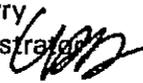




MEMORANDUM

Date: January 5, 2010

To: All County Employees and
Combined Campaign (ECAP) Donors

From: C.H. Huckelberry
County Administrator 

Re: United Way and Employee Combined Campaign Donations

Many of you have seen the January 3, 2010 *Arizona Daily Star* article regarding problems with United Way payments to community agencies. The article said United Way was experiencing cash flow problems due to a fall in payments from donors because of the recession.

United Way has assured us that this is not a problem with Pima County ECAP donations, which are maintained and distributed from a separate bank account. The text of their message to us is included below:

"Under the terms of our fiduciary agreements with each government, United Way segregates cash received from both campaigns into separate bank accounts. Therefore, money raised through ECAP is not included in the discussion of the cash flow problem. The article addresses only unrestricted, board designated dollars to our partner agencies, deposited into United Way's general fund.

All designations from your employees, having been deposited into separate bank accounts, have been paid in a timely manner and all payments to the employees' designated agencies are current."

To assure that County donations are being properly distributed, I requested that our Finance Department do an onsite review of the United Way accounting and payment system. That review will be completed within the next 30 days. I also have directed that we make no administrative payments to United Way until our Finance Department review is completed. Administrative payments to the United Way are paid from County general funds and do not come out of your donations.

Some of you may be tempted to withdraw your donation to ECAP. I would emphasize that there is no reason to do so at this time, and we are taking immediate steps to assure there are no problems distributing the donations to your selected agencies.

I would also emphasize that continuing your ECAP donations is even more important in this period of declining federal, state and city support to community agencies. I urge you to continue your ECAP donation, and I assure you we will quickly and accurately report to you the findings of our review of this matter.

CHH/mjk