

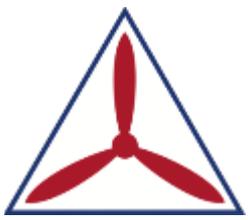
# Civil Air Patrol

**Citizens Serving Communities**

[www.gocivilairpatrol.com](http://www.gocivilairpatrol.com)

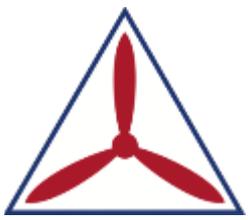


***Combined Federal Campaign:  
A How-To Guide***



# What Is CFC?

- CFC stands for *Combined Federal Campaign*, and it's overseen by the Office of Personnel Management
- It's the single approved way for federal employees (including military) to participate in workplace charitable giving
- Employees choose approved charities to support with pledges withheld from pay
- Charities register online and get a "CFC number" to participate



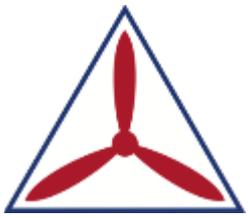
# CFC Facts

- Locally-led Campaigns cover 320 jurisdictions, including overseas/deployed locations; efforts underway now to consolidate to 30 large, regional campaigns
- 2016 Total Pledged: ***\$167.1 million***
- Average CFC Raised: ***\$1.3 million***
- More than 20,000 charities supported by CFC-raised funds



# Is CFC Right For Us?

- Depends on your locality
- It's as easy (or as hard) as doing your taxes
- For most squadrons, even small amounts are meaningful: ***\$1.3 million was the average local CFC total in 2016...what's your share?***
- Most Federal workers are naturally inclined to support the type of work CAP does in their communities; a natural fit!



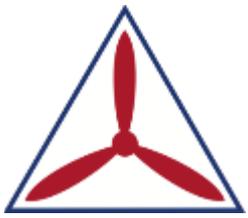
# Details Matter!

- Take every opportunity to market/promote
- Put your CFC number on everything you print
- Include your CFC number in all staff email signature lines
- Accept any CFC invitation to present at workplace seminars; have a **highly local** presentation prepared to show off what your members are doing in your community!



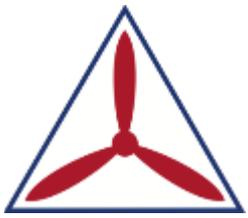
# Important 2016 Changes!

- Number of local campaigns **consolidated to 40 from 147; goal is 30 total**
- Each local campaign organized by local federal employee volunteers, but handled by **for-profit Outreach Coordinators**
- Paper pledge cards will be phased out by 2020; online pledging being encouraged
- Universal giving means **any** fed can give to **any** charity in **any** jurisdiction



# Important 2016 Changes!

- Worst change: charities are now charged a ***three-part fee*** to participate
- From Office of Personnel Mgmt fact-sheet:
  - “All charities will pay a non-refundable application fee. Those that are approved may be charged an additional listing fee. These will help to recover the administrative costs that charities pay to participate in the CFC. Any additional costs will be covered through distribution fees, similar to the current process of deducting campaign costs from charity distributions.”



# The CFC Fee Schedule

## APPLICATION FEES

Nat'l/Int'l Federation		\$1,739
Nat'l/Int'l Federation Member Org.	\$446	
Nat'l/Int'l Unaffiliated Org.	\$606	
Local Federation		\$730
Local Federation Member Org.	\$289	
<i>Local Unaffiliated Org.</i>	<i>\$400</i>	

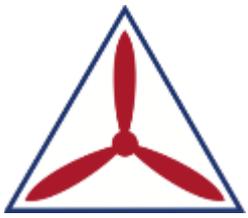
## LISTING FEES

Tier I Nat'l/Int'l Organizations		\$2,114
Tier II Nat'l/Int'l Organizations		\$607
Tier III Nat'l/Int'l Organizations	\$360	
Tier I Local Organizations	\$738	
Tier II Local Organizations	\$125	
<i>Tier III Local Organizations</i>	<i>\$17</i>	



# CFC Application Process

- Apply online at: **[cfccharities.opm.gov](https://cfccharities.opm.gov)**
- Create an account for yourself using your own email address and a password that you create.
- If your unit is new to CFC, you'll create a CFC number for your unit right after this step.
- Excellent training videos can be found here: **<https://www.opm.gov/combined-federal-campaign/information-for-charities/#url=Application-Training>**



# CFC Application Process

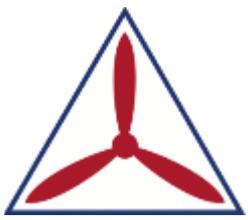
- Online Application with Name, Contacts & Details
- **Steps & Attachments**
  - **Step 1** – Contact Info (person, emails, etc.)
  - **Step 2** – Application Type (Independent)
  - **Step 3** – Health & Welfare Certification
  - **Step 4** – Areas of Service (previously Attachment A)
  - **Step 5** – Exemption Status (upload)



