

Fundraising Regulations in Colorado

Colorado Nonprofit Association
2019 Fall Conference & Exhibition

Monday, October 21
Sheraton Downtown Denver
1550 Court Pl, Denver, CO 80202



What We'll Cover

- Updates
- Colorado Charitable Solicitations Act
- Overview of Registration Process
- Other Fundraising Filings/Laws Affecting Nonprofits
- IRS – Auto Revocations, Political Campaign Activity & Lobbying
- Importance of Transparency
- Best Practices References
- Single Filing Portal Status
- Resources

Updates - Rulemaking

8 CCR 1505-9

Adopted Sept. 21, 2018

- Removed language referencing suspension to be consistent with HB 17-1158
- “Seven calendar days” to give notice of a hearing after receiving a hearing request, instead of “five business days”

39 States Plus D.C. Have Charity Registration Programs

- NASCONet (www.nasconet.org) – resources, contact info for state charity offices
- Multi-State Filer Project (www.multistatefiling.org) – Lists All States with Registration Programs

Nonprofit Data

Total number of nonprofits registered with the IRS in 2015:	1.56 million
501c3 tax-exempt organizations, CO:	26,224
501c4 tax-exempt organizations, CO:	2,495
Total private giving from individuals, foundations, and businesses in 2017:	\$410 billion

Sources: IRS Business Master File, Giving USA 2018

Colorado Nonprofit Corporations

Nonprofit corporations formed in or authorized to transact business in Colorado:

Good Standing:	51,424 (69%)
Delinquent:	22,861 (30%)
<u>Non-compliant:</u>	<u>695 (1%)</u>
Total:	74,980 (100%)

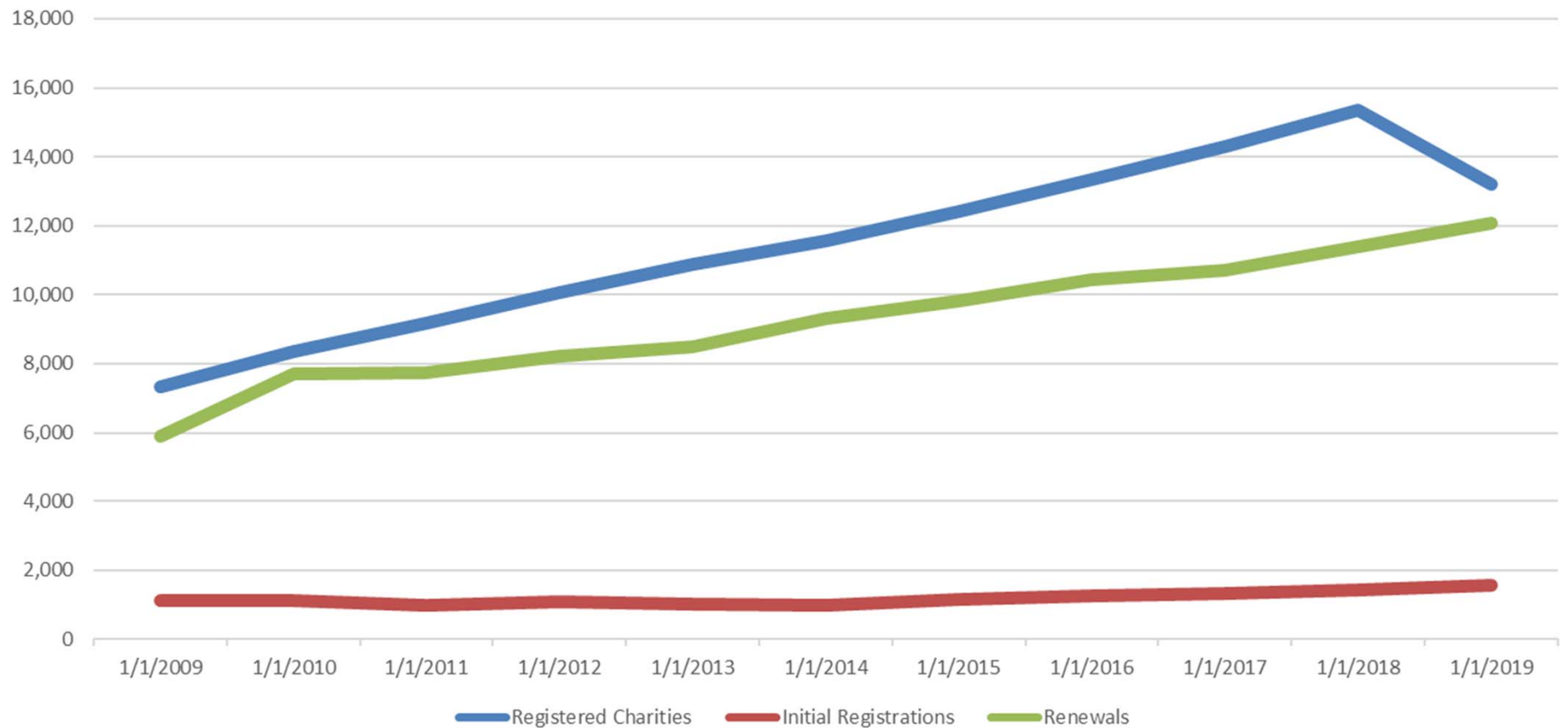
Source: SOS Business Organizations Program, Oct. 4, 2019

