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Final Regulation Agency Background Document

Agency name	Board of Agriculture and Consumer Services
Virginia Administrative Code (VAC) citation(s)	2 VAC 5-610
Regulation title(s)	Rules Governing the Solicitation of Contributions
Action title	Amendments to remove references to the Office of Consumer Affairs, to update references to other state agencies, and to reflect changes in IRS filing requirements.
Date this document prepared	January 13, 2015

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 17 (2014) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

Brief summary

Please provide a brief summary of the proposed new regulation, proposed amendments to the existing regulation, or the regulation proposed to be repealed. Alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.

The proposed regulatory action will amend 2 VAC 5-610 *et seq.*, *Rules Governing the Solicitation of Contributions*, to (i) remove references to the Office of Consumer Affairs, (ii) update references to other state agencies, (iii) reflect changes in Internal Revenue Service (IRS) filing requirements, and (iv) update language to more accurately describe requirements of the regulation and administrative practices.

Acronyms and Definitions

Please define all acronyms used in the Agency Background Document. Also, please define any technical terms that are used in the document that are not also defined in the "Definition" section of the regulations.

“IRS” means the United States Internal Revenue Service.

“VDACS” means the Virginia Department of Agriculture and Consumer Services.

“VSOC Law” means the Virginia Solicitation of Contributions Law (Va Code § 57-48 *et seq.*).

Statement of final agency action

Please provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) the name of the agency taking the action; and 3) the title of the regulation.

On December 11, 2014, the Board of Agriculture and Consumer Services of the Virginia Department of Agriculture and Consumer Services adopted as final *Rules Governing the Solicitation of Contributions*, 2 VAC 5-610 *et seq.*

Legal basis

Please identify the state and/or federal legal authority to promulgate this proposed regulation, including: 1) the most relevant citations to the Code of Virginia or General Assembly chapter number(s), if applicable; and 2) promulgating entity, i.e., agency, board, or person. Your citation should include a specific provision authorizing the promulgating entity to regulate this specific subject or program, as well as a reference to the agency/board/person’s overall regulatory authority.

Section 57-66 of the Code of Virginia authorizes the Board of Agriculture and Consumer Services (Board) to make rules and regulations for the administration of the Virginia Solicitation of Contributions Law (Va Code § 57-48 *et seq.*). The Board approved the amendments to this regulation on December 11, 2014.

Purpose

Please explain the need for the new or amended regulation. Describe the rationale or justification of the proposed regulatory action. Describe the specific reasons the regulation is essential to protect the health, safety or welfare of citizens. Discuss the goals of the proposal and the problems the proposal is intended to solve.

This regulation prescribes (i) the specific information charitable organizations must provide in order to complete a new or renewal registration, or to receive an exemption from annual registration, (ii) the requirements for reporting contributions received, (iii) the information that professional solicitors and fund-raising counsel must provide in order to complete registration, (iv) the specific information that professional solicitors must disclose in the course of soliciting contributions, and (v) the requirements regarding the financial reports that must be filed with VDACS.

According to the Urban Institute’s Center on Nonprofits and Philanthropy, which relies on data from the IRS, in 2011, Virginians donated approximately \$5.3 billion to charitable organizations. This regulation protects the welfare of Virginia’s citizens through its registration, disclosure, and reporting requirements that assist the agency in providing potential donors with information that can educate their charitable donation decisions. This regulatory action will amend the regulation to (i) remove references to the Office of Consumer Affairs, (ii) update references to other state agencies, (iii) reflect changes in IRS filing requirements, and (iv) update language to more accurately describe requirements of the regulation and administrative practices. These amendments will improve the clarity of the regulation, making compliance

easier for regulants. Increased compliance will ultimately benefit the welfare of those citizens who make charitable donations.

Substance

Please briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both.

The proposed regulatory action will amend 2 VAC 5-610 *et seq.*, *Rules Governing the Solicitation of Contributions*, to (i) remove references to the Office of Consumer Affairs, (ii) update references to other state agencies, (iii) reflect changes in IRS filing requirements, and (iv) update language to more accurately describe requirements of the regulation and administrative practices.

The current regulation makes multiple references to the Office of Consumer Affairs, the former name of the program that was responsible for administering the Virginia Solicitation of Contributions Law (VSOC Law). In July 2012, as a result of the Governor's government reorganization efforts, certain responsibilities of the Office of Consumer Affairs were transferred to another agency and the remaining responsibilities were consolidated into a new program in the Department of Agriculture and Consumer Services called the Office of Charitable and Regulatory Programs. The proposed amendments will remove references to the Office of Consumer Affairs, which no longer exists, and, where appropriate, replace those references with references to the Virginia Department of Agriculture and Consumer Services (VDACS).

