**Join us for an informative one-hour CFC webinar, Wednesday, January 2 at 8 EDT, 7CDT, 6MDT, 5PDT and 4 HDT With Major Jim Mathews – CAP, CFC Coordinator and Kristina Jones, Chief of Philanthropy.** [**Sign up Here**](https://attendee.gotowebinar.com/register/3146519000286036226)**.**

**What is CFC?**

CFC stands for Combined Federal Campaign, and it’s the workplace-giving program for federal workers of all kinds. All federal employees at any level in any part of the country, including active-duty military, can participate. Also think about civilians in the Department of Defense, Homeland Security, FEMA, NASA, USPS, and a host of other departments and agencies run by the three branches of government.

**How does it work?**

Each Fall, charities promote their programs to federal employees, supported and encouraged by the CFC itself (which is run by the federal Office of Personnel Management). Federal workers get the chance to “designate” one or more charities through an online system in their workplace, and can contribute any amount they like from each paycheck through payroll deduction. CFC then collects the money and sends it to the charities.

**Does it raise a lot of money?**

Yes! Federal workers donated more than $100 million to thousands of charities around the country in 2017.

**Can a squadron participate, or does it have to be at the Wing level or higher?**

Any IRS-recognized non-profit or charity can participate, so squadrons can absolutely participate! Units need to complete an application sometime between the beginning of December and the end of January the campaign that will begin that Fall. Squadrons already qualify because, in CFC terms, they are “bona-fide chapters or affiliates” of Civil Air Patrol as a national charitable organization. The way CFC knows we’re an IRS-recognized 501c3 charitable organization is through looking up Civil Air Patrol’s Employer Identification Number (EIN). You’ll use the EIN when you create your application on the CFC website. CAP’s EIN is 75-6037853.

**What do we need to apply?**

As of 2017, CFC changed to an all-online application system. If you already have a CFC number, you’ll log on to the application site and enter the email address and password associated with your CFC number. If you are applying for the first time, you’ll simply create an application.

You’ll need some important documents to upload into the system, some of which you’ll create as a squadron. Gather together some key materials:

1. A description of what your squadron does in the community
2. CAP’s IRS affirmation letter (link: <https://www.gocivilairpatrol.com/media/cms/IRSTAXEXEMPTLTR_18Oct2018_4BB08FEFFD895.pdf>)
3. A letter from CAP NHQ verifying that your squadron is active and in good standing The letter may be requested from the CAP Development team at NHQ by emailing CFC@gocivilairpatrol.org
4. A “pro forma” IRS Form 990 outlining your squadron’s financial status (more on that later)

Unfortunately, Congress passed a law a few years ago requiring that as of the 2017 campaign, charities had to start paying a fee to apply, a fee to be listed in the CFC campaign materials, and a “distribution fee” withheld from any money pledged to your squadron. So in addition to the documents, you’ll need to be prepared to pay $400 to apply as a squadron, and $17 to be listed. Your Wing may be offering help to units for fees; check with your chain of command.

**What’s a ‘pro forma IRS Form 990’ and how can I possibly do one?**

The Form 990 is the form that charities – which don’t pay taxes – file with the IRS. It’s a lot like the tax form you file for yourself, but it’s designed to prove that a charity is doing the right things with its contributed money. In this case, you’ll write out a Form 990 that describes your squadron’s (or other unit’s) financial situation, but you won’t file it with the IRS. You’ll only file it with the Combined Federal Campaign.

“Pro Forma” is Latin. It means “for the sake of form” and for squadrons 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)

 (self-explanatory)

2. Part VII (Compensation sections A and B)

 (list your Finance Committee members and put in zeroes…because nobody is paid)

3. Part VIII (Statement of Revenues)

 (any money you raised during the year and have on deposit with Wing Banker)

4. Part IX (Statement of Functional Expenses)

 (raised money you spent, i.e., activities, color guard, scholarships, etc.; this does not include spending that was covered by appropriated funds, like aircraft maintenance, etc.)

5. Part XI (Financial Statements and Report)

 (Money raised, money spent, mostly zeroes)

**OK, I have my letters, my descriptions, my pro forma 990 and my registration fee. Now what do I do?**

Apply online at cfccharities.opm.gov. Create an account for yourself using your own email address and a password that you create. If your unit is new CFC, you’ll create a CFC number for your unit right after this step.

It’s also an excellent idea and recommended practice to review the training videos on navigating the new CFC online application. There are separate video lessons for each step at this link: https://www.opm.gov/combined-federal-campaign/information-for-charities/#url=Application-Training

**Why am I unable to join a Civil Air Patrol Federation?**

At this time, CFC rules for application and pay-out policies are not favorable for CAP to create a federation. However, the CAP Development team at NHQ will assess if a federation is feasible and the process by which units could join for the 2020 year. When applying for 2019, do not select application as “member”. You want to select “independent.”

