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consultants, consulting firms, advertising agencies or similar business organizations to perform the policy-making or decision-making functions in the CFC. It may, however, contract with entities or individuals such as banks, accountants, lawyers, and other vendors of goods and/or services to assist in accomplishing its administrative tasks.

(f) The LFCC will notify a federation if it is determined that the federation does not meet the eligibility requirements of this section. A federation may appeal an adverse eligibility decision in accordance with §950.205.

(g) The Director may waive any eligibility criteria for federation status if it is determined that such a waiver will be in the best interest of the CFC.

§950.304 Responsibilities of local federations.

(a) Local federations must ensure that only those member organizations that comply with all eligibility requirements included in these regulations are certified for participation in the CFC.

(b) If the LFCC requests information supporting a certification of local eligibility, that information shall be furnished promptly. Failure to furnish such information within 10 business days of the receipt of the request constitutes grounds for the denial of local eligibility.

(c) The Director, upon recommendation by the LFCC, may elect to decertify a federation which makes a false certification for up to one campaign year, subject to the requirement that any federation that the Director proposes to decertify shall be offered the opportunity to have a hearing on the record on the proposed decertification, followed by a written decision stating the grounds for the decertification. False certifications are presumed to be deliberate. The presumption may be overcome by evidence presented at the hearing.

(d) The failure of a local federation to respond in a timely fashion to a request by the Director or the LFCC for required information or cooperation in an investigation may be grounds for decertification, provided that a decision to decertify is preceded by a hearing on the record and communicated in writing.

(e) Each federation, as fiscal agent for its member organizations, must ensure that Federal employee designations are honored in that each member organization receives its proportionate share of receipts based on the results of each individual campaign.

Subpart D—Campaign Materials

§950.401 Campaign and publicity materials.

(a) The specific campaign and publicity materials, such as the official brochure, will be developed locally, except as specified in these regulations. All materials must be reviewed by the LFCC for compliance with these regulations and will be printed and supplied by the PCFO. All publicity materials must have the approval of the LFCC before being used. Federations must notify the PCFO in writing of their desire to participate in the development of campaign and publicity materials. The PCFO must respond in a timely manner to a federation's request to participate in the development of campaign and publicity materials. Federations must also respond in a timely fashion in the development of campaign and publicity materials.

(b) During the CFC solicitation period, participating CFC organizations may distribute bona fide educational materials describing its services or programs. The organization must be granted permission by the Federal agency installation head, or designee to distribute the material. CFC Coordinators, Keyworkers or members of the LFCC, are not authorized to grant permission for the distribution of such materials. If one organization is granted permission to distribute educational materials, then the Federal agency installation head must allow any other requesting CFC organization to distribute educational materials.

(c) Organizations and federations are encouraged to publicize their activities outside Federal facilities and to broadcast messages aimed at Federal employees in an attempt to solicit their contributions through the media and other outlets.

(d) Agency Heads are further authorized to permit the distribution by organizations of promotional pamphlets to Federal personnel in public areas of Federal workplaces in connection with the CFC, provided that the manner of distribution accords equal treatment to all charitable organizations furnishing such pamphlet for local use, and further provided that no such distribution shall utilize Federal personnel on official duty or interfere with Federal government activities. LFCC members and other campaign personnel are to be particularly aware of the prohibition of assisting any charitable organization or federated group in distributing any type of literature, especially during the campaign period. Nothing in this section shall be construed to require an LFCC to distribute or arrange for the distribution of any material other than the Campaign brochure and the pledge card.

(e) The Campaign brochure and pledge card is the official CFC information package and shall be made available to all potential contributors. All CFC brochures must inform employees of their right to make a choice to contribute or not to contribute; to designate or not to designate; and to give a confidential gift in a sealed envelope.

(f) Campaign materials must constitute a simple and attractive package that has fundraising appeal and essential working information. The package should focus on the CFC without undue use of charitable organization symbols and logos or other distractions that compete for the donor's attention. Extraneous instructions concerning the routing of forms, tallying of contributor's receipt, and similar reports, which are primarily for keyworkers must be avoided.

(g) The following applies specifically to the campaign brochure:

(1) OPM will include in the annual distribution of the National List explicit instructions for the printing of the brochure and language to be printed verbatim in the introductory pages. The general information provided will include:

(i) a description of the CFC arrangement and explanation of the payroll deduction privilege.