The current regulation also references multiple state agencies that have changed their names since 2002, when this regulation was last amended. The proposed amendments will replace those obsolete references with the current names of the appropriate state agencies.

Charitable organizations seeking to solicit contributions in Virginia must file, among other documents, a financial statement certified by an independent public accountant or a copy of IRS Form 990, *Return of Organization Exempt from Income Tax*. The IRS recently raised the threshold for organizations that are allowed to file the abbreviated Form 990-N from \$25,000 to \$50,000. The VSOC Law was amended by the 2012 Session of the General Assembly to remove references to the \$25,000 threshold so that the law would not continue to require organizations with gross revenue between \$25,000 and \$50,000 to submit the Form 990 to VDACS when the IRS was not requiring that these organizations complete the Form 990. The proposed amendments replace the references to the former \$25,000 threshold that currently appear in the regulation with a general reference to the IRS Form 990-N filing threshold.

Currently, the regulation requires that if a charitable organization submits an IRS Form 990 to the agency, the form must be signed. The IRS now offers electronic filing. As such, organizations that file electronically do not generate a signed form. The proposed amendments acknowledge the electronic filing option by requiring organizations that file electronically to submit a copy of the e-file signature authorization along with their unsigned IRS Form 990, 990-PF, or 990-EZ.

Issues

Please identify the issues associated with the proposed regulatory action, including: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, please indicate.

The proposed amendments will improve the clarity of the regulation, making compliance easier for regulants. Increased compliance will increase the information that the agency is able to provide to the public regarding charitable organizations, ultimately benefitting those citizens who make charitable donations. This regulatory action poses no disadvantages to the public or the Commonwealth.

Requirements more restrictive than federal

Please identify and describe any requirement of the proposal which is more restrictive than applicable federal requirements. Include a rationale for the need for the more restrictive requirements. If there are no applicable federal requirements or no requirements that exceed applicable federal requirements, include a statement to that effect.

There are no applicable federal requirements.

Localities particularly affected

Please identify any locality particularly affected by the proposed regulation. Locality particularly affected means any locality which bears any identified disproportionate material impact which would not be experienced by other localities.

No locality will bear a disproportionate material impact as a result of the proposed amendments.

Family impact

Please assess the impact of this regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.

This regulatory action will have no measurable impact on the institution of the family and family stability.

Changes made since the proposed stage

*Please list all changes that made to the text of the proposed regulation and the rationale for the changes; explain the new requirements and what they mean rather than merely quoting the proposed text of the regulation. *Please put an asterisk next to any substantive changes.*

Section number	Requirement at proposed stage	What has changed	Rationale for change
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10	Definitions	The proposed amendments remove references to the Code of Virginia from the definition of “certified audited financial statements.”	Changes were made because referencing the Code within this definition is not necessary.
		Add reference to the Code to the definition of “commissioner”.	Changes were made in order to directly link the Code’s definition and regulation’s definition.
		Modify and remove language within the definition of “file with the commissioner”.	Changes were made to make definition of “file with the commissioner” consistent with statutory definition; removed language has been relocated to section 80 which includes general provisions.
		Remove “(Exemptions)” from the definition of “foundation”.	Changes were made to make Code references consistent throughout the regulation; catchlines for Code sections will no longer be used throughout the regulation.
		Add comma to the definition of “IRS”.	Changes were made in order to reflect the correct name of the US Department of the Treasury, Internal Revenue Services.
		Strike “or” and add “;” two times and strike the words “not incorporated” in favor of “unincorporated” within the definition of “primary name”.	Changes were made to punctuation in order to clarify the language of the regulation and to make the reference to incorporation status of organizations throughout the regulation consistent.
		Add the word “standardized” and remove the phrase “by a committee organized” within the definition of “unified registration statement”.	Changes were made to more accurately define “unified registration statement”.
20	This section establishes the documentation that a charitable organization	Include “for registration” in subsection A.	Changes were made for consistency in names of subsections

	must submit in order to obtain a registration to solicit contributions.		throughout the regulation.
		Include “with the commissioner” in subsection A.	Changes were made for consistency throughout the document and to use the phrase as defined the Code and section 10.
		Include references to form, Code, and Code requirements regarding the filing of initial registration statements and necessary attachments in subsection A.	Changes were made in order to emphasize the initial registration form and attachment requirements established in the Code.
		Form references have been moved from subdivision 2 of subsection A to the main body of subsection A.	Changes were made to clarify the form references and separate them from the attachment requirements established in the Code.
		Renumber subdivisions 3-7.	Changes were made in order to correct numbering of subdivisions to reflect movement of language.
		Change “receipt of filing” to “e-file signature authorization”.	Changes were made to more accurately describe the documentation required for financial report requirements.
		Strike “or,” and replace it with “;” four times and add comma throughout section.	Changes were made to punctuation in order to clarify the language of the regulation.
		Strike “any and” from subdivision 4 of subsection A.	Changes were made because the stricken language is redundant and unnecessary.
		Strike “other” from subdivision 5 of subsection A.	Changes were made because the stricken language is unnecessary and may cause confusion.

