### Pick.Click.Give. Program's History and Current Stats

- The initial conversations about a program like Pick.Click.Give. began more than a decade ago, among the main Pick.Click.Give. Partners The Rasmuson Foundation, the Alaska Community Foundation, United Way of Anchorage and The Foraker Group.
- The Pick.Click.Give. Partners, working closely with the state Permanent Fund Division, worked together to launch the program in 2008-09 with the following goals
  - 1. expand the number of individuals giving to Alaska nonprofits
  - 2. expand the number of dollars flowing to Alaska nonprofits
  - 3. call attention to the critical role the nonprofit sector plays in the lives of Alaskans
- Six years into program, tens of thousands of Alaskans have donated more than \$7.7 million dollars.
  - The expectation is that the program will continue to grow
  - Statewide polling suggests that the program will see up to 10 percent of Alaskans making a contribution through PCG.

# General PCG funding history:

- The Legislature, private funders, and participating nonprofits have ensured that there is no fiscal impact to the state from the program.
  - The Legislature created PCG with a promise from Rasmuson Foundation that there would be zero fiscal impact on the State of Alaska during the initial three-year pilot;
  - Rasmuson Foundation, The Alaska Mental Health Trust, The Alaska Children's Trust, BP, ConocoPhillips, Mat-Su Health Foundation, ExxonMobil, Northrim Bank, and others paid for costs associated with marketing, technology, training, education, and evaluation
  - The eligibility filing fee initially helped defray the cost of implementation; now it covers the basic costs of administration while marketing and coordination continues to be paid for by philanthropic support
- PCG is already half-way to being **fully self-sustaining**: In 2010 the Legislature removed the three-year sunset and increased the filing fee from \$50 up to \$250 per participating nonprofits
  - The current fee ensures that participating nonprofits paid the basic admin costs of PCG;
  - Admin at the Permanent Fund Dividend Division (PFDD) and its contractor (the United Way of Anchorage) include vetting applications, building the PCG list, distributing the checks each fall, providing technical support for participating nonprofits, and other related activities.

# **General PCG Sustainability Strategy**

• Statewide coordination and marketing and outreach have thus far been covered by the funders listed above, with human capacity provided by implementation partners at The Foraker Group, United Way of Anchorage, The Alaska Community Foundation, and Rasmuson Foundation.

### Audit Requirement

- One of the initial recommendations in the proposed PCG legislation was that all applicants with budgets over \$500,000 had to submit a "clean" audit prepared by an independent auditor.
- Through the legislative process the audit requirement was lowered to \$250,000 that any applicant organization with an over \$250,000 budget had to submit a "clean" audit prepared by an independent auditor.
- Since the inception of PCG, many nonprofits in the \$250k to \$500k budget range have been unable to apply for the PCG program, citing the high cost of an audit and the potential for return from the PCG donations.
- Nonprofits in the \$250-500K also expressed concern that not being on the PCG list was actually negatively affecting external perceptions of their organizations.
- To address the concerns of the 250-\$500K nonprofits, legislation has been proposed in this current session, and the one before it, to remove the audit requirement completely. The direct impact of eliminating the requirement would be that nonprofits in the \$250-500K range would now be allowed to apply for the program.

# Pick.Click.Give. Partners and HB75 Neutrality

- The PCG Partners have remained neutral on the idea of eliminating the audit requirement altogether, because an audit is an important mechanism for helping ensure the recipient organizations are being, and can remain, good stewards of donated dollars. Best practice backs this up – that an audit is a helpful tool for nonprofit organizations to use in improving their own financial stewardship, and as a way to let donors know their dollars will be used well and wisely.
- We continue to feel the audit should remain a part of the PCG Program, but understand the concerns of nonprofits that have not been able to participate.

### **A New Direction**

- The PCG Partners are recommending that HB 75 be amended to balance the importance of the audit requirement and the concerns of nonprofits about audit costs and reputation issues. This can be done by adding language stipulating that any nonprofit that is already required by the federal government to complete an audit by an independent audit be required to submit that audit with their PCG application.
- The ultimate outcomes associated with this legislative change are 1) that more nonprofits can apply to be part of the PCG Program and in doing so enhance their access to sustainable revenue; 2) That negative perceptions will be lessened because their organization's name will appear on the PCG list; and 3) that PCG donors who chose to participate in the program will still have the ability to feel their gifts are going to organizations that will be good stewards of donated dollars.