

**DEPARTMENT OF
ENVIRONMENTAL PROTECTION**

Division of Recreation and Parks



**Florida Park Service
Citizen Support Organization
Handbook**

*A Guide for Division of Recreation and Parks CSO Boards
and Division Staff*

Latest Review/Update: 1/15/15

FORWARD

The Department of Environmental Protection (Department) manages more than 6.1 million acres of public conservation lands throughout Florida. The Department's Division of Recreation and Parks (Division) Florida Park Service (FPS) manages approximately 800,000 acres of state parks and state trails. The FPS strives to protect the natural environment and enhance the resource-based recreational potential of such lands.

Citizen Support Organizations (CSOs) are some of the Division's most treasured resources helping to support Florida's state parks, provide visitor services, and protect the amazing natural and cultural resources unique to our exceptional state through volunteerism. For more than 25 years the FPS has enjoyed a special partnership with an ever-growing family of 86 CSOs. These volunteer involvements, also known as Friends groups, consist of local community members, business people, retirees, and families.

Through years of collective efforts, CSOs have contributed hundreds of thousands of volunteer hours and raised tens of millions of dollars to ensure the state park system's incredible natural and cultural resources are preserved and cherished. As a result, visitors to state parks can be assured of high quality, resource-based recreational opportunities for generations to come.

On behalf of the FPS and our more than 27 million annual visitors, we thank you for the relentless work and unwavering dedication contributed to continuously support Florida State Parks.

ABOUT THIS HANDBOOK

This CSO Handbook serves as a guide for state park CSO boards and park staff to assist in understanding the basic operations of a CSO, including the Department's and Division's procedures and practices. This handbook is not a governing document; however, the CSO Agreement, CSO Articles of Incorporation, CSO Bylaws, Florida Statutes, Florida Administrative Code 62-D, Department Directives, and the Division's Operations Manual (OM) are the basis for the majority of the information contained within. While thorough, this handbook cannot possibly address every situation that may arise. There will be frequent updates to the document, therefore this handbook should be considered a "living" work-in-progress. When in doubt, a CSO member should contact its Board of Directors, Park Manager, the District office, or the Department's Office of Operational Services, CSO and Volunteer Program for clarification and guidance. Should this handbook conflict with the Division's OM, the OM shall take precedence. The entire staff of the FPS is available to assist a CSO.

The information this document provides is not legal or tax advice. Department employees are not attorneys or certified public accountants. CSOs should always seek legal and/or tax professionals for information and guidance.

TABLE OF CONTENTS

Table of Contents		Page
Forward		2
About this Handbook		2
Chapter 1 – Introduction		
1.1	Florida Park Service Mission	7
1.2	Purpose of a Florida Park Service Citizen Support Organization	7
1.3	CSO Relationship to the Division of Recreation and Parks	8
1.4	Role of the Central Office	9
1.5	Role of the Park Programs Development Specialist	9
1.6	Role of the Park Manager	10
1.7	Park Unit Management Plan	11
1.8	Board of Directors	12
1.9	Role of the CSO Board of Directors	13
1.10	CSO Governing Documents	14
Chapter 2 – Developing a CSO		
2.1	Introduction	15
2.2	Tracking Sheet for Incorporating a CSO	15
2.3	Checklist for Incorporating a CSO	15
2.4	Developing a Statement of Purpose	18
2.5	Developing the Articles of Incorporation	19
2.6	Amending the Articles of Incorporation	21
2.7	Amending the CSO Name	22
2.8	Developing the Bylaws	23
2.9	Amending the Bylaws	24
2.10	Internal Revenue Service Requirements	25
2.10.1	Federal Employer Identification Number	25
2.10.2	Federal Tax-Exempt Charitable Status	25
2.11	Florida Department of Revenue Requirements	26
2.11.1	Florida Sales Tax Number	26
2.11.2	Florida Sales Tax Exemption	26
2.12	Financial Policies	27
Chapter 3 – CSO Management and Governance		
3.1	Introduction	35
3.2	Best Practices for CSO Board Members	35
3.3	Lobbying	36
3.4	Advocacy and Education	37
3.5	Running an Effective Board Meeting	38
3.6	Robert’s Rules of Order	39
3.7	Voting by Proxy	40
3.8	Quorum	40
3.9	Public Records, Record Management, and Document Retention	40
3.10	Hiring Employees, Workers’ Compensation, and Whistleblower Policy	42

Table of Contents		Page
3.11	Liability, Sovereign Immunity, and Insurance	42
3.12	Successful Fundraising	44
3.13	The Friends of Florida State Parks	45
Chapter 4 – Division Guidelines and Procedures		
4.1	Introduction	47
4.2	Annual Program Plan	47
4.3	Use of CSO Funds	47
4.4	Use of Park Property and Facilities	48
4.4.1	Fees	48
4.4.2	CSO Park Entrance Fee Waiver Days	48
4.5	CSO Special Events	49
4.6	Serving and Sale of Alcohol	50
4.7	Contracting Requirements	50
4.8	Third Party Contracts for Regular Business Services	51
4.9	Concession Services	52
4.10	Park Staff Handling of CSO Funds and Participating in CSO Concession Operations	53
4.11	Payment Card Industry	54
4.12	Fundraising Guidelines	55
4.12.1	Registration with the Department of Agriculture and Consumer Services	55
4.12.2	Establishment of Trusts, Investments, and Endowments	55
4.12.3	Grant Solicitation Procedures	56
4.12.4	Drawings of Chance	57
4.12.5	Donor Recognition	58
4.13	Partnership in Parks Program	60
4.14	Partnership in Parks Application Procedures	61
4.15	Printed Materials for Interpretive Programs	63
4.16	Publicizing Florida State Parks to the Public	65
4.17	Accomplishments and News	66
4.18	Working with a Park	66
4.18.1	When Things Go Wrong	67
4.18.2	Resolution Steps	67
4.18.3	When All Else Fails	68
4.19	CSO Dissolution and Termination Procedures	68
Chapter 5 – Division and Other Reporting Requirements		
5.1	Volunteer Requirements	72
5.2	Sexual Predator and Offender’s Registration Checks	73
5.3	Reporting a CSO’s Volunteer Hours	73
5.4	Florida Department of State, Division of Corporations, Corporate Annual Report	74
5.5	CSO Management Reviews	75
5.6	Internal Revenue Service Reporting	75

Table of Contents		Page
5.6.1	Consequences of Not Filing with the IRS	76
5.6.2	Florida Single Audit Act	76
5.6.3	Federal Single Audit Act	77
5.7	Annual Financial Report	77
5.8	Independent Financial Audit	80
5.9	Inspector General Audit	80
5.10	Florida Department of Revenue Sales and Use Tax	83
5.11	Florida Department of Revenue Corporate Income Tax Return	84
5.12	CSO Annual Report to the Legislature	86
5.13	Code of Ethics	88
5.14	Conflicts of Interest	89

Appendix

1.0	Florida Statutes Master List for CSOs
2.0	Incorporating a CSO Tracking Sheet
3.0	CSO Project Priorities Form (DRP-055)
4.0	Application for Designation as a Citizen Support Organization (DRP-054)
5.0	Citizen Support Organizations Agreement Review Form (DRP-053)
6.0	CSO Agreement Amendment Form (DRP-056)
7.0	CSO Annual Program Plan (DRP-052)
8.0	Florida Park Service Fee Schedule
9.0	Special Event Worksheet
10.0	Short Term Special Event Permit (DRP-063)
11.0	Vendor and Demonstrator Authorization (DRP-062)
12.0	Contracting Requirements and Language
13.0	Partnership in Parks Application (DRP-060)
14.0	Partnership in Parks Project Commencement Form (DRP-072)
15.0	Partnership in Parks Quarterly Status and Financial Report (DRP-075)
16.0	Partnership in Parks Project Budget Sheet (DRP-073)
17.0	Partnership in Parks Allocation Budget Sheet (DRP-074)
18.0	Partnership in Parks Project Completion Form (DRP-076)
19.0	CSO Management Review Checklist (<i>process of revisions</i>)
20.0	CSO Management Document Checklist
21.0	CSO Statement of Accomplishments and Goals
22.0	CSO Statement on Value of Contributed Services
23.0	CSO Annual Report to the Legislature
24.0	Model Code of Ethics
25.0	CSO Annual Reports List
26.0	CSO Master Reports and Forms Checklist

CHAPTER 1 INTRODUCTION

1.1 Florida Park Service Mission

The mission of the Florida Park Service (FPS) is to provide resource-based recreation while preserving, interpreting, and restoring natural and cultural resources.

1.2 Purpose of a Florida Park Service Citizen Support Organization

Section 258.015, Florida Statutes (F.S.), states the purpose of a Citizen Support Organization (CSO) is to “operate for the direct or indirect benefit of the state park system or individual units of the state park system.” In other words, the primary

CSOs are an integral part of the success of the FPS, the only three time National Gold Medal Award winner for excellence in parks and recreation.

purpose of a CSO is to support the mission of the Florida Department of Environmental Protection (Department) Division of Recreation and Parks (Division) and to assist a park in accomplishing its goals. This partnership is outlined in the CSO Agreement, which is signed during the incorporation process, to formally establish the relationship between the CSO and the Division. A not for profit organization becomes a state park CSO once the organization signs the CSO Agreement.

Parks partnering with a CSO receive many benefits. CSOs generate a valuable source of additional support for administration, maintenance, protection, resource management, and visitor services. Section 258.015, F.S., authorizes a CSO to conduct programs and activities; raise funds; seek and receive grants; and accept gifts, bequests of money, and tangible or real property on behalf of its host park or the Division.

Benefits to a park from CSO support include, but are not limited to:

- Helping to preserve, protect, and restore the park’s natural and cultural resources.
- Cultivating community support for the park by educating state and local government leaders and visitors about the park and park programs.
- Providing information, interpretation, historic re-enactments, educational programs, visitor assistance, and volunteer management.
- Providing universal access to facilities and improvements to facilities, equipment and grounds, maintenance and repairs, trail maintenance, plumbing, painting, mowing, and trash pick-up.

Support by the CSO must be consistent with a park’s Unit Management Plan (see Chapter 1: Section 7) and organized in an approved Annual Program Plan (see Chapter 4: Section 2).

The FPS is not supported by the state of Florida’s general revenue fund (e.g., sales taxes paid for goods and services). State parks are supported primarily by park-

generated revenue from entrance fees, overnight accommodations, and concession operations. These provide slightly more than two-thirds of the operating costs of state parks. The other one-third of the state parks' operating budget comes from revenue generated by documentary stamps through real estate transactions. CSOs are an additional important source of fundamental support and provide enhancements to visitor services.

1.3 CSO Relationship to the Division of Recreation and Parks

A state park CSO is an independent not for profit Florida corporation with a CSO Agreement formalizing its partnership with the Department and Division. The CSO Agreement is a contract that outlines the scope of activities and reporting requirements and the roles and responsibilities of the CSO, Park Manager, District, and Division. CSO board members should be very familiar with their Agreement and its provisions because it impacts how the CSO will operate. The Park Manager must be familiar with the CSO Agreement as he or she is the contract manager. Although the District Bureau Chief signs the CSO Agreement, the Park Manager plays a crucial role in communicating between the District, the Division, and the CSO. The Park Manager represents the interests of the Division and Department and is the first person the CSO should contact if/when questions arise regarding the Department and Division's mission, policies, procedures, or guidelines. For more information on the role of the Park Manager, please see Chapter 1: Section 6.

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| <p style="text-align: center;">Benefits of a CSO</p> <ul style="list-style-type: none">• Saves agency resources• Long-term continuity of support• Sense of ownership and responsibility• Enthusiasm and different skills |
|--|

Just as the Park Manager acts as the contract manager between the individual CSO and the Division, the Division Director is the contract manager for the statewide CSO, the Friends of Florida State Parks, Inc. The Bureau Chief of the Office of Greenways and Trails is the contract manager for the Florida Greenways and Trails Foundation, Inc.

The relationship between the CSO and the Division or park is a partnership. At a park, the partnership is most effective when the Park Manager, park staff and the CSO board have a close working relationship. Together, they can accomplish the goals and objectives of the park, CSO, and Division. Goals are best accomplished by frequent and clear communication, thereby establishing trust and understanding between the CSO President, Board of Directors, Park Manager, and park staff. Clearly defined roles, accountability, and frequent communication and cooperation are essential for a functional, productive, and rewarding relationship.

An effective CSO is a valuable partner for the park. Many park goals can be accomplished with the CSO's volunteer and financial support. However, the role of the CSO is not to oversee the day-to-day operation of the park or to otherwise replace the park management or staff. CSOs exist to provide predetermined and approved support for park operations.

1.4 Role of the Central Office

The Central Office is the Department's and Division's headquarters located in Tallahassee, Florida. The Department's Bureau of Operational Services (BOS), CSO and Volunteer Program Coordinator is the day to day liaison between the Division and each District. Districts manage their Park Managers and their CSO programs. The CSO and Volunteer Program Coordinator is a valuable liaison for District Park Programs Development Specialists (PPDSs) (see Chapter 1: Section 5). The CSO and Volunteer Program Coordinator and has the following responsibilities:

- Coordinating the operations of the CSO and Volunteer Program on behalf of the Department and Division.
- Providing assistance and consultative services to the Division, Districts, parks, and CSOs regarding board operations, related not for profit management issues, major policy updates or changes, and Division policy related to CSOs and volunteers.
- Communicating policy changes and updates to the CSOs and volunteers through the District PPDS.
- Reviewing and recommending to Division management administrative policies, procedures, guidelines, and related directives to be implemented concerning CSOs and volunteers.
- Collecting data related to CSO and volunteer management, including District manpower augmentation reports, submitting CSO's Corporate Annual Reports to the Florida Department of State, Division of Corporations (see Chapter 5: Section 4), coordinating and collecting CSO Management Reviews (see Chapter 5: Section 5), Annual Financial Reports (see Chapter 5: Section 7), Inspector General Audits and follow-up (see Chapter 5: Section 9), and maintaining updated lists of CSO Presidents and volunteer coordinators.
- Preparing reports and providing analysis of collected data, including recommendations to the Division on the improvement of CSO operations and the volunteer program.
- Assisting with the planning and implementing of any statewide CSO or volunteer coordinator meetings or trainings, District CSO or volunteer coordinator meetings, or any other special meetings and instructional assemblies that involve volunteers and CSOs.
- Overseeing the production and maintenance of the Division's Volunteer Handbook and CSO Handbook, and any other related guidance and informational manuals, forms, or other materials.

1.5 Role of the Park Programs Development Specialist

A PPDS is based in each of the five (5) District offices across the state and serves as the District liaison for CSOs and volunteers. A PPDS's responsibilities include, but are not limited to:

- Serving as a primary resource for the CSO and park management for CSO and volunteer's questions and issues.
- Communicating updates for the Division's CSO program to the Park Managers and CSOs.
- Assisting the Park Managers and CSOs in meeting their obligations of the CSO Agreement, while using the guidance in the CSO Handbook.
- Monitoring, compiling, evaluating, and accepting a CSO's Annual Financial Report (see Chapter 5: Section 7), Florida Department of State, Division of Corporations Annual Report (see Chapter 5: Section 4), CSO grant applications and solicitations (see Chapter 4: Section 12.3), and other CSO third-party agreements, etc.
- Identifying, investigating, and resolving problems as it relates to CSOs, volunteers, and grant management.
- Monitoring, evaluating, and providing program analysis to the District Bureau Chief on the operations of CSOs in his or her District.
- Conducting CSO Management Reviews (see Chapter 5: Section 5) and maintaining a District schedule to ensure each CSO is reviewed at a minimum of every four (4) years.
- Conducting District CSO meetings and volunteer coordinator trainings (e.g., conference calls, webinars, or face-to-face) at a minimum once a year.
- Participating in the Inspector General Audit process (see Chapter 5: Section 9), as deemed appropriate by the District Chief, which can include preparing the District's draft CSO audit response and compiling documentation/verification of actions taken by the CSO as part of the audit's six (6) month follow-up.
- Attending CSO-held meetings and events periodically to ensure the park and CSO meet Division policy.
- Maintaining an updated roster of District CSO Presidents and volunteer coordinators.
- Communicating and coordinating regularly with the Department's CSO and Volunteer Program on the business of CSOs and volunteer management.

It is important for the CSO to understand a PPDS is not a tax advisor nor can the PPDS give legal advice. The CSO is responsible for seeking professional legal and tax advice.

1.6 Role of the Park Manager

Park Managers are the CSO Agreement contract manager and the primary point of contact for the CSO (see the Division's Operations Manual (OM) Chapter 2). Ultimately, the Park Manager has the final authority over activities that take place in his or her

Tips for a Successful Relationship between the CSO and the Park

- **Communicate, communicate, and communicate**
- **Speak frequently**
- **No surprises**

park. It is the Park Manager's responsibility to ensure the park is operated safely and in accordance with Department and Division policies and goals. The Park Manager's

approval must be obtained for CSO activities conducted at the park (see CSO Agreement). Understanding the Park Manager's responsibilities and priorities can help a CSO work well with the Park Manager and keep things operating smoothly. A Park Manager's responsibilities as it concerns the CSO include, but are not limited to:

- Serving as the primary contact for the CSO on behalf of the Division.
- Being actively and enthusiastically involved with the CSO to ensure effective organizational health and support.
- Attending all CSO meetings and encouraging additional park staff to participate in CSO meetings to promote a successful working relationship.
- Encouraging all park staff to understand and, as appropriate, attend CSO meetings to further promote an understanding of the CSO.
- Effectively communicating the mission, policies, procedures, and guidelines of the Division to the CSO.
- Ensuring the CSO meets its obligations of the terms of the CSO Agreement, and is using the CSO Handbook and meeting the requirements with it.
- Providing and discussing with the CSO the Department Directives and Division's OM.
- Providing and discussing with the CSO the park's Unit Management Plan.
- Ensuring the CSO's activities are consistent with the Unit Management Plan.
- Providing and discussing the park's approved annual budget and capital improvement plans, business plan, and/or other appropriate park management documents.
- Working with the CSO to create and approve an Annual Program Plan (see Chapter 4: Section 2) and ensuring the CSO's programs and projects are consistent with the park's needs and goals as defined in the park's Unit Management Plan (see Chapter 1: Section 7).
- Approving in writing all CSO-proposed events and projects (see Chapter 4: Section 2).
- Communicating, as necessary, the CSO's questions or needs with the District or Division's Central Office staff.
- Providing a Park Manager's letter for the CSO's Annual Financial Report, and tracking the value of contributed services provided to the CSO (see Chapter 5: Section 7).
- Reviewing and approving prior to submission to the Division the CSO's Annual Financial Report and other required reports and forms (see Appendix 26 Master list).

1.7 Park Unit Management Plan

A state park's Unit Management Plan is the basis for all aspects of planning, budgeting, development, management, and administration of the park. Unit Management Plans consist of three (3) interrelated components: resource management, land use, and implementation. The resource management component complements the land use component by identifying the various measures and programs needed to achieve resource management objectives. The land use component allocates the park's fixed

supply of natural, cultural, and recreational resources according to their optimal uses. The implementation component summarizes the actions needed to realize the plan and provides cost estimates and schedules for completion.

Park Managers use the Unit Management Plan as the primary guide for projects and park development. It is important for the CSO to become very familiar with the Unit Management Plan, discuss it with the Park Manager, and use it as a tool when considering or proposing potential projects. It is critical that the goals of the CSO are consistent with the goals of the park and Division.

Park Unit Management Plans can be found at:
<http://www.dep.state.fl.us/parks/planning/plans.htm>

1.8 Board of Directors

Sections 617.0801, 617.0802, and 617.0803, F.S., requires Florida not for profit corporations to be managed by a Board of Directors. The Board of Directors is the primary governing body for the organization. Section 617.0802, F.S., requires a director to be a natural person, 18 years or older. Board members do not need to be a resident of the state or a member of the corporation. However, the corporation can choose to have additional qualifications for the directors. According to Section 617.0840, F.S., the CSO will describe the officer positions in the Articles of Incorporation or Bylaws. Section 112.3251, F.S., which addresses CSO code of conduct and prevents conflicts of interest, mandates that CSO employees must not be CSO board members. All of these qualifications are recommended to be included in the CSO's Bylaws (see Chapter 2: Section 8).

Section 617.0803, F.S., requires at least three (3) directors to serve on the board. The Division recommends for a board to consist of three (3) to nine (9) members, depending on the size of the corporation. It is recommended the CSO consider quorum requirements when deciding on the number of members serving on the board (see Chapter 3: Section 9).

The Division encourages park employees to be involved with a CSO as a general member and can assist with the efforts of the CSO. However, park employees cannot serve on the board or as an officer of their park's CSO, including as an ex-officio member.

It is Division policy that a spouse, relative, or dependent who resides with a park employee cannot serve as a CSO officer (President, Vice President, Secretary, Treasurer etc.), with that park's CSO. However, these family members can serve as a board member or officer with a different park's CSO.

While spouses and family members of park employees are allowed to serve as board members of a CSO (as described above), please note that this may be perceived as a conflict of interest.

CSOs who already have a spouse, relative, or dependent who reside with a park employee serving as a CSO board member or officer (at the time of release of this handbook) should include new individuals to serve as replacement board members or officers when their current terms expire.

The Division recommends that each CSO adds a policy statement to its Bylaws that is consistent with the above information.

