



# CASE

MANDEL CENTER FOR NONPROFIT ORGANIZATIONS

## Nonprofit Managers' Compliance Report: A Legislative Update

January 24, 2006

*Charles Miller, JD, CNM, and Executive Director of CHR Partners, created the following report to identify revised laws, helpful publications, website links, and more on the topic of nonprofit legislative update.*

This report identifies recent regulatory issues impacting Ohio's nonprofit managers as follows:

- Ohio Legislation  
Ohio Revised Code and Legislative Proposals
- Ohio Attorney General  
Administrative Rules & Charitable Law Section Publications
- Internal Revenue Service  
Initiatives, Publications, Proposals, Guidance, PLR, & Proposed Rules
- Federal Law  
Statutes, Legislative & Agency Proposals and FY 2006 Budget Impacts on Nonprofits
- Unified Registration Statement/Multi-State Filer Project
- Better Business Bureau - Wise Giving Standards; United Way - Standards of Excellence; Panel on the Nonprofit Sector - Report to Congress

*Websites are provided in the Federal law section of this report and are as follows:*

- 1) Laws, acts and legislation  
<http://www.legislature.state.oh.us/> - Ohio General Assembly  
[www.firstgov.gov](http://www.firstgov.gov) - U.S. Government website
- 2) Ohio Attorney General, Charitable Laws Section  
[http://www.ag.state.oh.us/sections/charitable\\_law/index.htm](http://www.ag.state.oh.us/sections/charitable_law/index.htm) - rules, publications and links
- 3) Ohio Governor's Office of Faith-Based and Community Initiatives  
<http://fbciohio.gov/>
- 4) Internal Revenue Service: tax information for charities and other nonprofits  
<http://www.irs.gov/charities/index.html>
- 5) Unified Registration Statement/Multi-State Filer Project (URS version 3.00 eff. 9/04)  
<http://www.multistatefiling.org/>
- 6) Better Business Bureau: Standards for Charity Accountability (eff. 3/03)  
<http://www.give.org/standards/index.asp>
- 7) United Way: Standards of Excellence (eff. 3/05)  
<http://national.unitedway.org/soe/>
- 8) "Strengthening Transparency Governance Accountability of Charitable Organizations"  
[http://www.nonprofitpanel.org/final/Panel\\_Final\\_Report.pdf](http://www.nonprofitpanel.org/final/Panel_Final_Report.pdf) - Report to Congress (6/05)

## **1. OHIO LEGISLATION**

### **Gambling Law: ORC Chapter 2915.01**

Definitions & Eligibility [2915.01] H512, 4/03; H95, 7/03; S37, 10/03; H325 & S146; 9/04

Application for Bingo License; Fees [2915.08] H512, H95

Distributor License [2915.081] H512, H95, H325; Manufacturer License [2915.082] H512, H95

Bingo Rules - Times for Type I and Type III Bingo [2915.09] H 512, H 95, H 325

Instant Bingo Rules [2915.091] H512, H95

Instant Bingo Other Than at Bingo Session [2915.093] H512, H95, H325

Raffles [2915.092] H512, H95, S146; H325; Records to be Kept [2915.10] H512, H95

Distributing Net Profit From Instant Bingo [2915.101] H 512, H 95, H325

Games of Chance at County Fairground [1711.09] H512, H325

### **Nonprofit Corporation Act: ORC 1702 + Corporation for Hospital Service: ORC 749**

Authorized Communications [1702. 01(Q)] H42, 8/19/05

Amendment of Regulations [1702.02(11)(B)]; Sending Required Notice [1702.02(A),(B)]

Notice/Attendance [1702.18 and 1702.19]; Meetings [1702.17]; Voting [1702.20]

Directors [1702.27; 1702.33]; Amendment of Articles [1702.38]

Disposition of Assets Mutual Benefit & Public Benefit Corporation [1702.39(A), (B)(1)(b)]

Corporation for Hospital Service [749.021; 749.084] S222, 4/05

### **Charitable Trust Act: ORC 109.23**

Charitable Law Fund; Expenses of Charitable Law Section [109.32] H95, 7/03

### **Ohio Attorney General Rules-Ohio Administrative Code**

Registration Exemptions [109:1-1-02(B)(1)-(9)]; Financial Statement [109:1-1-04(A)(1)-(3)]

### **Health and Safety**

Immunity/Whose Covered/Patients Included/Informed Consent [2305.234] S80; 4/05

Immunity/Distribution Charitable Pharmacy Drugs [3719.812] H454; 4/05

Registration and Records-Shelters & Health Care Facilities [3701.071] S86; 7/04

### **Donation of Property + Auctioneer Laws**

Disposition of Unneeded Property By County to Nonprofit [307.12] H323; 9/04

Gift of Agricultural Easement [901.21] S202; 4/05; Donations of Land [5501.45] H87; 6/03

