

Is Your Fundraising Legal?

An Overview of 'Charitable Solicitation Registration'

You've gathered your Board, written your by-laws, and received your 501c3 status from the IRS. Congrats! Perhaps you've been growing steadily in one state and you're ready to expand to another. Fabulous! But are all these fundraising activities legal?

NOTE: Requirements vary from state to state. This document is not intended to offer legal advice. You should consult a legal or tax professional familiar with nonprofit regulations in your location for advice. State requirements can be very complex, so it is important to do your research and seek appropriate professional advice. This document is provided to offer an overview on the subject, and to provide resources to get you started in your search to understand your states' requirements.

Which states require Charitable Solicitation Registration?

Most states – about 40 of 50 at the time of this writing, require some form of registration with the state's Attorney General Office from a nonprofit organization before any solicitation of donations. These requirements might include filing proper paperwork, payment of fees, and revenue reporting. Registration might require a one-time fee or an annual renewal or they might only be required if you establish office space in the state. And requirements vary from state to state.

For example, in most states you are required to register with the state BEFORE you solicit any funds; but in California you must register once you have received your first gift.

Is anyone exempt?

Many states also have exemptions for certain organizations – which may include religious affiliation, gross revenue, educational institutions, etc. Some of these exemptions are automatic while others require filing for an exemption.

What about online donations?

With a good deal of individual fundraising happening online and via mobile giving applications, it is important to know exactly what your organization must do to ensure that all parties involved are protected from liability.

If you simply have a donate button on your website and are not able to control who clicks to donate, this may not be considered solicitation – and therefore, may not require registration. If, however, you act further to drive donations to the website in a geographic location – you may be expected to first register with that state. On the other hand, if online donations come from individuals who have elected to become members of your organization, this may exempt you from registration.

Where Can You Learn More?

An internet search for “Nonprofit Fundraising Requirements by State” or “Charitable Solicitation Registration Requirements” will yield a wealth of information from the likes of the [IRS](#), [National Council of Nonprofits](#), and numerous legal and consultancy firms capable of helping you prepare such registrations. This would be a great place to start, especially if you operate in one of the few states that do not require registration. If no registration is required, congrats. Sit back and enjoy!

Alternatively, if you plan to work in many more than one state consistently, you might consider purchasing an annual subscription like the [state-by-state digital guide](#) offered by do-it-yourself legal advice website Nolo.

For more information, consult your legal and financial advisors.