1.9 Role of the CSO Board of Directors

The purpose of the Board of Directors is to govern the CSO. The roles of the board are to institute and maintain effective and ethical management and good governance of the not for profit corporation. Good governance includes providing leadership, setting goals, making transaction decisions, keeping accurate financial records and regular reports, and maintaining acceptable accounting and auditing practices. Below is a list of roles for a CSO's Board of Directors:

- The CSO board determines the organization's purpose as outlined in the CSO's Articles of Incorporation and Bylaws and ensures resources are continually focused on the CSO's purpose. The purpose of a CSO is to support a park and the park system (see Chapter 1: Sections 2 and 3).
- As a not for profit organization, the board is accountable to the public for the organization's success in carrying out its purpose. The board can accomplish this and garner public support through the clear and consistent articulation of the organization's purpose, goals, and accomplishments.
- The board selects board members who have the ability to meet the organization's goals and who are committed to the purpose.
- The board provides adequate resources to fulfill its purpose.
- The board establishes and upholds policy and management practices, ensuring proper financial oversight. The board's financial responsibilities include an annual budget, financial controls, annual financial reporting, and adherence to established financial practices and policies for not for profit corporations (see Chapter 5).
- The board ensures legal and ethical integrity and maintains accountability.
- The board establishes, supervises, and strengthens the organization's programs and services and evaluates its ongoing effectiveness.
- The board and its members must realize that they represent the Department, the Division, and the park(s) (see Chapter 1: Section 3).
- The CSO board is responsible for ensuring the organization meets its obligations of the CSO Agreement.
- The CSO President and Park Manager work together to create an Annual Program Plan (see Chapter 4: Section 2), ensuring the organization provides direct or indirect support of the system or individual park/s, and consistent with the park's Unit Management Plan.

- The CSO board is responsible for ensuring all active board members volunteering in the state park annually complete and submit a Volunteer Agreement (see Chapter 5: Section 1) to their contract manager.
- The CSO President and Park Manager uphold, operate, and partner under the guidelines, policies, and laws that govern the public lands of the State of Florida to maintain the trust of the public.

1.10 CSO Governing Documents

Federal or state not for profit organizations are responsible for knowing federal and state laws. ***It is important for a CSO to read and understand Florida Statutes.*** For a list of Florida Statutes that apply to CSOs, see Appendix 1.0. Florida Statutes are available on the Internet at <http://www.leg.state.fl.us/statutes/>

As not for profit organizations with contracts with the Department, CSOs are responsible for their interactions with the state park(s) they support and with the Division and Department. Please speak with your Park Manager for copies of documents and any updates concerning Department and Division policy. ***CSOs need to be knowledgeable of the following four (4) Department and Division documents:***

1. Florida Administrative Code, 62-D
<https://www.flrules.org/gateway/ruleNo.asp?id=62D-2.014>
2. Department Directives <http://www.dep.state.fl.us/admin/depdirs/directives.htm>
3. Division Operations Manual
4. Park's Unit Management Plan <http://www.dep.state.fl.us/parks/planning/plans.htm>

The CSO's Board of Directors should become very familiar with three (3) governing documents, which are the legal foundation of the corporate entity, and therefore fundamental to the operation of it's not for profit organization. These three (3) governing documents are:

1. CSO Agreement
2. Articles of Incorporation
3. Bylaws/Operating Guidelines (including any financial policies and procedures)

Compliance with these three (3) documents is required by state and federal laws. As such, the Department and Division reserve the right to periodically assess a CSO's compliance with the terms of each governing document. This is accomplished through periodic CSO Management Reviews (see Chapter 5: Section 5), Annual Financial Reports (Chapter 5: Section 7), Independent Financial Audits (Chapter 5: Section 8), and Inspector General Audits (Chapter 5: Section 9). In cases where a CSO is out of compliance, the Park Manager, District, and Division will work with the CSO to provide guidance on addressing the deficiencies.

CHAPTER 2 DEVELOPING A CSO

2.1 Introduction

Any group of interested individuals can seek to form a Citizen Support Organization (CSO) to support a state park or state trail where one does not already exist. The estimated time to complete the incorporation process for a Florida corporation and gain approval by the Division of Recreation and Parks (Division), prior to signing of the CSO Agreement, is eight (8) to nine (9) months. Once the CSO is recognized as a Florida corporation by the Florida Department of State, Division of Corporations and the CSO Agreement has been signed by the CSO and Division, it is officially recognized as a CSO by the Department. Due to the Internal Revenue Service (IRS) 501(c)(3) process, it can take up to an additional year and a half to become recognized as a federal tax-exempt charitable organization. The following tracking sheet and checklist (see Chapter 2: Sections 2 and 3) **provide guidance** for the required steps to incorporate, be recognized by the Department and Division, and to become federally tax-exempt.

2.2 Tracking Sheet for Incorporating a CSO

The Incorporating a CSO Tracking Sheet (see Appendix 2.0) is also available as an electronic file from the District Park Programs Development Specialist (PPDS) or the CSO and Volunteer Program in the Central Office.

The tracking sheet provides an example for the CSO to follow when incorporating as a Florida not for profit corporation, becoming recognized as a CSO by the Division, and becoming designated as a federal tax-exempt charitable organization. The tracking sheet provides an organized list and estimated timeframe for each step. The tracking sheet is only an example and is provided for general guidance.

2.3 Checklist for Incorporating a CSO

The Checklist for Incorporating a CSO, below, correlates to the Incorporating a CSO Tracking Sheet (see Appendix 2.0), as described above in Chapter 2: Section 3. The checklists describes the steps, and include the requirements as stated in Chapter 617, Florida Statutes (F.S.), as well as best practices for incorporating a CSO. These steps do not have to be completed in the order they are listed. Some steps may be completed simultaneously. Additional instructions are on the back of the Incorporating a CSO Tracking Sheet (Appendix 2.0).

Checklist for Incorporating a CSO		
This checklist provides additional details for each step of the incorporation process, as well as the correct chain of command for filing requirements.		
1	Develop Park Needs List	The Park Manager is responsible for working with the District Bureau Chief to develop a list of park needs for the park. It must include short-term and long-term objectives and be consistent with the park's Unit Management Plan (see Chapter 1: Section 7).
2	Seek Local Citizens	Outreach by the Park Manager, staff, and others already engaged in the local community builds a base for an Incorporation Board and potential CSO members from which to recruit additional volunteers, raise funds, and increase park support.
3	Public Interest Meeting	It is recommended, not required, to schedule a meeting or event for the public to attend to learn about the CSO and to help generate future membership and community support. The meeting agenda could include information about the park, the purpose of the CSO, the procedure for incorporation, possible projects, and the need for board members. It is recommended the Park Manager or volunteer coordinator conducts this meeting because he or she is closely connected with the local community.
4	Identify Incorporation Board	An Incorporation Board is a group of people responsible for the execution of the steps required to incorporate the CSO. Duties begin with establishing CSO project priorities with the Park Manager and end at signing the CSO Agreement. Once the CSO receives its charter to officiate as a not for profit corporation in Florida from the Florida Department of State, Division of Corporations, then the CSO Board of Directors is responsible for moving the CSO forward.
5	Establish CSO Project Priorities	<p>a. The Park Manager and Incorporation Board compile a list of agreed upon priorities from the Park Manager's park needs list. The project priorities are the short-term and long-term objectives the CSO will try to accomplish for its park. The Park Manager signs the form.</p> <p>b. For approvals, the CSO Project Priorities Form - Form DRP-055 (see Appendix 3.0) - is first sent by the Park Manager to the District Chief who then sends it to the Division's Bureau Chiefs for review and approval.</p>
6	Identify CSO Officers	In the first formal meeting between the Park Manager and potential CSO officers, the officer positions are identified and filled. According to Section 617.0840, F.S., the CSO will describe the officer positions in the Articles of Incorporation or Bylaws. F.S. requires at least three (3) directors to serve on the board (see Chapter 1: Section 8).
7	Write a CSO Statement of Purpose	The CSO Statement of Purpose is required for the Application for Designation as a CSO and for the Articles of Incorporation. This statement explains the reason why the CSO should exist (see Chapter 2: Section 4).

8	Write a CSO Mission Statement	A concise mission statement is recommended as a best practice. It serves as a short, easy-to-remember statement of the CSO's specific purpose.
9	File an Application for Designation as a CSO	<ul style="list-style-type: none"> a. The Incorporation Board must submit the Application for Designation as a CSO, Form DRP-054 (see Appendix 4.0) to the Park Manager for signature. Attach the CSO Project Priorities Form. (Note: The CSO's draft Articles and draft Bylaws may also be submitted at the same time as the application). b. The Park Manager signs and forwards the CSO's application and CSO Project Priorities Form to the PPDS and District Bureau Chief. c. The District Bureau Chief submits the CSO's application and CSO Project Priorities Form to the CSO and Volunteer Program for review. Changes may be requested, but once complete both documents are forwarded for review to all of the Division's Bureau Chiefs. d. Following review and approval of both documents by all Division Bureau Chiefs, the request and recommendations will be returned to the PPDS and District Bureau Chief for the chief's final signature as "Agency Designee."
10	Develop Articles of Incorporation	For more information, please see Chapter 2: Section 5.
11	Develop Bylaws	For more information, please see Chapter 2: Section 8.
12	File the Articles of Incorporation and the Bylaws	<ul style="list-style-type: none"> a. Upon approval of the Application for Designation as a CSO, the Incorporation Board submits its signed Articles of Incorporation along with a copy of its draft Bylaws to the Park Manager who will forward the documents on to the PPDS and District Bureau Chief for submission to the Department's CSO and Volunteer Program. b. The CSO and Volunteer Program submit the Articles of Incorporation, along with a letter signed by the Division Director or Assistant Director, to the Florida Department of State, Division of Corporations for filing as a not for profit corporation. As long as the Articles are submitted in this manner, the Florida Department of State will waive all filing fees (see Chapter 5: Section 4).
13	CSO Receives a Charter to Officiate as a Not For Profit from the Florida Department of State	The Florida Department of State recognizes the CSO as a corporation operating as a not for profit in the state of Florida. A notice is sent to the registered agent (not the park) of the organization or the CSO can check www.sunbiz.org to confirm incorporation.
14	Sign CSO Agreement	<ul style="list-style-type: none"> a. The District PPDS prepares two (2) copies of the CSO Agreement and the CSO Agreement Review Form, Form DRP-053 (see Appendix 5.0) and sends them to the CSO & Volunteer Program to route for the Division's contract review and Department's legal staff signature. b. Once the two Agreements and the review form are signed the documents are sent by the District Chief to the Incorporation Board

		for the President's signature. c. Once the Incorporation Board President returns the signed Agreements and the review form to the Park Manager, the manager completes the review form and forwards the documents to the District Bureau Chief for final signature.
15	Forward a Copy of the Signed CSO Agreement to the Division	a. The District emails a scanned copy of the signed CSO Agreement to the CSO and Volunteer Program for the Division's records. b. The two original signed Agreements reside with the signing parties - one with the CSO and the other with the District office (the PPDS). Once this step is completed, the CSO is officially recognized by the Department and Division. Public announcements can be made.
16	Obtain a Federal Employer Identification Number (FEID)	Complete IRS Form SS-4. For more information, please see Chapter 2: Section 10.1.
17	Apply for a 501(c)(3) Federal Tax Exemption	Complete IRS Form 1023. For more information, please see Chapter 2: Section 10.2.
18	Obtain a Sales Tax Number from the Florida Department of Revenue	Only applicable if the CSO plans to sell merchandise. For more information, please see Chapter 2: Section 11.1.
19	Obtain a Florida Sales Tax Exemption	For more information, please see Chapter 2: Section 11.2.
20	Obtain IRS 501(c)(3) Federal Tax Exemption	Receive a final letter of determination approving the organization as a federal tax-exempt charitable organization.

2.4 Developing a Statement of Purpose

Once the CSO has identified the Incorporation Board, priorities, and officers, it is time to work on developing a statement of purpose (See step 7 in the Incorporating a CSO Checklist). This statement is required for the Application for Designation as a CSO and the Articles of Incorporation. This statement establishes the direction of each CSO. The purpose should apply to the specific park and be developed based on the park's needs. The needs are determined by the Park Manager and District Chief, which are then discussed and mutually agreed upon with the CSO. The Park Manager approves the long and short-term priorities by signing the CSO Project Priorities Form (FRP-055).

A statement of purpose is not to be confused with a mission statement. The statement of purpose serves as the reason why the CSO should be in existence. The mission statement is a short, easy-to-remember declaration of the CSO's specific focus; it explains what the CSO plans to do and what park(s) it plans to support.

A statement of purpose is required by the Florida Department of State, Division of Corporations in the organization's Articles of Incorporation (See Chapter 2: Section 5).

When developing a statement of purpose it is recommended to use broad statements because a very specific purpose may require repeated amendments to the corporate charter with the Florida Department of State. A broad statement is acceptable which includes "...and additional areas of park needs to be identified by the Division or the Park Manager in the future".

2.5 Developing the Articles of Incorporation

The Articles of Incorporation are the legal basis for any corporation.

A CSO-retained attorney should draft or review the CSO's Articles of Incorporation. This might be done at no cost to the CSO with the pro-bono services of a lawyer. According to Section 617.0202, F.S., the Florida Department of State, Division of Corporations the Articles of Incorporation must include **at minimum**:

- **Article 1 – Name**

You must provide the name of the corporation.

Must satisfy the requirements of Section 617.0401, F.S., Corporate Name, which provides that the name of the corporation **must** include a corporate suffix such as "Corporation," "Corp.," "Incorporated," or "Inc." **Please note, "Company" or "Co." may not be used as a corporate suffix.**

- **Article 2 – Principal Office**

You must provide the street address of the initial principal office. The mailing address, if different, can be a P.O. Box address.

The mailing address **cannot** be the park address.

- **Article 3 – Purpose**

You must provide the specific purpose of the corporation.

(A general statement of "any and all lawful business" will not be sufficient.)

- **Article 4 – Manner of Election**

You must provide the manner in which the directors are elected or appointed.

- **Article 5 – Initial Directors and/or Officers**

You must choose to list name(s), address(es), and specific title(s) of directors and officers. (When naming directors, a minimum of three (3) must be listed.)

- **Article 6 – Initial Registered Agent**

You must provide a **name and Florida street address** (P.O. Box is NOT acceptable) of the Registered Agent. The Florida street address **cannot** be the park address.

Please note, park staff cannot be named or serve as the Registered Agent for the CSO. The park address shall not serve as the primary address for the CSO.

The Registered Agent will receive all official notices from the Department of State regarding the organization's corporate status. The CSO should avoid changing this designation each year to ensure the notices are not being missed. A local attorney or accountant could perform this function; he or she does not need to be a board member or officer.

- **Article 7 – Incorporator**

The ***name and address*** of the Incorporator.

(The Incorporator must sign in the space provided and type or print his or her name below the signature line.)

The Incorporator is the person who prepares and signs the Articles of Incorporation and submits them for filing to the Department of State. The function of the Incorporator usually ends after the corporation is filed.

In order to qualify as a 501(c)(3) federal tax-exempt charitable organization under the rules of the IRS, the Articles of Incorporation are required to contain certain statements to demonstrate the charitable status of the organization. According to the IRS, the CSO's Articles should contain the following ***recommended standard wording*** in the statement of purpose and is available at [http://www.irs.gov/Charities-&Non-Profits/Suggested-Language-for-Corporations-and-Associations-\(per-Publication-557\)](http://www.irs.gov/Charities-&Non-Profits/Suggested-Language-for-Corporations-and-Associations-(per-Publication-557)):

“Said corporation is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations which qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.”

An additional section of the Articles should state:

“No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Three (purpose) hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office (see Chapter 3: Section 4). Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are

deductible under Section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.”

(If reference to federal law in Articles of Incorporation imposes a limitation which is invalid in your state, you may wish to substitute the following for the last sentence of the preceding paragraph: "Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers which are not in furtherance of the purposes of this corporation.")

The following provision should be included in the Articles to deal with the possibility of the dissolution of the corporation:

“Upon the dissolution or other termination of the corporation, the Board of Directors shall, after paying or making provision for the payment for all liabilities of the corporation, dispose of all the assets of the corporation, exclusively for the purposes of the corporation in such manner, or to such organizations operated exclusively for charitable purposes, as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code, or to the Department of Environmental Protection of the State of Florida, or its successor, to be used exclusively for the purposes herein above set forth, it being intended no distribution or payment shall be made that will impair or destroy the tax-exempt status of the corporation or that will result in the denial of tax-exempt status to donations, contributions, legacies or dues received by this corporation to the extent such tax-exempt shall be allowed under any applicable law or regulation.”

The CSO’s Articles are an attachment (Exhibit A) to the CSO Agreement. The new CSO should send the signed Articles of Incorporation first to the Park Manager, who will then submit them to their District office. The District will then review and submit the Articles to the CSO and Volunteer Program for filing with the Florida Department of State. Section 617.0122, F.S., states all Department of Environmental Protection (Department) CSOs are exempt from all state corporate filing fees, including incorporation and annual filing fees. In order to obtain the exemption from the Florida Department of State, all official filings must be sent through the Division to certify the status of the CSO and its association with the Department. The Division will send a certification letter signed by the Division Director (see Chapter 5: Section 4) to Florida Department of State.

2.6 Amending the Articles of Incorporation

In the future, should the CSO need or desire to amend the CSO Articles of Incorporation, the CSO must do so pursuant to Sections 617.1006 and 617.1007, F.S. The CSO is required to file a “NonProfit Articles of Amendment” form with the Florida Department of State, Division of Corporations. The form is available at www.sunbiz.org.

Please seek counsel from a legal attorney for more information on all requirements by the Florida Department of State, Division of Corporations.

According to Department of State, a corporation can amend or add as many articles as necessary in one (1) amendment, however:

- The original incorporators cannot be amended.
- If amending the name of the corporation, the new name must be distinguishable on the records of the Florida Department of State. A preliminary search for name availability can be made through the Division's website at www.sunbiz.org. You are responsible for any name infringement which results from your corporate name selection.
- If amending the registered agent, the new agent must sign the form, thereby accepting the appointment and stating that he or she is familiar with the obligations of the position.
- If amending or adding officers and/or directors, titles and addresses for each officer/director must be listed.

Amended and signed Articles of Incorporation shall be copied, scanned, and sent by the CSO within ten (10) business day, pursuant to the CSO Agreement, to the District PPDS and CSO and Volunteer Program in the Central Office to be included as amendment to Exhibit A of the CSO Agreement.

2.7 Amending the CSO Name

In the past, CSOs have desired to change their name for many reasons; for example, changing the name to support more than one (1) state park. The following are three (3) examples of previous CSO name changes:

1. Friends of St. George Island, Inc. changed its name to Friends of Franklin County State Parks, Inc.
2. Friends of Big Lagoon/Perdido Key, Inc. changed its name to Friends of Pensacola State Parks, Inc.
3. Koreshan Unity Alliance, Inc. changed its name to Friends of Koreshan State Historic Site, Inc.

In order for a CSO to appropriately change its name, it must follow a two (2) step process:

1. Complete the form, "NonProfit Articles of Amendment," found at www.sunbiz.org.
2. After successfully changing its name with the Division of Corporations, the CSO must change its name with the Department and Division. First, pursuant to the CSO Agreement the CSO must notify the Division of any name change within ten (10) business days, then amend its CSO Agreement using the CSO Agreement Amendment Form, Form DRP-056 (see Appendix 6.0). Preparing two copies of

the form, the Division District Chief may sign as the “designee.” The originals reside with the signers, the CSO, and District. The District will provide a signed copy to the CSO and Volunteer Program in the Central Office.

2.8 Developing the Bylaws

As a Florida corporation, the State of Florida requires a not for profit corporation to create Articles of Incorporation and Bylaws. The Articles serve as the foundation for the corporation, whereas the Bylaws implement the Articles and govern the activities of the organization. The Board of Directors has the duty of upholding the charitable purposes as stated in the Articles and Bylaws. The Articles and Bylaws are legally binding documents, and the Division recommends the corporation carefully choose what procedures and provisions to adopt.

The Bylaws are the guiding principles and procedures which govern the organization’s operations. Bylaws are an organizational tool for rational division of duties and lines of responsibility. The content of the Bylaws is up to the CSO leadership to establish. Adapt your Bylaws to serve the needs of your CSO.

**Are the Bylaws easy to use?
If not, the CSO should feel free
to update them.**

The Bylaws can contain virtually any provision the CSO leadership determines appropriate for the operation. It is recommended the Bylaws not be static. Bylaws should be reviewed periodically to assure they continue to meet the needs of the organization. They should contain a provision for amendments.

The following outline serves as **general guidance only**. The CSO should write its own Bylaws to fit the organization’s needs.

Sample Bylaws Outline for a CSO*

- Name
- Membership
 - Defining Membership
 - Eligibility
 - Membership Categories
 - Membership Dues
 - Enrollment
 - Termination of Membership
 - Reinstatement
- Board of Directors
 - Board of Directors (1.8 and 5.14)
 - Defining Roles (1.9 and 3.2)
 - Election Procedures
 - Terms
- Committees
 - Long-Term Standing
 - Membership
 - Fundraising
 - Nominating
 - Publications
 - Finance (2.12)
 - Audit (2.12)
 - Short Term and Ad Hoc
- Meetings and Members
 - Annual Meeting
 - Other meetings
 - Frequency
 - Quorum (3.8)
 - Voting
 - Corporate Members

- Management of Affairs
- Agreements
- Terms
- Code of Ethics (5.13)
- Voting
- Removal of Directors
- Vacancies
- Officers
 - Defining Officer Roles
 - Removal of Officers
 - Vacancies
 - Election
- Financial Policies (2.12)
- Purpose and Objective
- Notices
 - Notice
 - Waiver of Notice
- Contracting (4.7)
- Proxies (3.7)
- Amendments (2.6, 2.7, 2.9)
- Interpretations of Bylaws
- Dissolution and Termination (4.19)
- Document Retention Policy (3.9)
- Whistleblower Policy (3.10)
- Parliamentary Authority
 - Robert's Rules of Order (3.6)

**Note: The numbers in parentheses cite chapters and sections within the handbook for more information on these topics.*

Legal and administrative issues arising in not for profit governance can be complex and specific to individual organizations. In addition, Florida corporate law is subject to change by the Florida Legislature and by the courts of the United States (U.S.) and Florida. This information should not be used as a substitute for professional advice by qualified legal counsel about issues related to corporate governance. Please refer to Section 617.0206, F.S., for additional guidance regarding the Bylaws.