Entities Registered to Solicit Contributions in Colorado

- 13,192 charities
 - 93% are 501(c)(3)
 - 59% are incorporated in Colorado
 - 9% use paid solicitors
- 89 paid solicitors
- 42 professional fundraising consultants
- 291 active solicitation campaigns

	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Registered Charities	7,329	8,349	9,168	10,072	10,875	11,571	12,416	13,344	14,278	15,339	13,192
Renewals	5,886	7,715	7,742	8,212	8,488	9,309	9,818	10,434	10,701	11,390	12,066
Initial Registrations	1,105	1,137	998	1,070	1,034	983	1,141	1,264	1,334	1,431	1,557

Registry Trends, 2009-2019



Colorado Charitable Solicitations Act “CCSA”

Title 6, Article 16, Colorado Revised Statutes

Effective Date: May 9, 2002

The CCSA in Brief

- Charities and paid solicitors register with the Secretary of State if they solicit contributions in Colorado
- Professional fundraising consultants register with the Secretary of State if they have custody or control contributions
- Charities provide financial information annually by 15th day of fifth month following close of fiscal year.*
- Paid solicitors file solicitation notices and campaign financial reports
- Commercial co-venturers merely make disclosures
- Secretary of State may investigate allegations of wrongdoing
- Secretary of State compiles and publishes information filed by registrants annually

Public Benefits of the Law

- Portion of donation that goes to charitable organization disclosed
- Summary information posted concerning contracts between paid solicitors and charities (charities can comparison shop)
- Annual report on charitable solicitations

How Charities Benefit from the Law

- All contracts with paid solicitors and professional fundraising consultants must be **in writing** and must include certain **mandatory elements**
- Charities assured **custody and control** of contributions
- Oral and written disclosures help **protect reputation** of charity
- Protection against **unauthorized use** of charity's name or symbol
- Valuable data on paid solicitor compensation – compare!

Who is Covered by the CCSA?

CHARITABLE ORGANIZATION – any person who is or holds himself out to be established for any benevolent, educational, philanthropic, humane, scientific, patriotic, social welfare or advocacy, public health, environmental conservation, civic, or other eleemosynary purpose, any person who operates for the benefit of the objectives of law enforcement officers, firefighters, other persons who protect the public safety, or veterans, *or any person who in any manner employs a charitable appeal or an appeal which suggests that there is a charitable purpose as the basis for any solicitation.*

More about “Charitable Organization”

- Note that neither federal tax-exempt status nor legal form determines if you are a “charitable organization.” Broadly defined.
- Consult with your legal counsel if you are unsure whether the CCSA applies to the activities of your organization and requires it to register.
- SOS is happy to consult with customers, but does not interpret the statute nor make individual determinations absent an application.

Who Else is Covered by the CCSA?

PAID SOLICITOR – a person who is paid to perform any service in which contributions will be solicited in Colorado. Includes any person he or she employs and all subcontractors.