		In subsection C, replace “any person required to report contributions” with “every charitable organization subject to registration”.	Changes were made to clarify current requirements.
		In subsection C “Shall” was added and “shall report” was replaced with “report” in subdivisions 1-4.	Changes were made to standardize subdivision wording throughout the regulation.
		Strike “AICPA” from subdivision 2 of subsection C.	Change was made because “AICPA” is not used elsewhere in the regulation.
30	This section establishes the documentation that a charitable organization must submit in order to renew its annual registration to solicit contributions.	Include “for registration” in subsection A.	Changes were made for consistency in names of subsections throughout the regulation.
		Include “with the commissioner” in subsection A.	Changes were made for consistency throughout the document and to use the phrase as defined the Code and section 10.
		Include references to form, Code, and Code requirements regarding the filing of an annual registration statement and necessary attachments in subsection A.	Changes were made in order to emphasize the registration from and attachment requirements established in the Code.
		Form references have been moved from subdivision 2 of subsection A to the main body of subsection A.	Changes were made to separate the form references from the attachment requirements established in the Code.
		Renumber subdivisions 3-7.	Changes were made in order to correct numbering of subdivisions to reflect movement of language.
		Change “receipt of filing” to “e-file signature authorization”.	Changes were made to more accurately describe the

			documentation required for financial report requirements.
		Strike “or,” and replace it with “;”, strike “or” as well as strike and add various commas and semicolons throughout the section.	Changes were made to punctuation in order to clarify the language of the regulation.
		In subsection C replace “any person required to report contributions” with “every charitable organization subject to registration”.	Changes were made to clarify current requirements.
		In subsection C “Shall” was added and “shall report” was replaced with “report” in subdivisions 1-4.	Changes were made to standardize subdivision wording throughout the regulation.
		Strike “AICPA” from subdivision 2 of subsection C.	Change was made because “AICPA” is not used elsewhere in the regulation.
		Strike “any and” from subdivision 4 of subsection A.	Changes were made because the stricken language is redundant and unnecessary.
		In subsection D add “with the commissioner” four times.	Changes were made for consistency throughout the document and to use the phrase as defined the Code and section 10.
		In subdivision 5 of subsection D remove the parenthesis.	Changes were made to clarify the requirements of this regulation.
35	This section establishes the disclosures required of charitable and civic organizations to make known while soliciting.	In subsection B strike specific reference to the required form and its name and replace it with a description of the form.	Changes were made to increase flexibility and make regulatory action for future form name changes unnecessary.
		Strike or add various commas and strike spaces throughout the section.	Changes were made to punctuation in order to clarify the language of the regulation.
40	This section establishes the documentation that a charitable organization must submit in order to claim an exemption from the Virginia Solicitation	Include “for exemption application” in subsection A.	Changes were made for consistency in names of subsections throughout the regulation.

	of Contributions Law's registration requirements.		
		Include references to form, Code, and Code requirements regarding the filing of an annual registration statement and necessary attachments in subsection A.	Changes were made in order to emphasize the initial registration from and attachment requirements established in the Code.
		In subsection A strike specific reference to the required form and its name.	Changes were made to increase flexibility and make regulatory action for future form name changes unnecessary.
		Form references have been moved from subdivision 2 of subsection A to the main body of subsection A.	Changes were made to clarify the form references and separate them from the attachment requirements established in the Code.
		Renumber subdivisions 3-7.	Changes were made in order to correct numbering of subdivisions to reflect movement of language.
		Strike "or" and strike or add various commas and semicolons throughout the section.	Changes were made to language and punctuation in order to clarify the language of the regulation.
		Change "receipt of filing" to "e-file signature authorization".	Changes were made to more accurately describe the documentation required for financial report requirements.
		Strike "other" from subdivision 5 of subsection A.	Changes were made because the stricken language is unnecessary and may cause confusion.
		Add "care" to subdivision 8 of subsection B.	Changes were made in order to make consistent references to "health care institutions" throughout