2.9 Amending the Bylaws

According to Section 617.0206, F.S., the power to alter, amend, repeal, and/or adopt Bylaws shall be vested in the Board of Directors, unless otherwise provided in the Articles of Incorporation or Bylaws. Bylaws are internal CSO documents; therefore, the CSO is not required to amend their Bylaws with the Florida Department of State, Division of Corporations. Bylaw updates must be sent to the Park Manager and a copy must be shared with the District PPDS and CSO and Volunteer Program in the Central Office. Pursuant to the CSO Agreement any changes to the Bylaws must be provided to the Division within ten (10) days.

For the CSO to amend the Bylaws, the board member who is proposing an amendment must review the current Bylaws to determine the appropriate process. Typically, the Bylaws will require a specific percentage of votes (usually a number greater than the majority) in favor of the amendment in order for it to be passed. A record of the vote, regardless of the outcome, must be kept with the CSO's corporate records (see Chapter 3: Section 9).

2.10 Internal Revenue Service Requirements

2.10.1 Federal Employer Identification Number – Once the CSO receives its charter status from the Florida Department of State and files its signed CSO Agreement with the Division, the CSO Board of Directors can begin its initial filings with the IRS. CSOs are required to apply for a Federal Employer Identification Number (FEID), also known as a Federal Tax Identification Number. This number is required for the IRS 501(c)(3) filing as well as for several other CSO reports and activities. Federally funded grant programs also require an FEID. File for an FEID by filling out IRS Form SS-4 (see IRS webpage www.irs.gov).

2.10.2 Federal Tax-Exempt Charitable Status - The Division does not require CSOs to secure a federal tax-exempt determination as a charitable organization under Section 501(c)(3) of the Internal Revenue Code as a condition of its CSO Agreement with the Division. However, failure to secure such a designation could result in the organization having to pay federal income tax and state sales tax (see Chapter 2: Section 11.2). Donations may not be deductible as charitable contributions without the designation.

The CSO Board of Directors must apply for its own individual IRS 501(c)(3) designation by completing IRS Form 1023 (see IRS webpage www.irs.gov). Association with a state park does not, in itself, establish the federal tax-exempt status of the CSO. The organization must obtain a determination letter from the IRS designating the CSO as a federally tax-exempt charitable organization.

The Department recommends all CSOs file for determination of their 501(c)(3) status soon after they sign the CSO Agreement. It can take up to a year to receive the IRS determination letter; and while the CSO can accept donations during the interim, the CSO must advise donors its contributions may not be federally tax-exempt. The Division recommends the CSO contact the Friends of Florida State Parks, Inc. to use its custodial banking services (see Chapter 3: Section 14).

In order to prepare your IRS Form 1023 (Revised December 2013) have the following ready:

- Articles of Incorporation – Must include specific purpose (Article 3 – Purpose) and dissolution clauses (see CSO Agreement)
- FEID
- State Certification as a Not for Profit corporation
- Bylaws – Must include a Conflict of Interest Policy (see Code of Ethics Chapter 5: Section 13)
- Specific Activities – Past, present, and planned activities including fundraising programs you will conduct
- Board of Directors and Officers – Names, title, and addresses

- Financial Data – Including projections of likely revenue linked to specific activities
- User Fee Payment - \$400 to \$850 depending on income

Please seek professional tax advice for more information on federal tax exemptions.

2.11 Florida Department of Revenue Requirements

2.11.1 Florida Sales Tax Number – The CSO Board of Directors can obtain a Florida sales tax number by filing the Florida Department of Revenue Form DR-1, “Application to Collect and/or Report Tax in Florida” R. 07/11. The sales tax number is required for any organization or business selling items such as books, posters, T-shirts, admission tickets, and any other retail items. Florida law requires a CSO to collect and report sales tax on all taxable sales (see Chapter 5: Section 10). The application form can be found on the Florida Department of Revenue webpage <http://dor.myflorida.com/dor/>. For additional assistance contact the Florida Department of Revenue at 1-850-488-9750.

2.11.2 Florida Sales Tax Exemption – The CSO may be eligible for a Florida sales tax exemption for purchases and leases used when carrying out customary not for profit activities.

In order to obtain a Florida Department of Revenue Consumer Certificate of Exemption (DR-14), the CSO must first obtain a 501(c)(3) federal tax-exemption from the IRS. Once these steps are completed, the CSO Board of Directors will file the Florida Department of Revenue Form DR-5, “Application for Consumer’s Certificate of Exemption” R.11/03. The filing requires an attached copy of the CSO’s IRS Exempt Organization Determination Letter. The application is sent directly to Central Registration/Exemptions, Florida Department of Revenue, P.O. Box 6480, Tallahassee, Florida 32314-6480.

This exemption may not absolve the CSO from collecting sales tax on sales of merchandise and other taxable items. To understand the exemptions seek professional tax advice.

The form can be found on the Florida Department of Revenue webpage <http://dor.myflorida.com/dor/> . Assistance is available from the Exemption Unit of Central Registration at 1-850-487-4130, Monday through Friday, 8 a.m. to 5 p.m (EST).

2.12 Financial Policies

In addition to the outline above, it is important for CSOs to address financial policies either in their Bylaws or through a separate stand-alone financial policy. Establishing a financial policy is a critical component for a strong CSO and a strong financial

management system. The Division recommends CSO's adopt a financial policy. A financial policy establishes the CSO's internal controls and ensures compliance with regulatory standards, which is important because many granting organizations expect grantees to comply with specific policy and procedure guidelines. Also, documenting the CSO's fiscal policies serves as an important tool for clarifying roles and responsibilities, and ultimately for ensuring the CSO's financial data is an accurate and reliable basis for organizational decision making.

The following information contains **recommended best practices** and recommended language which the CSO Board of Directors can adopt to govern financial activities. These policies **provide a framework** for the development of specific practices and procedures to ensure proper internal controls are in place. **The Division recommends CSOs modify or adapt the wording in these policies - as they address the individual needs of each CSO** - while maintaining the essential intent. The amounts are left blank to allow each board to determine the appropriate amount and limits. In lieu of a CSO financial policy, at a minimum, it is recommended the CSO comply with the standards for staff handling of funds, revenue controls, and bank deposits (see Chapter 4: Section 10 and Division Operations Manual Chapter 2 and 5).

- **Fiscal Operations** – CSOs should conduct fiscal operations in accordance with accepted business practices, as well as comply with annual reporting requirements. All CSOs are required to submit a complete IRS Form 990-EZ or 990 as part of the Division's required Annual Financial Report (see Chapter 5: Section 7). The complete report is due annually on or before June 30th, six (6) months after the end of the CSO's fiscal year.
- **Budget** – The Division recommends the CSO adopt an annual budget to account for projected revenue and expenses for the upcoming year. This budget should be adopted at the first board meeting of the CSO's fiscal year. Typically the treasurer is authorized to approve expenditures and reimbursements in accordance with the budget.
- **Finance Committee** – The Division recommends the CSO Board of Directors have a finance committee, which typically includes the treasurer and at least one (1) board member. Additional members with knowledge of or experience with financial management (from either the Board of Directors or general membership) can also be appointed. It is recommended this committee be responsible for developing the annual budget, advising the board of financial policy, managing the CSO's investment portfolio, and recommending internal control policies for handling the CSO's finances.
- **Audit Committee** – If the CSO is not required to have an independent financial audit performed - in accordance with the policies of the Department and Division - at the close of each fiscal year (see Chapter 5: Section 8), then the Division recommends the president appoint an internal audit committee composed of the Park Manager or Assistant Park Manager and two (2) board members who do

not have signature authority or custody of the CSO's funds. The purpose of this committee is to review all expenditures and checks to ensure funds have been properly expended and documented with receipts and invoices. It is recommended the committee issue a report to the Board of Directors at each CSO meeting.

- **Approval of Non-budgeted Items** – The Division recommends the treasurer approve any non-budgeted expenditures up to \$_____, the president up to \$_____, and the executive committee up to \$_____. It is recommended the CSO have an emergency expenditure plan by any officer up to \$_____ or other emergency spending procedure. All other expenditures, which are not budgeted must be approved by a vote of the Board of Directors. The vote takes place according to the voting procedures outlined in the Bylaws of the CSO.
- **Accounts** – It is recommended all funds received by the CSO be deposited in the CSO's designated financial institution(s) in a timely manner, to be specified by the individual CSO in its financial policy. All funds that are not immediately needed and are not earning interest should be invested in accordance with the investment policy established by the board. This is done to maximize the CSO's revenue.
- **Authority To Sign** – It is recommended all checks be signed by the designated officer(s) authorized by the Board of Directors. The designated officers can include:
 - President
 - Treasurer
 - Secretary
 - Other

In addition, it is recommended any checks issued over \$_____ require two (2) signatures, and any checks payable to any one of the above named officers be signed by someone other than the payee.

- **Check Review** – It is recommended if the treasurer has signatory authority and possession of the CSO's checks, he or she should not receive the monthly bank statements. These statements should be mailed to a board member who does not have signatory authority and is appointed by the president. This person is responsible for reconciling the bank statements and reviewing checks written on the account.
- **Bonding** – It is recommended the designated signatories be bonded. The cost to secure the bond coverage is born by the CSO. The amount of insurance coverage should be reviewed annually by the board or finance committee.

- **Quarterly Review** – It is recommended that on a quarterly basis, the financial committee review for accuracy, proper documentation, and assess if procedures are followed for all expenditures equal to, or exceeding, \$_____.
- **Payments and Reimbursements** – Recommended processes include:
 - All disbursements for goods and services be paid for by credit card or check and **receipts and invoices retained**.
 - Minimal reimbursements be made to staff and volunteers for only documented expenditures (e.g. receipts, invoices, etc.). Park staff are not permitted to use CSO provided petty cash or CSO provided debit cards (see Chapter 4: Section 10). A written explanation accompanies a receipt of why other means of payment were not available. Prior board approval is needed for amounts over \$_____.
 - Minimal reimbursements be made to CSO staff and volunteers for actual mileage driven for appropriate CSO business. Prior board approval is needed for reimbursements over \$_____ of any kind.
- **Endowment** – The CSO can consider establishing a general endowment fund to support the general purposes of the organization. The CSO is required to ensure such endowment agreements are in compliance with Division policy (see Chapter 4: Section 12.2). The Division recommends, when considering an endowment fund, the CSO carefully study the following:
 - The policy governing how the principal is invested; it is recommended the investment is made in a reasonably prudent manner.
 - The policy governing how the income is used; it is recommended the income is used to support the CSO's general purpose.
 - The policy governing whether the CSO will allow the creation of named endowments for a donor, and the minimum level (if any) to fund endowments.
 - In situations where the board agrees the purposes of the endowment can no longer be met, or the organization's needs may require, the board or designated committee retains the right to dissolve the CSO's endowments. If dissolved, the CSO can use the principal for general or restricted purposes consistent with its mission, contained in each endowment.
- **Gift Acceptance** – It is recommended the CSO reserves the right to decline any financial commitment, gift, or bequest and the right to determine how a gift will be credited and/or recognized. It is recommended all donations be unrestricted gifts.

All receipts from unrestricted bequests, annuities, charitable remainder trusts, or charitable lead trusts become a part of the general endowment, unless the executive committee determines a particular unrestricted gift of the type enumerated in this paragraph should be deposited in a different account.

In drafting an agreement for the gift of restricted funds to the CSO, donors and their advisors are encouraged to use language which would permit application of the gift to a more general purpose if or when, in the opinion of the board, the designated purpose is no longer feasible.

It is recommend the CSO pay no commissions or finder's fees for directing a gift to the CSO.

No representative of the CSO or the Florida Park Service should provide legal or tax advice to any donor or prospective donor. Prospective donors should be encouraged in all cases to consult with their own independent legal and/or tax advisors about proposed gifts, including tax and estate planning implications of the gifts.

The Division recommends the CSO follow the procedures found in IRS publication 1771 (see <http://www.irs.gov/pub/irs-pdf/p1771.pdf>), which provides guidance to organizations receiving donation and the acknowledgement requirements. Also, see IRS publication 526 (<http://www.irs.gov/pub/irs-pdf/p526.pdf>) as this publication is helpful to donors as it outlines what to report and how to report.

Donors are responsible for obtaining their own appraisals for tax purposes of real property and tangible or intangible personal property being given to the CSO. Prospective donors are responsible for their own legal, accounting, appraisal, transportation, and other fees.

It is recommended the CSO retain the right to obtain its own qualified appraisals of real property and tangible or intangible personal property being offered as a gift at its own expense.

It is recommended the CSO sign any appropriate documents necessary for the donor to obtain a tax deduction for such gifts, so long as such acknowledgment does not entail valuing the gift (see IRS publication 526 - Charitable Contributions).

It is recommended the CSO provide, upon request, the donor with sample language for the bequest of restricted and unrestricted gifts to ensure a bequest is properly designated.

All information about donors and prospective donors - including (but not limited to) their names, the names of their beneficiaries, the nature and amounts of their gifts, and the sizes of their estates - must be kept strictly confidential by the CSO and its representatives unless the donor grants permission to release such information. All requests by donors for anonymity must be honored, excluding when the CSO is legally required to disclose the identity of donors. Additional

recommended best practices regarding acknowledging donors can be found in Chapter 4: Section 12.5.

- **Borrowing Policy** – From time to time it may be necessary for the organization to borrow funds from outside sources (e.g. financial institutions) to fund operation and expansion. This may be necessary because of the seasonality of income from fees, donations, sales, and dues.

The Division recommends funds be borrowed only as required to meet these needs, and should be consistent with sound fiscal and management practices. Borrowing should not make up for inadequate planning or spending above budgeted levels.

It is recommended borrowing funds be done within the following guidelines:

- Borrowing be within appropriate limits approved by the board prior to the time of borrowing.
 - Amounts be borrowed at the lowest available interest rates; borrowing from individuals be done if the interest rate is lower than current commercial rates.
 - Most borrowing be done on short-term conditions due to the seasonal nature of CSO income. Long-term borrowing be done only if rates are favorable, and amounts for short-term borrowing would be at the same minimum level.
 - The Division requires all instruments which will secure loans for the CSO clearly state neither the State of Florida, the Division, or the Department assumes any liability for the loan. Also, state-owned property or assets cannot be used to secure the loans.
- **Key Controls** – The following *recommended guidance* is provided to ensure proper internal security controls are in place:
 - Only individuals authorized by the Board of Directors handle revenue.
 - Safes are kept locked except when depositing or removing money.
 - Safe combinations are changed at least once annually.
 - All movement of cash to and from the safe is documented in a log.
 - All cash transactions and/or donations have an explanation and original receipts and invoices retained for audit purposes.
 - Money in the cash box cannot be used to make purchases of any type.
 - No foreign checks or Canadian currency is accepted.
 - Credit card numbers provided by customers remain confidential.
 - In rare cases, if written records of credit card numbers are attached to the corresponding receipt the credit card number must be blacked out, if applicable, and then stored in a locked area.

- **Security** – It is recommended every reasonable security safeguard be used during the various stages of cash handling.
 - Areas used for cash counting and reconciliation are screened from public view.
 - The CSO President and Park Manager know all individuals issued safe combinations and keys to the building.

- **Inventory** – The Division requires an accurate record of storage items is maintained. The recommended process is:
 - Inventory logs of items are maintained and reviewed at least once annually.
 - When receivable items are delivered, an employee or volunteer verifies the goods received as listed on the packing slip. He or she signs and dates the slip to acknowledge receipt of delivery.
 - After verification of receipt of goods, the packing slip and invoice are sent to the treasurer. All payments are made in a timely manner.
 - Retain a copy of shipping papers as a basis for inventory records. Storage areas should be inventoried at least once annually. Two (2) people should conduct inventories whenever possible.

- **Bank Deposits** – It is recommended revenue is deposited at least once weekly. A deposit is made through the last day of each month. Deposits are made in numerical sequence and include all receipts prior to the last deposit. The recommended process is:
 - The individual prepares the deposit slip from information provided by the person handling the fund's report. The **actual** amount being deposited is written on the slip to ensure all discrepancies, such as shortages and overages, can be noted.
 - Operations differ from bank to bank. However, if there are discrepancies between what the depositor has written and the bank's count, the bank will usually attach an advice of debit/credit to the deposit slip and indicate the reason. The advice slip reflects an adjustment to the deposit. It is important the original deposit amount is adjusted; **do not change the original deposit amount.**
 - All funds are deposited at the bank on the same day they are taken from the park, and all funds are taken from the park at least once weekly for deposit.

- **Cash Handling** – It is recommended the Park Manager or Board of Directors assign volunteers or employees to achieve appropriate separation of duties, review work and take corrective action, and provide training on procedures and practices. See Chapter 4: Section 10 for additional guidance to staff handling CSO funds. Recommendations for cash handling are as follows:

- Cash received via mail for membership and special orders are endorsed once the mail is opened. Customers who pay with cash or check over the counter are issued a written receipt.
 - Checks are logged and/or a tape is made of all receipts and added twice to confirm total deposit, and grouped by cash and check. The total from the tape equals the sum of cash and checks in hand. At the bottom of the tape, the preparer affixes their initials and the current date.
 - If checks are not cashable (e.g., not signed, amount not filled in, etc.) pull the check and contact the customer to resolve.
 - Checks and cash are delivered to the deposit preparer with a log or machine tape.
 - All checks and cash are taken to the bank for deposit by an authorized person. The depositor retains a deposit receipt and deposit slip copy and verifies the information is correct before leaving the bank.
 - Detailed monthly reports of revenue and expenditures are generated and reviewed by the manager or treasurer.
 - Deposits are made the same day they are taken from the park. No deposits are taken home or deposited at a later date.
- **Volunteers** – It is recommended the CSO's members or volunteers who are given cash-handling duties be subject to the same cash-handling controls, procedures, and training as regular park or CSO employees, and be held to the same level of competence as the other CSO members participating in events.
 - **Special Events** – Special events, for the purposes of financial policies, are defined as cash handling events. These take place in or away from the park and can require transporting a change fund and any revenue collected during the event. This will apply to fundraisers, drawings of chance, fairs, RV shows, off-site events, and auctions.

It is the responsibility of the board and president to implement and maintain an effective and efficient system of internal financial controls. It is the responsibility of the employees and members of the organization to adhere to those controls. There can be slight variations in procedures, depending on the cash handling event, but some **recommended** key controls for all Division staff and volunteers to adhere to are outlined below:

- All movement of cash be documented in a log sheet for the event.
- All cash transactions have a receipt retained for audit purposes.
- Each person handling cash is assigned a cash box which is counted before and after his or her shift. Each person is responsible for his or her collections, receipts, and end of shift reconciliation reports.
- Any individual conducting sales does not prepare or have access to the final deposit and/or revenue report.
- No foreign checks, even those marked payable in U.S. funds, are accepted.

It is recommended all deposits be counted in dual control by staff, park staff, and/or a volunteer. The person verifying the deposit should place his or her initials on the deposit slip, documenting a second count, and a verification of the amount should be written on the deposit slip.

- **Financial Accounting Procedures** – The Division recommends all financial policies be accounted for using standard accounting procedures set forth for not for profit organizations established by the Financial Accounting Standards Board (visit www.fasb.org for more information) in the Statement of Financial Accounting No. 116, dealing with contributions made and received, and the Statement of Financial Accounting No. 117, dealing with Financial Statement format. In addition, all applicable Florida Department of Revenue and IRS rules must be followed. **Seek professional accounting and tax advice.**

CHAPTER 3 CSO MANAGEMENT AND GOVERNANCE

3.1 Introduction

The purpose of this chapter is to provide best management practices to help Citizen Support Organizations (CSOs) improve their not for profit governance. ***The Division of Recreation and Parks (Division) recommends this chapter not be used as a substitute for a CSO to seek professional advice by qualified legal counsel. The Department's employees cannot provide legal or financial advice.*** Each CSO must decide how to manage its not for profit corporation. The intent of this chapter is to provide information regarding some of the most common questions by Department staff and CSOs.

Available on the Internet are any number of excellent resources about not for profit management, governance, and fundraising. Some recommended resources are:

- The Independent Sector <http://www.independentsector.org/>
- The Florida Association for Volunteer Resource Management <http://www.favrm.org/>
- National Council of Nonprofits www.councilofnonprofits.org
- Charities Review Council <http://www.smartgivers.org/>

3.2 Best Practices for CSO Board Members

The Board of Directors is the leadership and decision-making body for the CSO. The board has at least three (3) elected directors/officers according to its Articles of Incorporation (see Chapter 2: Section 5) and Bylaws (see Chapter 2: Section 8); typically a president, secretary, and treasurer.

Board Member Skills

- Business Skills
- Communication Skills
- Computer Skills

The critical characteristics of a CSO director/officer include a deep concern for the park, park system, and the community, and a passion to serve accomplishing the Florida Park Service's mission. In addition, any CSO officer benefits its organization from the following knowledge:

- Basic business skills – Understanding of essential business concepts like budgeting, motivation, and leadership.
- Communication skills – CSO officers frequently serve as the spokespeople for the CSO and park, prospective members, prospective donors, and sponsors.
- Computer skills – Many basic CSO functions and communications require the use of a computer. Officers will be most effective if they have basic skills to navigate the Internet, use e-mail, and create basic documents.