PROFESSIONAL FUNDRAISING CONSULTANT – plans, manages, advises, consults, or prepares material for a solicitation, but doesn't solicit

What Paid Solicitors Must Disclose on the Telephone Calls

- A statement that the caller is paid to make the solicitation
- Name of the telemarketing company that employs the paid solicitor
- Name and telephone number of the charity on whose behalf the caller is soliciting
- The first name and surname of the paid solicitor, which must be given in the opening greeting
- That donation is not tax-deductible (if that's the case)
- Upon request, the percentage of the contribution that will be paid to the charity
- Upon request, the registration numbers of the charity and the paid solicitor

What Donors Should Ask a Paid Solicitor

- What charitable activities or specific program(s) will your donation fund?
- What percent of the contribution will be paid to the charity?
- Is the donation tax-deductible?
- What are the registration numbers of the paid solicitor and the charity?
- Also see *Wise Giving Tips* on Secretary of State or Attorney General web sites

Who Else is Covered by the CCSA?

COMMERCIAL CO-VENTURER –a person who, for profit, is regularly and primarily engaged in trade or commerce **other than in connection with soliciting for charitable organizations or purposes** and who conducts a charitable sales promotion (6-16-103(4), C.R.S.)

Charitable Sales Promotions

- **Charitable sales promotion** = an advertising or sales campaign conducted by a commercial co-venturer, with proceeds benefiting a charity.
- Charities participating in a charitable sales promotion **need to register**, 6-16-104(1), C.R.S.
- **Commercial co-venturers** must make certain disclosures, if s/he expects that more than 50% of proceeds from campaign will derive from Colorado transactions. (See 6-16-110(2), C.R.S.)

Examples of Charitable Sales Promotions

AKA “Cause Marketing”

- Benefit concerts, where a portion of proceeds will benefit a charitable organization
- Book stores donating portion of book sales to charity
- Yoplait’s Save Lids to Save Lives (*For every pink lid you send in by December 31, 2009, Yoplait will donate 10 cents to Susan G. Komen for the Cure, up to \$1.5 million. And we guarantee a donation of at least \$500,000.*)

Cause Marketing Considerations

- Want to avoid any misleading advertising using a charitable pitch, e.g., an undisclosed cap on contributions.
- BBB Standard 19 re: Cause Marketing. Clearly disclose how the charity benefits from the sale of products or services:
 - Actual or anticipated percent of sales to charity
 - Duration of the campaign
 - Any maximum or guaranteed minimum contribution

Does Your Organization Need to Register?

- Does the organization “**solicit contributions**” (directly or indirectly)?
- Is your organization a party to a **charitable sales promotion**?
- Is the organization **exempt** by law from the requirement to register?

Are You “Soliciting Contributions?”

Consult Definitions of “**Solicit**” and
“**Contribution**” in statute (6-16-103, C.R.S.)

Definition of Solicit

- To request (directly or indirectly) money, credit, property, financial assistance, or any other thing of value on the plea or representation that this will be used for a charitable purpose or will benefit a charitable organization (6-16-103(10), C.R.S.)

Definition of Solicit (cont.)

- The term “solicit” includes any oral or written request, and any attempted sale of an **advertisement, advertising space, book, card, tag, coupon, device, magazine, membership, merchandise, subscription, flower, ticket, candy, cookies**, or other tangible item for which any statement is made that any portion of the proceeds will be used for any charitable purpose or will benefit any charitable organization (6-16-103(10), C.R.S.)

Definition of “Contribution”

- The grant or pledge of **money**, credit, property, financial assistance, or any other thing of value in response to a solicitation
- A contribution does not include bona fide **fees, dues, or assessments** paid by members of a charitable organization, if membership is not conferred primarily as consideration for making a contribution

Examples of Soliciting Contributions

- **“Donate” button** on website
- **Collecting registrations and proceeds** for Casino Nights held on behalf of charitable organizations (does not include bona fide volunteers)
- **Conference fees? Sponsorships?** Possibly, even if classified as program service revenue. But, our office normally looks at whether charity reports “contributions revenue” on the Form 990.

