

Your Lodge and Chapter May Hold Fundraisers That Are Open To The Public!

Now here's a red flag for you in these difficult economic times. Dig in your files and refer to the Nov. 06, Dec. 06, Jan. 07 issue of "Moose Leader" to read the entire article presented by then General Governor Chambers, whose discussion centers on a subject that impacts all lodges and chapters. Many officers of fraternal units do not know that *WITH A DISPENSATION*, a limited number of fundraisers that are "Open To The Public" may be held, with the unit keeping all of the proceeds. This is covered under

Internal Revenue Code Regulation Section 1.513-01(C)(2)

and states "Income-producing or fundraising activities that last for *a short period of time* will ordinarily not be treated as regularly carried on if they recur *only sporadically*. . . In addition, the fact that these activities are conducted on an annual recurrent basis will not cause them to be deemed regularly conducted. Thus, income from an annual fundraising event would not be income from a trade or business regularly conducted."

WHAT DOES THIS MEAN TO YOUR UNIT?

YOUR UNIT MAY, FOR EXAMPLE, HOLD AN EGGS AND PANCAKE BREAKFAST IN JANUARY AND JULY, A YARD SALE IN FEBRUARY AND AUGUST, etc., so long as certain conditions are followed:

- 1) All activities shall be legal in Ohio and the local venue**
- 2) All activities shall be approved by a dispensation from the General Governor**
- 3) Your Social Quarters is "off limits" to non-members and should be closed completely during the activity**
- 4) Advertising for the activity requires a dispensation from the General Governor**
- 5) The combined proceeds from all of these events should not exceed 35% of the lodge's total income**
- 6) Each individual activity may be held not more than twice yearly**

These "approved activities" could go a long way to help finance the good work that our lodges and chapters do. We want to take advantage of every opportunity to help our lodges and chapters meet financial obligations, but, remember to follow the rules to avoid questioning by Moose International and the Internal Revenue Service.