The Division recommends the board be made up of a variety of individuals who share a concern for the park(s) they serve. Board members should be from a variety of backgrounds and should bring some set of skills to the CSO. A robust and varied board is critical to the long-term success of the CSO, and it is recommended each help with fundraising, education, outreach, and volunteering.

All board members play a key role as decision makers and voting members within the organization. It is recommended the board provide an orientation for all new board members to familiarize them with their roles and responsibilities. The following is a list of best practices for CSO board members:

- Become familiar with Chapter 617, Florida Statutes (F.S.) Corporations Not for Profit (<http://www.leg.state.fl.us/statutes/>).
- Be responsible for obtaining and understanding important CSO documents - including but not limited to the Articles of Incorporation, Bylaws, CSO Agreement, Annual Program Plan, financial reports and financial policies, Code of Ethics, past board meeting minutes, and any other CSO policy and guidance documents (see Chapter 1: Section 10).
- Be responsible for obtaining and understanding Division and park policy and guidance documents such as the Division's Operations Manual (OM) and the Florida Department of Environmental Protection (Department)'s ethics directives. Although the CSO is not subject to the Department's ethics standards, it is recommended board members be familiar with them.
- Become familiar with the CSO's strategic plan, annual calendar, newsletters, social media, organizational chart, board job descriptions, fundraising plan, list of board members, and contact information.
- Ask, as a new board member, for a current board member as a mentor.
- Participate in as many board meetings as possible.
- Take part in CSO activities and actively support CSO events on a regular basis.
- Use fair, impartial judgment and due care in conducting the business of the CSO.
- Be loyal to the CSO by exercising board powers in the best interest of the CSO the park(s), Division, Department, and not in the interest of yourself or others.

Please work with your Park Manager for access to Department Directives and the Division's OM.

3.3 Lobbying

A CSO's mission is to support a park, the Division, and the Department. It is recommended lobbying take place as individuals representing themselves outside of a CSO's official operations. Please seek an attorney for appropriate lobbying counsel for the organization.

The Division recognizes issues arise that the CSO may be passionate about or have the desire to affect change. While the Internal Revenue Service (IRS) does allow a not for

profit to lobby, the Division recommends a CSO focus on education advocacy (see Chapter 3: Section 4).

Internal Revenue Service 501(c)(3) federal tax-exempt charitable organizations are allowed to engage in lobbying activities, provided it is not more than a certain percentage of their budget. Lobbying is divided into two (2) separate categories: political activities and legislative activities. According to the IRS, federal tax-exempt charitable organizations are absolutely prohibited from participating in political activities. This includes directly or indirectly participating in, and intervening in, any political campaign on behalf of any candidate running for public office. Any verbal or written contributions to political campaigns, in favor or in opposition to any candidate for public office, are also strictly prohibited. Violation of this prohibition can result in denial or revocation of the organization's federal tax-exempt status. However, this prohibition does not include methods of encouraging people in an impartial manner to participate in the electoral process.

Federal tax-exempt charitable organizations are permitted to conduct a limited amount of activities to influence legislation (commonly known as *lobbying*). If a 501(c)(3) spends too much of its operational budget on lobbying activities, it risks the loss of its federal tax-exempt status. Lobbying activities are only permitted barring no substantial part of the organization's operating budget is used for lobbying. This is called the "substantial part test". The IRS determines if the expenditures are substantial, on a case-by-case basis, through the analysis of relevant facts and circumstances. These recommendations include the time and expenditures devoted by the organization to the activity. An organization that engages in lobbying activities must report these activities to the IRS on its Form 990. Also, upon violation of the IRS restrictions, 501(c)(3)s will be subject to an excise tax equal to five (5) percent of their lobbying expenditures for the year. Examples of lobbying include, but are not limited to:

- Asking your representative to vote for, against, or to amend introduced legislation.
- Emailing a "call to action" to your members urging them to contact your representative in support of introduced legislation or pending regulation.
- Preparing materials for organizing events in support of lobbying activities.

For further information on lobbying and the "substantial part test", visit the IRS website: <http://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Political-and-Lobbying-Activities>.

3.4 Advocacy and Education

Advocacy is a broad term, but for the purposes of this CSO Handbook it means active support, championing, backing, or promoting. One (1) of the most vital roles a CSO can play is to support its park(s) and the system of parks by educating

The tone of advocacy efforts should always be in SUPPORT of the park and system of parks never AGAINST something else. To avoid conflicts of interest, messages should always be positive and never negative (see Chapter 5: Section 14).

park visitors, their members, other organizations and businesses, and local and state officials about the value and contributions of a park(s) or the state park system as a whole. Examples of CSO advocacy include, but are not limited to:

- Telling your representatives about the contributions of money and time a CSO spends supporting your park(s).
- Educating your representatives about the positive economic impacts of a park on the local community or about the park system's economic contributions to the state's economy.
- Inviting representatives to visit your park(s) to educate them about the role parks play in their community.

As funding has declined for state parks over the past few years, it has become increasingly important to educate decision makers and communities on the value of state parks to their respective communities. The Friends of Florida State Parks, Inc. provides educational park economic impact sheets for each state park. These are excellent tools to use to help educate people about the local economic impacts of a park. See www.friendsoffloridastateparks.org.

CSOs play a critical role in filling the gaps in knowledge about state parks. Many leaders across the state are simply unfamiliar about the economic benefits to their communities and to the State of Florida.

Responsible advocacy for a park and the park system requires careful planning and precision. In all advocacy efforts, CSOs should maintain a high level of professionalism and respect. CSO leaders and members engaging in advocacy efforts must remember they are perceived as representatives of the park and park system as a whole. A CSO should always make sure its efforts are in support of its park/s and the park system. There is often temptation, especially as budget resources are scarce, to advocate for an issue at the cost of another issue. The Division recommends a CSO's tone always be in support of its park/s and the system and not against the park, Division, or Department.

3.5 Running an Effective Board Meeting

Every board has a fundamental responsibility for self-management: for creating a structure, policies, and procedures that support good governance. The type and frequency of meetings should be stated in the organization's Bylaws. There are several types of meetings that can be adopted to govern a not for profit organization. Not for profit board meetings can take place annually, quarterly, but often more frequently, (e.g. monthly). Additionally, "special" board meetings can also be held on an as-needed basis. If deemed appropriate, an Annual General Meeting is a significant event because the organization's members and community stakeholders are typically invited. Annual General Meetings demonstrate the organization's transparency and accountability to its members (voting and non-voting) for finances and services to its members.

CSO board meetings are essential to working with and supporting a state park. The Division recommends the Park Manager and key staff participate in CSO meetings. A

CSO board meeting is a time for members to get together and discuss the operations, priorities, projects, and plans for the CSO. A CSO board meeting also offers the chance to vote on pending decisions. At the same time meetings should be welcoming and fun for all involved. Meetings are a great time for friendship and fellowship. Some recommended best practices for CSO board meetings are:

- Hold regular meetings according to the schedule set at the first meeting of each year.
- Announce meetings in advance - stating the time, date, and location.
- Although the Department's General Counsel determined CSOs are not subject to the Sunshine Law (Section 286.011, F.S.), the Division recommends CSO meetings be open to the public with notices of board meetings and annual meetings posted in a public location at the park, on the CSO's website, and on social media.
- Whenever possible the Park Manager and/or a representative be in attendance at CSO board meetings. If he or she cannot attend, it is recommended the CSO provide an update to the Park Manager.
- Provide the meeting agenda and previous meeting minutes at least one (1) week prior to the next meeting unless the Articles of Incorporation or Bylaws state otherwise.
- Promote an atmosphere of mutual trust and respect for the concerns and ideas of individual members. Conduct meetings according to the rules outlined in the CSO Bylaws (see Chapter 2: Section 8) or follow Robert's Rules of Order (see Chapter 3: Section 6).
- Directors, it is recommended, bring a copy of the Bylaws to meetings.
- The treasurer presents a financial report at each meeting. It is recommended to include a year-to-date budget update as part of the report.
- Meetings adhere to time allotment and business at hand.
- Document CSO board meeting discussions and attendance in written meeting minutes (see Chapter 3: Section 9).

3.6 Robert's Rules of Order

Robert's Rules of Order, or parliamentary procedure, is a recommended time tested set of rules for conducting meetings. The rules allow everyone to be heard and to make decisions without confusion. The rules can be adapted to fit the needs of any organization. Robert's Rules of Order are available on the Internet at <http://www.rulesonline.com/>.

Those still interested in some type of rules for smaller CSO meetings may want to look at Roberta's Rules of Order, a simplified version of the full parliamentary rules. Another option is to keep things simple. For a smaller CSO, it is entirely possible to conduct a meeting without a formal rule of order at all. Common courtesy in allowing everyone to speak and to contribute to the meeting may be all that is required for a successful meeting.

3.7 Voting by Proxy

Proxy voting is a form of voting whereby some members of a decision-making body delegate their voting power to other members of the same body to vote in their absence. Proxy voting is prohibited in organizations which have adopted Robert's Rules of Order as their parliamentary authority, unless it is provided for in its Bylaws or Articles of Incorporation or required by law of its state of incorporation.

3.8 Quorum

A quorum is the minimum number of members necessary to conduct the business of the group. The purpose for a quorum is protection against unrepresentative action in the name of the CSO by an unduly small number of persons. The number of members which constitutes a quorum differs depending on the CSO and is usually provided for in the organization's governing documents (Articles of Incorporation or Bylaws). The quorum is typically a majority or set at some number greater than a majority.

3.9 Public Records, Record Management, and Document Retention

According to Chapter 119, F.S., Section 20.2551(4), F.S., and the CSO Agreement CSOs are subject to public inspection of all documents, papers, letters or other materials subject to provisions of Chapter 119.01, F.S. otherwise known as the "open records law." The CSO Agreement provides that the Agreement may be unilaterally canceled (terminated) by the Division for refusal by the CSO to allow public access to its records.

Should any of the CSOs records be requested, it is recommended the CSO charge a reasonable fee for duplicating requested records. Please refer to the IRS (www.irs.gov) for what is deemed a "reasonable fee." The CSO can also charge actual postage costs incurred to provide the records.

According to Sections 617.1601, F.S., regarding corporate records, Florida not for profit organizations are required to:

- Keep a record of all the meeting minutes of its members and Board of Directors, a record of all actions taken by members or Board of Directors without a meeting, and a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the corporation.
- Maintain accurate accounting records.
- Maintain a record of members in a form that permits preparation of a list of the names and addresses of all members in alphabetical order by class of voting members.
- Maintain records in written form, or another form capable of conversion into written form, within a reasonable time.
- Keep a copy of the following records:

- Keep Articles of Incorporation, or restated Articles of Incorporation, and all amendments to them currently in effect.
- Keep Bylaws, or restated Bylaws, and all amendments to them currently in effect.
- Keep the minutes of all members' meetings and records of all actions taken by members without a meeting for the past three (3) years.
- Keep written communication to all members generally or all members of a class within the past three (3) years. This includes all of the financial statements and reports and audits (see Chapter 5: Sections 7 and 8) furnished for the past three (3) years under Section 617.1605, F.S., (this includes IRS 990, 990-EZ, or 990-N).
- Maintain a list of the names and business street addresses, or home (if there is no business street), of the CSO's current directors and officers.
- Keep the most recent Corporate Annual Report delivered to the Florida Department of State, Division of Corporations under Section 617.1622, F.S. (see Chapter 5: Section 4).

Although Section 617.1601, F.S., does not always provide specific time limits for every item in the lists above, it is recommended the organization implement a records retention policy for the organization's documents. There are many online model document retention policies for not for profit organizations. As an example, according to the National Council of Nonprofits (www.councilofnonprofits.org), the following documents and business records of a not for profit should be maintained **permanently**:

- Articles of Incorporation and amendments
- IRS Exemption Determination letter
- Insurance policies and claims records
- Financial statements
 - annual financial statements
 - audit reports
- Master meeting minutes book (including board and committee minutes)
- Corporate resolutions
- Contracts (e.g., CSO Agreement, financial agreements, etc.)

The current IRS Form 990 (December 2013) asks about governance, management, and disclosures and policies of the organization; specifically, whether the organization has a records retention policy. Creating a documents retention policy is recommended because the document retention and destruction policy identifies the record retention responsibilities of your organization's staff, volunteers, and board members for maintaining and documenting the storage of critical paperwork. The policy will eliminate accidental or innocent destruction of critical papers and correspondence.

It is recommended the policy contain a provision restricting employees, officers, and directors of your organization from destroying critical documents in advance of any litigation. Also, email records are considered "documents" that should be addressed in

the document retention policy. The process of developing a documents retention policy involves:

- Listing the types of paperwork and electronic files the organization generates.
- Determining the appropriate and legal length of time to retain them.
- Recording those times on a written schedule.

Check with professional legal or a tax professional to ask what documents are needed in the event of an IRS audit, and how long to retain them.

3.10 Hiring Employees, Workers' Compensation, and Whistleblowers Policy

A CSO can hire employees. The CSO must follow all applicable state and federal laws regarding its employees. It is advisable for the CSO to consult with an accountant prior to hiring employees, especially if the CSO is unsure of all of the required reports and employer expenses. The Division also recommends the CSO conduct a search of the state and national sexual predators and offenders' registry before hiring an employee (see Chapter 5: Section 2). Additional guidance in state law regarding CSO's employees can be found in Section 112.3251, F.S. which addresses CSO code of conduct, code of ethics, and prevents conflicts of interest. This law mandates that CSO employees must not be CSO board members (see Chapter 5: Section 14).

The CSO Agreement provides that the CSO is responsible for workers' compensation for CSO employees. The State of Florida is not responsible for injuries incurred as a result of employment with the CSO.

The U.S. Congress enacted the Sarbanes-Oxley Act prohibiting all corporations, including not for profits, from retaliating against employees who "blow the whistle" on their employer's accounting practices, unsafe conditions, or alleged discrimination. Consequently, having a good internal process for addressing complaints includes a whistleblower protection/anti-retaliation policy to help the organization protect itself from the risk of violating state and federal laws. It can help ensure if there is a problem it will be investigated and fixed.

The current IRS Form 990 asks specifically, whether the organization has a whistleblower policy. Therefore, it is recommended even organizations that do not have employees adopt a whistleblower protection policy to encourage people to bring their concerns forward without fear of retaliation.

3.11 Liability, Sovereign Immunity, and Insurance

Sections 110.504 and 768.28, F.S. provide for state liability coverage for volunteers, including corporate entities such as not for profit CSOs. The CSO's Board of Directors and officers are volunteers and are immune from tort liability pursuant to Section 617.0834, F.S. The CSO board members are state volunteers and are therefore covered by state liability when performing their duties as volunteers for state parks. To

ensure the state coverage, board members must have signed the Division's Volunteer Agreement and have it on file with their contract manager, as well as update their Volunteer Agreement annually (see CSO Agreement). The Division also requires a position description to accompany the agreement (see Chapter 5: Section 1).

State liability coverage and sovereign immunity - protection from criminal or civil suit, provided by F.S., generally covers only the negligent or wrongful act or omission of any employee or volunteer of a state agency while acting within the scope of the employee's or volunteer's office or employment or volunteer service. As incidences occur, on a case-by-case basis, the Florida Division of Risk Management makes a determination of state coverage and protection.

Section 617.0834, F.S., states board members of not for profits cannot be held personally liable for the actions of the board, except for failure to perform, negligence, violation of law, or a similar act. The Federal Volunteer Protection Act also provides immunity under federal law, but also excludes negligent acts. However, this does not provide protection for federal issues such as Civil Rights infractions.

Although it is not required by the state, it is recommended as a best practice for the CSOs to purchase additional private liability coverage. Ultimately, it is up to the CSO board to determine whether or not to carry insurance. Speak to a broker for more information about specific options. The Division recommends the CSO consider taking the following precautions:

Remember, anyone can be sued at any time. Your best protection is to act responsibly.

- Purchase an event insurance policy as a cost of doing business, especially if the CSO is sponsoring a large event. If the CSO conducts many large events, the purchase of an annual policy can be a less expensive method. Another alternative is a general liability policy.
- Advertise events approved in the CSO's Annual Program Plan (see Chapter 4: Section 2) as state park events instead of CSO events to receive all of the protections which state liability insurance can provide.
- Purchase insurance for visitor service activities (e.g., rental of recreation equipment).

The Division recommends the following additional types of coverage to consider:

- **Commercial General Liability** – Covers personal or property injury and damages, including events and the use of non-owned facilities.
- **Directors and Officers Liability** – Provides protection for board members from liability for the intentional actions they take as a board member, as opposed to negligent actions including wrongful termination, harassment, failure to adequately manage finances, failure to properly use donations, and errors in publications/copyright infringement.

- **Bonding** – Bonding for the treasurer and officers who sign checks and handle money covers them for losses incurred as a result of fraudulent acts by specified individuals.
- **Workers' Compensation** – Employees of a CSO are not provided state workers' compensation or liability protection because they are not volunteers.
- **Homeowner's Insurance** – General liability protection for personal and property injury including one's service as a volunteer.
- **Umbrella Policy** – Personal insurance beyond limits for homeowner's coverage for large amounts of assets.

CSOs are not immune from lawsuit or liability. Please seek an attorney or an insurance broker for appropriate counsel. The Division will assist the CSO through appropriate means in the event of a lawsuit.

3.12 Successful Fundraising

Fundraising is essential to operate an effective CSO. CSO's typically raise funds by setting a standard fee for membership and by taking further action to raise funds for its organization's needs and each specific park need identified in the Annual Program Plan (see Chapter 4: Section 2). Each board member should be actively and enthusiastically involved in fundraising to achieve the most successful fundraising program within the CSO.

Cultivate financial support by meeting with:

- Community leaders
- Local and regional foundations
- Local businesses
- Corporations
- Individuals

The Internet is a great resource for guides to fundraising.

The following steps are recommendations to help the CSO through a basic fundraising process:

1. **Identify the Need** – Coordinate with the Park Manager and assess the park's Unit Management Plan (see Chapter 1: Section 7) to identify park needs for which the CSO could raise funds.
2. **Set a Goal** – Agree on a total amount of money that needs to be raised.
3. **Develop a Plan** – Decide how the CSO is to raise the funds, select who will be responsible for contacting the prospective donors and sponsors, and set appropriate benchmarks with deadlines for raising the funds.
4. **Identify Prospective Donors** – Construct a list of all possible donors (e.g., individuals, grantors, foundations, corporations, etc.) that includes their contact

information and, if applicable, grant cycle due dates. Research these prospects, and ask: Are they a good fit for the identified needs?

5. **Advertise the Funding Opportunity** – Develop a brochure, letter, notice, advertisement, website, social media campaign, etc., regarding the fundraising effort to provide to prospective donors. In this material, it is recommended the CSO should:
 - a. Provide information about the CSO and the park(s) it supports.
 - b. State the identified need, and explain why this need is important.
 - c. State the monetary goal of the fundraising effort.
 - d. Describe how the donor’s contribution will be used.
 - e. Include stories, testimonials, or photographs of previous successful fundraising activities.
6. **Raise the Funds** – The CSO can solicit donations in several ways, that include but are not limited to: conducting a special event, writing grants, using social media to raise awareness for a project, or contacting prospective donors (e.g., individuals, foundations, and corporations) to ask for donations.
7. **Thanks** – Send thank-you letters to all donors. The Division recommends including a final report on the fundraising effort, photographs, how their donation benefits the CSO and the state park, and acknowledging the donor consummate with the amount donated (see Chapter 4: Section 12.5). Additional guidance for donor acknowledgment is provided by the IRS (see Chapter 2: Section 12 Gift Acceptance).
8. **Evaluate** – Assess the effectiveness of the fundraising effort as a whole. Address what worked, what did not work, what needs improvement, and recommend any ways the CSO could conduct more successful efforts in the future.

For more information on the Division’s fundraising guidelines, please see Chapter 4: Section 12.

3.13 The Friends of Florida State Parks

The Friends of Florida State Parks, Inc. (FFSP) exists to support the entire system of state parks, including parks without a CSO. Each CSO supports an individual park or group of parks, but these could not exist as part of the Division without a unified approach to keeping Florida’s parks funded and open. The FFSP supports the Division as a source of education about and advocacy for the system of state parks (for more information on advocacy and education see Chapter 3: Section 4). The Division recommends each CSO become a member of the FFSP. The FFSP offers resources to individual CSOs, members and nonmembers. Becoming a part of the FFSP organization strengthens the member CSO’s efforts. The FFSP provides:

- Regular e-newsletters specifically addressing FFSP news, CSO issues, and not for profit management and governance.
- A matching funds program to help individual CSO groups and parks without a CSO with projects and programs.
- Educational resources for CSOs.
- Educational information for state decision-makers to promote the economic value of the system of state parks.

The FFSP is also able to hold funds for a new CSO while it forms, allowing the organization to fundraise as it applies for status as an IRS 501(c)(3) federal tax-exempt charitable organization. For more information on this service contact the FFSP.

For more information about the Friends of Florida State Parks, please visit their website at www.friendsoffloridastateparks.org

CHAPTER 4 DIVISION GUIDELINES AND PROCEDURES

4.1 Introduction

The Division of Recreation and Parks (Division), Florida Park Service (FPS) Citizen Support Organization (CSO) program is governed by Chapter 258, Florida Statutes (F.S.), Section 20.2551, F.S., Section 20.058, F.S., Chapter 617, F.S., and the CSO Agreement. The Department of Environmental Protection (Department) Directives and the Division's Operations Manual (OM) and the CSO Handbook provide additional guidance (see Chapter 1: Section 10 for more about governing documents). It is a Division requirement CSOs work with their Park Managers to fully understand all of these guidelines and procedures. The Park Manager, as contract manager, is responsible for communicating agency policy and proper procedures to the CSO and working with the CSO to achieve common goals and to meet all Department and Division requirements (see Chapter 1: Section 6).

