



CFC MEMORANDUM 2018-09

October 26, 2018

TO: CFC-PARTICIPATING FEDERATIONS AND CHARITABLE ORGANIZATIONS

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SUBJECT: CFC APPLICATION STANDARDS: AREAS OF SERVICE

OPM's Office of CFC continues to observe a number of issues with the quality of the Areas of Service requirement (formerly known as the Attachment A) of the CFC application for Independent Organizations and Members of Federations. Failure to meet the Areas of Service requirement is a reason for the CFC application to be denied. The purpose of this memo is to provide guidance to charities on how to complete the Areas of Service and what constitutes as acceptable documentation of the organization's real services, benefits, assistance and other program activities delivered locally, nationally and/or internationally.

Background

Per CFC regulations at 5 CFR §950.201(2)(c)(1), only applicants that are submitting a full application are required to complete the Areas of Service on Step 4 and the Financial Statements on Step 7 of the CFC Application for Independent Organizations and Members of Federations. An organization is required to submit a full application once in a three year period and a verification application that consists of all certification statements and an IRS Form 990, or pro forma IRS Form 990, in the subsequent years. An organization that did not apply or was not approved for participation in the preceding campaign must submit a full application. On Step 4 of the full CFC application, the Areas of Service consists of a certification statement and a schedule listing a description of the real services, benefits, assistance, or program activities the organization provided either locally, nationally and/or internationally. Charities may choose to apply as a National/International, International or Local organization.

Per CFC regulations at 5 CFR §950.202(a)(1), a National/International or International organization must certify that it provides or conducts real services, benefits, assistance, or program activities in at least 15 different states and/or one foreign country over the three calendar year period immediately preceding January 1 of the campaign application year. It is not expected that National/International and International organizations maintain an office in each state or foreign country; however, the Areas of Service must show that the charity carried out its

mission in the states and/or countries that it is claiming that it served. For example, an applicant wishing to be listed as a National/International organization in the 2019 CFC Charity List must show that it provided services in at least 15 states and/or one foreign country during the calendar year period from 2016-2018. Similarly, an International organization must show that it provided services in at least one foreign country during that same period. Services do not need to be provided in each calendar year, however, the applicant must show that it provided eligible services in at least one state or country in the calendar year preceding the application year (e.g. for calendar year 2019, the organization must document the services it provided in 2018).

A Local organization must certify that it has a substantial local presence in the geographic area covered by the zone to which it submits its CFC application. Local organizations are not required to have provided services in at least 15 states and/or a foreign country over the prior 3 years but must document the services it provided in the calendar year immediately preceding the application year. For example, an organization wishing to be listed in the 2019 Northern California CFC Charity List must show the eligible services that it provided in 2018 in that area. Services provided in other CFC Zones and/or in a year that does not immediately precede the application year (pre-2018) would not meet CFC requirements. OPM will only consider entries for the most recent year for Local organizations. Only National/International and International organizations are allowed up to three years to document the real services, benefits, assistance, or program activities provided.

Completing the Areas of Service

On Step 4, the charity will first be prompted to complete a certification statement based on its organization type. Once the organization has completed the certification by checking the box next to the statement, the charity will be able to start an entry by clicking on the “Add Areas of Service” button. Each entry to document services, benefits, assistance, or program activities is called an Areas of Service. If the organization provided multiple services in the same calendar year and geographic area, it should enter a new Areas of Service for each activity. Charities are not restricted on the number of entries that can be provided on this step, however, one could say there is a minimum number of entries that should be provided based on the applicant’s organization type.

A Local organization should have at least one entry for its Areas of Service. For a National/International organization, there should be at least 15 entries if meeting the requirement with U.S. States or one entry if reporting on the foreign countries it served. An International organization should have at least one entry for a foreign country. OPM encourages charities to submit more than the minimum number of entries to avoid falling below the threshold if an Areas of Service is disqualified because it did not meet CFC requirements. Multiple Areas of Services cannot be used to continue a description of one activity in order to avoid the 256 characters limit.