			the regulation.
		In subdivision 8 of subsection B language was rearranged and “care institution” was added.	Changes were made in order to promote clarity and make consistent references to “health care institutions”.
		In subsection B strike specific reference to the required form and its name.	Changes were made to increase flexibility and make regulatory action for future form name changes unnecessary.
		Add to subdivision 8 of subsection B a statement regarding “file with the commissioner”.	Changes were made in order to promote clarity.
50	This section establishes the documents a charitable organization must submit to the agency upon the organization’s discontinuance of solicitations.	Strike or add various commas throughout the section.	Changes were made in punctuation in order to clarify the language of the regulation.
		Add “with” twice in subsection A.	Changes were made to clarify what needs to be submitted to the agency upon an organization’s discontinuance of solicitations in the Commonwealth.
		Add “with the IRS” to subsections A and B.	Changes were made to specify the type of electronically filed forms mentioned in these subsections.
		In subdivision B change “receipt of filing” to “e-file signature authorization”.	Changes were made to more accurately describe the documentation required for financial report requirements.
60	This section establishes the registrations requirements for professional fund-raising counsels.	Include “with the commissioner” in subsection A.	Changes were made for consistency throughout the document and to use the phrase as defined the Code and section 10.
		Include references to form,	Changes were made in

		Code, and Code requirements regarding the filing of an annual registration statement and necessary attachments in subsection A.	order to emphasize the initial registration form and attachment requirements established in the Code.
		Form references have been moved from subdivision 2 of subsection A to the main body of subsection A.	Changes were made to reflect submission requirements.
		Strike "any and" from subdivision 2 of subsection A.	Changes were made because the stricken language is redundant and unnecessary.
		Strike or add various commas throughout the section.	Changes were made in punctuation in order to clarify the language of the regulation.
70	This section establishes the registration requirements for professional solicitors.	Add "with the commissioner" twice and "on a form prescribed" in subsection A.	Changes were made for consistency throughout the document and to use the phrase as defined the Code and section 10.
		Move a statement regarding the requirements to submit a form with all questions answered and officer's signature included from subdivision to subsection.	Changes were made to reflect submission requirements.
		Language pertaining to form references has been moved from subdivision 2 of subsection A to the main body of subsection A.	Changes were made in order to emphasize the attachment requirements established in the Code.
		Strike specific reference to the required form and its name in subdivision 2 of subsection A and replace it with a description of the form.	Changes were made to increase flexibility and make regulatory action for future form name changes unnecessary.
		Renumber subdivisions 3-4.	Changes were made in order to correct numbering of subdivisions to reflect movement of language.
		Add various commas throughout this section.	Changes were made to punctuation in order to clarify the language of

			the regulation.
		Add "Virginia" to name of "State Corporation Commission".	Changes have been made in order to make reference to the Virginia State Corporation Commission consistent throughout the regulation.
		Strike "any and" from subdivision 4 of subsection A.	Changes were made because the stricken language is redundant and unnecessary.
		In subsections B, C, E, and F strike specific reference to the required forms and their names and replace them with descriptions of the forms.	Changes were made to increase flexibility and make regulatory action for future form name changes unnecessary.
		Re-number subdivision 6 and add subdivision 7 within subsection E.	Changes have been made in order to make it easier to locate information within subsection E.
80	This section outlines additional provisions.	Add reference to what the department considers filed or received.	Changes have been made in order to relocate reference to "receipt" from definition section of regulation.

Public comment

Please summarize all comments received during the public comment period following the publication of the proposed stage, and provide the agency response. If no comment was received, please so indicate. Please distinguish between comments received on Town Hall versus those made in a public hearing or submitted directly to the agency or board.

Commenter	Comment	Agency response
Paul Ellender	Addressed the Office of Consumer Affairs, in two separate comments, with a test message.	The agency thanks Mr. Ellender for his interest in the proposed regulation.
Rosanne Woody	Expressed her endorsement of the proposed regulation	The agency thanks Ms. Woody for her interest in the proposed regulation.

All changes made in this regulatory action

Please list all changes that are being proposed and the consequences of the proposed changes.

Describe new provisions and/or all changes to existing sections. Explain the new requirements and what they mean rather than merely quoting the proposed text of the regulation

Current section number	Proposed new section number, if applicable	Current requirement	Proposed change and rationale
10	N/A	Definitions	<p>The proposed amendments remove references to the former Office of Consumer Affairs, update references to other states agencies, and replace the definition for “treasurer’s report” with a definition for “certified treasurer’s report” in order to emphasize the current requirement that the organization’s treasurer must sign the report. These amendments do not substantively alter the regulation.</p> <p>The proposed amendments remove references to the Code of Virginia from the definition of “certified audited financial statements” because referencing the Code within this definition is not necessary. This is not a substantive amendment.</p> <p>Add reference to the Code to the definition of “commissioner” to make definition of “file with the commissioner” consistent with statutory definition; removed language has been relocated to section 80 which includes general provisions. This is not a substantive amendment.</p> <p>Remove “(Exemptions)” from the definition of “foundation” in order to make Code references consistent throughout the regulation; catchlines for Code sections will no longer be used throughout the regulation. This is not a substantive amendment.</p> <p>Add comma to the definition of “IRS” in order to reflect the correct name of the US Department of the Treasury, Internal Revenue Services. This is not a substantive amendment.</p>

