

A person's hand in a white shirt is shown using a black calculator on a wooden desk. The desk is cluttered with various items including a pen, some papers, and a stack of US dollar bills. The background is slightly blurred, showing more of the desk and the person's arm.

ONLINE FUNDRAISING

Compliance

TUESDAY, JULY 21ST | 1PM ET | 12PM CT | 11AM MT | 10AM PT

HOSTS



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VP Content Marketing
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Introduction to Harbor Compliance

Harbor Compliance provides services and software to help nonprofits manage all stages and aspects of state and nationwide fundraising compliance including registrations, exemptions, extensions, renewals, and registered agent.



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Harbor Compliance is not an accounting or legal firm and does not provide tax, financial, or legal advice.

Today's Learning Objectives

- ✓ **Where fundraising is regulated.**
- ✓ **Which fundraising activities trigger registration and reporting obligations.**
- ✓ **How compliance builds donor trust and giving.**
- ✓ **How prioritizing compliance drives success.**
- ✓ **How to navigate the fundraising registration and reporting process.**
- ✓ **What resources are needed to manage compliance.**



From the Internal Revenue Service

Many states have laws regulating the solicitation of funds for charitable purposes. These statutes generally require organizations to register with a state agency before soliciting the state's residents for contributions, providing exemptions from registration for certain categories of organizations. In addition, organizations may be required to file periodic financial reports. State laws may impose additional requirements on fundraising activity involving paid solicitors and fundraising counsel.

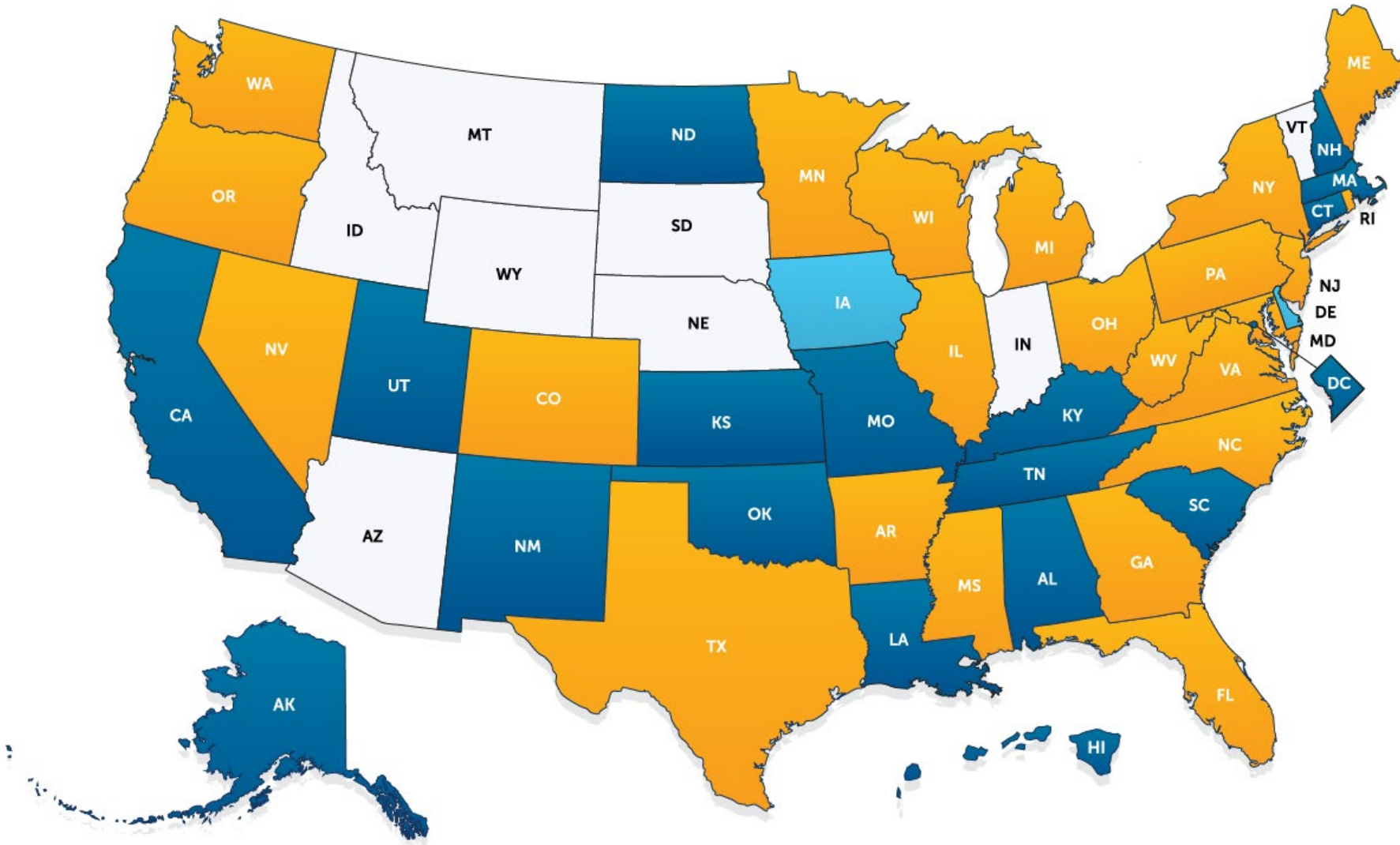
Do These Registration Requirements Apply To Us?

