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Charitable Solicitation Registration

Q. What is the most under-appreciated reality of managing a nonprofit?

A. If your nonprofit solicits donations, it is most likely required to register for fundraising activities in one or more states.

Fundraising activities are regulated by state law. The majority of states (40) require charitable nonprofits, as well as any paid professional “fundraising counsel,” or consultant hired to assist the nonprofit with fundraising activities, to register with the state *before* the nonprofit solicits any donations from residents of that state. All in all - it's complicated!

What's most important is that your nonprofit earn and retain the donating public's trust. Following the requirements of state laws is a basic tenet of ethical fundraising.

Note: this information is not intended as legal advice. We recommend you consult your nonprofit's legal advisor if you have questions on how fundraising regulations affect your nonprofit.

If your nonprofit is engaged in fundraising activities, it is likely that it will need to file a registration form with any state where it is soliciting donations. The majority of states require registration in *advance of engaging in any fundraising or solicitation*

activity. This requirement is known as "charitable solicitation registration."

Unfortunately, there are many unanswered questions surrounding these requirements, because most of the state laws that address fundraising activities don't take into consideration many of the newer ways nonprofits are attracting donations such as via websites, text-message, QR codes, and social media. Basically, many of the laws are outdated, and state-by-state differences in registration requirements make multi-state registration extremely time-consuming and expensive.

What is required? It depends...

Fundraising regulations can be quite different state to state, and no matter how your nonprofit is fundraising (through a donation app on your website, Twitter, texting, phone calls, or old-fashioned snail mail and personal "asks"), if the underlying activity is "solicitation" – defined as asking for a donation – that's a regulated activity in most states.

These requirements are often a surprise for nonprofits that have previously been unaware of them, so we've gathered resources on this page to raise awareness about state law requirements and help you navigate the obligations your charitable nonprofit has to raise funds legally and ethically.

Practice Pointers

- Be aware that the forms and requirements vary widely from state to state. We suggest visiting the website of your state's government agency that regulates fundraising for up-to-date information on the requirements. You can find the state government office that handles registration on this [list of state charity officials](#).
- Some nonprofits hire the accountant/CPA that prepares the nonprofit's annual report to the IRS, Form 990, to also prepare and submit state charitable registration forms, since much of the same information is required. Other nonprofits outsource this project to a specialized service provider or law firm equipped to prepare state registration forms. Still other nonprofits prepare the forms using their own internal staff.

- For nonprofits seeking to file charitable registration forms in all the states where registration is required, the cost of filing fees plus labor for preparing and submitting the forms can be significant.
- Most states require not only initial registration, but annual or bi-annual renewal filings. Late fees apply, so be sure to note renewal deadlines.
- Many state registration forms require signatures by more than one corporate officer, so allow time to collect the necessary signatures well in advance of filing deadlines.
- In addition to registration requirements, several states also require nonprofits to publish "disclosure statements" on written solicitations or confirmation of a pledge/gift.
- Crowdfunding and giving days can trigger registration requirements in multiple states, since one hoped-for result of such activities is that individuals forward a link and encourage their friends and family to donate. Often those friends and family members are in other states.
- There are exemptions in most states for educational institutions, churches/religious congregations, and some other types of nonprofits, as well as for membership organizations that only solicit their own members.
- If your nonprofit will no longer be soliciting in a state where it had previously registered, there may be special filing forms required to "un-register" in that state. If your nonprofit fails to unregister it may be assessed late filing penalties.

Registration in multiple states

Someday there may be a single website portal where a nonprofit can submit directly to multiple states all the information required to register for fundraising purposes, but until that process exists, charitable nonprofits must submit individual registrations to various state agencies in each of the states where the nonprofit will be soliciting donations.

More About Registration

- [Games of chance](#) may require registration also.
- [Registration of "commercial co-ventures"](#) is required in some states when another nonprofit or a for-profit entity agrees to share the profits from sales

with a charitable nonprofit.

- Read about other ways to demonstrate [ethical fundraising](#).
- Some state laws require nonprofits to make an additional filing when working with third parties such as [professional fundraising consultants](#).
- [Does my nonprofit really have to register before asking for money?](#) (August, 2018)

Additional Resources

- [Chart of state charity registration websites and other resources](#) from National Association of State Charity Officials (May 2020)
- [Links to state charity offices](#) from National Association of State Charity Officials
- [State requirements](#) (IRS)
- [Charitable Registration States Map](#) (Affinity Fundraising Registration)
- [State by State Fundraising Compliance Guide](#) (Labyrinth Inc.)
- [Disclosure statements](#), state-by-state (Perlman and Perlman)

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