			Strike “or” and add “;” two times and strike the words “not incorporated” in favor of “unincorporated” within the definition of “primary name” to more accurately define “unified registration statement”. This is not a substantive amendment.
20	N/A	This section establishes the documentation that a charitable organization must submit in order to obtain a registration to solicit contributions.	<p>We propose to cite the section of the Code of Virginia that prescribes the registration fees rather than citing the registration form. This is not a substantive amendment.</p> <p>The proposed amendments eliminate the requirement that registration applications be notarized.</p> <p>Currently, the regulation requires that if a charitable organization submits an IRS Form 990 to VDACS, the form must be signed. The IRS now offers electronic filing. As such, organizations that file electronically do not generate a signed form. We propose to amend the regulation to acknowledge the electronic filing option by requiring organizations that file electronically to submit a copy of their IRS Form 990, 990-PF, or 990-EZ, as filed with the IRS, and a copy of their e-file signature authorization.</p> <p>The IRS recently increased the threshold for organizations that are allowed to file the abbreviated Form 990-N from \$25,000 to \$50,000. The VSOC Law was amended by Chapter 313 of the 2012 Acts of Assembly to remove references to the \$25,000 threshold so that the law would not continue to require organizations with gross revenue between \$25,000 and \$50,000 to submit the Form 990 to VDACS when the IRS was not requiring that these organizations complete the Form 990. The proposed amendments replace the references to the former \$25,000 threshold that currently appear in the regulation with a general reference to the IRS Form 990-N filing threshold.</p>

		<p>“Treasurer’s report” has been replaced with “certified treasurer’s report” in order to emphasize the current requirement that the organization’s treasurer must sign the report. This amendment does not substantively alter the regulation.</p> <p>This section also includes amendments to references to the Code of Virginia in order to properly cite the Code in accordance with the <u>Form, Style and Procedure Manual for Publication of Virginia Regulations</u>.</p> <p>Include “for registration” in subsection A for consistency in names of subsections throughout the regulation. This is not a substantive amendment.</p> <p>Include “with the commissioner” in subsection A for consistency throughout the document and to use the phrase as defined the Code and section 10. This is not a substantive amendment.</p> <p>Include references to form, Code, and Code requirements regarding the filing of initial registration statements and necessary attachments in subsection A made in order to emphasize the initial registration form and attachment requirements established in the Code. This is not a substantive amendment.</p> <p>Form references have been moved from subdivision 2 of subsection A to the main body of subsection A to clarify the form references and separate them from the attachment requirements established in the Code. This is not a substantive amendment.</p> <p>Renumber subdivisions 3-7 in order to correct numbering of subdivisions to reflect movement of language. This is not a substantive amendment.</p> <p>Change “receipt of filing” to “e-file signature authorization” to more accurately describe the documentation</p>
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			<p>required for financial report requirements. This is not a substantive amendment.</p> <p>Strike “or,” and replace it with “;” four times and add comma throughout section in order to clarify the language of the regulation. This is not a substantive amendment.</p> <p>Strike “any and” from subdivision 4 of subsection A because the stricken language is redundant and unnecessary. This is not a substantive amendment.</p> <p>Strike “other” from subdivision 5 of subsection A because the stricken language is unnecessary and may cause confusion. This is not a substantive amendment.</p> <p>In subsection C, replace “any person required to report contributions” with “every charitable organization subject to registration” to clarify current requirements. This is not a substantive amendment.</p> <p>In subsection C “Shall” was added and “shall report” was replaced with “report” in subdivisions 1-4 to standardize subdivision wording throughout the regulation. This is not a substantive amendment.</p> <p>Strike “AICPA” from subdivision 2 of subsection C because “AICPA” is not used elsewhere in the regulation. This is not a substantive amendment.</p>
30	N/A	<p>This section establishes the documentation that a charitable organization must submit in order to renew its annual registration to solicit contributions.</p>	<p>We propose to cite the section of the Code of Virginia that prescribes the registration fees rather than citing the registration form. This is not a substantive amendment.</p> <p>The proposed amendments eliminate the requirement that the renewal application be notarized.</p> <p>Currently, the regulation requires that if a</p>

