



*This article presents general guidelines for Ohio nonprofit organizations as of the date written and should not be construed as legal advice. Always consult an attorney to address your particular situation.*

## Charitable Solicitation Registration

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Generally, in forty-one states and the District of Columbia, a tax-exempt organization that intends to solicit charitable contributions from the public is required to register. Whether your tax-exempt organization is required to register in a particular state depends on whether solicitations take place within the state, if the organization has hired professional fundraisers to assist in fundraising, or from whom contributions are sought. States do allow some exemptions from registration, but they are narrowly tailored to very specific groups.

### What is a solicitation?

States have adopted an expansive definition of "solicitation." For example, Ohio defines solicitation as "a request directly or indirectly for money, property, financial assistance, or any other thing of value on the plea or representation that such money, property, financial assistance, or other thing of value or a portion of it will be used for a charitable purpose or will benefit a charitable organization." (ORC 1716.01(K)(1))

So, what exactly counts as "a request directly or indirectly for money"? Many activities could qualify as a solicitation due to states' broad definitions of solicitation. A good starting point is to ask whether your organization:

- Maintains a website with a 'donate here' button?
- Sends out mailers, pamphlets, flyers, magazines, etc.?
- Sends emails that include a request for contributions?
- Holds fundraising events?

If you answered YES to any of the above questions, your organization is likely required to register.

### What is a tax-exempt organization's risk of not registering?

Violation of registration requirements can be embarrassing, costly, and result in increased scrutiny from both federal and state regulators. Soliciting while not registered, failing to register after receiving contributions, or being subject to complaints filed by the public can all trigger adverse consequences, including:

- Monetary fines and penalties
- Personal liability against directors
- Enjoinment from soliciting funds
- Negative public relations
- Damaged relationships with donors and potential donors
- Lost donations or grants



Although registration is complicated and timely, it is important to do this critical work up front. Ultimately, these requirements are the law, passed and enforced by states to protect their residents from fraudulent charities. Following the law and maintaining compliance is important in the nonprofit world, where community standards and a premium on reputation are particularly high.

## What can you expect during the registration process?

Each state has its own requirements. Many states requiring registration accept the Unified Registration Statement ("URS") in lieu of its state-specific form. However, many of those states also require state-specific supplements to be filed along with the URS. In addition, each state requires that some or all of the following supporting documents be attached to the registration form: Articles of Incorporation, Bylaws, IRS Form 990, audited financial statements, IRS determination letter, IRS Form 1023 (Application for Exemption), conflict of interest policy, and contracts with fundraising professionals. Fees vary by state and are typically calculated based on total gross revenue or total contributions during the most recent fiscal year.

## Initial registration for charitable organizations in Ohio

Prior to any solicitation in Ohio, a tax-exempt organization should register with the Attorney General. In order to register, a tax-exempt organization must use the Ohio Attorney General's charitable registration portal: <https://charitableregistration.ohioattorneygeneral.gov/>. Your organization will need a copy of its IRS Determination Letter and creation document (e.g., articles of incorporation or charter). There is no filing fee required for registering in Ohio.

## The renewal process

After the organization's initial registration is accepted, the organization must annually renew its registration. These annual renewal dates vary from state to state. For example, Ohio's is 4 ½ month from fiscal year end, Maryland's renewal due date is 6 months from fiscal year end, and North Dakota's is always due September 1. Renewals require an application and supporting documentation. Organizations can expect to file the most recent financial information with their renewals, which is typically the Form 990 and audit. As with the initial registration, renewal fees vary by state.

## Conclusion

Properly registering is very important and most likely required of your tax-exempt organization in several states. Understanding and complying with multiple state registration requirements can be confusing and time-consuming. The key is to do the work up front instead of scrambling to comply after the fact.



## Resources

The Fundraising Registration flowchart on the following page provides a visual overview.

## Need Legal Advice?

If you are a PBPO client and have questions regarding the content of this article or need legal assistance, please contact us at [info@pbpohio.org](mailto:info@pbpohio.org) or (513) 977-0304.

