

[EXTERNAL] OMB Control Number "1018-Friends"

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To: Info_Coll, FWHQ <info_coll@fws.gov>

Cc: Robert Petzel <robertpetzel@gmail.com>

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Subject line: OMB Control Number "1018-Friends"

Dear U.S. Fish and Wildlife Service,

Thank you for providing Minnesota Valley Refuge Friends (MVRF) and other nonprofit corporations supporting the National Wildlife Refuge System and affiliated Marine National Monuments, Wetland Management Districts, and National Fish Hatcheries the opportunity to comment on the Federal Register Notice about "U.S. Fish and Wildlife Service Agreements with Friends Organizations."

We looked at the various actions that the Office of Inspector General's (OIG) report titled "The U.S. Fish and Wildlife Service Needs to Improve Oversight of Its Friends Programs" recommended and may be requiring of the U.S. Fish and Wildlife Service (FWS) to manage Friends' programs in the future. From this, we'd like to highlight four specific concerns our organization has with the audit report.

These four issues all ladder up to what the Minnesota Valley Refuge Friends respectfully believes is the chief issue in the OIG Report, which is the failure to recognize Friends organizations as private and independent nonprofit organizations that are not subject to federal regulatory guidelines.

These four issues are:

- 1) The OIG report fails to recognize Friends organizations as private and independent nonprofit organizations that are not subject to federal regulatory guidelines. According to, "Taking Flight: An Introduction to Building Refuge Friends Organization," published by NWRA with funding from the USFWS, "Friends groups are private, independent organizations formed and managed by local citizens." This does not mean that the Friends organizations should be managed by the FWS or any local or federal government.
- 2) The OIG report infers that all donations collected by Friends organizations must be used exclusively for the benefit of the service-site. The typical nonprofit spends about 75 percent of its budget on programs, according to Charity Navigator. The rest of a typical charity's budget goes to administrative (15 percent) and fundraising (10 percent). Like all charities and businesses, Friends groups need funding for administrative and fundraising costs to pay staff and expenses.
- 3) The OIG report subjects Friends organizations to federal regulations regarding spending. Friends are private nonprofit organizations, which are not subject to federal regulatory guidelines. There are specific state and federal rules and regulations for starting and maintaining a 501(c)(3)

that Friends organizations must adhere to. Failure to do so would result in losing our tax-exempt status.

4) The OIG report suggests guidelines for FWS that would be considered an overreach in the management and governance of Friends organizations and would, therefore, infringe on board members' legal responsibilities. According to the National Council of Nonprofits, board directors are responsible for "ensuring prudent use of all assets;" that activities and transactions are "first and foremost, advancing its mission... that are in the best interest of the nonprofit corporation;" and that the organization "obeys applicable laws and regulations, follows its own bylaws, and ... adheres to its stated corporate purposes/mission."

According to the NWRA, in 2019 there were 219 Friends groups, which provided nearly 40,000 volunteers who contributed 1.3 million hours, which was equivalent to 650 full-time employees – one-third of the NWRS workforce. Without Friends' organizations, the FWS would not be able to accomplish its mission: "to administer a national network of lands and waters for the conservation, management and, where appropriate, restoration of the fish, wildlife, and plant resources and their habitats within the United States for the benefit of present and future Americans."

The FWS can be assured that funds raised by a Friends organization for the benefit of a site are being properly accounted for by regularly meeting with Friends staff and board members. In the case of MN Valley Refuge Friends, we meet regularly with our Refuge manager and are assigned a staff liaison. The manager and/or liaison are responsible for providing a proposed budget for programming that the board votes on when it passes its annual budget. Furthermore, in order to meet standards set by the Charities Review Council, Friends groups' full boards should "review, at least quarterly, financial reports that compare actual to budgeted review and expenses." Furthermore, Friends organizations must annually file IRS Form 990, which "provides the public with year-end financial information and is used by government agencies to prevent organizations from abusing their tax-exempt status." 990 forms are available publicly and must be available upon request.

Because of these activities, we feel that the OIG report's recommendations to the FWS for Friends organization oversight are burdensome and duplicative.

Thank you for the opportunity to comment on the OIG report concerning the FWS oversight of Friends organizations.

Please feel to contact me at robertpetzel@gmail.com or at 612-559-4201 with any questions.

Sincerely,

Robert "Randy" Petzel, M.D.
President
Minnesota Valley Refuge Friends

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