

Federal program funnels charity donations to special interest groups: The Combined Federal Campaign

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Some of the nation's most controversial public policy groups receive checks from Uncle Sam about this time each year, and the relatively little known practice is perfectly legal.

The Combined Federal Campaign, founded in the 1950s to regulate fundraising among federal employees, has long been expanded to allow government workers to give to virtually any nonprofit groups via payroll deduction—even those with overt political engagement or those advocating religious beliefs.

Analysts say that because the initiative raises funds for groups that range from the most liberal to the most conservative politically, both secular and religious, it is not an example of government engagement in partisan favoritism.

Americans United for Separation of Church and State, a longtime opponent of religious engagement in government, is one of the program's recipients.

"As long as the door is open to a variety of organizations across the political spectrum, the campaign shouldn't be a problem," said Robert Boston, a senior policy analyst with Americans United.

The CFC allows government employees and military personnel to make charitable donations directly from their paycheck to groups that aid health and welfare. The program, which raised more than \$273 million in 2007, seeks pledges between September 1 and December 15 each year.

When it was first designed during the Eisenhower administration, the program focused on health and charitable organizations—groups like the American Red Cross and United Way. Public policy groups went to court in the late 1970s to become eligible to participate in the campaign, and the issue went back and forth in the

courts for years.

In 1985, the Supreme Court ruled that exclusion of advocacy groups was constitutional, so long as it was done even-handedly. But Congress stepped in the next year, reinstating the public policy groups and preventing the Office of Personnel Management from changing eligibility requirements for the campaign.

Now to be eligible charities must be not-for-profit and have IRS tax-exempt 501(c)(3) status. That allows groups on the left, like the gay-rights group Human Rights Campaign, and groups on the right, like the conservative Focus on the Family, to solicit donations.

One group participating in the program is the Washington-based Family Research Council, which advocates for “traditional family values.” Spokes person J. P. Duffy said the federal campaign is not a focal point of their development plan.

“We’re happy to be a part of the campaign as an opportunity for federal employees to contribute,” Duffy said. “There are a number of educational organizations that receive funding. It’s been a longstanding program.”

Most organizations don’t release how much money they receive each year from the CFC.

But the program makes sense for charities. While the federal government takes some administrative costs off the top, officials at OPM say it costs non-profit groups more to raise funds on their own, and federal employees are more likely to give in higher amounts through the payroll deduction process.

Community Health Charities, a network of 61 health charities, was the largest recipient of CFC funds in 2006, the last year for which data are available. The group garnered more than \$23 million. Most of the funding goes to local federations and independent groups, which in turn dole out funds to charities in the federal employee’s local community.

There is lingering concern about money being funneled through the federal government to partisan groups. One OPM official acknowledged that eligible charities can use the funds for many purposes, including lobbying, but noted that the IRS sets limits on lobbying activities for 501(c)(3) groups. As long as a charity is in good standing with the IRS, it is free to participate in the CFC.

OPM officials said the agency reviews all applications each year to ensure that the charities meet eligibility and public accountability standards.

But with so many groups participating in the program, it would be nearly impossible to weed out groups that advocate causes more than they give humanitarian aid.

Boston, the Americans United policy analyst, noted that even groups like the Salvation Army employ lobbyists. "The government would be loathe to wander into that minefield," he said. *-Matthew E. Berger, Religion News Service*