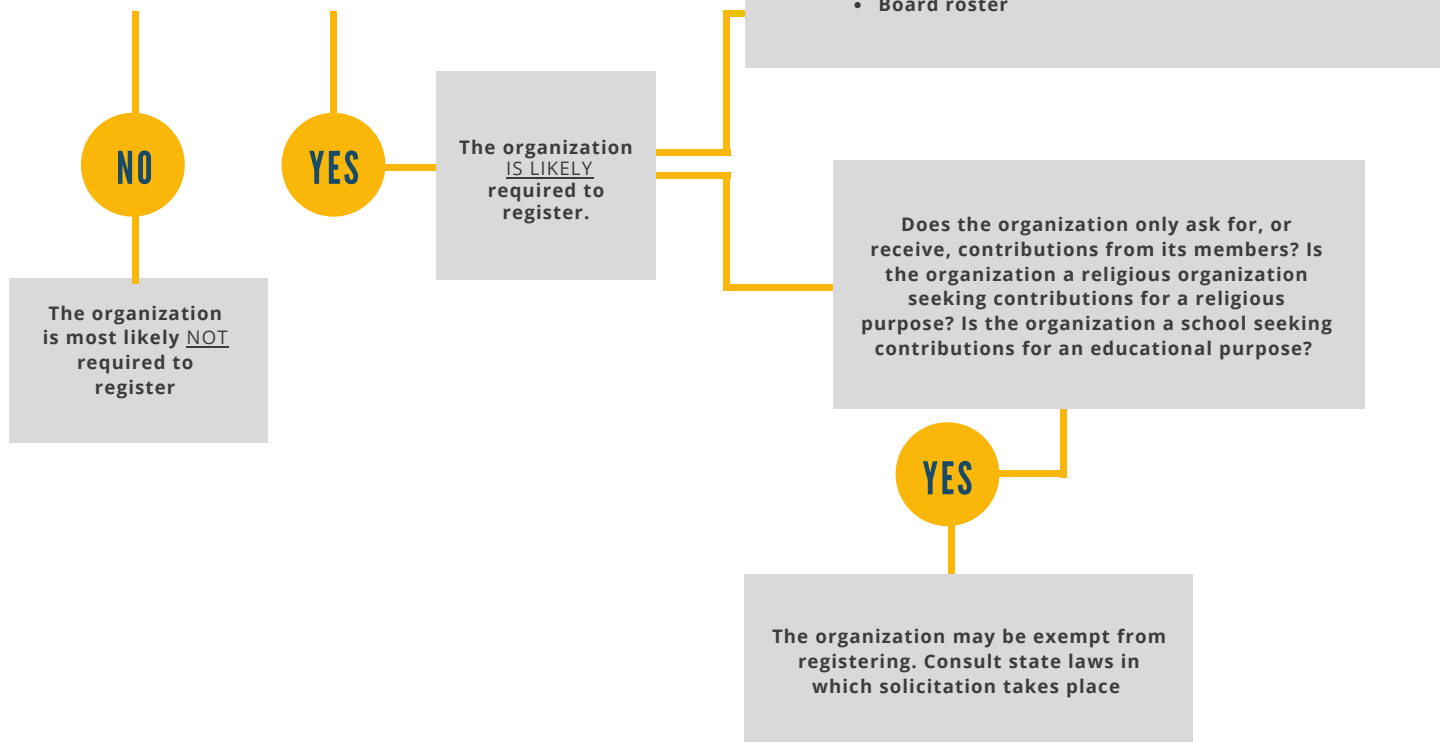
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## About the Author:

[Patrick Hogan](#) is an attorney with Manley Burke. Patrick's practice areas include business law, nonprofit law, probate, tax-exempt issues, charitable solicitation, and civil litigation.

# FUNDRAISING REGISTRATION: DOES YOUR NONPROFIT NEED TO REGISTER?

Does your organization ask for, or receive, money or items of any value from the public for charitable or civic purposes?



## MORE TIPS:

1. Registration must be renewed annually.
2. Soliciting while not registered, failing to register after receiving contributions, or being subject to complaints filed by the public can all trigger adverse consequences including monetary fines and penalties.
3. Does your organization ask for, or receive, contributions for a charitable purpose outside of Ohio (The "ask" can be via mailer, website, 'donate here' button, email, and many other mediums)? If yes, your organization is likely required to register in those states.
4. While understanding and meeting state charitable solicitation requirements can be challenging and time-consuming, taking a proactive approach to registration will help you ensure compliance and avoid negative consequences. [Click here to contact Patrick Hogan with Manley Burke Compliance.](#)