On the Areas of Service form, Local organizations are required to either confirm or enter its service address, hours of operation, and its dedicated phone number. Once this required information is provided, it can complete its Schedule of Services for the most recent year preceding the application year. Although Local organizations will see an option to complete the Schedule of Services for up to three years, only the services, benefits, assistance, or program activities provided in the most recent year will be considered by OPM. For each service description, the charity must report the number of beneficiaries that received the service and/or the monetary value of the services.

After a National/International and International organization clicks “Add Areas of Service”, it will be prompted to enter the country where the service, benefit, assistance, or program activity was provided. If “United States” is selected, the charity will then be prompted to select the State. Once the “State/Country of Service Area” has been selected, the “Organization’s Dedicated Phone Number” must be entered. Next, the charity will be able to begin to enter its Schedule of Services by reporting how it delivered its mission in that geographic area for the most recent three years preceding the application year. For each service description, the charity must report the number of beneficiaries that received the service and/or the monetary value of the services.

The most challenging part of the Areas of Service requirement is completing the Schedule of Services. The remaining part of this memo will go into depth on qualifying and non-qualifying Schedule of Services.

The Schedule of Services

Each activity included in the applicant’s schedule of services will be evaluated on a case-by-case basis. A variety of factors will be considered, including but not limited to those set forth below. The factors set forth are not intended to be exhaustive, and organizations are encouraged to demonstrate their delivery of services in any manner that is appropriate and that will allow OPM to accurately determine that real services, benefits, assistance, or program activities were provided or conducted in particular geographic areas (local, states or countries) and on particular dates.

OPM recommends the schedule of each organization include the elements listed below:

HOW	Describe how the services were provided or conducted.
WHO	Specify the recipient(s) of the services, benefits, assistance or program activity. Indicate type of individuals, target population or organizations that received the services or benefits. If the services are provided by the applicant's chapter/affiliate or another entity, such as a support group, the schedule must describe the applicant's role in the delivery of the service.
WHAT	Describe the services, benefits, assistance or program activity provided or conducted with detail and specificity. Include the quantity, value, scope and impact of the services or benefits.

WHERE	Indicate the city and state, or specific location(s) within the foreign country(ies) where services or benefits were provided. For scholarships and grants, the location of the service or benefit is the beneficiary's residence. For memorials, museums, and public recreation facilities, the location of the service or benefit is the location of the facility or its programs or activities.
WHEN	Provide the dates on which the services or benefits were provided or conducted within the three year period immediately prior to the application year (National/International and International organizations) and in the calendar year immediately preceding the application year (Local organizations). Events that continue or recur should include year and frequency with which they were provided or conducted (e.g. Service X monthly from June 2016 - December 2016 and bimonthly from May 2018 to December 2018).

Applicants should avoid describing services or benefits in the manner listed below, as these common pitfalls make it more difficult for reviewers to determine that services or benefits were provided in a local area, state or country in a given year. In each scenario, there is an example of a non-qualifying service description and one re-worked example (if applicable) that would be acceptable.

	Non-Qualifying Example	Qualifying Example and/or Explanation of How to Correct
<p>Broad descriptions of services do not provide sufficient details to allow OPM to adequately determine that real services or benefits were provided.</p> <p>Each service, activity or benefit should clearly be described in a separate Areas of Service entry.</p>	<p>Listing out services, programs or benefits: “healthcare, tutoring, scholarships, and food bank, etc”.</p> <p>Charity Central held a Family Day attended by local physicians.</p>	<p>Training on diabetes management was provided to diabetics with limited access to health food stores. (No. of Beneficiaries: 310) Low-income high school students received free SAT tutoring. (No. of Beneficiaries: 75)</p> <p>The community food bank served residents in need by providing 2,000 pounds of food. (Monetary Value: \$150,000)</p> <p>Local physicians volunteered at Charity Central’s Family Day to provide free health screenings to San Francisco residents. No. of Beneficiaries: 500.</p>