Internet Solicitations Charleston Principles

- ***Charleston Principles*** (2001 NASCO Conference) available at www.nasconet.org
- State registration statutes encompass and apply to Internet solicitations
- Therefore, registration required of those over whom state courts could constitutionally assert personal jurisdiction to enforce a registration requirement
- Colorado adopted Charleston Principles by rule – see 8 CCR 1505-9, Rule 9

8 CCR 1505-9, Rule 9

Internet Solicitation

- Must register if non-Internet activities are sufficient to require registration in Colorado
- Must register if the entity solicits contributions through an interactive website and the entity either:
 - (a) Specifically **targets** persons physically located in Colorado for solicitation, or
 - (b) Receives contributions from Colorado on a **repeated and ongoing basis or a substantial basis** through its website

8 CCR 1505-9, Rule 9

Internet Solicitation

- An entity receives contributions on a *repeated and ongoing basis* if it receives at least **50 online contributions** during a fiscal year.
- An entity receives *substantial contributions* if it receives the lesser of **\$25,000 or 1% of its total contributions** in online contributions during a fiscal year.

Must Social Media and Peer-to-Peer Giving Sites Register?

Providing a Software Platform or Soliciting Funds?

- Many sites provide online platform for charities to build online presence. Example: First Giving. Sometimes the provider is merely a vendor who is not required to register.
- Factors that suggest a platform builder must register as a paid solicitor or professional fundraising consultant:
 - Place nonprofit into an issue portfolio, higher search rank, “featured” nonprofit – all for higher fee (or a fee)
 - Significant role in developing content, vetting, recommending
 - How and when are donations distributed?
 - What is entity being paid to do?

Consult Statutory Exemptions

See 6-16-104(6)(a)-(c), C.R.S.

- Check with legal counsel for help interpreting statutory language
- File exemption form with SOS, if eligible
- When in doubt, we recommend registering (public confidence measure)

Exemptions in Law (1)

- Churches that are exempt from filing a federal Form 990 or Form 1023. Includes conventions and associations of churches and integrated auxiliaries of churches
- IRS distinguishes between churches and religious organizations – a *church for federal tax purposes* is exempt from the requirement to register with SOS, not all religious organizations

Exemptions in Law (2)

Political parties, candidates for federal or state office, **or** political action committees (PACs) **that are already required to file with federal or state elections commissions.**

Exemptions in Law (3)

Organizations that do not receive more than \$25K in gross revenue per year -- excluding grants from government or other 501(c)(3) organizations

(does not apply if organization uses a paid solicitor)

Exemptions in Law (4)

- Organizations that do not receive contributions from more than **ten people** in a fiscal year (does not apply if organization uses a paid solicitor)

Exemptions in Law (5)

- Persons raising funds on behalf of a specific individual, but only if all funds are spent for the direct benefit of the specified individual
- Grant writers are excluded from definition of paid solicitor, as long as their compensation is not percentage-based
- Bona fide charity volunteers are not paid solicitors

How to Register (1)

- Go to www.sos.state.co.us – Charities and Fundraisers section
- Create an Account for Authorized Officer
- Password Is E-mailed to Authorized Officer
- Authorized officer can add more authorized officers or a paid preparer login
- Login at Charities and Fundraisers section of SOS website
- File a Document - Registration

How to Register (2)

- Complete online registration form – each completed step is saved
 - Financial report is either:
 - For existing groups, the **most recently completed year**.
 - Newly created groups should check the “estimated” box and provide **projections (budget)** through the end of the first year.
- Sign Registration Form by clicking “Sign Filing” button
- Pay Fee Online, Print Receipt
- Await Confirmation Email from SOS (1-10 Days)



- Home
- Information resources
- Bingo & raffles
- Business organizations
- Charities & fundraisers
 - Home
 - Search
 - Log in to eFile
 - File a form
 - FAQs
 - Reset your password
- DME suppliers
- Elections & voting
- Lobbyist
- Notary public
- Performing rights
- Rules and regulations
- UCC
- Contact us

Charities and Fundraisers

Consumers

- Search charities database
- FAQs
- Wise giving tips
- Internet and social media wise giving tips
- Donor questions to ask when solicited by telephone
- Operation Donate with Honor - Giving to charities that help veterans
- Directory of veterans service organizations
- File a complaint (PDF)

Charities

Do you have an account?