Solicitation = Asking for donations

Whether by traditional or online fundraising methods

- Direct mail
- Phone calls
- Website “donate” buttons
- Emails
- Text to give
- Social media
- Online auctions and virtual events
- Giving days




State Fundraising Registration and Disclosure Requirements



41 Require charitable solicitation registration

25 Require a disclosure statement

STATE REQUIREMENTS

-  Charitable solicitation registration and disclosure statement
-  Charitable solicitation registration
-  Disclosure statement

Where Must We Register Before Fundraising Online?

Solicitation is the key

- Review solicitation requirements in each of the 41 states
- Compliance may mean filing registrations or exemptions

Consumers Research Online Before Donating

From the Federal Trade Commission's website:

“Before Giving to a Charity . . .

Find out if the charity or fundraiser must be registered in your state by contacting the National Association of State Charity Officials.”

The screenshot shows a web browser window displaying the Federal Trade Commission's website. The page title is "Before Giving to a Charity" and the URL is "https://www.consumer.ftc.gov/articles/0074-giving-charity". The page features a navigation menu on the left with categories like "MONEY & CREDIT", "HOMES & MORTGAGES", "HEALTH & FITNESS", "JOBS & MAKING MONEY", "PRIVACY, IDENTITY & ONLINE SECURITY", "BLOG", and "VIDEO & MEDIA". The main content area is titled "Before Giving to a Charity" and includes a search bar, a "SHARE THIS PAGE" button, and a "Related Items" section. A prominent text box states: "If you're considering a request for a donation to a charity, do some research before you give. By finding out as much as you can about the charity, you can avoid fraudsters who try to take advantage of your generosity. Here are tips to help make sure your charitable contributions are put to good use. For more information, visit ftc.gov/charityfraud." Below this, there are links to "Signs of a Charity Scam", "Charity Checklist", "Charities and the Do Not Call Registry", and "Report Charity Scams". A "SCAM ALERTS" banner is visible at the bottom left of the page.

Take advantage of the opportunity to win trust and boost donations: Use charitable solicitation disclosures as an opportunity to market your nonprofit.



State Regulators Are Researching Online, Too

92 percent

of regulators indicated that they conduct Internet research on nonprofits regularly.

Source: "State Regulation and Enforcement in the Charitable Sector," Urban Institute and Columbia Law School, September 2016. Web.