4.2 Annual Program Plan

The Division requires, before the beginning of every CSO's fiscal year, the Board of Directors and Park Manager develop an Annual Program Plan, Form DRP-052 (see Appendix 7.0) that identifies the goals for the coming year. This plan must include all proposed projects (park improvements, large construction, plans for endowments or contracts, fundraising activities, visitor service activities, and events). For each proposed in-park activity and event, the plan must include the designation of a specific location, date, and time. The annual plan must be consistent and supportive of the park's Unit Management Plan (see Chapter 1: Section 7). Once completed and signed by the Park Manager and the CSO President, the Annual Program Plan is transmitted to the District Park Programs Development Specialist (PPDS) and a copy goes to the CSO and Volunteer Program in the Central Office. Any updates to the Annual Program Plan also goes to the District and Central Office.

4.3 Use of CSO Funds

Provided in the CSO Agreement, and specified in Section 258.015, F.S., all funds generated by the CSO

CSO Annual Reports
(See Appendix 25.0 for a full list)

Corporate Annual Reports –
Due to Dept. of State Jan 1 to May 1 each year (see Chapter 5: Section 4)

Annual Program Plan – Due on or before each new CSO fiscal year begins (see Chapter 4: Section 2)

IRS Forms 990, 990-EZ, 990-N –
Due to the IRS five months and 15 days after the CSO fiscal year-ends (see Chapter 5: Section 6)

Annual Financial Report (AFR)
– Due on or before 6 months after the CSO fiscal year-ends (see Chapter 5: Section 7)

Independent Financial Audit –
If expenses in excess of \$300k, including grants; due nine months following the end of the CSO's fiscal year (see Chapter 5: Section 8)

Section 20.058, F.S. CSO Annual Report to the Legislature – Due July 1 (see Chapter 5: Section 12)

through use of a park/s fixed property and facilities or in the name or in the identity of the park or park service must be used for the direct or indirect benefit of the park/s that a CSO supports. Spending must be consistent with the CSO Agreement or in support of the CSO's purposes as stated in the Articles of Incorporation. Any other proposed use of CSO funds must be pre-approved in writing by the Park Manager (e.g., donations to other organizations, membership in other organizations, etc.).

4.4 Use of Park Property and Facilities

According to Section 258.015(2), F.S. and the CSO Agreement, the Division permits the CSO to use fixed park property and facilities where appropriate, without charge, in accordance with Chapter 62D-2, Part I Chapter 258, Section 20.2551(2), F.S., Florida Administrative Code, and the Division's OM. In order to use fixed park property or facilities, the CSO must:

- Follow an approved Annual Program Plan (see Chapter 4: Section 2).
- Follow special event procedures (see Chapter 4: Section 5).
- Follow the instructions regarding fees (see Chapter 4: Section 4.1).

The Park Manager can grant permission, in writing, to the CSO for afterhours use of park facilities or to close portions of the park to visitors during regular daylight hours, as long as visitors have a reasonable opportunity to use other parts of the park.

4.4.1 Fees – According to the CSO Agreement, the park is not permitted to waive the regular entrance fee except as described in the CSO Agreement. In order for the CSO to charge an entrance fee for CSO events that are carried out on park property and facilities, the CSO must be granted prior approval by the District Bureau Chief. To request approval, the CSO must request, in writing, the right to charge an entrance fee in lieu of the park entrance fee and submit it to the Park Manager at least three (3) months in advance. As a best practice the Division recommends the CSO submit a compiled list of events and request fee waivers of all of these events at one time. The Park Manager will send the request to the District Bureau Chief. If the District Bureau Chief approves the request, the CSO must pay the park in accordance with the FPS Fee Schedule to recover all costs to the park, and the CSO is allowed to keep the remaining balance.

The FPS Fee Schedule is found at <http://www.floridastateparks.org/thingstoknow/doc/FPSFeeSchedule.pdf> or in Appendix 8.0.

4.4.2 CSO Park Entrance Fee Waiver Days – According to the CSO Agreement, the Park Manager is authorized to allow up to twelve (12) CSO membership appreciation days per year, which require approval, in writing, by the Park Manager. Membership appreciation days allow members and their families (children, spouses, siblings, and parents) admission, free of charge, into the park

for recreational purposes. It is at the discretion of the Park Manager to determine how the CSO free days will be offered. The Park Manager and CSO are not authorized to offer perpetual free admission as a benefit to the general members of the CSO.

4.5 CSO Special Events

Many CSOs sponsor special events to raise money, raise community awareness for the park, promote visitation, or to bring in volunteers to support a park. CSOs must submit a list of all proposed special events to the Park Manager for approval on their Annual Program Plan (see Chapter 4: Section 2). Any new events outside of the Annual Program Plan requires an amended Annual Program Plan approved by the Park Manager, and a copy of the amendment goes to the District and the Division's Central Office. Inclusion of a new event on the Annual Program Plan does not waive the requirement for new event approval. In addition, all occasional service or special event volunteers contributing service hours for an event must complete the Division's individual Volunteer Agreement or Group Volunteer Application and Agreement form, which enables them to volunteer at the event (see Chapter 5: Section 1). The signed agreements ensure the volunteers are covered by the State of Florida workers' compensation and liability insurance (see Chapter 3: Section 11).

All events conducted on the property or in the name of the park must be approved, in advance, by the Park Manager and Bureau Chief. The District Bureau Chief will determine if the event will be conducted in the name of the CSO or in the name of the park. According to the OM Chapter 4, CSO-sponsored events do not require a permit between the Division and the CSO. Special event fees paid to a park by the CSO for a CSO sponsored event are based on the fee schedule (see Chapter 4: Section 4.4.1). Once the event is approved, the CSO must take the following steps:

1. Understand the Essential Eligibility Criteria (EEC) and American Disabilities Act before planning your special event (see Chapter 4: Section 15). A written EEC is required of all in-park events. EECs are the minimum requirements needed to participate in a program, service, or activity - regardless of ability - to ensure safe and successful participation. EECs can range from minimum age or weight requirements to having a requirement to traverse a specific distance. The purpose of EECs are to provide participants with the information needed to assess their own eligibility for participation.
2. Complete and submit a Special Event Worksheet (see Appendix 9.0) to the Park Manager. This worksheet is not required, but is a recommended tool to help the CSO plan some of the logistics of its event (e.g., do they need port-o-lets, what is the EEC for participation, or does the event support the Unit Management Plan?). The Park Manager will then submit a copy to the PPDS, Assistant District Chief, and District Chief.
3. Obtain approval from the Park Manager, in writing, prior to any publicity being released about the special event.

4. Execute a Short Term Special Event Permit (see Appendix 10.0) and a Vendor and Demonstrator Authorization (see Appendix 11.0) with all vendors who will be involved with the special event. The CSO is required to generate its own vendor and demonstrator authorization forms for CSO-lead events. The Division provides examples of these forms (see Appendix 10.0 and 11.0) as templates a CSO can use as a guide in developing its own contracts with vendors. It is required the CSO remove all references to the Department and the Division, and modify these forms so they meet the individual needs of the CSO and the special event. These examples can also be found under the Division's paperless site, <http://paperless.dep.state.fl.us/?q=fdep-forms-list>. Please speak with your Park Manager to gain access to these forms.
5. Provide copies of all event contracts, proof of insurance, and vendor permits to the Park Manager at least one (1) month prior to the event date.
6. Submit event information to the Park Manager at least twenty (20) days prior to the event date so the information will be listed on the Online Park Guide website. Include the event name, description, start and end date, start and end time, fee to attend the event, phone number for additional information, and the EEC.

Although additional insurance is not required, it is recommended a CSO obtain additional liability insurance for a special event (see Chapter 3: Section 11).

4.6 Serving and Sale of Alcohol

According to the OM Chapter 4, the consumption of alcoholic beverages in state parks is prohibited, except in restaurants and lodges that already provide sales of alcohol, and within designated areas during park sanctioned events such as special events. The CSO must obtain written approval from the Park Manager to serve alcohol at a special event.

According to Section 561.422, F.S., not for profit civic organizations can obtain a temporary permit for the sale of alcoholic beverages, for consumption on the premises only, and for a period not to exceed three (3) days per event. The organization may be issued only three permits per calendar year. CSOs providing alcohol will be required to purchase an alcoholic beverage license from the Department of Business and Professional Regulation, Division of Alcoholic Beverages and Tobacco; be responsible for complying with Chapters 561, 562, 563 and 564, F.S. and Rule 61A-3, Florida Administrative Code; the Division's OM; and local ordinances which regulate the alcoholic beverage license.

CSOs must comply with all federal, state, and local county laws and regulations for distributing alcohol.

4.7 Contracting Requirements

Throughout the year, many CSOs execute contracts for various services and projects, including contracts for approved construction, special events, rental equipment, special event food and entertainment vendors, or other professional services.

Due to the contractual relationship between the Department and the CSO, per the CSO Agreement, specific contracting guidelines must be followed in certain circumstances. A CSO entering into any legal contract, (for example, an agreement for financial services, trusts or investment and endowment funds with another entity), is required to add language consistent with the CSO Agreement section 16 regarding dissolving a CSO.

In addition, specific language must be included in other types of contracts when the CSO is contracting with an outside vendor for services or commodities, grants with other state or Federal agencies, or when a CSO's contractor has employees. See Appendix 12.0, Contracting Requirements and Language.

It is recommended the CSO board adopt a written policy requiring all major contracts be reviewed and approved by the entire CSO board prior to execution, unless the board specifically authorizes an officer to act on its behalf. It is recommended as a best practice for the board to adopt a written policy in the CSO's Bylaws regarding who can sign contracts on its behalf (see Chapter 2: Section 8).

It is a recommendation the CSO consult an attorney when signing any contract to ensure the CSO's and the Division's interests are protected.

4.8 Third Party Contracts for Regular Business Services

Section 258.015(2), F.S. states, "The Division may permit, without charge, appropriate use of fixed property and facilities of the state park system by a citizen support organization, subject to the provisions of this section." This statute does not grant the CSO authority to permit without authorization from the Division others, such as external vendors, to utilize fixed property and facilities of the state park system for the purpose of conducting regular business (defined below). Examples include, but are not limited to: external vendors providing regularly scheduled tours for a fee, recreational equipment rentals, merchandise sales, vending machines, food services, etc. To authorize such activities requires either the CSO or the external vendor to sign a formal Agreement, either a Memorandum of Understanding or Concession Agreement (see CSO Agreement and Chapter 4: Section 9).

For these purposes, the following definitions apply:

- An "external vendor" is any outside service provider who is not an approved Division concessionaire.

- “Regular business” is an operation that is customary and usual or ongoing, with no unexpected or unusual variation (i.e., a CSO operating a gift shop with set hours of operation, recreational equipment rentals, vending machines etc.).

A CSO is able to work with external vendors to provide services during events approved by the Park Manager, and/or such as CSO incidental occasional operations (e.g., a CSO fundraising event, CSO special event, and/or merchandise sales in the ranger station, etc.; see CSO Agreement and Chapter 4: Section 5). A CSO is allowed to sell merchandise in the ranger’s station with Park Manager approval. Sales in the ranger station must not be an independent regular business service (see Chapter 4: Section 8). All sales by the CSO are subject to Florida Sales Tax (see Chapter 2: Section 11 and Chapter 5: Section 10).

For these purposes, the following definitions apply:

- “Independent” describes when a CSO’s employees, a CSO member, or volunteers on behalf of the CSO physically operates the visitor service.

4.9 Concession Services

The Division is committed to providing quality visitor services. In cases where the Division is unable to provide visitor services, it relies on its partners, including CSOs and Concessionaires. These two (2) valuable partners provide a wide array of visitor services in state parks.

The Division enters into formal Concession Agreements with private businesses, or concessionaires, to provide goods and services to park visitors (e.g., recreational equipment rentals, vending machines, gift shops, etc.). A Concession Agreement authorizes a concessionaire to provide various regular business services on park property. Under a Concession Agreement, the concessionaire returns either a negotiated percentage of the gross sales or a flat fee to the Division to be deposited into the State Park Trust Fund. This helps to sustain all of the state parks in the system (see Chapter 1: Section 2).

A CSO can submit a proposal in response to any Call for Business Plan for a concession operation advertised by the Division. If selected, the CSO will enter into a formal agreement with the Department. Under a Concession Agreement, the CSO is required to comply with the terms and conditions required of all concessionaires. Additionally, either a negotiated percentage of gross sales or a flat fee from the operation shall be deposited in the State Park Trust Fund. Contact your Park Manager about the Division’s Concession Program for more information.

The Division also may require CSOs that provide visitor services as regular businesses, (see Chapter 4: Section 8 for definition), to formalize their relationship with the Division by entering into a more formal Agreement, which may include a Memorandum of Understanding or a Concession Agreement.

The purpose of the Memorandum of Understanding or Concession Agreement is to formalize the CSO's responsibilities for providing high quality visitor services and to manage expectations of the CSO and the Division in regard to the CSO's business operations. Elements of these formal agreements may include*:

- Term - Start and end date
- Use of park facilities, space, and equipment
- Scope of services
- Minimum hours of operation
- Share of utilities
- Commission fee, pass through park fees, or pay a combination of commission and park fees
- Minimum guarantee for commission based upon the projected value of the contract
- Insurance requirements - general or commercial liability
- Subcontracting capabilities or requirements
- Reporting requirements - Monthly report of gross sales, profit and loss statement, etc.

*Some elements may not apply in all scenarios.

If at any time during the term of a formal Agreement the Division determines there is a need for additional or enhanced visitor services, it can grant the CSO first right of refusal to provide the services at the frequency and quality requested by the Division.

It is recommended and important for the CSO to discuss the visitor service as a regular business operation and the role of park staff with the Park Manager prior to making a decision to operate any type of regular business service in a park. Regular business is defined in Chapter 4: Section 8.

4.10 Park Staff Handling of CSO Funds and Participating in CSO Concession Operations

Division and park staff are authorized to collect and deposit funds on behalf of the CSO, whether from sales of merchandise, donations, fees, etc. It is recommended those who handle funds (park staff or volunteers) on behalf of the CSO conform to specific guidelines established by the CSO board in its financial policies for key controls, security, inventory, cash handling, bank deposits, and financial policies for CSO-sponsored special events (see Chapter 2: Section 12).

In lieu of a CSO financial policy, at a minimum, it is recommended the CSO comply with the standards for staff handling of funds, revenue controls, and bank deposits (see OM Chapters 2 and 5). These standards include, but are not limited to:

- Providing written financial guidance to all who handle money on behalf of the CSO.

- Keeping CSO funds separate and not combined with state funds. CSO funds must not be placed in Division cash registers.
- Keeping all CSO funds maintained overnight in the park in a separate CSO safe or in a separate cash box when placed in the park safe.
- Making sure all deposits to the CSO's bank are collected and transported by the CSO or park staff for deposit.
- Deposit slips, packing slips and other invoices can be handled and verified by park staff on behalf of the CSO, but must be provided to the CSO immediately.
- Retain credit card receipts and invoices documenting all expenses.
- Staff and volunteers may receive reimbursements for their expenditures made on behalf of the CSO only when documented by receipts and invoices.
- Park staff are not permitted to use CSO petty cash accounts or CSO debit cards. The CSO is responsible for making advanced payment arrangements for CSO-purchased goods.

Please note, Division policy is its' employees are not permitted to operate the CSO's independent and regular business operation (see Chapter 4: Section 8 for definitions), including but not limited to: stocking merchandise, managing rental equipment, or serve as the primary tour guide for regularly scheduled tours where the CSO receives a fee, servicing vending machines provided by the CSO, operating food services of the CSO, etc. Division employees cannot be the primary operator of a CSO fundraising effort.

Division employees are authorized to collect funds on behalf of the CSO when it is incidental and does not interfere with their normal duties. Division employees cannot be engaged in substantial ways to operate a CSO's independent regular business, (see Chapter 4: Section 8 for definitions), or CSO revenue-generating activities.

In the spirit of CSOs - whose purposes are to provide support to individual parks by volunteering, educating visitors, hosting events, and raising funds for specific park projects - the time and manpower involved in operating a CSO's independent and regular business, as a Division requirement, must come from CSO employees and CSO members, not Division employees.

4.11 Payment Card Industry

Payment Card Industry (PCI) Data Security Standards (DSS) are technical and operational requirements protecting credit and debit cardholder data. These standards regulate all merchants and organizations who accept payment cards. Compliance to the PCI DSS is mandatory for all organizations who accept payment cards. CSOs not accepting payment cards are not subject to the PCI DSS.

CSOs accepting payment cards are required to comply with the PCI. ***Whether accepting payment cards directly, or through a third party provider such as PayPal, CSOs must comply.*** This includes a CSO accepting payment cards for online donations or accepting payment cards in any kind of park concession operated by the

CSO. To be in compliance, the CSO must annually (by May 1) complete a PCI Self-Assessment Questionnaire (SAQ) and an Attestation of Compliance. The CSO's annual SAQ will be kept by the Park Manager. These forms can be found at https://www.pcisecuritystandards.org/security_standards/documents.php?document=2.0

There is also a PCI 101 (frequently asked questions) available at <https://www.pcicomplianceguide.org/category/pci-101/>

4.12 Fundraising Guidelines

In support of the park(s), a CSO can hold fundraisers, seek and receive grants, and accept gifts and cash donations according to Section 258.015, F.S. When setting up a fundraiser, it is recommended a CSO ensure it can express a compelling need, effectively advertise the need, and ensure, (by researching it), that there is an adequate number of prospective contributors (see Chapter 3: Section 12).

Although CSOs are independent from the Division, their fundraising efforts are generated in the name of the state park. Therefore, the CSO is required to follow these guidelines for grants and fundraising:

- All projects, for which the funds are raised, must be consistent with the needs of the park, the goals of the Division as defined by the park Unit Management Plan (see Chapter 1: Section 7), and the purpose of the CSO (see Chapter 1: Section 2).
- The Park Manager must approve any single fundraising project (see CSO Agreement). All fundraising activities must be approved, in advance, in the CSO's Annual Program Plan by the Park Manager (see Chapter 4: Section 2).
- Approval by the District Bureau Chief are required in order to pursue fixed capital outlay development (construction type) projects including fundraising for them (see CSO Agreement).
- All grant proposals must be reviewed by the Park Manager, District Bureau Chief, and Division Bureau Chiefs per Department Directive 150 and OM Chapter 5 (see Chapter 4: Section 12.3).
- The CSO and Park Manager must agree, in writing, on a method of recognizing the donors or sponsors prior to soliciting or accepting any services, products, or money (see Chapter 2: Section 12 regarding Gift Acceptance and Chapter 4: Section 12.5).
- All funds raised must be accounted for using not for profit standard accounting procedures set forth in the Statement of Financial Accounting No. 116 and No. 117 established by the Financial Accounting Standards Board (visit www.fasb.org or see Chapter 2: Section 12 for more information).

4.12.1 Registration with Department of Agriculture and Consumer Services – According to Section 496.403, F.S., the Division's CSOs are not required to register their organizations with the Florida Department of Agriculture and Consumer Services to conduct fundraising activities. "Section 496.401 to

496.424, F.S. do not apply to bona fide religious institutions, educational institutions, and state agencies or other government entities or persons or organizations who solicit or act as professional fundraising consultants solely on their behalf.”

4.12.2 Establishment of Trusts, Investment Funds, and Endowments – A CSO can accept or establish a financial service, trust, investment fund including and endowment fund or non-endowment fund but the proposed agreement must be reviewed and pre-approved in writing by the District Bureau Chief (see CSO Agreement). The agreement must not contradict the CSO Agreement.

Before accepting or establishing any financial agreement, the Division recommends a CSO board first establishes a cash reserve fund where both principal and earnings are available to meet emergency needs. Prior to establishing an endowment, it is recommended that the CSO and Park Manager agree such a financial asset is in the best interest of the park and the CSO. The Division requires the goal of establishing an endowment be included in the CSO’s Annual Program Plan (see Chapter 4: Section 2).

An endowment, funded by donations and investment income, is a permanent pool of money whose earnings benefit the recipient organization (CSO). Once established, it is important for the CSO to understand only the interest, not the principal, can be spent for specific purposes. The board then determines what the earnings can be spent on.

When setting up endowments and non-endowments, cash and pooled investments, there are two (2) provisions commonly used in a CSO’s endowment agreements with a third party (e.g., Community Foundation or other entity), which can be problematic given the fiduciary duties of the CSO:

1. CSOs must be aware of the contracting language when signing endowment agreements. The Department requires CSOs add the dissolution provision found in the CSO Agreement 16.d. in all contracts (see Chapter 4: Section 7).
2. Caution is prudent. Some endowments are permanent and the principal is not recoverable. Pursuant to the CSO Agreement the CSO cannot enter into any financial agreement with another entity that requires forfeiture of the principle.

Some third party agreements (trusts, investment funds, endowments etc.) have language allowing the financial assets to be used for similar purposes or for other charitable uses not designated in the original endowment agreement with the CSO. This type of third party agreement language violates the CSO Agreement. The CSO Agreement does not permit the CSO to use the financial assets in a manner inconsistent with the CSO’s mission or purpose. The Division recommends the CSOs examine the language carefully in endowment

agreements and seek legal counsel. CSOs cannot sign agreements with third parties that violate the CSO Agreement. A CSO's existing agreements for financial services, investments, endowments and non-endowments must be reviewed for the above conflicts and modified to meet these requirements.

