

New Florida Laws Impose Stricter Guidelines for Fundraisers

Effective July 1, 2014, new Florida laws have imposed stricter guidelines for fundraisers that will ultimately be of great benefit to Lions Clubs. Non-profit organizations must now manage their finances and public profiles more closely to comply with a broad range of controls. These new regulations will weed out the bad actors that pollute our legitimate Lions fund raising activities.

The aim is to curb fraud in the charitable sector after investigative reporting showed considerable waste and abuse by Florida charities. You are encouraged to educate yourselves of the full impact and scope of this new legislation. Several of the more significant changes are outlined below:

- If you have a website, you must disclose how much of your income is spent on administrative activities vs. how much actually reached the intended beneficiary.
- On your website, you must include a link to the Florida Dept. of Agriculture so that prospective donors can verify your solicitation license.
- Conflict of Interest policies are now mandatory in Florida; your Club Board of Directors must verify compliance on an annual basis. A sample of an approved Conflict of Interest policy is available on Page 25 of the Instructions Form 1023. Go to www.irs.gov/forms&pubs.
- The federal limits for use of various 990 tax reporting forms can be found at the IRS website. Those that can be used are 990-N e-postcard, 990-EZ short form, and 990 long form; each has income and asset limits. If you use the 990 long form, it must be prepared by a licensed CPA or other qualified professional.
- Organizations providing disaster relief over \$50,000 for a specific disaster must submit quarterly reports detailing receipts and disbursements.
- Any organization failing to comply with this legislation under HB-629 can result in a disqualification order to strip them of eligibility for a Florida sales tax exemption.

For additional information, go to the Florida Department of Agriculture website them at 1-800-435-7352. Also a detailed handout on the new law can be found at (www.freshfromflorida.com/Divisions-Offices/Consumer-Services/Business-Services/Charitable-Organizations). Click on the “Fact Sheet” link on the right.