Compliance reduces risk and enhances brand by:

- Safeguarding and strengthening your reputation
- Broadcasting your commitment to best practices
- Distinguishing yourself
- Facilitating new partnerships
- Building supporter trust and loyalty
- Increasing revenue and impact

Two Practical Approaches to Fundraising Registration

Register or file an exemption in all 41 states

OR

Do not accept donations in states in which
you are not registered

The Fundraising Registration Process – Step 1

1 Research

- Registration status
- Application forms, fees, and supporting documents
- Other state prerequisites

2 Apply

- Mail, fax, and online applications

3 Monitor

- Process times vary from a week to several months
- Follow up with states to ensure approval

4 Renew

- Track renewal dates
- File renewal applications
- Stay current with legislative changes

The Fundraising Registration Process – Step 2

1 Research

- Registration status
- Application forms, fees, and supporting documents
- Other state prerequisites

2 Apply

- Mail, fax, and online applications

3 Monitor

- Process times vary from a week to several months
- Follow up with states to ensure approval

4 Renew

- Track renewal dates
- File renewal applications
- Stay current with legislative changes

The Fundraising Registration Process – Step 3

1 Research

- Registration status
- Application forms, fees, and supporting documents
- Other state prerequisites

2 Apply

- Mail, fax, and online applications

3 Monitor

- Process times vary from a week to several months
- Follow up with states to ensure approval

4 Renew

- Track renewal dates
- File renewal applications
- Stay current with legislative changes

The Fundraising Registration Process – Step 4

1 Research

- Registration status
- Application forms, fees, and supporting documents
- Other state prerequisites

2 Apply

- Mail, fax, and online applications

3 Monitor

- Process times vary from a week to several months
- Follow up with states to ensure approval

4 Renew

- Track renewal dates
- File renewal applications
- Monitor legislative changes

What Does It Take to Manage Fundraising Compliance?



**Time to manage
renewals and reports**



**Filing system for
applications, reports,
and licenses**



**Spreadsheet of due dates,
registration numbers,
and state statutes**



**Calendar system to
monitor deadlines and
status of applications**



**Time and technology to
prepare and update
disclosure statements**



**Research to track
legislative and
administrative changes**

The Cost of Fundraising Registration

State fees

to register nationally come to \$1,400 to \$5,000 for most organizations.