Special Auctioneer License [4707.02] S99; 5/05

### **Charitable Solicitations Act: ORC 1716**

Prohibited Solicitations By Pedestrian [4511.51] S123; 1/04

**Governor's Office of Faith-Based and Community Initiatives** [107.12] H 95, 9/03

**Release Of Library Record Or Patron Information** [149.432] H 204, 11/04

**Proposals:** 126 H207 - Bingo By Veteran/Fraternal Organizations/Penalties

126 S152 - Gambling Law/Fire Museum;

126 S143 - Public Money Recipients--Accountings/Remedies

## **2. OHIO ATTORNEY GENERAL**

### **Ohio Attorney General Rules-Ohio Administrative Code**

#### **Publications**

Revisions to Ohio's Gambling Laws (8/04)

Ohio's Charitable Gaming Bingo Laws (6/05)

Bingo License Application/Renewal/ Attachments/Instant Bingo Fundraising Contract (2004)

Guide for Board Members (12/04)

Charitable Organization Registration Statement for Charitable Solicitation (2/05)

Verification of Filing With IRS (3/05)

Verification of Registration (6/04)

Registration Form - Professional Solicitor (4/05)

Registration Form - Fundraising Counsel (10/03)

Solicitation Campaign Financial Report of Fundraising Counsel (12/03)

Solicitation Notice (3/05)

Complaint Forms - Charitable Organization/Nonprofit Hospital, Bingo, Retirement Fiduciary (2004)

## **3. INTERNAL REVENUE SERVICE**

### **FY 2005 IRS Exempt Organization Division's Critical Enforcement Initiatives**

Excessive Executive Compensation

Terrorist Financing and Charities

Credit Counseling

Misuse of Tax-Exempt Entities (Abusive Tax Avoidance Transactions "ATAT")

Supporting Organizations, Corporations Sole, ESOP's, Donor Advised Funds, In-Kind  
Donations, Intellectual Property, Conservation Easements, and Vehicle Donations)

#### **New/Updated Publications**

E-Filing Requirements (eff. 1/05)

Form 1023: Application for Recognition of Exemption Under 501(c) (3) (Rev. 10/04)

Publication 557: Tax-Exempt Status for Your Organization (Rev. 3/05)

Publications 4302 and 4303: Car Donations (eff. 6/05)

#### **Draft Proposals**

Form 990 - Schedule B, List of Contributors

#### **Published Guidance**

ATAT Involving S Corporations [Notice 2004-30]

Public Advocacy Activities [Revenue Ruling 2004-6];

Private Foundation Income Distributions [Notice 2004-35 & Notice 2004-36]

#### **Private Letter Rulings**

Religious Organization Denied Recognition of Exempt Status [PLR 200502044]

Excessive Bingo Revenue Results in Revocation of Exempt Status [PLR200520034]

#### **Federal Register Proposed Rules**

Standards for Tax Exempt Status if Private Benefit or Excess Benefit [REG 111257-05]

#### **4. FEDERAL LAW**

##### **Statutory Updates**

Can-Spam (Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003)

Contributions of Vehicles, Boats & Airplanes

[Section 884, American Jobs Creation Act of 2004, Pub. L. No. 108 Stat. 1418, (2004)]

[Adds Section 170(f)(12) and 6720 to the Internal Revenue Code]

Sarbanes-Oxley Act (American Competitiveness and Corporate Accountability Act of 2002)

[http://www.guidestar.org/news/features/sarbanes\\_oxley.jsp](http://www.guidestar.org/news/features/sarbanes_oxley.jsp)

USA Patriot Act (Uniting and Strengthening America by Providing Appropriate Tools

Required to Intercept and Obstruct Terrorism Act) <http://www.patnet.it/Documenti/patriot.pdf>

##### **Proposals**

Charity Aid and Recovery Act (CARE Act)-Title III, S6, Marriage, Opportunity, Relief and Empowerment Act of 2005 (MORE Act)

FCC Notice of Proposed Rulemaking on Electioneering Communications

<http://www.fcc.gov/agenda/2005/mtgdoc05-37.pdf>

Senate Finance Hearings on Charities and Charitable Giving: Proposals for Reform.” 4/5/05

[www.finance.senate.gov/hearings/testimony2004test/062204stfdis.pdf](http://www.finance.senate.gov/hearings/testimony2004test/062204stfdis.pdf)

Tools for Community Initiatives Act (HR 1054) - federal faith-based offices

##### **Federal Budget from a Nonprofit Perspective**

<http://www.ombwatch.org/budget/FY06budgetimpactnonprofits.pdf>