4.12.3 Grant Solicitation Procedures – Department Directive 150, Delegation of Authority, requires the Division Director or designee to approve all grant proposals, including those submitted by CSOs on behalf of the Division. This approval process is in place to ensure the application is consistent with the Division's goals and objectives, ensure compliance with the appropriate Unit Management Plan, and to ensure no restrictions are placed on state lands without prior approval from the Division of State Lands, Board of Trustees.

The primary purpose for the Division Bureau Chiefs' review of all CSO grant applications prior to submission is to ensure there are no surprises. Any conflicts or issues can be seen and adjusted well in advance, such as permitting requirements or a required state financial match for a project. Prior approval prevents a project from implementation delays and protects a CSO from having to return grant funds for a project not approved by the Division.

The CSO must clearly identify the source of any required matching funds and secure such funds prior to requesting the grant. It is a Division requirement all grant proposals be sent to the Park Manager who will forward it to the District PPDS. The proposal will then be sent, reviewed within ten (10) days, and approved by the Division before the CSO can submit the grant proposal to the granting agency or foundation in accordance with the OM Chapter 5.

Please work with your Park Manager to gain access to Department Directives and the OM.

4.12.4 Drawings of Chance – According to Section 849.0935, F.S., not for profit organizations, including CSOs, are permitted to conduct drawings of chance. Formerly referred to as raffles, organizations must now use the term "drawings of chance." The organization is not permitted to require any type of donation in order to enter a drawing; however, an organization is permitted to ask for, or recommend, a minimum donation. Additionally, the organization is permitted to limit the number of tickets disbursed for each drawing event. All brochures, notices, advertisements, tickets, or entry blanks used in connection with a drawing of chance must include the following information:

- The rules governing the conduct and operation of the drawing.
- The full name of the organization (CSO) and its principal place of business (CSO's principle office – not the park).
- The source of the funds used to award cash prizes or to purchase prizes.
- The date, hour, and place where the winner(s) will be selected and the prize(s) will be distributed.

- The words “no purchase or contribution is necessary to participate.”

According to Section 849.0935, F.S., an organization conducting, promoting, or operating a drawing of chance is prohibited from the following actions:

- Designing, engaging in, promoting, or conducting any drawing where the winner is predetermined by means of matching, instant win, or preselected sweepstakes, or otherwise, in which the selection of winners is in any way rigged.
- Requiring an entry fee, donation, substantial consideration, payment, proof of purchase, or contribution as a condition to enter the drawing or to be selected to win a prize. However, this does not prohibit an organization from recommending a minimum donation or including a statement of such recommended minimum donation on any printed material used in connection with the drawing.
- Conditioning the drawing on a minimum number of tickets having been disbursed to contributors or on a minimum amount of contributions having been received.
- Arbitrarily removing, disqualifying, disallowing, or rejecting any entry or discriminating in any manner between entrants who gave contributions to the organization and entrants who did not.
- Failing to promptly notify any person whose entry is selected to win at the address set forth on the entry blank.
- Failing to award all prizes offered.
- Printing, publishing, or circulating literature or advertising material used in connection to the drawing which is false, deceptive, or misleading.
- Canceling a drawing or conditioning the acquisition or giveaway of a prize upon the receipt of voluntary donations or contributions.

Any violation of these conditions is a deceptive and unfair trade practice. If an organization violates these conditions, it can be found guilty of a misdemeanor of the second degree. It is recommended CSOs seek legal counsel when conducting drawings of chance to ensure all legal guidelines are followed.

4.12.5 Donor Recognition – The CSO is encouraged to partner with federal, state, and local government agencies as well as other not for profit organizations, corporations, local businesses, and civic groups. Donations of time, services, products, and monies can be accepted by the CSO as support. The Division requires the method of donor recognition be agreed to, in writing, by the CSO and the Park Manager prior to the acceptance of the donation. It is imperative to set appropriate expectations for recognition in advance of a donation. Expectations of donor recognition include:

- Division employees or volunteers cannot place donor recognition on clothing or accessories.

- Historic fabrics or structures cannot have any form of donor recognition permanently affixed to them.
- The CSO and Division are not obligated to maintain or replace any onsite recognition if it is vandalized, lost, stolen, otherwise destroyed, or needs to be relocated as a result of necessary park operations.
- Natural, cultural, and recreational resources of any kind will not be named for, or in honor of, an individual, organization, or business as a result of a donation.
- The display of recognition must not degrade the natural, cultural, recreational, and interpretive resources of a park or otherwise interfere with the visitor's enjoyment of a park's aesthetic value.

It is imperative for both the CSO and Division or park to thank the donor and report on the good works coming from the donation. However, a donor's wishes for anonymity must be respected in all forms of recognition. The following are **recommended best practices** for recognizing donors:

- Say thank-you and follow up with a letter of thanks. If possible, include pictures and testimonials of how the donation was used. However, per IRS Publication 526, Charitable Contributions, never state the value of the contribution because the donor is responsible for determining the value for the IRS. IRS publication 526 can be found at <http://www.irs.gov/pub/irs-pdf/p526.pdf>. This publication is helpful to donors as it outlines what to report and how to report.
- IRS publication 1771 provides guidance to organizations receiving donation and the acknowledgement requirements (see <http://www.irs.gov/pub/irs-pdf/p1771.pdf>). It is recommended a CSO establish gift acceptance guidelines as part of its financial policy (see Chapter 2: Section 12).
- Take action to recognize any donations made previously that were not properly recognized.
- **Additional Recognition –**
 - *Traditional and Social Media* – The Division and CSO can publically recognize donors and partners and elaborate upon the details of contributions through traditional media such as press releases, articles in internal and external electronic newsletters, and social media, etc. The CSO is required to work with its Park Managers to set up the public recognition of donors with its District and the Central Office.
 - *Logos and Text Lines* – Can be placed on donor-funded items such as audio, video, or film products, information kiosks, or equipment which will remain on park grounds either temporarily or permanently. No logos can be placed on the FPS website. However, text lines can be placed on individual park websites or in

the Park Manager's message. For example text can read, "Made possible through the generous donation from," including the name of the company, individual, organization, name script, and/or logo.

- *Short-term Displays* – Banners or signage acknowledging donors can be displayed temporarily during a fundraising event, ribbon cutting ceremony, or other similar events. Banners can also be displayed prior to an event to encourage public attendance.
- *Donor Boards and Walls* – Can be placed in visitor centers and other visitor facilities with approval from the Park Manager. These long-term displays are appropriate for significant donations. It is a requirement donors be advised of the display and informed the display is not permanent and can be removed at any time.
- *Benches, Bricks, or Paving Materials* – Can be used when deemed appropriate and tasteful by the Park Manager. The duration of this recognition can vary depending on the project, donation, and location. Their use must be consistent with a park's natural and cultural resources and Unit Management Plan (see Chapter 1: Section 7).
- *Markers* – Natural rock boulders (limestone or coquina) can be used only if the rock type occurs naturally in the park. Use must be consistent with a park's cultural and natural resources. The Park Manager will determine the most appropriate location for the marker.
- *Interpretive Programs* – Can identify the donor and how the donation is used when a donation is integrally related to the park, the existence of the park, or what is being interpreted.
- *Trees and/or Plantings* – Can be planted in recognition of a donor and must be native plants that occur naturally in the park. The Park Manager will determine the most appropriate location. Recognition cannot be placed on a tree, but rather can be listed on a donor recognition board or appropriate nearby public location.
- *Artifacts* – Must be appropriate to the park's interpretive program and be consistent with the park's Scope of Collections Statement. Gifts of artifacts can be recognized by letters of appreciation, publicity, events, donor boards, or interpretation when the artifact, collection, or donor is closely associated with the park. However, in extraordinary circumstances such as with donations of exceptional nature or of substantial value or scale, as determined by the Division's Bureau of Natural and Cultural Resources, recognition

can be inconspicuously and appropriately provided in a manner which does not distract visitors or detract from the display or the interpretation of the artifacts.

4.13 Partnership in Parks Program

The Partnership in Parks (PIP) program, as stated in the Sections 20.2551(5) and 258.015(3), F.S., was established to provide matching state funds for proposed state park projects sponsored by CSOs. The program's intent is to encourage private contributions to assist in funding state park development projects to enhance the use and potential of the FPS.

Projects funded under this program generally involve the development of park facilities and fixed capital outlay projects that comply with the park's Unit Management Plan (see Chapter 1: Section 7). Examples of such facility development projects include improvements to trails, parking, boat ramps, etc., or the development of camping areas, picnic shelters and areas, park management offices and other buildings, environmental education facilities, exhibits, visitors' centers, historic preservation, resource management projects, and improved access (e.g., trails, parking, and boat ramps). Another example would be the purchase of a large piece of equipment such as the limitless playground at Honeymoon Island State Park. Projects are not limited to one (1) type and can be a combination of facilities. CSOs are required to have Division approval of the project before fundraising activities begin (see Chapter 4: Sections 2 and 12).

The PIP proposed project must have a minimum budget of \$100,000. If approved, the CSO is required to provide cash or evidence of cash, such as a letter of credit, for 60% of the costs. The state will provide the remaining 40% of the project costs if the project is approved and funds are available. The 40% match on behalf of the Division is contingent on fund availability as allocated by the legislature. If there are no funds allocated to PIP projects by the legislature, the CSO is responsible for 100% of the costs.

4.14 Partnership in Parks Application Procedures

The following is a list of all six (6) forms required for the PIP program, which are available on the Department's forms Internet website located at http://paperless.dep.state.fl.us/?q=fdep-forms-list&keys=&field_form_number_fdep_value=&page=2, and in Appendixes 13.0, 14.0, 15.0, 16.0, 17.0 and 18.0. Please speak with your Park Manager for additional assistance.

1. Partnership in Parks Application (DRP-068)
2. Partnership in Parks Project Commencement Form (DRP-072)
3. Partnership in Parks Quarterly Status and Financial Report (DRP-075)
4. Partnership in Parks Project Budget Sheet (DRP-073)
5. Partnership in Parks Project Allocation Budget Sheet (DRP-074)
6. Partnership in Parks Project Completion Form (DRP-076)

Please work with your Park Manager to gain access to the OM Chapter 5.

- **Application Process –**

1. To begin the PIP application process, the CSO must submit a Partnership in Parks Application and Project Budget Sheet to the Park Manager. The Park Manager then forwards the Partnership in Parks Application and Project Budget Sheet to the District PPDS.
2. The PPDS will coordinate the review of the project between the District Bureau Chiefs and District and park Biologist for its effect on park resources and compatibility with the park's Unit Management Plan (see Chapter 1: Section 7).
3. The PPDS also works with the District Bureau Chief to secure all necessary District approvals for the application. The PPDS then forwards the application to the Office of Financial Management and copies the Division's CSO and Volunteer Program.
4. The Office of Financial Management application will then circulate for comment to the Division Chiefs of the Bureau of Natural and Cultural Resources, Bureau of Operational Services, Bureau of Design and Construction, Office of Greenways and Trails, and Office of Park Planning. Each bureau or office will review the project and provide any relative comments. Should any adverse comments be received at this time, the application may be returned for revision, a meeting may be called to review the application with the CSO and park, or the project may be denied.
5. The application will be forwarded to the Division Director for approval based on the input from the various offices within the Division. After approval of the project, the Division Director will provide a Letter of Approval to the CSO.
6. The Letter of Approval from the Division must be received by the CSO **prior** to initiating fundraising activities.

- **Funding –** The Office of Financial Management will certify on the application if the state has sufficient funds available to support the proposed project. If state funds are not available, the Division can provide conditional approval of the project. This will allow the CSO to proceed with fundraising in the event the Division is unable to provide matching funds.

- **Project Commencement Form –**

- After the CSO has received sufficient funds to meet a minimum of 60% of the project costs, the CSO is required to notify the Division, in writing, through the Park Manager and District.
- The notification is required to include evidence of sufficient funds in the form of an appropriate statement from the CSO's financial institution. In some instances, a binding letter from an appropriate foundation assuring the availability of the matching funds will be accepted.

- A completed PIP Project Commencement Form (DRP-072), as well as a PIP Allocation Budget Sheet (DRP-073), must be submitted with a letter or statement of sufficient funds.
 - The PIP Project Commencement Form is initiated at the park level and outlines the project's scope, costs, etc.
 - The commencement form is reviewed and approved in turn by the CSO, park, District, and Division.
 - The commencement form will specify whether the CSO and Division will contract with a single vendor or multiple vendors to complete the project.
 - The Office of Financial Management will review these documents and certify to the Division Director sufficient state funds are available for the project. Once the Division Director signs the commencement form and a project number is assigned, the CSO can begin incurring costs for the project.
- **Timeline for Completing Project** – All projects are required to be completed within eighteen (18) months of receiving approval for funding by the Office of Financial Management.
- **Contractors and Agreements** – It is recognized each project will be managed differently, case-by-case. In cases of approved construction projects, a contractor selection committee made up of representatives from the CSO, park and the Bureau of Design and Construction can be formed. The Division will approve final selection of the contractor. The Division will then enter into a three (3) party agreement with the CSO and Contractor.

For more information on contracts, please see Chapter 4: Section 7.

- **Project Supervision** – Depending on the type of project, the Bureau of Design and Construction will assist with supervision within the scope of the agreement.
- **Reporting Requirements** – The park will submit a PIP Quarterly Status and Financial Report (DRP-075) and the PIP Allocation Budget Sheet (detailing spending activities) to the District. The District will review these reports and will forward them to the Office of Financial Management. At the completion of the project, the park will submit to the District, a PIP Project Completion Form and a final PIP Allocation Budget Sheet. The District, after review, will forward the final reports to the Office of Financial Management.

4.15 Printed Materials for Interpretive Programs

Interpretive writing is produced in several formats such as brochures, newsletters, fliers, booklets, posters, etc. All publications should be attractive and inviting to read. As with other forms of interpretation, printed materials are required to be of high quality and present a positive image of the FPS. Design standards, good interpretive writing, quality

control, and consistency are crucial. It is recommended CSOs consider the costs associated with producing printed materials when planning a publication.

All CSO-printed materials are subject to the Division's process set forth in the OM Chapter 6. All major projects will be subject to review and approval by the Division's Interpretive Program before any printing is done. The process is as follows:

1. The CSO is required to select a publication type and topic that is consistent with FPS standards and the park's Statement of Interpretation (interpretive plan) that is consistent with the park's Unit Management Plan.
2. The CSO - with assistance from the District and Central Office if needed; obtains graphics, writes text, and produces a draft. This draft should be thoroughly checked for writing structure, spelling, grammar, and punctuation.
3. The draft is submitted to the Park Manager for approval. The Park Manager will use discretion in deciding if the project is subject to further review by the District office for approval.
4. If applicable, the draft is submitted by the Park Manager to the District office for review and approval. The District office will use discretion in deciding if the project is required to be subject to further review by the Central Office for approval.
5. If applicable, the District office, after approving the draft, will submit it to the Bureau of Operational Services for final review and approval.

CSOs are required to comply with the Americans with Disabilities Act (ADA), which states, "no qualified individual with a disability shall, by reason of such disability, be denied the benefits of services, programs, or activities of a public entity, or be subjected to discrimination by such an entity."

Chapter 6 of the OM, addresses other types of interpretive programming (e.g., personal programs, exhibits, publications, audio-visual presentations, displays, trail signs, living history, etc.), and the Division's standards and approval processes for them. Each type of interpretive program must be accessible to visitors, with disabilities (e.g., mobility, speech, vision, hearing, and learning). If the program cannot be made accessible due to natural conditions or cultural preservation, an alternative program can be used where the same information is conveyed from a different location that is accessible, or by a different means that better serves the whole group.

Large print materials, audio descriptions, tactile objects, photo albums, notepads and other tools are recommended to be available to help convey the program's message to persons with speech, vision, and hearing disabilities. The following provide recommendations for program accessibility and provisions for people with:

- Vision impairments – Braille, large print, audio descriptions, photo albums for close-up viewing, audio recorded tours with descriptive information, tactile exhibits, and reader services.

- Hearing impairments – Volume control on audible exhibits and videos, open captioning, transcripts, American Sign Language (ASL) interpreters, and printed scripts of audio information.
- Speech impairments – Make a notepad and pen available or offer a way to physically control exhibits (e.g., a button or hand control) as an alternative to speech-only direction.
- Learning disabilities – Use themes to connect related elements. Colors can be used to separate concepts. Use text and pictures or pictograms, and use easy to understand language.

For more information on making interpretive programs more accessible, please visit: http://www.ada.gov/2010ADAstandards_index.htm.

4.16 Publicizing Florida State Parks to the Public

Many CSOs will find it necessary and important to publicize their parks, their activities in their parks, and other messages of interest to the public. Although a CSO is not required to get approval from the Park Manager prior to making any media contact, it is recommended the CSO discusses any promotional or publicity plans with the Park Manager. This is recommended to verify the accuracy of the information and discuss any other details which may be important to know. All information regarding the FPS given to citizens and visitors of Florida is required to be factual and supportive of the Division’s mission and policies. The CSO must demonstrate support of the mission and policies of the park and Division when speaking to the media.

A dramatic way to demonstrate support for your CSO is through before and after pictures posted on your website or social media.

It is recommended CSOs have their own websites, provide newsletters to their members and potential members, and have their own social media sites such as Facebook, Twitter, and Pinterest. It is recommended CSOs notify the Division’s Communications Manager when an account is activated so it can be properly linked with Division accounts to provide cross-promotion. Speak to your Park Manager about contacting the Division Communications Manager.

The Division requires CSOs work with their Park Manager to draft and send media advisories, calendar announcements, or press releases. All events are publicized through the online Park Guide, which is coordinated through the Park Manager and the District office. Event information is required at least one (1) month in advance so it can be included in the online event calendar. It is recommended for CSOs to submit to the Park Manager and District pictures of the park including wildlife and plants, as well as CSO and volunteer events. This provides the Division the opportunity to share them with the public through the Division’s social media accounts.

The Division requires CSO members coordinate all media interviews with the Park Manager. Although CSOs are encouraged to know as much as they can about their park, park staff will answer park related questions such as park fees, hours, overnight

accommodations, park history, etc., unless related to the CSO activities. However, CSO members are encouraged to answer questions about activities in the park (e.g., events, educational programs, tours, etc.).

The Division requires only the Park Manager speak to the media regarding sensitive issues. If the CSO receives any questions regarding the state budget, policy decisions, legislative items, potential park closures, or other potentially controversial issues, the questions must be referred to the Park Manager. The manager will notify the Division's Communications Manager or the Department's Press Office with the topic of the inquiry, reporter's name, media outlet, and contact information, including email and deadline.

4.17 Accomplishments and News

Celebrating the accomplishments of state parks and CSOs is critical to promoting the state park system. Pictures of events, projects, donations and activities are all important to spreading the word about state parks and the contributions of its partners and volunteers. Even the smallest accomplishment can make for a great story in CSO and Division newsletters, publications, websites, and social media. CSOs are encouraged to submit pictures and short descriptions via e-mail to the Park Manager, or designee, to the District and Central Offices.

4.18 Working with a Park

Federal and state laws, and Department and Division procedures in no way replace the communications or development of the relationship between the CSO and Park Manager. It is this relationship, which is critically important, that can make all the difference in the success of the park and the success of the CSO. The foundation of a successful park and CSO relationship is trust. Some tips to building trust are:

- Common Mission – Focus on the success of the park(s).
- Mutual Respect – Appreciate each organization's perspective. Sometimes agree to disagree.
- Communication – Maintain common language (e.g., The Park, The CSO, etc.) and timely, meaningful, and consistent information exchange.
- Education – Maintain a clear understanding of policy and proper procedures for the park and employees, a clear understanding of the CSO's role and the critical part the CSO can play to support the park(s).
- Seek Win-Win Situations – Focus consistently on common goals.
- Celebrate Successes – Bring park staff, volunteers and CSO board members together regularly.

CSOs are uniquely positioned to understand the needs and goals of the park(s) they support. Volunteers and active CSO members understand the needs of the park and the importance of enhancing the park's offerings. Understanding the basics of working with the park can help the CSO Board of Directors, employees, members, and volunteers accomplish shared goals more efficiently.

It is recommended the Park Manager be an integral part of a CSO. The Park Manager's goals and approvals are critical to helping the CSO succeed in its efforts to support the park. The Park Manager has a unique view of the park from the broad perspective encompassing all of the park's needs and resources. It is recommended the Park Manager or designee always be invited to CSO meetings to help guide the CSO toward effective support of the park.

4.18.1 When Things Go Wrong - Any group of passionate people gathered together will sometimes reach points of conflict in objectives, directions, and decisions. For the most part, conflicts are typically resolved easily and swiftly through normal communication and discussions. However, there are occasions when issues are not easily resolvable.

In all cases, the first and most important step in resolving conflicts is communication. Some people may have a tendency to hide concerns or not share ideas they perceive as negative. In almost all cases, increased communication will set the CSO and park staff back on the road to success.

Occasionally, as with any community group, a CSO will go through periods of inactivity. Some CSOs lose members or experience a leadership change that drastically reduces the overall effectiveness of the CSO as a whole. Sometimes personality conflicts arise that make working with CSO leadership difficult and, in turn, make accomplishing goals very challenging.

In these cases, it is in the best interest of the overall CSO's health to step back from the current situation and regroup. Sometimes priorities have changed or been miscommunicated, and the act of backing up can help reset priorities.

In some cases, a CSO may have a problem with the Park Manager or park staff. Again, personality conflicts can be at the root. Park Management may have changed, but, more often than not, simple miscommunication is the problem. When a CSO has problems with the Park Manager, often the resolution hinges on clearly understanding the manager's goals and resetting expectations to help meet the goals.