Our Managed Fundraising Compliance Solution

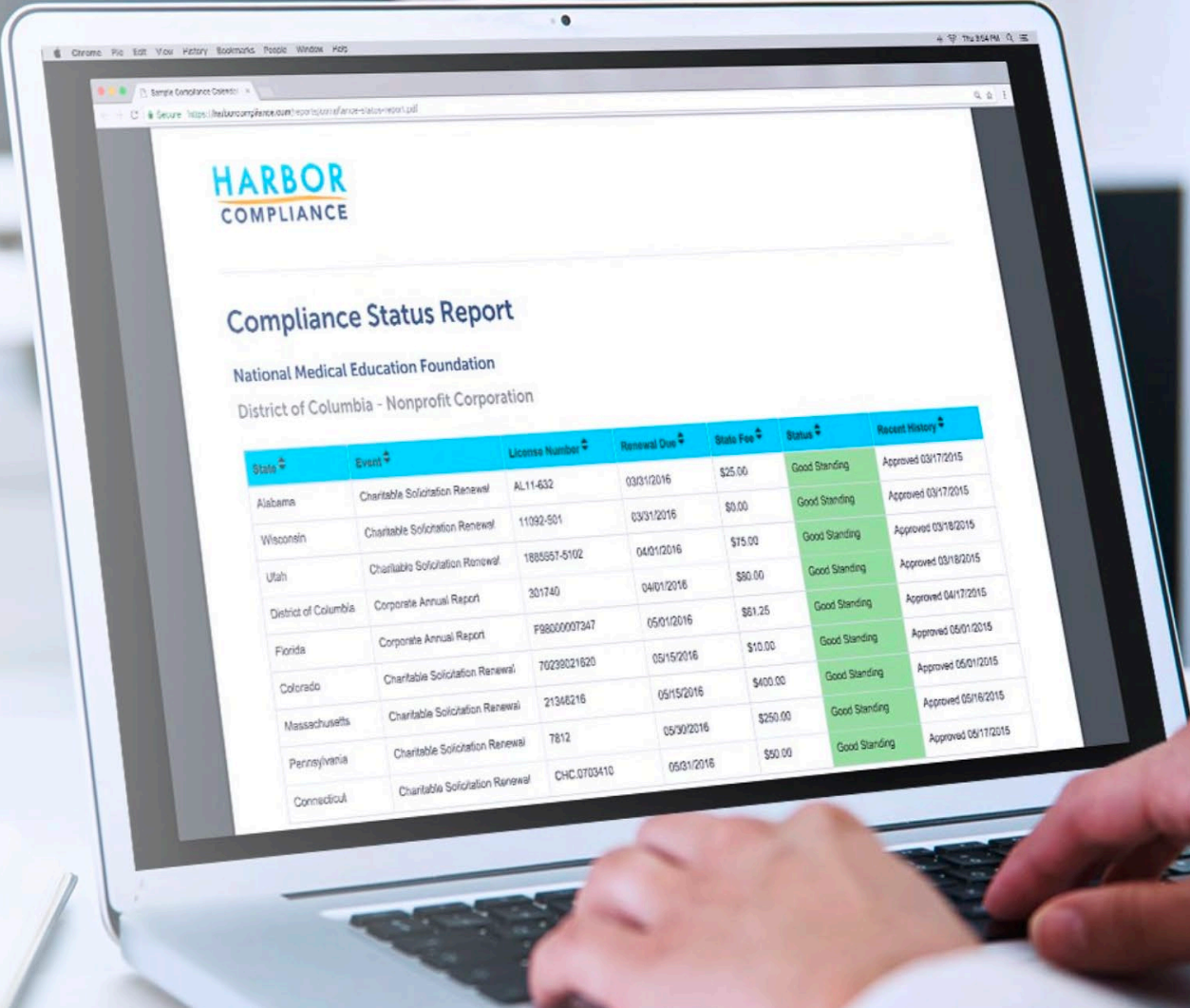
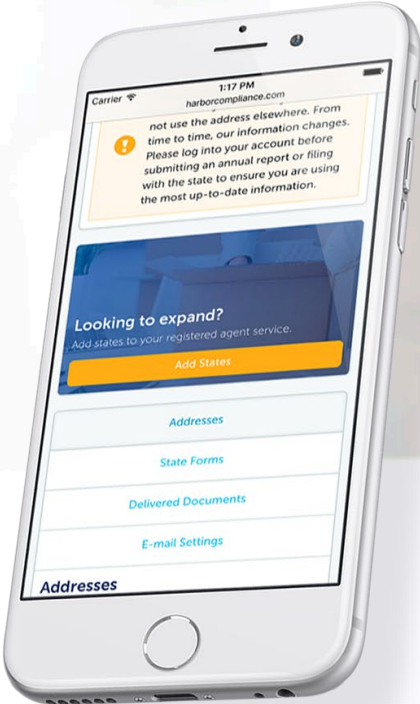
- ✓ Fully managed process for registration, renewal, and reporting
- ✓ Full-service support from team of dedicated compliance specialists
- ✓ Tracking and reporting software to ensure no missed deadlines



TAKE ACTION!

Contact us to discuss managed compliance solutions that allow you to focus on your mission!

Our Fundraising Compliance Software



1. Online fundraising may require nationwide fundraising registration and reporting.
2. Fundraising compliance should be shared to build trust and boost donations.
3. Compliance is complex, state specific, and changeable.
4. Compliance obligations and deadlines must be reviewed and tracked annually.
5. Outsourcing management of fundraising compliance is efficient, cost-effective and lets your nonprofit focus on mission.

ACTION STEPS

1 Consider nationwide fundraising registration as a growth strategy for your nonprofit

2 Discuss outsourcing fundraising compliance to keep your nonprofit efficient and mission focused

QUESTIONS?

Contact us!

Contact me schedule a time to speak
or send additional questions to

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