

Policy on Unpaid Payroll Pledges

United Way of Rhode Island, Inc. is in the unique position of being able to raise and distribute resources without any fund raising or administrative charges being paid from donors' funds. This is possible due to income received from a trust fund established by Royal Little and other sources of income that fully underwrite these expenses.

However, one reality of fund-raising through payroll deduction is that a certain amount of funds pledged will not be collected. Corporate downsizing, mergers, business closings, donors that simply change jobs or move out of state, and well-intentioned donors whose personal circumstances change (e.g. family illness) all have an effect on the amount that is actually collected.

The current uncollectable factor is 4.91 percent. This number is based on the actual collection rate of payroll deduction pledges from the three previously completed annual campaigns. This criteria is used to adjust the uncollectable factor annually. If collections exceed the amount reserved, the balance is distributed to the Community Impact Fund the following year.

Payroll deduction pledge payments are tracked in aggregate; this enables us to inform agencies at the beginning of the calendar year of the total amount that will be paid to them, and to make those payments on a timely and consistent monthly basis. This, in turn, benefits the agencies in their planning and ability to continue to provide much needed services. With the current uncollectable factor of 4.91 percent, donor designations to other agencies through United Way of Rhode Island will receive just over 95 percent of every dollar pledged to them. This is well above national averages and standards.

This process is constantly being reviewed and refined. Currently, this is the best way that we have to honor our donors' wishes and to provide funds to agencies in a fair, predictable, and consistent manner.

