

**FISH AND WILDLIFE SERVICE
PUBLIC USE MANAGEMENT**

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OVERVIEW

2.1 What is the purpose of this chapter? This chapter will help U.S. Fish and Wildlife Service (Service) employees work with Friends organizations by providing them with the information they need to consider financial and administrative activities under joint agreements with Friends.

2.2 What are the objectives of this chapter? This chapter:

- A.** Describes normal business and administrative practices of Friends organizations and appropriate practices and activities on Service-managed property;
- B.** Explains the business relationship between the Service and Friends organizations;
- C.** Describes the appropriate use, by Friends, of the Service's intellectual property, such as the Service logo and uniforms; and

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D. Explains the procedures to follow when linking Friends websites to Service websites.

REQUIRED ORGANIZATIONAL STRUCTURE

2.3 Do Project Leaders need to verify that Friends organizations have tax-exempt status under Section 501(c)(3) of the Internal Revenue Code before working with them?

A. Yes. The Service may partner with Friends organizations with varying organizational structures and operational scope. Friends Partnership Agreements require a copy of the Internal Revenue Service (IRS) determination letter confirming tax-exempt status under Section 501(c)(3) of the Internal Revenue Code or a copy of the letter from the IRS confirming an application has been filed.

B. Project Leaders must annually verify that Friends organizations maintain active tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

C. Benefits of nonprofit incorporation include State and Federal tax exemptions, ability to receive public and private donations and provide tax benefits to donors, as well as opportunities to apply for grants. Corporate status gives organizations the ability to provide employee benefits, protection from personal liability, organizational perpetuity, corporate structure, and transparency and legitimacy to the organization and the partnership in the eyes of the public.

D. Tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (IRC) (Title 26, IRC, Subtitle A., Chapter 1, Part 1) must be incorporated in at least one State and have articles of incorporation, bylaws, and a Board of Directors. Friends must follow State and local laws regarding necessary tax-exempt certificates, sales permits, and retail licenses.

FUNDING AND EMPLOYEES

2.4 How does a Friends organization generate revenue and income? Friends organizations typically generate revenue and income in three ways (see 633 FW 4 for more detailed information about revenue-generating activities):

A. The sale of goods and services. Examples include, but are not limited to:

(1) Nature store sales,

(2) Internet sales,

(3) Memberships, and

(4) Workshops and programs (e.g., photography workshop).

B. Soliciting or acquiring donations of funds and in-kind goods and services without consideration or an exchange of value (see [212 FW 8](#), Donations, Fundraising, and Solicitation). Examples include, but are not limited to:

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- (1) Donations from the public and private sector (e.g., donation boxes, foundations),
- (2) Bequests by will,
- (3) Fundraising events (e.g., benefits, silent auctions), and
- (4) Fundraising campaigns, (e.g., capital campaigns, endowments).

C. Applying for grants for project fundraising.

2.5 What mechanisms are available to the Service to provide funds to support Friends organizations' projects? The Service may use cooperative agreements, grants, and other procurement instruments (see [301 FW 1 through 7](#), Acquisition Policies and Procedures) to fund projects and programs the Friends organization will implement on behalf of the Service. The Service may not provide Federal funds to Friends in support of any activities related to lobbying, games of chance, fundraising activities, or the operation and administration of a Friends organization, including the purchase of a Friends organization's personal property (see 633 FW 1 and 633 FW 4).

2.6 Do Friends organizations hire their own employees? Yes, a Friends organization may hire full-time, part-time, or seasonal employees.

A. Like any employer, the law requires Friends organizations to comply with equal employment opportunity guidelines when hiring. Friends should be familiar with and adhere to all State and Federal laws regarding employment and labor.

B. Service employees may not hire or fire Friends employees.

C. Friends employees may not supervise Service employees or Service volunteers.

D. Service employees may supervise Friends, their members, employees, and contractors if they are performing duties in support of the Service site or program under a Volunteer Service Agreement or Cooperative Agreement.

RECORDS AND SHARING FINANCIAL DOCUMENTS

2.7 What access does the Service have to Friends organizational and financial documents?

Section 501(c)(3) of the Internal Revenue Code describes compliance requirements on recordkeeping, reporting, and disclosure to the public upon request. All Friends organizations should maintain all records in a secure place, including, but not limited to, original documents, documents showing current tax-exempt status under Section 501(c)(3) of the Internal Revenue Code, articles of incorporation, sales information, bank statements, and other applicable documents for these purposes. Friends organizations must submit annual reports to the Service that must include, at a minimum, annual total expenditures and revenues, accomplishments, and, if applicable, the current number of members.

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2.8 What responsibilities do Friends organizations have for reporting and recordkeeping related to their organizations and their programs and activities? As nonprofit organizations, it is the responsibility of the Friends organization to maintain the variety of records, audit information, and reports that State and Federal laws require.

A. Records.

(1) As organizations exempt from taxes, Friends must comply with requirements for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

(2) Nonprofit organizations typically follow “Generally Accepted Accounting Principles,” a set of guidelines, procedures, and conventions published by the Financial Accounting Standards Board that define accepted accounting practices.

B. Reporting. All Friends are responsible for reporting annually total revenues, expenditures, and accomplishments as described in 633 FW 3, Exhibit 1, the Friends Partnership Agreement.

AUDITS

2.9 Does the Service have audit requirements for Friends organizations? No, the Service does not impose audit requirements on Friends organizations.

A. Each State determines its own audit requirements for nonprofit organizations. In addition, the Office of Management and Budget (OMB) has audit requirements for nonprofits receiving Federal funding (OMB Circular A-133). In both instances, there are established thresholds of annual income that determine when and what type of audit is required. Given the modest levels of income most Friends organizations receive annually, many do not meet the thresholds for State or Federal audit requirements.