# CFC Application Process

## → Steps & Attachments (*continued*)

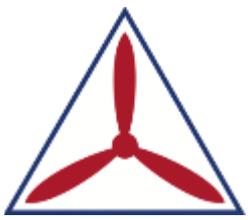
- **Step 6** – IRS Determination Letter (automatic from CAP EIN)
- **Step 7** – Revenue Certification (Option #3)
- **Step 8** – Pro Forma IRS Form 990 (PDF upload)
- **Step 9** – Certification of Admin and Fundraising Rate (enter data from Form 990)
- **Step 10** – Certification of Governing Body (enter data from Form 990) (This is your Finance Committee)



# Key Application Items

## Step 4 – Areas of Service (previously Attach. A)

- ➔ This is where you'll describe your services to the community by typing entries into fields.
- ➔ You can have multiple entries, each 256 characters long.
- ➔ Stress LOCAL services and activities, not generic national-level statements.
- ➔ Use ACTIVE words:
  - ➔ “taught” not “provided services”
  - ➔ “flew” not “conducted aerial search missions”
- ➔ Use numbers (how many cadets? hours? activities?)
- ➔ Highlight accomplishments!



# Key Application Items

## Step 4 – Areas of Service (previously Attach. A)

### → Examples:

- “Offered science, technology, engineering and math enrichment to 110 Prince William County youth aged 13-19 with lessons in rocketry, drones and robotics. Supplemented the experience with 44 light-plane flights at Manassas Airport.” *(230 characters, with spaces)*
- “Unpaid volunteer pilots flew 264 hours of Air Force- and Virginia-directed aerial missions to train USAF pilots, find missing persons and assess flood, fire and storm damage for Prince William County and Commonwealth emergency managers.” *(236 characters, with spaces)*



# Key Application Items

## *Step 8 – ‘Pro Forma’ IRS Form 990*

- ➔ *If organization is not required to file the Form 990, it must still provide a pro forma Form 990*
- ➔ “Pro Forma” is Latin. It means “for the sake of form” and for you it means making **an abbreviated version** of the form just for information
- ➔ The pro forma 990 is created from the following sections of the IRS Form 990 (you can skip the rest!):
  - 1. Part I (Summary and Part II, Signature Block)
  - 2. Part VII (Compensation sections A and B)
  - 3. Part VIII (Statement of Revenues)
  - 4. Part IX (Statement of Functional Expenses)
  - 5. Part XI (Financial Statements and Report)

*Let's look at a sample pro forma Form 990 together...*

# Return of Organization Exempt From Income Tax

**2014**

**Open to Public Inspection**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Department of the Treasury  
Internal Revenue Service

<b>A</b> For the 2014 calendar year, or tax year beginning <b>January 1</b> , 2014, and ending <b>December 31</b> , 20 <b>14</b>	
<b>B</b> Check if applicable:	<b>C</b> Name of organization <b>Civil Air Patrol - MER-VA-102</b>
<input type="checkbox"/> Address change	Doing business as <b>Prince William Composite Squadron</b>
<input type="checkbox"/> Name change	Number and street (or P.O. box if mail is not delivered to street address) Room/suite
<input type="checkbox"/> Initial return	<b>10500 Observation Rd.</b>
<input type="checkbox"/> Final return/terminated	City or town, state or province, country, and ZIP or foreign postal code
<input type="checkbox"/> Amended return	<b>Manassas, VA 20110</b>
<input type="checkbox"/> Application pending	<b>D</b> Employer identification number <b>75-6037853</b>
	<b>E</b> Telephone number <b>202-316-9458</b>
	<b>G</b> Gross receipts \$ <b>8174.65</b>
	<b>F</b> Name and address of principal officer: <b>James Mathews - 8545 Trade Wind Ct., Bristow, VA 20136</b>
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>J</b> Website: ▶ <b>www.princewilliamcap.org</b>	<b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
<b>K</b> Form of organization: <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input checked="" type="checkbox"/> Other ▶ <b>Local Affiliat</b>	<b>H(c)</b> Group exemption number ▶
<b>L</b> Year of formation: <b>1973</b>	<b>M</b> State of legal domicile: <b>Virginia</b>

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b>	Briefly describe the organization's mission or most significant activities: <b>Training 70-100 Northern Virginia youth each year in rescue, first aid, disaster relief and flight instruction; aviation, engineering, science career exploration. Scholarships, ldrshp instruction, mentorship opportunities. Adult volunteer search and rescue, disaster relief and community emergency services.</b>		
	<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b>	Number of voting members of the governing body (Part VI, line 1a) . . . . .	<b>3</b>	<b>0</b>
	<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	<b>4</b>	<b>0</b>
	<b>5</b>	Total number of individuals employed in calendar year 2014 (Part V, line 2a) . . . . .	<b>5</b>	<b>0</b>
	<b>6</b>	Total number of volunteers (estimate if necessary) . . . . .	<b>6</b>	<b>147</b>
	<b>7a</b>	Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .	<b>7a</b>	<b>0</b>
<b>b</b>	Net unrelated business taxable income from Form 990-T, line 34 . . . . .	<b>7b</b>	<b>0</b>	
<b>Revenue</b>	<b>8</b>	Contributions and grants (Part VIII, line 1h) . . . . .	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b>	Program service revenue (Part VIII, line 2a) . . . . .		