	Non-Qualifying Example	Qualifying Example and/or Explanation of How to Correct
OPM will not accept repetitive service descriptions with or without differing numbers of beneficiaries served and/or monetary value of the services.	Providing the same service description for each geographic area.	Each service description on the Areas of Services should use differing verbiage to describe the organization’s services, activities and benefits. The number of beneficiaries and/or value of the services should also be unique for each service description.
Applicants should avoid using mission statements and/or describing the services “offered” and/or “available” because it does describe actual services or benefits. Service descriptions should report on the activities that were “provided, received, conducted, awarded and/or delivered”.	Our mission is to help residents live fully successful lives by providing family counseling and money management skills. The organization offers medical support to residents suffering from chronic illnesses.	Family counseling on healthy eating habits, financial planning and positive parenting was provided to 10 families. (No. of Beneficiaries: 10) Residents suffering from chronic illnesses received primary care from the Community Health Center’s Nurse Practitioners. (No. of Beneficiaries: 1,500)
Claiming fundraising activity as a service or benefit. Organizations cannot claim fundraising activities and events because it does not identify an eligible service, benefit, assistance or program activity.	XYZ Institute conducted a fundraiser at the Portland Independence Day celebration that raised \$22,000. 250 individuals contributed.	The organization can report on how it used the money that it raised (e.g. “XYZ Institute provided transitional housing and counseling services to 45 domestic abuse survivors. Monetary value \$22,000”).

	Non-Qualifying Example	Qualifying Example and/or Explanation of How to Correct
Publications or other documents in lieu of a schedule detailing the services, benefits and activities are not acceptable.	Since Step 4 only allows the organization to enter information and not attach documents, this issue is normally seen during the Appeals process. In a few instances, organizations have used the steps where documents can be attached to submit non-responsive information for the Areas of Service. OPM will not accept a program brochure, annual report, information sheet, and/or list of services, etc. to meet the Areas of Service requirement. Organizations must submit the information in the required OPM format.	Areas of Service includes the location, service description, year, number of beneficiaries and/or monetary value of the services.
The provision of services solely via telephone or other electronic methods is not acceptable unless the service is emergency in nature such as a suicide prevention hotline. This includes distributing mass-produced information (e.g. brochures, websites, or other publications) via the Internet or US Postal Service.	Provided brochures on heart disease at various community events.	On 8/17, our outreach educators attended the county fair and educated participants on heart disease prevention and treatment and provided education brochures. (No. of Beneficiaries: 3,500)
Location of residence of organization members or location of residence of visitors to a facility does not substantiate provision of services.	The Charity Museum, based in Philadelphia, recorded 300 visitors from the Seattle area in 2016.	This is not acceptable because in this example, the museum provided a service in Pennsylvania, where the facility is located. The fact that visitors to the Pennsylvania museum came from Washington does not mean that the museum's services were provided in the state of Washington.

	Non-Qualifying Example	Qualifying Example and/or Explanation of How to Correct
<p>Schedules that describe activities conducted by an entity other than the applicant, such as a chapter or a support group, must include information documenting the applicant's role in the delivery of the service. Details may include items such as whether the chapter is funded by the applicant or how the applicant assisted in the delivery of the service. Applications that fail to include a description of how the applicant itself provides service may result in a denial.</p> <p>For example, if organization A has provided a monetary grant to organization B, OPM will not accept services and benefits provided by organization B as a demonstration of organization A's services or benefits.</p>	<p>ABC Charity's Colorado chapter held a workshop for local families interested in learning more about ABC's research programs.</p> <p>Our grant award to Dr. Michael Brown's research study impacted 100 Alzheimer patients by providing promising alternatives to drug treatment.</p>	<p>This is not acceptable because this description shows only the activities of a local chapter or affiliate. In this case, the national applicant needs to show how it provides financial support, technical advice, or other services to the local chapter.</p> <p>A \$10,000 grant award to Dr. Michael Brown advanced Alzheimer treatment by providing promising non-drug alternatives to combat the disease.</p>
<p>State that an activity was provided in numerous states, throughout the United States, nationwide or worldwide.</p>	<p>We provided legal advocacy to all juvenile offenders in the United States.</p>	<p>The Areas of Service must list each geographic area that the service, activity or program occurred without being repetitive.</p>
<p>Counting each individual member of a family as a beneficiary.</p>	<p>We delivered Thanksgiving baskets to 8 homes which fed 30 individuals.</p>	<p>We delivered Thanksgiving baskets to 8 homes which fed 4 families.</p>
<p>Counting animals as beneficiaries</p>	<p>We neutered 110 cats and 81 dogs.</p>	<p>We neutered cats and dogs which alleviated the stray animal problem in Bangor, ME. Monetary value: \$45,000</p>

