

actual program and operations, are truthful and non-deceptive, and make no exaggerated or misleading claims.

(8) Certify that contributions are effectively used for the announced purposes of the charitable organization.

(9) Provide a statement that the certifying official is authorized by the organization to certify and affirm all statements required for inclusion on the Charity List.

(b) The Director shall review these applications for accuracy, completeness, and compliance with these regulations. Failure to supply any of this information may be judged a failure to comply with the requirements of public accountability, and the charitable organization may be ruled ineligible for inclusion on the national list.

(c) The Director may request such additional information as the Director deems necessary to complete these reviews. An organization that fails to comply with such requests within 10 calendar days from receipt of the request may be judged ineligible.

(d) The required certifications and documentation must have been completed and submitted prior to the application filing deadline. Applications received that are incomplete may not be perfected during the appeal process described in § 950.205.

(e) The Director may waive any of these standards and certifications upon a showing of extenuating circumstances.

[60 FR 57890, Nov. 24, 1995, as amended at 61 FR 4585, Feb. 7, 1996; 71 FR 67285, Nov. 20, 2006; 72 FR 6143, Feb. 9, 2007]

§ 950.204 Local eligibility.

(a) The LFCC shall establish an annual application process consistent with these regulations for organizations that wish to be listed in the Charity List.

(b) The requirements for an organization to be listed in the Charity List shall include the following:

(1) An organization must demonstrate to the satisfaction of the LFCC of the appropriate local campaign, that it has a substantial local presence in the geographical area covered by the local campaign, a substantial local presence in the geographical area covered by an adjacent local cam-

paign, or substantial statewide presence. Eligibility to participate in an adjoining campaign on the basis of adjacency or statewide presence may be discontinued upon implementation of appropriate electronic technology that allows removal of the need for geographic restrictions on giving as determined by the Director.

(i) Substantial local presence is defined as a staffed facility, office or portion of a residence dedicated exclusively to that organization, available to members of the public seeking its services or benefits. The facility must be open at least 15 hours a week and have a telephone dedicated exclusively to the organization. The office may be staffed by volunteers. Substantial local presence cannot be met on the basis of services provided solely through an "800" telephone number, the internet, the U.S. Postal Service or a combination thereof.

(ii) An adjacent local campaign is defined as a local campaign whose geographic border touches the geographic border of another local campaign. Participation in a local campaign via an adjacency determination does not grant the organization a substantial local presence in the adjacent local campaign and participating via adjacency cannot be used to establish adjacency to local campaigns bordering the adjacent campaign area.

(iii) Substantial statewide presence is defined as providing or conducting real services, benefits, assistance or program activities covering 30 percent of a state's geographic boundaries or providing or conducting real services, benefits, assistance or program activities affecting 30 percent of a state's population. Substantial statewide presence cannot be met on the basis of services provided solely through an "800" telephone number, the internet, the U.S. Postal Service or a combination thereof.

(2) An organization seeking local eligibility also must meet all requirements for national list eligibility in § 950.202 and § 950.203, with the following exceptions:

(i) Local charitable organizations are not required to have provided services or benefits in 15 states or a foreign country over the prior 3 years.

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(ii) A local charitable organization with annual revenue of less than \$100,000 reported on its IRS Form 990 or pro form IRS Form 990 submitted to the CFC is not required to undergo an audit or to submit audited financial statements. Rather, the organization must certify that it has controls in place to ensure that funds are properly accounted for and that it can provide accurate and timely financial information to interested parties. A local organization with annual revenue of at least \$100,000 but less than \$250,000 must certify that it accounts for its funds on an accrual basis in accordance with generally accepted accounting principles and that an audit of its fiscal operations is completed annually as described in section 950.203(a)(2), but such organization does not have to submit a copy of its audited financial statements with its CFC application, unless requested to do so by the LFCC or Director.

(iii) An organization seeking local eligibility in Puerto Rico, the U.S. Virgin Islands, the Commonwealth of Northern Mariana Islands, American Samoa, or Guam is exempt from the requirements of § 950.202(b), but the organization must include with its CFC application the appropriate documentation from its governing authority demonstrating its status as a charitable organization.

(c) Family support and youth activities certified by the commander of a military installation as meeting the eligibility criteria contained in § 950.204(d) may appear on the list of local organizations and be supported from CFC funds. Family support and youth activities may participate in the CFC as a member of a federation at the discretion of the certifying commander.

(d) A family support and youth activity must:

(1) Be a nonprofit, tax-exempt organization that provides family service programs or youth activity programs to personnel in the Command. The activity must not receive a majority of its financial support from appropriated funds.

(2) Have a high degree of integrity and responsibility in the conduct of their affairs. Contributions received

must be used effectively for the announced purposes of the organization.

