

Advertising in Lodge Newsletters? Here Are the Pertinent Facts

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Here is a rundown of pertinent facts to keep in mind if you decide to consider running advertising in your Lodge newsletter:

1. In both the U.S. and Canada, your Moose Publication Permit restricts the total amount of printed space devoted to paid, "outside" advertising (promoting non-Moose activities or services) to no more than **25 percent** of any issue of the publication.

The following apply only to publications in the U.S.:

2. The *first dollar of gross* revenue from paid advertising (*not* subtracting production costs) must be counted toward a Lodge's \$1,000 annual ceiling on Unrelated Business Income as defined by the Internal Revenue Service. And unfortunately, neither the IRS nor the U.S. Postal Service cares whether the owner of "Bob Smith Buick" is a Moose member or not—this counts as an advertisement and its revenue is Unrelated Business Income.

However—IF you choose to run a sheet listing paid sponsorships marked "newsletter patrons" or "sponsors," with a listing reading "*Bob Smith Buick*," and Bob Smith is a Moose member, this does NOT count either as advertising as far as the USPS is concerned, nor as Unrelated Business Income as far as the IRS is concerned. BUT if that same listing reads: "*Bob Smith Buick—come see the new*

LeSabres," that IS an advertisement as perceived by the USPS, and its revenue technically IS Unrelated Business Income. *Even running a business' phone number* next to its listing will make the difference, as far as both the IRS and USPS are concerned.

3. If an announcement is technically an advertisement, your local Postmaster may (and under USPS rules, *can*) reject your newsletter for mailing under the lower-rate Nonprofit permit, if it contains any offering regarding *travel, investments, or insurance*. The USPS has interpreted this as strictly as prohibiting even a *business-card ad* of your local travel agent, a local stock-brokerage office, or an insurance agent.

4. If you choose to run any announcement that will be considered "outside" advertising as stipulated above, the USPS will require (refer to USPS "Publication 417") that it meet content requirements for a "periodical publication," specifically that your newsletter run an "identification statement" in the first four pages. Such a statement for my home Lodge would be as follows:

"Moose 682 Family News," May 1997, 86th Year, No. 5. Published monthly by Batavia Lodge No. 682, Loyal Order of Moose Inc., 1535 S. Batavia Ave., Batavia IL 60510-9603. Subscription paid automatically as part of annual membership dues.

If you have questions, or are being challenged on Nonprofit status by your local Postmaster, contact the Department of Publications at 630/859-2000, ext. 6245. ■