			<p>charitable organization submits an IRS Form 990 to the agency, the form must be signed. The IRS now offers electronic filing. As such, organizations that file electronically do not generate a signed form. We propose to amend the regulation to acknowledge the electronic filing option by requiring organizations that file electronically to submit a copy of their IRS Form 990, 990-PF, or 990-EZ, as filed with the IRS, and a copy of their e-file signature authorization.</p> <p>The IRS recently increased the threshold for organizations that are allowed to file the abbreviated Form 990-N from \$25,000 to \$50,000. The VSOC Law was amended by Chapter 313 of the 2012 Acts of Assembly to remove references to the \$25,000 threshold so that the law would not continue to require organizations with gross revenue between \$25,000 and \$50,000 to submit the Form 990 to VDACS when the IRS was not requiring that these organizations complete the Form 990. The proposed amendments replace the references to the former \$25,000 threshold that currently appear in the regulation with a general reference to the IRS Form 990-N filing threshold.</p> <p>“Treasurer’s report” has been replaced with “certified treasurer’s report” in order to emphasize the current requirement that the organization’s treasurer must sign the report. This amendment does not substantively alter the regulation.</p> <p>This section also includes amendments to references to the Code of Virginia in order to properly cite the Code in accordance with the <u>Form, Style and Procedure Manual for Publication of Virginia Regulations</u>.</p> <p>Include “for registration” in subsection A for consistency in names of subsections throughout the regulation. This is not a substantive amendment.</p>
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			<p>Include “with the commissioner” in subsection A for consistency throughout the document and to use the phrase as defined the Code and section 10. This is not a substantive amendment.</p> <p>Include references to form, Code, and Code requirements regarding the filing of an annual registration statement and necessary attachments in subsection A in order to emphasize the registration from and attachment requirements established in the Code. This is not a substantive amendment.</p> <p>Form references have been moved from subdivision 2 of subsection A to the main body of subsection A made to separate the form references from the attachment requirements established in the Code. This is not a substantive amendment.</p> <p>Renumber subdivisions 3-7 in order to correct numbering of subdivisions to reflect movement of language. This is not a substantive amendment.</p> <p>Change “receipt of filing” to “e-file signature authorization” to more accurately describe the documentation required for financial report requirements. This is not a substantive amendment.</p> <p>Strike “or,” and replace it with “;”, strike “or” as well as strike and add various commas and semicolons throughout the section in order to clarify the language of the regulation. This is not a substantive amendment.</p> <p>In subsection C replace “any person required to report contributions” with “every charitable organization subject to registration” to clarify current requirements. This is not a substantive amendment.</p> <p>In subsection C “Shall” was added and</p>
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			<p>“shall report” was replaced with “report” in subdivisions 1-4 made to standardize subdivision wording throughout the regulation. This is not a substantive amendment.</p> <p>Strike “AICPA” from subdivision 2 of subsection C because “AICPA” is not used elsewhere in the regulation. This is not a substantive amendment.</p> <p>Strike “any and” from subdivision 4 of subsection A because the stricken language is redundant and unnecessary. This is not a substantive amendment.</p> <p>In subsection D add “with the commissioner” four times for consistency throughout the document and to use the phrase as defined the Code and section 10. This is not a substantive amendment.</p> <p>In subdivision 5 of subsection D remove the parenthesis to clarify the requirements of this regulation. This is not a substantive amendment.</p>
<p>N/A</p>	<p>35</p>	<p>N/A</p>	<p>This section establishes certain disclosures that charitable organizations must make when conducting solicitations.</p> <p>The disclosure requirements that appear in the new Section 35 currently appear in Section 40. Section 40 pertains to exemptions from annual registration and is not the most logical section for the disclosure requirements to appear.</p> <p>In subsection B strike specific reference to the required form and its name and replace it with a description of the form to increase flexibility and make regulatory action for future form name changes unnecessary. This is not a substantive amendment.</p> <p>Strike or add various commas and strike spaces throughout the section in order to clarify the language of the regulation.</p>

			<p>This is not a substantive amendment.</p>
<p>40</p>	<p>N/A</p>	<p>This section establishes the documentation that a charitable organization must submit in order to claim an exemption for the VSOC Law’s registration requirements.</p>	<p>We propose to cite the section of the Code of Virginia that prescribes the exemption application fee rather than stating the fee amount in the regulation. This is not a substantive amendment.</p> <p>The proposed amendments eliminate the requirement that the renewal application be notarized.</p> <p>Currently, the regulation requires that if a charitable organization submits an IRS Form 990 to the agency, the form must be signed. The IRS now offers electronic filing. As such, organizations that file electronically do not generate a signed form. We propose to amend the regulation to acknowledge the electronic filing option by requiring organizations that file electronically to submit a copy of their IRS Form 990, 990-PF, or 990-EZ, as filed with the IRS, and a copy of their e-file signature authorization.</p> <p>The IRS recently increased the threshold for organizations that are allowed to file the abbreviated Form 990-N from \$25,000 to \$50,000. The VSOC Law was amended by Chapter 313 of the 2012 Acts of Assembly to remove references to the \$25,000 threshold so that the law would not continue to require organizations with gross revenue between \$25,000 and \$50,000 to submit the Form 990 to VDACS when the IRS was not requiring that these organizations complete the Form 990. The proposed amendments replace the references to the former \$25,000 threshold that currently appear in the regulation with a general reference to the IRS Form 990-N filing threshold.</p> <p>“Treasurer’s report” has been replaced with “certified treasurer’s report” in order to emphasize the current requirement that the organization’s treasurer must sign the report. This amendment does not substantively alter the regulation.</p>