- No, [create an account](#) or [get help](#).
- Yes, [log in to eFile](#) ([get help](#)) or choose a filing below:

Filings		
Register	eFile	Instructions
Renew my registration	eFile	Instructions
Request an extension	eFile	Instructions
Change my authorized officer	n/a	Instructions
Withdrawal	PDF	Instructions
All filings		

Resources

- Statutes
- Rules - unofficial copy (PDF)
- Annual reports on charitable solicitations
- Donate to a Colorado fund - List of eligible charities
- Registration data for charities and fundraisers - complete dataset
- Links for donors and nonprofits
- News archive

Help

- Nonprofit board member course
- Reset your password
- FAQs
- Common mistakes to avoid
- Training and presentations
- Access your prepaid account

Paid solicitors

Do you have an account?

- No, [create an account](#) or [get help](#).
- Yes, [log in to eFile](#) ([get help](#)) or choose a filing below:

Filings			
Register	How-to tutorial	eFile	Instructions
Renew my registration		eFile	Instructions
Solicitation notice		eFile	Instructions
Campaign report		eFile	Instructions
Withdrawal		PDF	Instructions
All filings			

Professional fundraising consultants

Do you have an account?

- No, [create an account](#) or [get help](#).
- Yes, [log in to eFile](#) ([get help](#)) or choose a filing below:

Filings			
Register	How-to tutorial	eFile	Instructions
Renew my registration		eFile	Instructions
Change my authorized officer		n/a	Instructions
Withdrawal		PDF	Instructions
All filings			

Public benefit corporations

Do you have an account?

- No, [create an account](#) or [get help](#).
- Yes, [log in to eFile](#) or [get help](#).

Register at Secretary of State's Website:
<http://www.sos.state.co.us/pubs/charities/charitableHome.html>

Consolidated Registrations

- Each chapter, branch, or affiliate of a charity may file a separate registration statement
- But, if the chapter, branch, or affiliate reports financial information to its parent, the parent can file a *consolidated* registration statement
- SOS follows IRS group exemption process
- Central/parent organization must list all names under which it will solicit

Common Reasons for Questioning a Registration Application

- Primary address of the business or individual not a street address
- No revenue or expenses reported
- No balance sheet information reported (assets and liabilities)
- All officers, directors, trustees, and executive personnel not listed – complete list of board of directors required
- Improper reporting of professional fundraiser fees
- Person who signed is not an officer of the organization

Amend Registration as Necessary

- Replace initial good faith estimates with actual financial information on or before the 15th day of the eighth month after the close of the fiscal year
- Report any changes of name, address, principals, corporate forms, tax status, and any other changes that materially affect the identity or business of the charity to the secretary of state within 30 days after the change
- Paid solicitors and professional fundraising consultants report “any material changes” within 30 days

Renew Registration Annually

- File a Document - click on “Renew Registration”
- Do not select “Amend Registration” if you need to renew. An amendment is to report changes affecting the current registration period only.
- Data from previous period is carried forward – just need to update
- The financial report is “zeroed out” and the reporting period is advanced to the next year
- Do not confuse registration renewal with filing of a periodic report with Business Organizations Program

FILING FEES

- Charities - \$10
- Paid Solicitor - \$175
- Prof. Fundraising Consultant - \$175
- Solicitation Notices - \$75
- Campaign Financial Reports - \$0

FINES

- Charities - \$60 late renewal, \$300 fine for soliciting prior to registration
- Paid Solicitor - \$200
- Prof. Fundraising Consultant - \$200
- Overdue Campaign Reports - \$50 - \$200

How to Avoid Fines

- Keep the authorized officer information up-to-date, confirm valid email address. Can have multiple authorized officers.
- Subscribe additional people to email notifications – they will be copied on reminders
- We send two reminders by email. Once registration expires, we send two more notices by email and first-class mail.
- Take action on or before the 17th day after your registration expires
- Add a reminder about this requirement to your leadership transition folder

