

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

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

(ii) Local charitable organizations with annual revenue less than \$100,000 are not required to be audited in accordance with generally accepted auditing standards and, hence, are not required to submit an audit report. Annual revenue is determined by line 12 of the IRS Form 990 covering the organization's most recent fiscal year ending not more than 18 months prior to the January of the campaign year to which the organization is applying.

(3) An organization seeking local eligibility based upon a substantial statewide presence, need only submit a complete application to the LFCC of the largest campaign in the state, as determined by OPM. OPM will annually publish a list of the largest campaigns in each state. The decision of the aforementioned LFCC, or OPM in the event of an appeal, is binding upon all other campaigns in the state. The applicant organization must forward a copy of the LFCC's decision to any other campaigns in which it would like to participate as a statewide 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 not participate in the CFC as a member of a federation.

(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 nondiscrimination 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) Within 15 business days after the closing date of the application period, the LFCC shall communicate its eligibility decisions at an open public meeting. The open public meeting date, place, and time must be communicated to local applicant organizations during the application process and in the public notice section of principal local newspaper(s). The open public meeting is the only notification local organizations will receive regarding their original applications. At the meeting, LFCC's must provide written explanations to an organization for its denial of its application and the procedures and deadline for appealing the decision. LFCC's may authorize PCFO's to release eligibility determinations to applicant organizations via telephone, after the open public meeting. This has no effect on the deadline for LFCC's to receive local appeals. Applicants denied eligibility may appeal in accordance with § 950.205.

(f) No LFCC may print the campaign brochure 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.

#### § 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. Petitions for

reconsideration may not be used to supplement applications that had missing or outdated documents, and any such documents submitted with the petition will not be considered.

(b) Applicants denied listing in the local brochure must first appeal in writing to the LFCC to reconsider its original decision. Such an appeal must be received by the LFCC within the 7 business days from the date of the open public meeting announcing local eligibility decisions. The LFCC must consider all timely appeals and notify the appealing organization within a reasonable time period, not to exceed 22 business days from the date of the open public meeting. Denial of the appeal by the LFCC must be sent via U.S. Postal Service certified or registered mail with a return receipt (PS Form 3811). Approval of local appeals may be sent via U.S. Postal Service regular first class mail.

(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, the organization's appeal to the LFCC, and the letter from the LFCC denying the appeal.

(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 OPM 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.

#### Subpart C—Federations

##### § 950.301 National federations eligibility.

(a) The Director may establish national federations that conform to the requirements of these regulations and are eligible to receive designations.

(b) By applying for inclusion in the CFC, federations consent to allow the Director complete access to it and its members' CFC books and records and to