(3) Be directed by the base Non-Appropriated Fund Council or an active voluntary board of directors which serves without compensation and holds regular meetings.

(4) Conduct its fiscal operations in accordance with a detailed annual budget, prepared and approved at the beginning of the fiscal year. Any significant variations from the approved budget must have prior authorization from the Non-Appropriated Fund Council or the directors. The family support and youth activities must have accounting procedures acceptable to an installation auditor and the inspector general.

(5) Have a policy and practice of non-discrimination on the basis of race, color, religion, sex or national origin applicable to persons served by the organization.

(6) Prepare an annual report which includes a full description of the organization's activities and accomplishments. These reports must be made available to the public upon request.

(e) *Local eligibility determinations.* The LFCC shall communicate its eligibility decisions by a date to be determined by OPM as part of the annual timetable issued by the Director under § 950.801(b). Denial of the application by the LFCC must be sent via U.S. Postal Service certified or registered mail with a return receipt requested. Approvals may be sent via U.S. Postal Service regular first class mail. Applicants denied eligibility may appeal in accordance with § 950.205.

(f) No LFCC may produce the Charity List while there are appeals of eligibility decisions from their campaign pending with the Director. LFCC's are obligated to check with OPM 21 calendar days after the mailing of the local appeal decision as to whether the Director is on notice of a pending timely appeal.

(g) In order to determine whether an organization may participate in the campaign, the LFCC may request evidence of corrective action regarding any prior violation of regulation or directive, sanction, or penalty, as appropriate. The LFCC will decide whether the organization has demonstrated, to

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the LFCC's satisfaction, that the organization has taken appropriate corrective action. Failure to demonstrate satisfactory corrective action or to respond to the LFCC's request for information within 10 business days of the date of the request may result in a determination that the organization will not be included in the local part of the Charity List.

[60 FR 57890, Nov. 24, 1995, as amended at 71 FR 67285, Nov. 20, 2006]

§ 950.205 Appeals.

(a) Organizations who apply and are denied eligibility for inclusion on the national list will be notified of the Director's decision by registered or certified mail of the U.S. Postal Service. Organizations may appeal the Director's decision by submitting a written request to reconsider the denial to the Director. This request must be received within 10 business days from the date of receipt of the Director's decision to deny eligibility and shall be limited to those facts justifying the reversal of the original decision. Requests for reconsideration may not be used to supplement applications that had missing or outdated documents, and any such documents submitted with the request for reconsideration will not be considered.

(b) Applicants denied listing in the local Charity List must first appeal in writing to the LFCC to reconsider its original decision. Such an appeal must be received by the LFCC within 7 business days from the date of receipt of the initial LFCC decision or 14 calendar days from the date the decision was mailed, whichever is earlier. The LFCC must consider all timely appeals and notify the appealing organization within a reasonable time period. Denial of the appeal by the LFCC must be sent via U.S. Postal Service certified or registered mail with a return receipt. Approval of local appeals may be sent via U.S. Postal Service regular first class mail or facsimile.

(c) A local applicant which is unsuccessful in its appeal to the LFCC may appeal to the Director. All appeals must:

(1) Be in writing;

(2) Be received by the Director within 10 business days of the date of receipt

of the letter from the LFCC denying eligibility on appeal;

(3) Include a statement explaining the reason(s) why eligibility should be granted;

(4) Include a copy of the letter from the LFCC disapproving the original application, a copy of the organization's appeal to the LFCC, a copy of the letter from the LFCC denying the appeal and supporting information to justify the reversal of the original decision.

(d) If an organization fails to file a timely application or a timely appeal of an adverse eligibility determination in accordance with these regulations, such application or appeal to the Director will be dismissed as untimely.

(e) Appeals to the Director may not be used to supplement original applications that had missing or outdated documents. Any such supplemental documents will not be considered. Such appeals shall be limited to those facts justifying the reversal of the original decision.

(f) The Director's decision is final for administrative purposes.

[60 FR 57890, Nov. 24, 1995, as amended at 71 FR 67286, Nov. 20, 2006]

Subpart C—Federations

§ 950.301 National and international federations eligibility.

(a) The Director may recognize national and international federations that conform to the requirements and are eligible to receive designations. The Director may from time to time place a moratorium on the recognition of national and international federations. In order to determine whether the Director will recognize a national or international federation, the Director may request evidence of corrective action regarding any prior violation of regulation or directive, sanction, or penalty, as appropriate. The Director retains the ultimate authority to decide whether the federation has demonstrated, to the Director's satisfaction, that the federation has taken appropriate corrective action. Failure to demonstrate satisfactory corrective action or to respond to the Director's request for information within 10 business days of the date of the request may result in a determination that the