/newsroom/article/0,,id=164630,00.html>