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## **State Revamps Process to Obtain Member Items**

On March 22, 2007, Attorney General Andrew Cuomo and legislative leaders announced new measures to reform the process of member item funding and to improve disclosure and accountability standards. Effective immediately, all entities, including not-for-profit corporations, that receive member item funding from members of the New York State legislature will be required to file new disclosure and accountability certifications as part of the contracting process. These certifications relate to the disclosure of any relationship between the legislative member and the organization, the organization's good standing, and the use of funds for public purposes.

The goal of the certification is to increase transparency and accountability for the spending of taxpayers' money. An authorized official under penalty of perjury must sign certifications. Not-for-profits that receive member item funding will need to enact greater accountability standards within their organizations in order to accurately comply with the new disclosure and accountability certification requirements.

Organizations receiving member item grants should: (1) consider whether to adopt or revise annual disclosure statements completed by board members and senior staff to capture all the information called for in the certification; (2) ensure Attorney General, Internal Revenue Service, and other annual reports are timely filed; and (3) develop internal procedures for tracking the information required by the certifications.

To review the new certifications, go to:

[http://www.oag.state.ny.us/press/2007/mar/mar22a\\_07.html](http://www.oag.state.ny.us/press/2007/mar/mar22a_07.html).

Organizations that spend more than \$5,000 annually on communications with public officials to obtain member item funding are required to register as a lobbyist with the New York Temporary State Commission on Lobbying and file periodic reports. The Public Employees Reform Act of 2007 (Ethics Reform Act), enacted on March 26, 2007, will impose on registered lobbyists additional reporting obligations in connection with member item funding requests, beginning January 1, 2008. Stay tuned for a Lawyers Alliance alert about the Ethics Reform Act.

*This alert is meant to provide general information only, not legal advice. Lawyers Alliance can assist with, among other things, developing annual disclosure and accountability questionnaires for directors and staff of not-for-profits that receive member item grants. Please contact Angela Cheng at Lawyers Alliance for New York at (212) 219-1800 x 278 or visit our website at [www.lawyersalliance.org](http://www.lawyersalliance.org) for further information.*

Lawyers Alliance for New York is the leading provider of business and transactional legal services for nonprofit organizations that are improving the quality of life in New York City neighborhoods. Our network of pro bono lawyers from law firms and corporations and staff of experienced attorneys work together, delivering expert corporate, tax, real estate, employment and other legal services to community organizations. By connecting lawyers, nonprofits, and communities, we help nonprofits to develop affordable housing, stimulate economic development, and operate vital programs for children and young people, the elderly, recent immigrants, and other low-income New Yorkers.