Enforcement Authority in CCSA

- **Secretary of State** – through Colorado Charitable Solicitations Act (“CCSA”), C.R.S. §§ 6-16-101 through 114, can deny, suspend, revoke registration numbers and levy fines. Can also bring a civil action in district court for injunctive relief.
- **Attorney General** – through the *CCSA*, *Colorado Consumer Protection Act* (“CCPA”) C.R.S. §§ 6-1-101 through 1115 (“CCPA”), the *Colorado Revised Nonprofit Corporation Act*, C.R.S. §§ 7-121-101 through 137, *UPMIFA*, etc., and common law
- **District Attorneys** – criminal violations of the CCSA, CCPA , and simple theft code (embezzlement cases)

CCSA Enforcement Facts

- Knowingly soliciting a contribution without complying with registration and disclosure requirements is a **criminal violation** (class 2 misdemeanor: 3-12 months imprisonment and/or \$250 - \$1000 fine – fine mandatory if crime committed against the elderly)
- Violation of any provision of the Charitable Solicitations Act is also a **deceptive trade practice** in violation of the Colorado Consumer Protection Act, Title 6, Article 1, C.R.S.

Themes in Complaints Received

- **Registration Violations Indicative of Fraud**
 - Complaint that donor received solicitation from suspended/unregistered organization
- **Misrepresenting the purpose for which a donation will be used**
 - clearly communicate the organization's purposes and programs
- **Not following the organization's bylaws or other governance concerns** – this often turns out to be a matter for private civil action
- **“Founders Syndrome”**
 - Director/manager develops proprietary attitude towards charity, leads to lack of transparency, lack of accountability to Board/public, etc.
- **Use of Charitable Assets for Personal Benefit**
 - Can be related to above, director/manager using charitable assets for private benefit
 - Misrepresenting that sales proceeds will benefit a charity (charitable sales promotions)

Select Other Filings (1)

- 1) **Periodic Reports** - nonprofits must register as a business and file periodic reports with SOS
- 2) **Statement of Foreign Entity Authority** – foreign nonprofits file with SOS
- 3) **Bingo-Raffle License Application**, if applicable - SOS
- 4) **Lobbyist Registration**, if applicable – SOS
- 5) **Trademarks and Trade Names** - SOS

Select Other Filings (2)

- 6) EIN - IRS Application (Form SS-4) for Employer ID Number**
- 7) Form 1023 or 1023-EZ – IRS Tax-exempt Application**
- 8) Form 990, 990-EZ, 990-N, 990-T – IRS Annual Information Returns**
- 9) Form 990-PF - Private Foundations File Copy with AG**
- 10) Employee Withholding Tax – IRS**

Select Other Filings (3)

- 11) CO Sales Tax/Wage Withholding Account Application – CO Dept. of Revenue (Form CR0100)**
- 12) State Sales Tax Exemption and State Sales Tax ID Number – CO Dept. of Revenue (Form DR 0715). Check also with municipalities.**
- 13) Note re: CO Income Tax Exemption - corporations that file an IRS Form 990 and are exempt from federal income taxes are also exempt from Colorado corporate income taxes.**
- 14) Property Tax Exemption – CO Dept. of Local Affairs, Division of Property Taxation, Exemptions Section**
- 15) Unemployment Insurance and Workers Compensation Insurance - CO Dept. of Labor**

Colorado Do-Not-Call List

6-1-901, C.R.S.

- Exemption from Do-Not-Call List: calls by or on behalf of a charitable organization that is required to **and that has complied with the notice and reporting requirements of section 6-16-104** or is excluded from such notice and reporting requirements by section 6-16-103 (7).
- Charities are not exempt from Do-Not-Call List unless properly registered with Secretary Of State.

FTC's Telemarketing Sales Rule (TSR)

- Applies to telemarketers who make calls across state lines on behalf of charities. The Rule restricts calling times to the hours between 8 a.m. and 9 p.m. The Rule also requires telemarketers to promptly identify the charitable organization they represent and to disclose that the purpose of the call is to ask for a contribution. Telemarketers may not mislead you or lie to get your contribution.
- **Internal Do-Not Call Lists.** Charities are not covered by the requirements of the national DNC registry. *However*, if a third-party telemarketer is calling on behalf of a charity, a consumer may ask not to receive any more calls from that specific charity. If a third-party telemarketer calls again on behalf of that charity, the telemarketer may be subject to a fine of up to \$11,000.