	Non-Qualifying Example	Qualifying Example and/or Explanation of How to Correct
<p>An organization's role in providing information to the media, such as authorship of an article for a newspaper, magazine, or journal, or serving as an interviewee or reference for a television news program, or the authorship of a book, does not in itself constitute a real service for CFC purposes.</p> <p>The production and/or distribution of information, such as a report based on research, surveys conducted by the applicant organization, or publication of a policy position paper, does not, in itself, constitute an eligible service. The production and/or distribution of information, such as a report based on research, surveys conducted by the applicant organization, or publication of a policy position paper, does not, in itself, constitute an eligible service.</p>	<p>The LMNOP Society held its annual advocacy day and provided talking points to the media.</p>	<p>With regard to media-related activities, research, and reports, the applicant must describe the manner in which beneficiaries requested or used the document or information in order to establish the provision of a real service, benefit, assistance, or program activity.</p> <p>The LMNOP Society held its annual advocacy day and provided talking points to 30 volunteers on how to advocate to state legislators for increased medical research funding. The initiative resulted in a co-sponsored funding bill.</p>
<p>Statements such as "since inception," "ongoing," "2016 to present," "fiscal year 2017", or "2016-2018," that do not indicate the frequency with which the particular service or benefit was provided do not sufficiently specify when the activity occurred. Services must be reported based on a calendar year.</p>	<p>In fiscal year 2017, we provided SAT prep to 200 high school students.</p>	<p>From March- May 2017, we provided SAT prep to 200 high school students.</p>

	Non-Qualifying Example	Qualifying Example and/or Explanation of How to Correct
Services, benefits, assistance, or other program activities will be determined to be de minimis if, in the sole discretion of OPM, it is determined that the number of beneficiaries of each service and/or the value of the financial assistance had minimal impact in the state or country in a given year.	One beneficiary served in Germany in each year during a 3-year period.	Five military families stationed in Germany received free day care services in 2018. Three military families stationed in Germany received counseling on financial planning and budgeting in 2016.

Web-based services

Real services for web-based service organizations may be considered if the organization provides service logs or other records indicating the geographic distribution of users in each state. The organization must demonstrate the scope of services received by users over the applicable time frame. Reports that reflect only the number of hits or visits to a website are not sufficient to establish the provision of real services. In addition, two of the three following types of information must be provided to demonstrate the provision of real services, benefits, assistance, or program activities:

1. Evidence that recipients, including members of the general public, dues paying members or affiliate organizations, have registered for use of the website;
2. Summary reports that document customer feedback, through service satisfaction or utilization surveys, demonstration of two-way communications, such as an online class, or other mechanisms; and
3. Documented evidence that recipients of web-based services paid a fee for the service.

If required, OPM will contact the organization to request documentation of web-based services.