4.18.2 Resolution Steps – It is recommended CSOs and Park Managers follow these few simple steps to help get back on the path to a productive partnership:

1. **Communicate** – Clear, open, and honest communications resolves conflicts. Even long-term frustrations can often be resolved by discussing the problems openly and honestly.
2. **Re-prioritize** – Often problems arise because a CSO's priorities and the Park Manager's priorities get out of sync. Hold a special CSO meeting

with the core leadership team and the Park Manager (and any appropriate staff) to help reset and re-sync priorities. District staff can facilitate meetings to discuss specific issues.

3. **Ask Questions** – Problems often arise from simple misunderstandings about reasons, priorities, and goals. The goal is for each side to better understand the other. It is recommended CSOs and Park Managers ask open-ended questions such as:
 - a. “Why do you want to do that?”
 - b. “What are you trying to accomplish?”
 - c. “How do you see that benefitting the park?”
4. **Find Areas of Agreement** – Often, disagreements result from a CSO being denied permission to do something (which is important to it), or from a Park Manager requesting a CSO to do something it is unwilling or unable to do. Rather than focusing on what is not working, both should try to find areas of agreement based on the shared priorities rather than sticking to a specific, contentious issue. For example, a CSO may want to add to an existing program or event that the Park Manager feels is inappropriate for the park. Instead, the CSO should ask the Park Manager what can be done. Alternately, the Park Manager can ask the CSO, “What else could we do to accomplish the same goal?”

4.18.3 When All Else Fails - Sometimes these simple problem/resolution steps are not enough to resolve the larger, deeper conflicts. There is no single correct solution for all cases. However, the District staff and Division staff are available to help mediate and resolve issues. District staff or Division staff can help both the Park Manager and the CSO come to a mutual agreement. The goal is to help the CSO and Park Manager return to an effective partnership.

As a very last resort, the CSO Agreement mandates a specific dispute, claim, question or disagreement resolution process.

4.19 CSO Dissolution and Termination Procedures

First, it is important to understand the difference between termination and dissolution. Termination is the end of the CSO Agreement, the contract between the CSO and the Division. Dissolution is the end of operations of the not for profit corporation and the distribution of remaining assets.

The CSO Agreement may be terminated by either the CSO or Division, without cause, after ninety (90) days

The Park Manager and Division staff will make every effort to assist the CSO in retaining viability. Contact your Park Manager and District PPDS for assistance when considering dissolution.

from the receipt of notice, in writing, to the other party at the addresses shown in the Agreement.

The CSO Agreement may be terminated by the Division, with cause, for any violation of, or failure to comply with, the terms of the CSO Agreement after thirty (30) days from the CSO's receipt of notice, in writing, delivered to the CSO's address shown in the Agreement.

In order to avoid terminating the CSO Agreement, it is important for the CSO to understand and to meet its obligations of the CSO Agreement, the organization's Articles of Incorporation and Bylaws, and to meet the goals of the park, Division, and Department (see Chapter 5: Section 14). The CSO is obligated to work with its Park Manager and, as necessary, the District, Division, and Department.

Termination of the CSO Agreement does not dissolve the CSO as a not for profit corporation recognized by the Florida Department of State. The CSO, as a not for profit, still has legal obligations to its members, donors, federal and state laws; legal obligations provided in its Articles of Incorporation; and legal obligations to the Internal Revenue Service (IRS) as a charitable federal tax-exempt organization.

Regarding dissolution, the Florida Department of State, Division of Corporations will automatically administratively dissolve any corporation for failure to file a Corporate Annual Report (see Chapter 5: Section 4). Should the CSO consider dissolving, in the event there are alternative options for the CSO, the CSOs should always discuss this with the Park Manager prior to officially dissolving (which requires a vote of the Board of Directors and other actions outlined below). The Park Manager must immediately notify the District and Division if a CSO is considering dissolution. The Park Manager and Division staff will make every effort to assist the CSO in retaining viability.

If dissolution is the only solution, specific steps must be followed with the Division and with the Florida Department of State, Division of Corporations. The process must be consistent with provisions in Sections 617.1402, 617.1403, 617.1405, and 617.1406, F.S.

If CSO dissolution is initiated the following steps must be completed:

1. The CSO must officially decide to dissolve:
 - a. Conduct a membership meeting to adopt a motion to dissolve the organization and terminate the CSO Agreement.
 - b. The voting members must be notified in advance of the CSO's question of dissolution, and of its chance to vote on this question.
 - c. Members who have no conflict of interest, or other substantial reason they should not make a recommendation, can vote on the question of dissolving the CSO during the membership meeting.

- d. If the CSO does not have any members eligible to vote, dissolution can be authorized at a meeting of the Board of Directors by a majority vote.
 - e. Record the results of the vote in the CSO meeting minutes.
 - f. Provide a copy of the meeting minutes and vote to dissolve to the Park Manager who will provide it to the Division.
2. Once the decision to dissolve is official, the CSO must notify the Division of its intention to also terminate the CSO Agreement:
 - a. Write a letter to the Park Manager and send a copy to the District PPDS invoking the option to terminate the CSO Agreement. The letter must include the following information:
 - i. Reason for terminating the CSO Agreement
 - ii. Provide a record (board meeting minutes) and date of the majority vote to dissolve
 - iii. State the effective date of dissolution
 - iv. The plan for disposition of assets (see Section 617.1406, F.S.)
 - b. The letter must be sent to the Division the minimum required number of days prior to the effective date of termination (see the CSO Agreement).
 - c. The Park Manager is required to notify the PPDS and District Bureau Chief. The District office will notify and provide copies of the letter and CSO's meeting minutes to the Division.
3. Prior to the CSO's dissolution and the effective date of termination of the CSO Agreement, the CSO must complete a final financial report identifying all remaining corporate assets and submit receipts for final purchases to the Division. Any remaining assets must be spent by the CSO on the park it supports (projects approved by the Park Manager), transferred to another Division-approved CSO, or transferred to the Division for distribution to another approved CSO or state park (see CSO Agreement).
4. Prior to the effective date of termination of the CSO Agreement the CSO must report its dissolution to the Florida Department of State. The CSO must complete the Articles of Dissolution (found at www.sunbiz.org), and file them with the Florida Department of State. Directions for completing this can be found on the form. The filing fee can be avoided by routing the Articles of Dissolution through the Park Manager and District PPDS to the Division's CSO and Volunteer Program for a fee waiver letter signed by the Division Director. Section 617.0122, F.S. waives all filing fees for Department CSOs.
5. Prior to the effective date of termination of the CSO Agreement the CSO must inform the IRS and the Florida Department of Revenue (see Chapter 2: Section 11.1) of its dissolution in order to cancel the Federal Employer Identification

Number (FEID) (see Chapter 2: Section 10.1) and any tax-exempt permits. The letter to the IRS must include:

- a. Name of the organization
 - b. FEID number
 - c. Effective date of dissolution
6. Prior to the effective date of termination of the CSO Agreement the CSO is required to:
- a. deliver all goods and equipment to the Park Manager,
 - b. destroy all unused checks,
 - c. close out its post office box,
 - d. forward all mail to the park address,
 - e. file papers with any bonding institution to close any bond account/s,
 - i. the final check must be cashed twenty (20) days prior to dissolution, and
 - ii. provide proof of account termination to the Park Manager

CHAPTER 5 DIVISION AND OTHER REPORTING REQUIREMENTS

5.1 Volunteer Requirements

In February 2013, the Division of Recreation and Parks (Division) provided a new Volunteer Agreement, an updated Volunteer Application, and an updated Group Volunteer Application and Agreement.

All Citizen Support Organization (CSO) Board of Directors, like all Florida Park Service (FPS) regular service volunteers, are required to sign a Volunteer Agreement once annually. The Volunteer Agreement provides clear expectations for new volunteers and re-establishes expectations for current volunteers. The agreement provides an opportunity for staff to let volunteers know they are considered part of the park team and their time and effort is valued. The Park Manager or designee and the volunteer sign the agreement. At the same time, staff shall conduct annual performance reviews and update a volunteer's position description. By annually reviewing the agreement, updating position descriptions, and conducting performance reviews, the Park Manager and volunteer are able to determine if the service performed is meeting the needs of both parties.

- **The Volunteer Application:**
 - Requests more information than previous versions from the applicants such as references and details regarding recreational vehicles (RVs) should the potential volunteer apply as a resident volunteer (e.g., campground host or regular maintenance volunteer).
 - Must be signed if a volunteer is changing parks.
 - Must be signed by returning volunteers to the same park that have been out of that park for more than one (1) year.
 - Is available online at: <http://www.floridastateparks.org/getinvolved/volform.cfm> or <https://www.fldepnet.org/user/login?destination=fdep-forms-list>

- **The Volunteer Agreement:**
 - Is reviewed and signed by all current and incoming regular service volunteers ensuring they are covered by the State of Florida workers' compensation and liability insurance (see Chapter 3: Section 11).
 - Is connected to a volunteer position description by park staff.
 - Goes hand in hand with a signed Volunteer Application, position description, and performance evaluation (all of these documents are to be kept on file).
 - Is reviewed and renewed with each volunteer on an annual basis.
 - Is available **only** from the park, District, or Central Office and is not available online.

The Group Volunteer Application and Agreement:

- Ensures each volunteer is covered by the State of Florida workers' compensation and liability insurance once the Group Volunteer Application and Agreement is signed by the group leader.
- Is required by occasional service volunteers (i.e., volunteers for a special event such as a beach cleanup).
- Is available online at:
<http://www.floridastateparks.org/getinvolved/doc/GroupVolunteerApplicationForm.pdf> or <http://paperless.dep.state.fl.us/?q=fdep-forms-list>

Volunteer forms and frequently asked questions are available from your park volunteer coordinator or the District Park Programs Development Specialist (PPDS). Both can answer questions.

5.2 Sexual Predator and Offender's Registry

According to Division policy, (see Operations Manual (OM) Chapter 2) park staff must conduct a search of the state and national sexual offenders and predators registry before employing or appointing a new regular service volunteer. A record of the search, whether positive or negative, must be maintained in the volunteer's personnel record.

The Florida Department of Law Enforcement's Sexual Offenders and Predators Registry is available at <http://offender.fdle.state.fl.us/offender/Search.jsp>

The U.S. Department of Justice National Sex Offender Public Website is available at <http://www.nsopw.gov/>.

As a best practice, the Division recommends both the national and state sexual predator searches of the CSO's employees.

5.3 Reporting a CSO's Volunteer Hours

The CSO is required to track the service hours of its Board of Directors and officers contributing to its park(s) each year. The Division requires the board's total hours of service contributed to the park as a part of the CSO's Annual Financial Report, Statement of Accomplishments and Goals (see Chapter 5: Section 7). The CSO board and its volunteers are required to submit their Volunteer Time Record Sheets monthly to their park's volunteer coordinator. The Friends of Florida State Parks, Inc. and Florida Greenways and Trails Foundation, Inc. board members are required to submit their volunteer information monthly to their CSO President or designee who should then submit the information to the Division's CSO and Volunteer Program. If a volunteer works for more than one (1) CSO or park it is best to submit hours to each separately.

Accurate volunteer service records are important because the CSO and Division use them for many purposes including:

- Informing potential donors and grant funders.
- Valuing the volunteer's overall contributions and summarizing the volunteer's achievements for the CSO and FPS websites, social media, and any other summaries regarding the CSO, individual parks, or the park system.
- Calculating eligibility for hours of service recognition and awards.
- Reporting in a CSO's Annual Financial Report (see Chapter 5: Section 7).
- Reporting in the park's, District's, and Division's Manpower Augmentation Reports.
- Comparing statewide volunteer service hours to other state park systems nationally by the National State Park Director's Association.
- Calculating annual return on investment and reporting to the Department of Environmental Protection (Department) Secretary and to the Governor.
- Calculating eligibility of the FPS for the National Gold Medal National Park and Recreation Award.

5.4 Florida Department of State, Division of Corporations, Corporate Annual Report

In accordance with Chapter 617.1622, Florida Statutes (F.S.), each organization incorporated in the State of Florida must file an electronic Corporate Annual Report with the Florida Department of State, Division of Corporations between January 1st and May 1st of each year to maintain an active status. Maintaining an active status is required by the CSO Agreement. The Corporate Annual Report is used to update or confirm the Florida Department of State, Division of Corporations' records and verify the names of the registered agent and board members. The Corporate Annual Report is required whether the CSO needs to make changes or not. The Department of State will notify the CSO's registered agent of the annual filing deadline.

According to Section 617.0122, F.S., CSOs are exempt from paying Corporate Annual Report filing fees if the report is submitted through the Department. To do this, go to the Florida Department of State, Division of Corporations' webpage (<http://www.sunbiz.org>) and fill out the online Annual Report form. Select the "check or money order payment voucher" option as your method of payment. This will generate a payment voucher which the CSO is required to print and mail, or save and email, to the District PPDS for delivery to the Division's CSO and Volunteer Program. The Division will submit the CSO's voucher with a letter from the Division Director, certifying the organization's good standing with the Department. This will be sent to the Florida Department of State's office to waive the filing fee for the CSO.

Failure to file a Corporate Annual Report by the third (3rd) Friday of September will result in the administrative dissolution or revocation of the business entity by the Florida Department of State at the close of business on the fourth (4th) Friday of September and can lead to termination of the CSO Agreement by the Department per the procedures set forth in the CSO Agreement (see Chapter 4: Section 19).

5.5 CSO Management Reviews

According to Sections 215.981 and 215.981(2), F.S., the Division will conduct management reviews of all CSOs falling below the annual \$300,000 expenditure limit. CSOs with annual expenditures exceeding this limit, including grants, are required to have an independent financial audit by a certified public accountant (see Chapter 5: Section 8). To stay in compliance with F.S., it is a Division requirement that all CSOs below the expenditure limit will participate in a CSO Management Review conducted by a District PPDS once every four (4) years. The CSO Management Review is not a financial audit, but instead a review designed to allow the CSO to identify its management strengths and areas for improvement. The review is an opportunity to strengthen the relationship between the Park Manager and CSO, while the PPDS serves as a facilitator and provider of technical assistance and resources.

At minimum, the PPDS, CSO President, and Park Manager must attend the review. However, participation of the CSO Board of Directors and/or other park staff is recommended. Prior to the review, the Park Manager and PPDS will assist the CSO in preparing required documentation and materials itemized in the CSO Management Review Checklist (*form under revision*; see Appendix 19.0) and CSO Management Review Document Checklist (see Appendix 20.0).

Following the CSO Management Review, the PPDS provides the CSO, the Park Manager, and the Division's CSO and Volunteer Program with a completed CSO Management Review Checklist, CSO Management Review Document Checklist, and summary of CSO management recommendations for improvement. This summary outlines any compliance issues and provides the CSO and Park Manager guidance for improvements. This information will enable the CSO to strategically build and improve the management, fundraising, programming, and support of its park/s.

5.6 Internal Revenue Service Reporting

CSOs that have met the requirements of Internal Revenue Service (IRS) Code Section 501(c)(3) as approved public charitable organizations are exempt from federal income tax. Although exempt from federal income tax, CSOs are required to file annual returns of their income and expenses with the IRS.

A not for profit is required to file one (1) of the three (3) possible filings listed below with the IRS. Beginning in 2008, small tax-exempt organizations who were not required to file returns because their gross receipts did not exceed a certain threshold are now required to file an annual electronic notice (990-N), which is not accepted by the Division. The Division requires an IRS 990 or 990-EZ. These filings are **due to the IRS on the fifteenth (15th) day of the fifth (5th) month after the end of the organization's fiscal year**. A copy of the CSO's filings is **due to the Division no later than six (6) months following the close of the organization's fiscal year**.

The IRS form which an organization is required to file generally depends on the organization's financial activity as indicated in the chart below.

Form to file	Threshold	Annual Return
990-N	Gross receipts normally ≤ \$50,000	Electronic Notice (<i>e-Postcard</i>) for Federal Tax-Exempt Organizations Not Required to File Form 990 or 990-EZ
Note: Organizations eligible to file the e-Postcard can choose to file a full return.		
990-EZ or 990	Gross receipts < \$200,000, and Total assets < \$500,000	Short Form Return of Organization Exempt from Income Tax Short Form Return of Organizations Exempt from Federal Income Tax
990	Gross receipts ≥ \$200,000, or Total assets ≥ \$500,000	Return of Organizations Exempt from Federal Income Tax

Check the thresholds above at <http://www.irs.gov/> for any increases or decreases prior to each filing year.

According to the CSO Agreement, each CSO is required to submit an Annual Financial Report to the Park Manager and District PPDS **on or before, but no later than six (6) months following the close of the CSO's fiscal year** (see Chapter 5: Section 7). The Division requires either a complete and accurate IRS Form 990-EZ or 990, with appropriate completed schedules attached. The Division no longer uses the Annual Financial Statement Microsoft Excel Workbook and does not accept the IRS 990-N. The CSO must also submit all other components of the Annual Financial Report required by the Division or otherwise by Florida law (see Chapter 5: Section 7). If you have any questions regarding these requirements, please check with your Park Manager or District PPDS.

5.6.1 Consequences of Not Filing with the IRS - If an organization fails to file an annual return with the IRS, it can be subject to penalties. In addition, an organization that fails to file the required return or electronic notice for three (3) consecutive tax years will automatically lose its federal tax-exempt status.

5.6.2 Florida Single Audit Act – In accordance with the Florida Single Audit Act and Section 215.97, F.S., not for profit organizations that expend \$500,000 or more of **state financial assistance** in any fiscal year are required to have a state single audit for such fiscal years. This audit must be conducted by an independent auditor in accordance with Chapter 10.656, Rules of the Auditor General and be submitted to the state awarding agency and the Florida Department of Financial Services, or the Florida Auditor General, for review.

Direct support and CSOs are considered to be not for profit organizations as defined by Section 215.97(2)(l), F.S., and are not exempt from the Florida Single Audit Act.

5.6.3 Federal Single Audit Act - Applies only if the not for profit organization receives **federal awards**. The act requires state and local governments and not for profit organizations that expend \$500,000 or more in a year in federal awards to obtain a single audit conducted according to the act. Nonfederal entities that expend less than \$500,000 a year in federal awards are exempt from the Federal Single Audit requirements for the year, but records must be available for review, or audit, by appropriate officials of the grantor federal agency, pass through entity, and the U.S. Government Accountability Office. Review the United States Office of Management and Budget Circular No. A-133 for more information http://www.whitehouse.gov/omb/circulars_default.

5.7 Annual Financial Report

The CSO's Annual Financial Report, a Division requirement, is not to be confused with the Corporate Annual Report required by the Florida Department of State, Division of Corporations (see Chapter 5: Section 4) or the CSO's Annual Report to the Department (see Chapter 5: Section 12). The Annual Financial Report is due to the Division **no later than six (6) months following the close of the CSO's fiscal year**. The Park Manager shall send the report to the District PPDS along with the Park Manager's cover letter. After reviewing the report for accuracy and working with the park and the CSO on corrections or additions needed, the PPDS will submit the completed report to the Division's CSO and Volunteer Program. It is recommended the CSO submits its' completed Annual Financial Report to its Park Manager **before** the six (6) month deadline to ensure the report is on time and complete.

The primary purpose of the Annual Financial Report is to provide a summary of the most relevant information (e.g., general cash flow, amount of funding for programs to support the park, ensuring revenues are greater than expenses, and whether services provided were maintained or expanded) to the Division and Department. The Annual Financial Report provides information regarding the CSO's ability to meet the common interests of its donors, grantors, members, creditors, and others who provided resources to the not for profit organization throughout the fiscal year. The Annual Financial Report also assesses the CSO's future ability to meet its purposes in supporting a state park and performing its duties.

The CSO's Annual Financial Report shall include the following five (5) components:

1. **Park Manager's Cover Letter** – The Park Manager provides his or her perspective on the changing developments of the park and CSO, as well as the effectiveness of the CSO in fulfilling its purpose. In determining the CSO's accomplishments of its purpose, the Park Manager is required to provide information regarding the effectiveness of the Board of Directors in completing activities outlined in the Annual Program Plan (see Chapter 4: Section 2), as well as supporting CSO activities such as management, fundraising, and membership

development. This letter is required as the first document in the Annual Financial Report.

2. **CSO President's Letter** – The CSO President's letter provides information regarding the annual program support provided to the park that fulfills the purposes or mission of the CSO. The letter is required to cover changing developments within the organization and address the Annual Program Plan (see Chapter 4: Section 2). This includes accomplishments with accompanying explanations (progress on projects) or reasons for ceased activities or unfinished projects. The President's letter is a maximum of two (2) pages in length and is placed after the Park Manager's cover letter.
3. **CSO Statement of Accomplishments and Goals** – A blank example can be found in Appendix 21.0 or if your IRS 990 or 990-EZ contains the complete information then a separate accounting is not necessary. This statement reports on the CSO's accomplishments for the past fiscal year and goals for the upcoming year. This Appendix form has been expanded to provide more thorough information about the CSO to ensure the Department and Division receive the desired level of information. The CSO Statement of Accomplishments and Goals includes:
 - a. *Estimated Total Volunteer Hours* – The current number of volunteer hours contributed by CSO officers, board members, and general members for the CSO's fiscal year.
 - b. *Total Number of CSO Members* – The current number of members in good standing at the end of the CSO's fiscal year including officers, board members, and general members. When totaling the number of members in the CSO, typically individuals and corporate members are counted as "one (1)" member. Family, patron, or not for profit organization members are counted as "two (2)" members.
 - c. *List of Board Membership* – A listing of the CSO's current board members' and officers' names, addresses, phone numbers, and email addresses in order of position title.
 - d. *Summary of Accomplishments* – A report of the CSO's short-term and long-term accomplishments by the CSO for the past year, according to the Annual Program Plan. These accomplishments will support the CSO's mission statement and will illustrate support of the park's expressed needs.
 - e. *Summary of Goals or Priorities for the Upcoming Fiscal Year* – Build on the CSO's accomplishments from the past reporting year with the inclusion of new goals voted on by the board and approved by the Park Manager for the upcoming year. Projected time frames for multiple year

projects, like Partnership in Parks projects, will be provided. It is recommended the CSO attach the CSO's signed Annual Program Plan for the upcoming year to this statement (see Chapter 4: Section 2 for more information regarding the Annual Program Plan).