IRS Tax Exempt and Government Entities Division

- IRS website: <https://www.irs.gov/charities-and-nonprofits>
- Tax Exempt/Government Entity Line : (877) 829-5500 (toll-free)
- Employment Tax Questions - Business and Specialty Tax Line: (800) 829-4933 (toll-free)
- Exempt Organizations submissions (Forms 1023, 1024, 1024A, 1028, 8940 and group exemptions requests):

Internal Revenue Service
P.O. Box 12192
Covington, KY 41012-0192



 **Stay Exempt**
Tax Basics for Exempt Organizations

Stayexempt.irs.gov

Home

Starting Out

Existing Organizations

In-Depth Topics

Resource Library

Welcome to StayExempt

an IRS site created especially
for 501(c)(3) organizations



StayExempt News

- Organization leadership and volunteers should review the limitations and expectations of Section 501(c)(3) organizations at the [Tax Exempt Organization Workshop](#).
- The [Tax Exempt Organization Search tool](#) offers access to charity information.
- [Form 990-EZ](#) includes 29 assistive buttons to help tax-exempt organizations avoid common mistakes when filing annual returns.
- [Form 1023-EZ](#), Streamlined Application for Recognition of Exemption, may be used by some smaller organizations.

IRS – Auto Revocation

- Any organization that fails to file a required return or notice for three consecutive years is automatically revoked
- Effective date of revocation is due date of 3rd non-filed return
- Small organizations previously exempted from filing must file an annual notice

IRS - Auto Revocations

- If a parent/central organization gets auto-revoked, then all of the subordinate organizations are auto-revoked, too - all must re-apply separately
- Even if subordinate files all of its returns, if the parent is auto-revoked, the group exemption ceases to have effect
- Once revoked, an organization must apply for reinstatement, even if no application was originally required

IRS - Political Campaign Activity and Lobbying (1)

501(c)(3) - Charitable Organizations

- Must Be Organized Exclusively for an Exempt Purpose – charitable, religious, educational, scientific, etc.
- Total Ban on Political Campaign Activity for a Candidate
- A Limited Amount of Lobbying in Furtherance of the Exempt Activity is Allowed (Includes Ballot Measures)
 - Cannot Be a Substantial Activity of the Organization
 - Safe Harbor - 501(h) Expenditure Test as Measuring Method
- General Advocacy - Permitted as a Educational Activity if Non-biased and Neutral (GOTV, Voter Registration, Voter Guides, Candidate Debates)

IRS - Political Campaign Activity and Lobbying (2)

501(c)(4) – Operated Exclusively for Promotion of Social Welfare, e.g. Civic Leagues. Also (c)(5) and (6)

- Primary Activity Must Be in Furtherance of Exempt Purpose
- Political Campaign Activity - Permitted, So Long as It Is Not the Organization's Primary Activity
- Lobbying - Unlimited Amount in Furtherance of Its Exempt Purposes
- General Advocacy – Unlimited Amount in Furtherance of Its Exempt Purpose

IRS - Political Campaign Activity and Lobbying (3)

- **Section 527 – Political Organizations – Primarily Attempting to Influence Elections**
 - Political Campaign Activity – Permitted as Exempt Activity
 - Lobbying – Limited Amount Provided It Is Not Substantial
 - General Advocacy – Limited Amount Permitted Provided It Is Not Substantial
 - Timely Disclosures of Donors

Importance of Transparency



- Helps ensure that nonprofits operate with **integrity** and **effectiveness**
- Oversight by public, news media, and federal, state, and local governmental agencies helps sustain **public faith** in the sector and ensure that exempt entities stay **true to their charitable purposes**

Elements of Transparency (1)

- Openly and regularly provide information about organization's mission, activities, accomplishments , and decision-making processes.
- Provide **Forms 1023 or 1024, Forms 990, 990-EZ, 990-T, 990-PF**, all schedules and attachments to public upon request(federal law). Audited financials- good idea.
- Discuss Form 990 with board.
- **Registration documents** filed under Colorado Charitable Solicitations Act.