De Minimis Services, Benefits, Assistance and Program Activities

OPM, in its sole discretion, will determine whether services or benefits are "de minimis" based on whether the services, under the facts and circumstances presented, fail to constitute more than a minimal level, type or amount. Factors that OPM will consider in determining whether an organization's services, benefits, assistance or other program activities are de minimis include, but are not limited to:

- Nature and extent of the service, benefit, assistance or activity;
- Frequency, continuity, and duration;

- Value of financial assistance awarded to individuals or entities;
- Impact on, or benefit to, beneficiaries; and
- Number of beneficiaries.

Real services are non-*de minimis*; and, since a local organization is expected to provide real, non-*de minimis* services in the single calendar year immediately preceding the campaign application year, National/International and International applicants, too, should be expected to provide real, non-*de minimis* services to 15 states and/or one foreign country in at least one of the three calendar years immediately preceding the campaign.

Example of an Areas of Service

Note: There are many ways to present the information necessary to meet this eligibility requirement. Following is a sample of one format with hypothetical information provided for a National/International organization.

<u>California</u>		
2018 Service Description:	Met with California lawmakers to advocate for state funding for emergency preparedness organizations to recruit more first responders.	
Monetary Value of Benefit:	\$20,000	Number of Beneficiaries:
2017 Service Description:		
Monetary Value of Benefit:		Number of Beneficiaries:
2016 Service Description:		
Monetary Value of Services:		Number of Beneficiaries:
<u>Haiti</u>		
2018 Service Description:		
Monetary Value of Benefit:		Number of Beneficiaries:
2017 Service Description:	In October 2018, provided training the University of Port-au-Prince to first responders on how to use solar ovens during relief efforts.	
Monetary Value of Benefit:	\$15,000	Number of Beneficiaries: 95
2016 Service Description:	Disseminated educational information to residents on emergency preparedness.	
Monetary Value of Benefit:	\$500	Number of Beneficiaries:

In this scenario, the 2019 applicant sufficiently documented the services it provided to meet eligibility requirements for a National/International organization. The organization reported the services it provided in one state (California) and one foreign country (Haiti). Eligible services were provided during the three-year period in a foreign county which meets the Areas of Service requirements for a National/International organization. If the organization had only provided services in 2017 it would not have been eligible because no service was provided in the year immediately preceding (2018) the application year (2019). Fortunately, the applicant reported eligible services in a state (California) in 2018. The services that the organization provided in 2016 in Haiti is an example of de minimis services since the monetary value of the benefit was \$500.

In each entry, the organization was able to describe the services it provided while not exceeding the 256 characters limit. Service descriptions exceeding 256 characters are not allowed and applicants cannot submit multiple Areas of Services to describe one activity to get around the character count limit. The service descriptions should be limited to answering who, what, when, how and where. Avoid repeating the name of the applicant, the year the organization was founded, the name of the founder or mission statement. Doing so helps applicants stay under the 256 character limit.

Federations

Federations are not required to complete the Areas of Service requirement. The CFC regulations at 5 CFR § 950.301(c) require that federations have 15 or more charitable organizations, in addition to the federation itself, that meet the eligibility criteria of 5 CFR §§ 950.202 and 950.203. If a federation has fewer than 15 eligible member organizations as a result of withdrawals or denied applications, its eligible members will be listed as independent organizations. OPM communication and disbursements will be sent directly to the organizations.

Starting with the 2019 application year, organizations that are not approved to participate as a Federation because they do not meet the 15-member minimum will not automatically be converted to an Independent organization. If the organization wishes to be converted to an Independent organization prior to the submission of its CFC application, it will need to complete an application as an Independent organization which includes the Areas of Service requirement. If its application was reviewed and determined to be ineligible, the organization may submit an appeal, with an Areas of Service, to the Director of OPM. As an Independent organization, the applicant will need to show that it provided or conducted real services, benefits, assistance, or program activities locally, nationally or internationally, per CFC regulations at §950.202. The organization can only claim services, activities and/or benefits that it provided and not those of its member organizations.

These requirements are effective for the 2019 campaign and subsequent years until additional guidance is published. If you have any questions, please contact the Office of CFC at cfc@opm.gov.