4. **CSO Statement on Value of Contributed Services** – A blank example can be found in see Appendix 22.0 or if your IRS 990 or 990-EZ contains the complete information then a separate accounting is not necessary. This statement reports on services provided to the CSO from park staff support and other outside in-kind support for the past fiscal year. Park staff and facilities support is provided by the park or District through the PPDS. The Appendix form is provided to ensure the Department and Division receives the desired level of information. The Statement on Value of Contributed Services includes:

- a. *Park Staff Support* – The park or District will provide the CSO with the value of park staff contributed services during the past fiscal year. The total number of hours contributed in staff support services is required to be converted to a monetary amount.
- b. *Park Facilities Support* – The total amount of park water, electric, and utility expenses used to support CSO events, concessions, etc.
- c. *In-Kind Support* – The CSO receives additional services outside of the park staff contributed hours called in-kind services. In-kind services are a type of charitable giving in which, instead of money, a person contributes some kind of service, good, or commodity. Examples are professional services of a lawyer, accountant, or any professional, or the estimated value of a good or commodity. Provide a monetary amount for in-kind services.
- d. *List of Program Services* – Federal tax-exempt charitable 501(c)(3) organizations are required to report total expenses and revenue for each program service. According to the IRS, a program service is any activity by the organization that accomplishes its charitable purposes.

For **each** program service the required elements are as follows:

- i. Program Service Description – Clearly and concisely describe the accomplishments through specific measurements such as visitors served, days of an event, number of sessions or events held, publications issued, etc.
- ii. Total Expenses – Program expenses directly related to the activity that accomplishes the organization's mission.
- iii. Total Revenue – Program revenue derived directly from the activity that accomplishes the organization's mission.

- e. *Total Program Services* – Provide a total dollar amount for all program expenses and a total dollar amount for all program revenue.

The Division recommends the CSO consult an accountant or tax professional to gain the best guidance regarding IRS forms. The Division requires all CSOs to complete an IRS 990 or IRS 990-EZ; no longer uses the Annual Financial Statement Microsoft Excel Workbook and does not accept the IRS 990-N.

5.8 Independent Financial Audit

Section 215.981(2), F.S., and the CSO Agreement, requires each CSO with ***annual expenditures in excess of \$300,000, including all grants***, provide an annual financial audit of the CSO's accounts and records. The independent financial audit shall be conducted by an independent Certified Public Accountant (CPA) in accordance with rules adopted by the Florida Auditor General in accordance with Section 11.45(8), Rules of the Auditor General, Audits of Direct Support Organizations and CSOs, and the standards set forth in the Statement of Financial Accounting No. 116 and 117 Financial Statements of Not-For-Profit Organizations established by the Financial Accounting Standards Board (see www.fasb.org).

The purpose of the independent financial audit by a CPA is to ensure the CSO conforms to the generally accepted accounting principles and to examine whether operations are properly conducted in accordance with legal and regulatory requirements. The independent financial audit shall be submitted to the office of the Florida Auditor General with a copy to the park, District, and Division no later than nine (9) months after the end of the CSO's fiscal year. In addition, the Division will require a Management Letter, completed by the auditor, to accompany the audit document. The auditor's Management Letter will provide an analysis of any problems and issues that have been noticed by the auditor.

5.9 Inspector General Audit

CSOs with annual expenditures of less than \$300,000 are not required to have an independent financial audit per Section 215.981(2), F.S.

However, each year the Department's Office of the Inspector General, Internal Audit Section conducts comprehensive audits of at least two (2) CSOs. The CSO will be given sufficient time, and park and District staff will provide technical assistance to assist in preparing for the audit. The Inspector General's audit will comply with Chapter 10.700, Rules of the Auditor General. All CSOs will eventually be audited.

Please note a scheduled audit by the Inspector General is not necessarily an indication of suspected problems, but part of a routine policy for entities with contracts with the Department.

These audits are an opportunity to review and evaluate both the Division's and the CSO's management practices, evaluate the CSO's internal financial control systems and procedures, ensure accuracy of the reported revenue, facilitate recommendations regarding the solution of managerial problems, and examine and analyze operating methods and procedures to evaluate effectiveness, efficiency, and/or cost benefit. The purpose of the Inspector General's audit is to determine if the CSO is adhering to policies and reporting accuracy with the following eight (8) documents (see Chapter 1: Section 10):

1. Florida Statutes (See Appendix 1.0 for a full list)
2. Florida Administrative Code, 62-D
3. Department Directives
4. Division Operations Manual
5. Articles of Incorporation
6. Bylaws/Operating Guidelines (including any financial policies and procedures)
7. CSO Agreement
8. CSO Handbook

The Inspector General's audit begins with an initial "letter of engagement" sent to the CSO President and treasurer, the CSO's Park Manager and District Chief, and to the Division Director, which includes the name of the examining auditor, range of dates the auditor will examine, and dates for an anticipated park visit for CSO and staff interviews. The letter asks the Division for the most recent CSO Management Review (see Chapter 5: Section 5), for the CSO to provide materials in advance of the audit, and asks certain documents be made available for the auditor's park visit. At the site visit the auditor interviews both CSO management and park management. Some materials can be either copied or brought back to the auditor's office. The auditor will request the above list of documents and may ask for any or all of the following sixteen (16) CSO documents:

1. Department of State Corporate Annual Report
2. Annual Program Plan
3. Annual budget
4. General ledger
5. Bank statements
6. Bank statement reconciliation records, including validated deposit slips and documented expenses (invoices matched with checks/receipts)
7. Florida Sales Tax Number (if applicable)
8. Florida Department of Revenue Consumer Certificate of Exemption (DR-14)
9. Florida Department of Revenue Sales and Use Tax Reports (DR-15s) (if applicable)
10. CSO board meeting minutes
11. IRS Federal Employer Identification Number (FEID)
12. IRS Letter of Determination as a 501(c)(3) federal tax-exempt charitable organization
13. Federal IRS income tax returns (990 or 990-EZ)

14. Annual Financial Report
15. Grant agreements and any other contracts or agreements
16. List of CSO volunteers and the amount of hours worked by each volunteer

Park management may be asked to provide the following:

1. Purchase card records
2. Monthly expenditure records
3. Monthly attendance records

The following are examples of details the auditor may look for in the areas of:

- **Financial Management** – The auditor typically examines the CSO's one (1) to two (2) most recent fiscal year's financial statements to express an opinion on the fairness with which they are presented in accordance with minimum accounting standards. The auditors will also conduct an examination of any financial information necessary to comply with generally accepted accounting principles. The following provides examples of areas for examination:
 - Cash collection and control
 - Fundraising
 - Sales tax collection
 - Required financial reporting
 - Accuracy of reported revenue and expenditures
 - Expense documentation (detailed invoices and receipts)
 - Deposit preparation and bank statement reconciliation
- **State and Federal Not for Profit Guidelines** – The auditor will make a determination of compliance with requirements prescribed by the sections of law that create and govern charitable organizations. The auditor will also examine any rules necessary to comply with government auditing standards.

The following provides examples of areas for examination:

- Required reporting
- Establishment of financial policies
- **Grant Management** – The auditors will determine the effectiveness of the CSO's management practices of grants and compliance with terms of the grant agreements (see Chapter 4: Section 12.3). The following provides examples of areas for examination:
 - Management of grants
 - Proper documentation of grant information
 - Grant revenue and expenditure documentation
 - Department approval of grant applications

- **Park Management** – The auditor will determine whether controls are in place and whether the park is in compliance with applicable procedures in the areas of cash collection and control, park expenditures, use of Purchase Card, state property and park attendance methodology, guest and resident discounts, the resident volunteer criteria. The auditor will also evaluate management’s oversight of volunteer reporting and park resources used in CSO activities.

As a result of the audit, the CSO Board of Directors and park management must come into compliance with each of the Inspector General’s audit report findings. The District works with the Park Manager, and park management can provide assistance, where appropriate, to help the CSO come into compliance. In rare cases, the Division and/or District will meet with the CSO’s board to discuss the audit results, the Division’s response, and the progress toward compliance.

Following the audit report “with findings,” the Inspector General conducts a follow-up audit. The CSO and Division must demonstrate full compliance with each finding and provide supporting and detailed documentation of completion no less than five (5) months after the original audit.

The follow-up audit with supporting documentation is sent to the District PPDS and then on to the Division’s CSO and Volunteer Program for the Director’s office approval and transmission to the Inspector General. The purpose of the follow-up is to verify the CSO and Division are correcting their financial and management weaknesses.

5.10 Florida Department of Revenue Sales and Use Tax

Florida Sales and Use Tax Returns are required of CSOs that collect sales tax on items sold such as books, posters, T-shirts, CDs, DVDs, admission tickets, and other retail items (see Chapter 2: Section 11.1). Each sale, admission charge, storage, or rental is taxable unless the transaction is exempt (see Chapter 2: Section 11.2). Sales tax is added to the price of the taxable goods or service and collected from the purchaser at the time of sale. The current Florida general sales tax rate is 6%. Discretionary sales surtax (also called county tax) can also apply depending on your county. Use tax is due on the use or consumption of taxable goods or services when sales tax was not paid at the time of purchase. The following scenarios provide examples in which the CSO owes use tax:

- If you buy a taxable item in Florida and did not pay sales tax.
- If you buy an item tax-exempt intending to resell it and then use the item in your business or for personal use.
- If you buy a taxable item outside Florida and bring or have the item delivered into the store and you did not pay sales tax.

The CSO can decide if it wants to pay use tax on a ***monthly or quarterly basis***. Both quarterly and monthly returns and payments are due on the first day of the month and

are late after the twentieth day of the month following the collection period. Refer to the Quarterly Filing Chart below for guidance on quarterly filing deadlines.

Quarterly Filing Chart				
Quarter	1	2	3	4
Collection Period	January - March	April - June	July - September	October - December
Months Included	Jan., Feb., March	April, May, June	July, Aug., Sept.	Oct., Nov., Dec.
Return is Due	April 1	July 1	October 1	January 1
Return is Late After	April 20	July 20	October 20	January 20

The CSO must acquire the following forms and instructions from the Florida Department of Revenue:

- DR-15 “Sales and Use Tax Return” R.07/12.
- The instruction for the DR-15 is form DR-15N “Instructions for Sales and Use Tax Returns” R.07/12.
- A DR-15EZ form is also available with instructions, DR-15EZN “Sales and Use Tax Returns” R.01/13.

For more information regarding Sales and Use Tax go to:

http://dor.myflorida.com/dor/taxes/sales_tax.html.

5.11 Florida Department of Revenue Corporate Income Tax Return

If a CSO is a federal tax-exempt organization and has \$1,000 or more gross income from an unrelated business, it must file IRS Form 990-T (2012), “Exempt Organization Business Income Tax Return.” A federal tax-exempt 501(c)(3) charitable organization that has unrelated business income must also file Florida Department of Revenue Form F-1120 “Florida Corporate Income/Franchise Tax Return” R. 01/13.

For more information go to the IRS web page <http://www.irs.gov> and the Florida Department of Revenue’s web page <http://dor.myflorida.com/dor/>.

Unrelated business income is a very complicated tax law issue. The Division recommends the CSO consult an accountant or tax attorney to gain the best guidance.

Unrelated business income is income that arises from activities "unrelated" to the CSO’s purpose. Although an organization is tax-exempt, the organization may still be liable for tax on its unrelated business income. Unrelated business income is income from (1) a trade or business, (2) that is regularly carried on, and (3) is not **substantially** related to the performance of the CSO and its exempt purpose or function, except when the organization needs the profits derived from this activity.

Further explanation of the above requirements is provided below:

- **It is a trade or business** - The term *trade or business* generally includes any activity carried on for the production of income from selling goods or performing services. Activity is not limited to integrated aggregates of assets, activities, and goodwill that comprise businesses for purposes of other provisions of the Internal Revenue Code. Activities of producing or distributing goods, or performing services from which gross income is derived, do not lose their identity as trades or businesses merely because they are carried on within a larger framework of other activities which may, or may not, be related to the organization's exempt purposes.
- **It is regularly carried on** - Business activities of an exempt organization ordinarily are considered *regularly carried on* if they show a frequency and continuity and are pursued in a manner similar to comparable commercial activities of nonexempt organizations.
- **It is not substantially related to furthering the exempt purpose of the organization** - Determining if a business activity is *substantially related* requires examining the relationship between the activities that generate income and the accomplishment of the organization's exempt purpose. Trade or business is related to exempt purposes in the statutory sense, only when the conduct of the business activities has a causal relationship to achieving exempt purposes (other than through the production of income). The causal relationship must be substantial. The activities that generate the income must contribute importantly to accomplishing the organization's exempt purposes to be substantially related.

The Internal Revenue Code walks the CSO through a number of modifications, exclusions, and exceptions to determine if the activity is an unrelated business income. In addition, the following activities are specifically excluded from the definition of unrelated trade or business:

- **Volunteer Labor** - Any trade or business, in which all substantially work is performed for the organization without compensation, is excluded. Some fundraising activities, such as volunteer-operated bake sales, may meet this exception.
- **Convenience of Members** - Any trade or business that is carried on by an organization described in Section 501(c)(3) or by a governmental college or university, primarily for the convenience of the organization's members, students, patients, officers, or employees, is excluded. A typical example of this is a school cafeteria.
- **Selling Donated Merchandise** - Any trade or business that substantially consists of selling merchandise, of which the organization received as gifts or contributions, is excluded. Many thrift shop operations of exempt organizations meet this exception.

5.12 CSO Annual Report to the Legislature

In June 2014, the Governor signed Section 20.058, F.S., creating new annual accountability and transparency requirements for all CSOs and direct-support organizations (DSOs). The law also provides for the review of the statutes authorizing these organizations, Sections 20.2551 and 258.015, F.S., by October 2019.

The Governor also signed into law Section 112.3251, F.S., CSO standards of conduct (see Chapter 5: Sections 13 and 14). The law requires CSOs to adopt an ethics code specifying the standards of conduct and disclosures by CSO board members, officers, and employees (see Chapter 5: Sections 13 and 14). Also, a CSO's Code of Ethics must be posted conspicuously on the CSOs website. These two (2) laws apply to all such organizations, not simply those supporting state parks and trails.

Section 20.058, F.S., states the Department must report to the Governor, President of the Senate, Speaker of the House, and Office of Program Policy Analysis and Government Accountability (OPPAGA) the information required by the legislation and provided by each CSO by August 15th each year. The report must include a recommendation for each organization by the Department, with supporting rationale, to continue, terminate, or modify the Department's association with the organization.

The law requires the Department to collect information from each CSO and post it on the Department's website. To complete this requirement, the Department has provided a standardized CSO Annual Report form (see Appendix 23.0 so the CSO may provide each element required by law:

- Name, mailing address, telephone number, and website address (if applicable)
- Statutory authority creating the CSO (already provided on the template)
- Brief description of the mission
- Brief description of the results obtained by the organization
- Brief description of the organization's plans for the next three (3) fiscal years
- A copy of the organization's Code of Ethics. The Department provided a model Code of Ethics, which meets the requirements in the law (see Appendix 24).
- A copy of the organization's most recent IRS Form 990 or Form 990-EZ. The IRS Form 990 and 990-EZ are part of the CSO's Annual Financial Report (see Chapter 5: Section 7).

By law, CSOs are required to report the above and provide their Code of Ethics by August 1st each year; however, the Department requires an earlier deadline to be able to process and post the CSO's reports to the Department's website and to compose a report to the Governor and Legislature. The general timeline is as follows:

- July 1st – All CSO Annual Reports to the Legislature and attachments are due to their District office.

- Mid July – All CSO documents are due to the Department's Office of Operations (OOO) from the Districts.
- August 1st – All CSO Annual Reports posted to the Department's website for public viewing with links to CSO websites (if the CSO has a website).
- August 15th – Department's Annual Report of CSOs, with recommendations and rationale, due to the Governor, President of the Senate, Speaker of the House, and OPPAGA.

A completed CSO Annual Report form and a copy of the CSO's Code of Ethics must be emailed as attachments to the CSO's District PPDS, who will review the documents and work with the CSO to assure the documents are complete and accurate. The PPDS provides each CSO's information to the Department's OOO, who combines the following for each CSO into a single document to post to the Department's website: the completed CSO Annual Report form, the CSO's Code of Ethics, and the CSO's most recent IRS Form 990 or Form 990-EZ. The Department will use the CSO's most recent required Annual Financial Report to extract the IRS Forms.

A copy of the CSO's most recent IRS Form 990 or 990-EZ is already a part of the required CSO's Annual Financial Report (see Chapter 5: Section 7). If a CSO has already submitted its most recent, complete, required fiscal year Annual Financial Report, then the CSO is not required to resend their IRS Form.

Additional instructions to complete a CSO Annual Report form are as follows:

- **CSO Name** – Provide the full legal corporate name of the not for profit organization as it appears on the Florida Department of State, Division of Corporations website. See <http://www.sunbiz.org/search.html>.
- **Mailing Address** – Provide the "Principal Address" (not the park address) found on the Florida Department of State, Division of Corporations website. See <http://www.sunbiz.org/search.html>.
- **Telephone Number** – Provide the area code and telephone number of the CSO's primary point of contact. This could be any officer of the organization, however, it is preferred to be the president of the organization.
- **Website Address** – Enter the organization's current address for its primary website. If the organization does not maintain a website, enter "N/A" (not applicable).
- **Statutory Authority** – Already provided by the Department within the form.
- **Brief Description of the CSO's Mission** – Provide the CSO's mission statement. This may be as simple as "Support and benefit (Insert name of state

park(s) or trail),” or it is recommended the CSO look at the organization’s Articles of Incorporation or Bylaws for appropriate language.

- **Brief Description of the CSO’s Results Obtained** – Provide significant accomplishments which reflect the organization’s mission for the most recently completed fiscal year.
- **Brief Description of the CSO’s Plans for the Next Three Fiscal Years** – In regards to the CSO Annual Report to the Department, describe or list the organization’s goals for the next three fiscal years. As an example, if this is the 2014 CSO Annual Report the CSO would provide its plan for 2015, 2016, and 2017.
- **Code of Ethics** – Indicate by checking the box on the CSO Annual Report form a copy of the most recent CSO’s Code of Ethics is attached to the CSO Annual Report form.
- **Most recent IRS Form 990 or Form 990-EZ** – Check the box on the CSO Annual Report form that certifies the CSO has completed and provided the Department with the organization’s most recent, complete, required Annual Financial Report.

5.13 Code of Ethics

In July 2014, the Governor established Section 112.3251, F.S., requiring all CSOs and direct service organizations (DSOs), with Agreements (contracts) to support a state agency, to adopt an ethics code that contains specific standards of conduct and disclosures by CSO board members, officers, and employees found in Sections 112.313 and 112.3143(2), F.S. The law protects against conflict of interest and establishes standards of conduct in situations where conflicts may exist. These standards in the law address the following topics:

- Prohibition of solicitation or acceptance of gifts
- Prohibition of accepting compensation given to influence a vote
- Salary and expenses
- Prohibition of misuse of position
- Prohibition of misuse of privileged information
- Post-office/employment restrictions
- Prohibition of employees holding office (the law mandates CSO employees not be CSO board members; see Chapter 5: Section 14)
- Requirements to abstain from voting
- Failure to observe CSO code of ethics

The Department’s General Council (in 2014) has approved and provided a model Code of Ethics for CSOs that meets the requirements of the law. The model describes, in more detail, each of the above nine (9) required topics. The model Code of Ethics can

be found in Appendix 24.0 or see Florida Statutes online at <http://www.leg.state.fl.us/statutes/>.

The CSO may expand upon the model or create its own barring it meets the law's requirements. The websites below are provided as additional resources for the CSO to create its own code. The code must meet each standard in the law and cannot contradict the law.

Independent Sector <http://www.independentsector.org>
National Council of Nonprofits <http://www.councilofnonprofits.org>

If a CSO creates its own Code of Ethics or adds to the model provided by the Department, it is recommended the CSO seek legal counsel.

If the CSO chooses to use the model, it must insert the full legal corporate name of the not for profit organization as it appears on the Florida Department of State, Division of Corporations website. See <http://www.sunbiz.org/search.html>.

A copy of the CSO's Code of Ethics is required when providing a complete CSO Annual Report to the Department (see Chapter 5: Section 12). The law also requires the Code of Ethics be posted conspicuously on the CSO's website (if the CSO has a website).

5.14 Conflicts of Interest

By signing the CSO Agreement the CSO agrees that it has no interest and shall not acquire any interest that would conflict in any manner or degree with the stated goals of the Agreement, the mission of the CSO, or the state park system. The CSO must not conduct any program or activity that would be injurious or cause disrepute to the park, park system, or to the Department (see Chapter 3: Sections 3 and 4).

Additionally, guidance in state law regarding CSO's employees can be found in Section 112.3251, F.S., which addresses CSO code of conduct and prevents conflicts of interest. This law mandates that CSO employees must not be CSO board members. Additional guidance regarding the role of Division employees on CSO boards and conflicts of interest can be found in Chapter 1: Section 8.