Elements of Transparency (2)

Members' Right of Inspection of Corporate Records (7-136-102, C.R.S.)

- Articles of incorporation
- Bylaws
- Annual financial statements for periods ending during the last three years
- Resolutions adopted by the board of directors
- Minutes of all members' meetings, and records of all action taken by members without a meeting, for the past three years
- All written communications within the past three years to members
- A list of the names and business or home addresses of its current directors and officers
- A copy of organization's most recent periodic report

Best Practice Guides

Colorado Nonprofit Association

Principles & Practices for Nonprofit Excellence in Colorado (4th Ed.)

Independent Sector

Principles for Good Governance and Ethical Practice: A Guide for Charities and Foundations (updated in 2015)

Best Practice

Nondisclosure of Confidential Info: Contributor, Donor, Customer Lists

- Nonprofit should at all times **retain ownership** of lists and treat them as **confidential** information which must be preserved and protected by paid solicitor
- Paid solicitor should provide the nonprofit with a list of all donors, including contributions history, on a **regular (e.g., quarterly) basis**

IRS Good Governance Practices

https://www.irs.gov/pub/irs-tege/governance_practices.pdf

- Mission
- Organizational Documents
- Governing Body
- Governance and Management Plans
- Financial Statements and Form 990 Reporting
- Transparency and Accountability

Fundraising Standards

Association of Fundraising Professionals Code of Ethical Standards
- <https://afpglobal.org/ethics/code-ethical-standards>

National Council of Nonprofits – Ethical Fundraising -
www.councilofnonprofits.org/tools-resources/ethical-fundraising

Giving Institute's *Professional Code of Ethics*-
www.givinginstitute.org/page/StandardsEthics?

- Charitable purpose, not self-gain, is paramount
- Percentage-based payments have the potential to place the self-interest of the person raising the funds above the donor's.

Updates - National Association of State Charity Officials (NASCO) - Single Filing Portal Project

As of Sept. 2019 - Implementation Delayed

Resources on the Secretary of State's Website

- Checkthecharity.com
- Annual Reports on Charitable Solicitations, 2003 – 2018
- Online Board Education
 - Self-Assessment Tool
 - Module 1: Fiduciary Duties of Nonprofit Directors
 - Module 2: Board Governance
 - Module 3: Understanding the Form 990 and Financial Ratios
 - Module 4: Regulatory Compliance and Filing Requirements
 - Module 5: Personnel Issues
- Registration Data for Charities and Fundraisers – Complete Dataset
- Common Mistakes to Avoid
- E-learning Video Tutorials
- Information about the Public Service Loan Forgiveness Program – please distribute to your new employees
- FAQs and Line-by-line Instructions

Helpful Links

- “*A Guide for Colorado Nonprofit Organizations*,” First Ed. (Karen E. Leaffer ed., CLE in Colo., Inc. Supp. 2016). A practitioners guide.
- Internal Revenue Service “Stay Exempt” online training: www.stayexempt.org
- Colorado Nonprofit Association, www.coloradononprofits.org, 1-800-333-6554.
- Philanthropy Colorado - philanthropycolorado.org
- Colorado Nonprofit Development Center, 720-855-0501, <http://cndc.org>. Fiscal sponsorship expertise.
- Community Resource Center, www.crcamerica.org, 1-800-516-6284. Training, technical assistance and consulting
- Spark the Change Colorado, formerly Metro Volunteers, 303-561-2300, <https://www.sparkthechangecolorado.org/>
- Independent Sector, <http://independentsector.org/>, 202-467-6100. *Principles for Good Governance and Ethical Practice: A Guide for Charities and Foundations*.
- BBB Wise Giving Alliance - www.give.org
- National Association of State Charity Officials (NASCO) – www.nasconet.org
- Center on Nonprofits and Philanthropy (Urban Institute) - <https://www.urban.org/policy-centers/center-nonprofits-and-philanthropy>

THANK YOU

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