(ii) a statement that the donor may only designate charitable organizations or federations that are listed in the brochure and that write-ins are prohibited.

(iii) instructions as to how an employee may obtain more specific information about the programs and the finances of the organizations participating in the campaign.

(iv) a description of employees' rights to pursue complaints of undue pressure or coercion in Federal fundraising activities.

(2) Following the introductory pages, the organization list will consist of three parts—the national, the international, and the local. The order of these three parts will be annually rotated in accordance with OPM instructions. In 1996 the Local part will be first followed by the National and finally the International. The national and international lists will consist of faithful reproductions of the lists of national and international organizations, including federations, provided by OPM. The third part, the local list, is determined by the LFCC. The order of listing of the federated and unaffiliated organizations within the three separate parts will be determined by random drawing. The order of organizations within each federation will be determined by the federation. The order within the national and local unaffiliated groups will be alphabetical. Absent specific instructions from OPM to the contrary, each participating organization and federated group listing must include a description, not to exceed 25 words, of their services and programs, plus a telephone number for the Federal donor to request further information about the group's services, benefits, and administrative expenses. Each listing will include a statement of the percentage of the organization's total receipts and revenues that are used for administration and fundraising. Neither the percentage of administrative and fundraising expenses, nor the telephone number count toward the 25-word statement.

(3) Each national federation and charitable organization will be assigned a code number by OPM. Local federations and local charitable organizations will be assigned code numbers

by the LFCC. At the beginning of each federated group's listing will be the federation's name, code number, 25-word statement, percentage of administrative and fundraising expenses, and telephone number. The sections of the brochure where the unaffiliated agencies are listed will begin with the titles National Unaffiliated Organizations, International Unaffiliated Organizations and Local Unaffiliated Organizations respectively.

(h) Omission of an eligible charitable organization from the brochure may require that all brochures be reprinted and redistributed. Such omissions must be reported to OPM immediately upon discovery. The Director or LFCC may direct that the cost of such reprinting and redistribution be borne by the PCFO or charged to CFC administrative expenses.

(i) Dual listing. Listing of a national organization, as well as its local affiliate organization, is permitted. However, a national organization may waive its listing in the national section of the brochure in favor of its eligible local affiliate. The local affiliate must include in its application the written waiver from its national organization.

(j) Multiple listing. Each national or local organization must individually meet all of the eligibility criteria and submit independent documentation as required in §950.202, §950.203 or §950.204. Once an organization is deemed eligible, it is entitled to only one listing in the CFC brochure, regardless of the number of federations to which that organization belongs.

(k) The LFCC may omit the 25-word program description from the CFC brochure if, in the immediately preceding campaign year, contributions received in the local CFC totalled less than $100,000.

§950.402 Pledge card.

(a) The Director will make available each campaign year at least one model pledge card which shall be reproduced at the local level.

(b) Campaigns may incorporate additional giving levels to the Director's authorized pledge card. Campaigns may also include their award recognition program. No further modifications to the pledge card are permitted unless approved in advance by the Director.

(c) An employee may not make a designation to an organization not listed in the brochure. In addition, an employee may not make a CFC contribution to an organization listed in the brochure of a campaign covering a geographic location different from the campaign where the employee works. Designations made to organizations not listed in the brochure are not invalid, but will be treated as undesignated funds and distributed accordingly.

(d) In the event the PCFO receives a pledge card that has designations that add up to less than the total amount pledged, the PCFO must honor the total amount pledged and treat the excess amount as undesignated funds. In the event that a PCFO receives a pledge card that has a total amount pledged that is less than the sum of the individual designations, the PCFO must honor the designations by assigning a proportionate share of the total gift to each organization designated. For example, if an employee indicates a total gift of $100 in the upper portion of the pledge card, but designates $25 each to five organizations in the lower part of the pledge card, the PCFO must adjust each organization's designation to $20.

§950.403 Penalties.

A PCFO's failure to comply with these regulations may result in either disqualification from future service as PCFO, disqualification as a participating federation, or both penalties. These penalties may only be imposed after a hearing on the record and communication of the Director's decision in writing.

Subpart E—Undesignated Funds

§950.501 Applicability.

(a) All undesignated funds shall be distributed to all of the organizations in the CFC brochure in the same proportion that they received designations in the campaign.

(b) The distribution of undesignated funds described in §950.501(a) applies to all domestic area campaigns. It does