<b>Revenue</b>	<b>9</b>	Program service revenue (Part VIII, line 2g) . . . . .		
	<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .		
	<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) . . . . .		
	<b>12</b>	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)		
<b>Expenses</b>	<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1–3) . . . . .		
	<b>14</b>	Benefits paid to or for members (Part IX, column (A), line 4) . . . . .		
	<b>15</b>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		
	<b>16a</b>	Professional fundraising fees (Part IX, column (A), line 11e) . . . . .		
	<b>b</b>	Total fundraising expenses (Part IX, column (D), line 25) ▶		
	<b>17</b>	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) . . . . .		
	<b>18</b>	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25) . . . . .		
	<b>19</b>	Revenue less expenses. Subtract line 18 from line 12 . . . . .		
<b>Net Assets or Fund Balances</b>			<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>20</b>	Total assets (Part X, line 16) . . . . .		
	<b>21</b>	Total liabilities (Part X, line 26) . . . . .		
	<b>22</b>	Net assets or fund balances. Subtract line 21 from line 20 . . . . .		

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	<div style="border-bottom: 1px solid black; padding-bottom: 2px;"> <span style="color: red;">//SIGNED// James C Mathews</span> </div> Signature of officer	<div style="border-bottom: 1px solid black; padding-bottom: 2px;"> <span style="color: red;">20 Jan 2015</span> </div> Date
	<div style="border-bottom: 1px solid black; padding-bottom: 2px;"> <span style="color: red;">James C Mathews, Capt., CAP, Commander, MER-VA-102</span> </div> Type or print name and title	

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

May the IRS discuss this return with the preparer shown above? (see instructions) . . . . .  Yes  No

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) James C Mathews, Capt., CAP Squadron Commander	16	✓						0	0	0
(2) Timothy P Day, Lt. Col., CAP Deputy Commander for Cadets	16	✓						0	0	0
(3) Nancy Carlson, Capt., CAP Leadership Officer, Asst Emergency Services Officer	12	✓						0	0	0
(4) James Uzzle, Maj., CAP Finance Officer	6	✓						0	0	0
(5) Roger Pearce, Capt., CAP Operations Training Officer	6	✓						0	0	0

**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b>	Federated campaigns . . . . .	<b>1a</b> 0			
	<b>b</b>	Membership dues . . . . .	<b>1b</b> 2265			
	<b>c</b>	Fundraising events . . . . .	<b>1c</b> 1200			
	<b>d</b>	Related organizations . . . . .	<b>1d</b> 0			
	<b>e</b>	Government grants (contributions)	<b>1e</b> 0			
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b> 4709			
	<b>g</b>	Noncash contributions included in lines 1a-1f: \$	0			
	<b>h</b>	<b>Total.</b> Add lines 1a-1f . . . . . ▶		8174		
<b>Program Service Revenue</b>		<b>Business Code</b>				
	<b>2a</b>	-----				
	<b>b</b>	-----				
	<b>c</b>	-----				
	<b>d</b>	-----				
	<b>e</b>	-----				
	<b>f</b>	All other program service revenue .				
<b>g</b>	<b>Total.</b> Add lines 2a-2f . . . . . ▶		0			
<b>3</b>	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		0	0	0	0
<b>4</b>	Income from investment of tax-exempt bond proceeds ▶		0	0	0	0
<b>5</b>	Royalties . . . . . ▶		0	0	0	0
<b>6a</b>	Gross rents . . . . .	(i) Real				
	<b>b</b> Less: rental expenses	(ii) Personal				
<b>c</b>	Rental income or (loss)					
<b>d</b>	<b>Net rental income or (loss)</b> . . . . . ▶		0	0	0	0
<b>7a</b>	Gross amount from sales of	(i) Securities				
	assets other than inventory	(ii) Other				

