

9 Apr 2015

Meeting Notes #5: Teleconference 9 Apr 2015 Virginia Saltwater Sportfishing Association

**General.** Meeting #5 was conducted on 9 Apr via teleconference. All attendees introduced themselves. The 2 main topics for the meeting was the type of non-profit VSSA wants to be and the website.

**Type of Organization.** Dave Smith, Executive Director from MSSA briefed the VSSA board on his experiences at MSSA. MSSA is currently a 501c4 which allows political contributions with the desire to influence fishery issues. Dave said in recent years the MSSA has not been as active in giving money to politicians as the value of such contributions are not always evident. Who and how much money to contribute and exactly what the expected outcome should be is becoming an increasingly complex issue. The MSSA is having internal discussions about moving away from being a 501c4 to become a 501c3. The MSSA does have a separate scholarship fund as a 501c3 but has a separate board of directors from MSSA to oversee the funds. One of the options available to VSSA is to start out as a 501c3 so contributions can be tax deductible then as the VSSA got larger create a second organization as a 501c4 with the intent to be politically active. VSSA board members asked Dave several questions about the MSSA including fund raising, events, tournaments, chapters, etc. A good portion of fund raising for the MSSA comes from tournaments. It seems the MSSA with it local chapters is organized in a similar manner as the Virginia fishing clubs. The VSSA does not desire to replicate or replace what a fishing club does but rather to support the clubs. So while the VSSA may have similar mission statements as the MSSA, the VSSA will have differences. The VSSA board thanked Dave Smith for participating in the meeting.

Curtis Tomlin, Juris Doctor, University of Richmond School of Law, briefed the VSSA on the main differences between a 501c3 and 501c4. See enclosed notes from Curtis.

**Website.** The VSSA board voted to create 2 websites to support VSSA. [joinvssa.org](http://joinvssa.org) and [ifishva.org](http://ifishva.org) domains will be purchased to support the VSSA. Jerry Aycocock has agreed to initially host and do the web design the VSSA. Logo design should be solicited by anglers. Additionally, social media sites will be established to support the VSSA. Jerry has created the Virginia Saltwater Sportfishing Assn page on Facebook. All board members should log on to this Facebook page and help spread the word.

**Way Ahead.** The next meeting will be **Thursday, 16 Apr 2015 7 – 8 pm.** Dial in number: 712-775-7031, Meeting ID code: 268-591-500. We will have a discussion on 501c3 vs c4 and board members will be asked to vote on which type of organization the VSSA wants to be. The floor will then be open for any new business.

Meeting notes approved by: Interim Board Members

## 501 C 3 vs. 501 c 4

### **a. Preliminary Questions:**

- i. How much lobbying will org do? ( what % of activities).
- ii. Will the organization donate to political campaigns?
- iii. How much does organization care about grants?
- iv. How much will membership & donations be impacted if organization is clearly political?

### **b. Similarities:**

- i. Both non-profits: money goes back to fund mission.
  1. Both require extensive tracking/documentation of finances and operation.
    - a. 501c3 more tedious to keep status
- ii. 501c3( charitable org) 501c4 (social welfare group)

### **c. Differences:**

1. Donations
  - a. deductible for 501c3
  - b. not deductible for 501c4.
2. Most grants require 501c3 status.
  - a. C4 restricts grants because companies/private grants cannot deduct their donations.
3. Lobbying/Political Activity
  - a. C4- no limitations on \$ spent lobbying or political activity.
    - i. Have to tell donors/members money used for political causes.
      1. Will this impact membership?
  - b. C3- must operate under parameters below.

### **d. 501c3 limits on lobbying and political activity:**

- i. Political Activity:
  1. 501c3 cannot endorse/donate to CANDIDATE
  2. Can do education outreach on issues
- ii. Lobbying:
  1. C3- lobbying cannot be "substantial" part of activities
    - a. Factors considered for "substantial"- amount of time, amount of money spent, and any other factors
      - i. can elect for expenditure test:
        1. budget less than 500K, then can spend 20% or less on lobbying
  2. **NOT LLOBYING:** It does not include actions by executive, judicial, or administrative bodies. (VMRC or Atlantic States Marine Fisheries Commission/council).
  3. Non-partisan analysis, study, or research
  4. Public comment to agency asking for public comments.

### **e. Could do both**

- i. 501c3 could spawn a 501c4 to do its lobbying/ political activity.
- ii. More legal/accounting legwork, but it could be an option down the road.