B. Many funding organizations (e.g., foundations, corporations, agencies) require those seeking financial assistance to provide some level of independent financial review of the organization when they apply for funding. The Service strongly recommends that Friends organizations with complex financial programs obtain periodic evaluation of financial records (e.g., compilation, review, and audit) by an independent accounting firm or someone with an accounting background, such as a Certified Public Accountant.

INSURANCE

2.10 Does the Service require Friends organizations to carry insurance? On a case-by-case basis as a condition of the Friends Partnership Agreement, the Service may require insurance.

A. Where a Project Leader grants a Friends organization permission to conduct certain specialized activities on behalf of the Service and the activity is hosted or co-hosted by the Friends, the Project Leader may require that the Friends acquire appropriate insurance that is acceptable to the Service. This must be completed before hosting the activity, whether on or off Service-managed property, and as a condition of the Friends Partnership Agreement. Examples of activities that might require insurance include, but are not limited to, large-scale public events,

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the use of live wildlife in educational programming, providing or selling food, and water-based activities, such as kayak tours.

B. Friends need to be aware of insurance needs for the organization when performing activities on behalf of the Service as well as understand that negligence could occur even with the best attempts to avoid it.

(1) Activities that warrant insurance include, but are not limited to:

(a) Operation of a nature store or other revenue-generating activity on Service-managed property. This activity warrants procurement of an appropriate amount of insurance to protect against the loss of inventory and other Friends personal property in case of such events as fire, natural disasters, or theft. The Government does not insure Friends property and inventory on Service-managed property (also see 633 FW 4). Friends may want to consider liability insurance for bookstore operations as well.

(b) Special events (e.g., wildlife festival), guided interpretive programs, environmental education programs. Friends hosted or co-hosted activities may warrant insurance, whether on or off Service-managed property. The Volunteer Service Agreement offers protection to individual Friends serving as Service volunteers when doing work on behalf of the Service, but it does not protect the Friends organization against gross negligence for activities that are hosted by the Friends organization as a nonprofit entity.

(2) Other types of insurance/bonding that may be necessary include:

(a) Insurance for loss of business income;

(b) Liability insurance for nature stores;

(c) Fidelity bonding of staff and board members; and

(d) Directors and Officers insurance that covers actions taken by board members, officers, and staff.

C. When a Friends organization acquires insurance policies, they must list the Department of the Interior and the Service as additional insured entities. The insurance policy or policies must specify that the insurer has no recourse against the United States for claim expenses, payments of any premiums, or deductibles due. The Service is not responsible for any omissions or inadequacies of any insurance coverage and amounts if the insurance the Friends purchase is inadequate or otherwise insufficient.

D. The Volunteer Service Agreement ([OF 301A](#)) does not provide a Friends organization, as a private nonprofit organization, protection against tort claims and injury. The agreement only provides these protections for individual Friends serving as volunteers. Additionally, a Volunteer Service Agreement can only ensure protection if it is filled out correctly (see 633 FW 1). The Service and the Friends need to be diligent about accurately describing and annually reviewing

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the scope and description of services to be performed by the individual volunteer (see 633 FW 1 and 3), especially when the scope of the services performed has changed or is complex in nature (also see [150 FW 1-3](#), Volunteer Services Program).

MARKETING, LOGOS AND PROMOTIONAL MATERIAL

2.11 May Friends display or distribute Friends-created and printed materials on Service-managed property? Yes, Project Leaders may approve the appropriate display or distribution of materials to educate visitors about Friends activities.

A. Materials may include pictures, newsletters, membership forms, brochures, flyers, or other similar information. It is up to the Project Leader, or designee, to determine appropriateness as well as careful review to ensure:

(1) Material does not contain information promoting lobbying, material directed at the success or failure of any political party, candidate for partisan political office, or any partisan political group, or games of chance;

(2) It does not state or imply the Service's endorsement of a particular commercial business, brand, product, service, or enterprise or any nonprofit organization;

(3) The Friends have obtained the appropriate approval for the use of any Service logos, symbols, and taglines (see [section 2.14](#) and 633 FW 4 and [041 FW 2](#); and

(4) It does not state or imply association between the Service and the Friends organization's corporate donors/sponsors.

B. The material must identify the Friends organization and explain how to receive additional information.

2.12 May the Service include links on its site-specific websites to Friends websites? Yes, but links from a Service website to a Friends website must contain any Department of the Interior or Service-required disclaimers. All links must be consistent with current Department and Service policies. See the Service's web page on privacy and other web policies for more information.

2.13 May Friends members and Friends employees wear the Service volunteer logo? When conducting Friends business, Friends members and their employees may not wear the Service volunteer logo or any clothing that may confuse the public about whether or not they are Service employees or volunteers. Friends members may wear an easily observable and readily identifiable insignia of the Friends organization while working on behalf of the Friends organization. Friends members may wear a Service volunteer uniform while working on behalf of the Service (see [041 FW 4](#), Service Uniform Policy and [150 FW 3](#), Volunteer Program Operations).

2.14 May Project Leaders approve the use of the Service logo, sub-logos, and taglines in Friends outreach materials? No. Service logos are not in the public domain. Friends organizations must acquire written approval, on a case-by-case basis, from the Service Director

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before using the Service logo, program sub-logos, and taglines (see 633 FW 4 and [041 FW 2](#), Emblems). Friends may not use any likeness of the Service logo or any of its sub-logos as part of their organization's logo or as part of their headers on their websites, newsletters, or membership brochures.

/sgd/ Stephen Guertin
Deputy Director

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