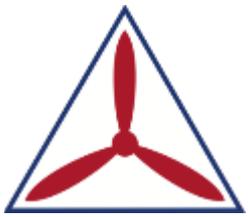
<b>11</b>	Investment management fees . . . . .	0	0	0	0
<b>g</b>	Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) . . . . .	0	0	0	0
<b>12</b>	Advertising and promotion . . . . .	0	0	0	0
<b>13</b>	Office expenses . . . . .	0	0	0	0
<b>14</b>	Information technology . . . . .	240	240	0	0
<b>15</b>	Royalties . . . . .	0	0	0	0
<b>16</b>	Occupancy . . . . .	463	463	0	0
<b>17</b>	Travel . . . . .	0	0	0	0
<b>18</b>	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0	0	0	0
<b>19</b>	Conferences, conventions, and meetings . . . . .	0	0	0	0
<b>20</b>	Interest . . . . .	0	0	0	0
<b>21</b>	Payments to affiliates . . . . .	0	0	0	0
<b>22</b>	Depreciation, depletion, and amortization . . . . .	0	0	0	0
<b>23</b>	Insurance . . . . .	0	0	0	0
<b>24</b>	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
<b>a</b>	<b>First Aid Training</b> . . . . .	383.7	383.7	0	0
<b>b</b>	<b>Youth Uniforms</b> . . . . .	1446	1446	0	0
<b>c</b>	<b>Annual Summer Training Event</b> . . . . .	2782	2782	0	0
<b>d</b>	<b>Equipment/Supplies</b> . . . . .	1102.2	1102.2	0	0
<b>e</b>	All other expenses <b>Flying Hours/Self-Funded</b> . . . . .	609.66	609.66	0	0
<b>25</b>	<b>Total functional expenses.</b> Add lines 1 through 24e	6323.36	6323.36	0	0
<b>26</b>	<b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) . . . . .	0	0	0	0



# Key Application Items

## *Step 8 – ‘Pro Forma’ IRS Form 990*

- Your Finance Committee meets the requirement for “governing body”
- Odds are good you aren’t spending much of anything on fundraising expenses
- You are likely not granting funds to overseas entities, etc., so you can skip that too...
- Do the pro forma 990 early in the process so you’re not scrambling at the last minute for key data!
- ***Even if an organization is not required to file the Form 990 with the IRS, it must still provide a pro forma Form 990 to CFC!***



# Key Application Items

## *Step 8 – ‘Pro Forma’ IRS Form 990*

- CFC will compare the number of voting members disclosed in Part I, Line 3 with the number of individuals that have the ‘individual trustee or director’ or ‘institutional trustee’ positions selected in Part VII, Column C
- If the number in Part I is more than the number in Part VII, the organization must provide an explanation for the difference
- All governing body information in the IRS Form 990 form must be presented in either Part VII or Schedule J-2 of the form.
- **SQUADRONS: This is your Finance Committee!**

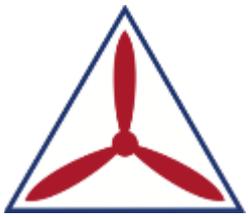


# Key Application Items

## *Step 8 – ‘Pro Forma’ IRS Form 990*

- Calculating Administrative and Fundraising Expenses
  - Using the IRS Form 990, the following data must be used:
    - Part IX (Statement of Functional Expenses) Line 25 column (C) (Management and General Expenses)
    - Part IX (Statement of Functional Expenses) Line 25 column (D) (Fundraising Expenses)
    - Part VIII (Statement of Revenue) Line 12 column (A) (Total Revenue)
- To calculate the AFR, Part IX Line 25 column (C) and Line 25 column (D) must be added together and the sum is divided by Part VIII Line 12 column (A)

*You will use this information again in Step 9!*

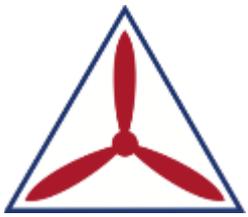


# Key Application Items

## *Step 10 – Governing Body*

**“I certify an active and responsible governing body, whose members have no material conflict of interest and a majority of whom serves without compensation, directs the organization named in this application.”**

- ➔ An IRS Form 990 that does not include a complete list of the officers, Board of Directors, trustees and key employees, and their compensation, if any, is incomplete and will result in a denial. Uncompensated members must have a -0- in the compensation column.
- ➔ More than 50% must be uncompensated.
- ➔ ***REPEATING: Units, this is your Finance Committee! None are being compensated! So this is an EASY requirement!***



# Things To Keep In Mind...

- All CFC fees—application and listing—pertain only to the year for which the application/listing is submitted. The application fee submitted with the 2018 CFC Application covers only this year's application. When the 2018 Listing fee is paid, it will cover only the 2018 listing; short update application required every year, with a new pro forma Form 990
- Submission of requested documents is *not* a guarantee that OPM or CFC will accept your submission
- Collecting as much documentation as possible with the applications will save time when the deadline approaches
- Units are “bona fide affiliates” of Civil Air Patrol; use CAP's Employer ID Number (EIN) but obtain a unit-specific CFC number

# Civil Air Patrol



**Citizens Serving Communities**