

## Chapter RL 5

## CHARITABLE ORGANIZATIONS

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**RL 5.01 Authority and purpose.** Pursuant to section 227.014(2), Wis. Stats., the rules of this chapter are adopted for the purpose of interpreting and clarifying chapter 440, Wis. Stats., relating to registration of charitable organizations.

**History:** Cr. Register, February, 1977, No. 254, eff. 3-1-77.

**RL 5.02 Definitions.** (1) "Charitable organization" means an organization which, as all or part of its purpose, aids, manages, administers or conducts activities for the relief of poverty, advancement of education, promotion of health or for any other purpose which benefits the community.

(2) "Solicitation" means any direct or indirect request for money, property, financial assistance or other thing of value on the representation or implication that it will be used for some charitable purpose.

(3) "Contribution" as defined in section 440.41(1)(b), Wis. Stats., includes, without limitation, the sale price of tickets or goods, less the cost to the organization of the item sold when such sale was made on the representation that all or part of the proceeds will be used for some charitable purpose.

**History:** Cr. Register, February, 1977, No. 254, eff. 3-1-77.

**RL 5.03 Clarification of exemptions.** (1) A charitable organization that claims exemption on the basis of section 440.41(3) Wis. Stats., shall submit all information requested by the department substantiating the grounds for such claimed exemption.

(2) All veterans' organizations and their affiliates that are not chartered under federal law or incorporated under chapter 188, Wis. Stats., shall register under section 440.41, Wis. Stats.

(3) Federal or state tax-exempt status is not a basis for claimed exemption from registration under section 440.41, Wis. Stats.

**History:** Cr. Register, February, 1977, No. 254, eff. 3-1-77.

**RL 5.04 Declaratory rulings.** An organization uncertain of its status under section 440.31, Wis. Stats., may request from the department a declaratory ruling pursuant to section 227.06, Wis. Stats.

**History:** Cr. Register, February, 1977, No. 254, eff. 3-1-77.

**RL 5.05 Registration.** (1) Charitable organizations shall at the request of the department submit a description of proposed solicitations including the manner in which contributions will be solicited and the date and general locale of the solicitations.

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(2) Charitable organizations that plan to solicit on behalf of another organization or individual shall submit to the department proof that the organization or individual on whose behalf the solicitation is made agrees to the solicitation.

(3) Charitable organizations shall submit to the department a list of salaries or other compensation of officers, directors, trustees and executive personnel and other employees.

(4) Organizations that have failed to register in the past and that seek to comply with registration requirements shall file financial data equivalent to the requirements of section 440.41 (4), Wis. Stats., for each year the organization received solicited contributions of more than \$500.

(5) Each charitable organization shall submit the proportion, expressed as a percentage, of contributions expected to be used for the organization's charitable purpose, and the basis upon which such calculation was made.

History: Cr. Register, February, 1977, No. 254, eff. 3-1-77.

**RL 5.06 Annual reports.** (1) Charitable organizations shall at the request of the department attach to the annual report a description of solicitations conducted in the preceding year and a list of solicitation costs for any solicitation for which a professional fund raiser was retained.

(2) Charitable organizations shall provide proof of compliance with section 100.18 (4), Wis. Stats., for the preceding year's solicitations.

(3) Each charitable organization shall submit a calculation of the proportion of contributions received, expressed as a percentage, actually used for the organization's stated purpose, and the basis upon which such calculation was made.

History: Cr. Register, February, 1977, No. 254, eff. 3-1-77.

**RL 5.07 Professional fund raisers.** (1) Professional fund raisers include individuals or organizations that plan but do not actually engage in solicitations.

(2) Professional fund raisers shall attach to applications for renewal copies of all contracts with Wisconsin charitable organizations entered into in the preceding year.

History: Cr. Register, February, 1977, No. 254, eff. 3-1-77.