			<p>This regulation was last amended in 2002.</p> <p>The proposed amendments update references to state agencies that have changed their names subsequent to 2002.</p> <p>Additionally, subsequent to 2002, the VSOC Law was amended to include additional exemption categories. The proposed amendments include subdivisions that prescribe the documentation an organization must submit when requesting an exemption under one of the categories added to the VSOC Law following 2002. Chapter 85 of the 2002 Acts of Assembly added an exemption for Area Health Education Centers (see proposed 2VAC5-610-40 B 13). Chapter 580 of the 2004 Acts of Assembly added an exemption for regional emergency medical services councils (see proposed 2VAC5-610-40 B 14). Chapter 316 of the 2005 Acts of Assembly added an exemption for nonprofits that solicit only through grant proposals (see proposed 2VAC5-610-40 B 15).</p> <p>This section also includes amendments to references to the Code of Virginia in order to properly cite the Code in accordance with the <u>Form, Style and Procedure Manual for Publication of Virginia Regulations</u>.</p> <p>Section 40 pertains to exemptions from annual registration and is not the most logical section for the disclosure requirements that appear in 2VAC5-610 D through 2VAC5-610 F. As such, we propose to create a new section, Section 35, for the disclosure requirements.</p> <p>Include “for exemption application” in subsection A for consistency in names of subsections throughout the regulation. This is not a substantive amendment.</p>
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			<p>Include references to form, Code, and Code requirements regarding the filing of an annual registration statement and necessary attachments in subsection A in order to emphasize the initial registration from and attachment requirements established in the Code. This is not a substantive amendment.</p> <p>In subsection A strike specific reference to the required form and its name made to increase flexibility and make regulatory action for future form name changes unnecessary. This is not a substantive amendment.</p> <p>Form references have been moved from subdivision 2 of subsection A to the main body of subsection A to clarify the form references and separate them from the attachment requirements established in the Code. This is not a substantive amendment.</p> <p>Renumber subdivisions 3-7 in order to correct numbering of subdivisions to reflect movement of language. This is not a substantive amendment.</p> <p>Strike “or” and strike or add various commas and semicolons throughout the section in order to clarify the language of the regulation. This is not a substantive amendment.</p> <p>Change “receipt of filing” to “e-file signature authorization” to more accurately describe the documentation required for financial report requirements. This is not a substantive amendment.</p> <p>Strike “other” from subdivision 5 of subsection A because the stricken language is unnecessary and may cause confusion. This is not a substantive amendment.</p> <p>Add “care” to subdivision 8 of subsection</p>
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			<p>B made in order to make consistent references to “health care institutions” throughout the regulation. This is not a substantive amendment.</p> <p>In subdivision 8 of subsection B language was rearranged and “care institution” was added made in order to promote clarity and make consistent references to “health care institutions”. This is not a substantive amendment.</p> <p>In subsection B strike specific reference to the required form and its name to increase flexibility and make regulatory action for future form name changes unnecessary. This is not a substantive amendment.</p> <p>Add to subdivision 8 of subsection B a statement regarding “file with the commissioner” in order to promote clarity. This is not a substantive amendment.</p>
50	N/A	<p>This section establishes the documents a charitable organization must submit to the agency upon the organization’s discontinuance of solicitations.</p>	<p>Currently, the regulation requires that if a charitable organization submits an IRS Form 990 to the agency, the form must be signed. The IRS now offers electronic filing. As such, organizations that file electronically do not generate a signed form. We propose to amend the regulation to acknowledge the electronic filing option by requiring organizations that file electronically to submit a copy of their IRS Form 990, 990-PF, or 990-EZ, as filed with the IRS, and a copy of their e-file signature authorization.</p> <p>The IRS recently increased the threshold for organizations that are allowed to file the abbreviated Form 990-N from \$25,000 to \$50,000. The VSOC Law was amended by Chapter 313 of the 2012 Acts of Assembly to remove references to the \$25,000 threshold so that the law would not continue to require organizations with gross revenue between \$25,000 and \$50,000 to submit the Form 990 to VDACS when the IRS was not requiring that these</p>

			<p>organizations complete Form 990. The proposed amendments replace the references to the former \$25,000 threshold that currently appear in the regulation with a general reference to the IRS Form 990-N filing threshold.</p> <p>“Treasurer’s report” has been replaced with “certified treasurer’s report” in order to emphasize the current requirement that the organization’s treasurer must sign the report. This amendment does not substantively alter the regulation. Strike or add various commas throughout the section in order to clarify the language of the regulation. This is not a substantive amendment.</p> <p>Add “with” twice in subsection A to clarify what needs to be submitted to the agency upon an organization’s discontinuance of solicitations in the Commonwealth. This is not a substantive amendment.</p> <p>Add “with the IRS” to subsections A and B to specify the type of electronically filed forms mentioned in these subsections. This is not a substantive amendment.</p> <p>In subdivision B change “receipt of filing” to “e-file signature authorization” made to more accurately describe the documentation required for financial report requirements. This is not a substantive amendment.</p>
60	N/A	<p>This section establishes the registration requirements for professional fund-raising counsel.</p>	<p>We propose to cite the section of the Code of Virginia that prescribes the registration fees rather than stating the fee amount in the regulation. This is not a substantive amendment.</p> <p>This section includes amendments to references to the Code of Virginia in order to properly cite the Code in accordance with the <u>Form, Style and Procedure Manual for Publication of Virginia Regulations</u>.</p>

			<p>Include “with the commissioner” in subsection A for consistency throughout the document and to use the phrase as defined the Code and section 10. This is not a substantive amendment.</p> <p>Include references to form, Code, and Code requirements regarding the filing of an annual registration statement and necessary attachments in subsection A in order to emphasize the initial registration form and attachment requirements established in the Code. This is not a substantive amendment. Form references have been moved from subdivision 2 of subsection A to the main body of subsection A to reflect submission requirements. This is not a substantive amendment.</p> <p>Strike “any and” from subdivision 2 of subsection A because the stricken language is redundant and unnecessary. This is not a substantive amendment.</p> <p>Strike or add various commas throughout the section in punctuation in order to clarify the language of the regulation. This is not a substantive amendment.</p>
70	N/A	This section establishes the registration requirements for professional solicitors.	<p>We propose to cite the section of the Code of Virginia that prescribes the registration fees and required bond amount rather than stating the fee and bond amounts in the regulation. This is not a substantive amendment.</p> <p>This section includes amendments to references to the Code of Virginia in order to properly cite the Code in accordance with the <u>Form, Style and Procedure Manual for Publication of Virginia Regulations</u>.</p> <p>The proposed amendments remove a reference to the former Office of Consumer Affairs. This is not a substantive amendment.</p> <p>Add “with the commissioner” twice and</p>

		<p>“on a form prescribed” in subsection A for consistency throughout the document and to use the phrase as defined the Code and section 10. This is not a substantive amendment.</p> <p>Move a statement regarding the requirements to submit a form with all questions answered and officer’s signature included from subdivision to subsection to reflect submission requirements. This is not a substantive amendment.</p> <p>Language pertaining to form references has been moved from subdivision 2 of subsection A to the main body of subsection A in order to emphasize the attachment requirements established in the Code. This is not a substantive amendment.</p> <p>Strike specific reference to the required form and its name in subdivision 2 of subsection A and replace it with a description of the form made to increase flexibility and make regulatory action for future form name changes unnecessary. This is not a substantive amendment.</p> <p>Renumber subdivisions 3-4 in order to correct numbering of subdivisions to reflect movement of language. This is not a substantive amendment.</p> <p>Add various commas throughout this section in order to clarify the language of the regulation. This is not a substantive amendment.</p> <p>Add “Virginia” to name of “State Corporation Commission” in order to make reference to the Virginia State Corporation Commission consistent throughout the regulation. This is not a substantive amendment.</p> <p>Strike “any and” from subdivision 4 of subsection A because the stricken language is redundant and unnecessary.</p>
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			<p>This is not a substantive amendment.</p> <p>In subsections B, C, E, and F strike specific reference to the required forms and their names and replace them with descriptions of the forms to increase flexibility and make regulatory action for future form name changes unnecessary. This is not a substantive amendment.</p> <p>Renumber subdivision 6 and add subdivision 7 within subsection E in order to make it easier to locate information. This is not a substantive amendment.</p>
80	N/A	This section outlines additional provisions.	Add reference to what the department considers filed or received in order to relocate reference to "receipt" from definition section of regulation. This is not a substantive amendment.