

This article presents general guidelines for Georgia nonprofit organizations and should not be construed as legal advice. Always consult an attorney to address your particular situation.

Internet Solicitation for Charitable Donations

Registration in General

Before you add that "Donate Now" button to your website, read this. If your charity receives donations via an Internet website, you may need to register for charitable solicitation with the state or states from which the donations are received. Many states regulate charitable solicitation of their citizens in order to protect them from fraud. Often, a state will require those soliciting charitable donations from their citizens to register with that state and disclose certain financial information.

Most nonprofit organizations located or doing business in Georgia are required to register with the Secretary of State before soliciting donations through its website or by other means. Soliciting donations via website may necessitate registration with other states as well.

In general, if a Georgia nonprofit receives donations through its website from a particular state that make up a significant portion of the total contributions to the organization, the nonprofit should register for charitable solicitation with that state. If the Georgia nonprofit receives limited, small contributions or donations from individuals in another state, the organization probably will not be required to register for charitable solicitation within that state (however, each state is different – see below.)

Registration for Charitable Solicitation in Georgia

Nonprofit organizations that solicit donations from members of the public residing in Georgia are required to register with the Georgia Secretary of State unless otherwise exempt.

Georgia registration requires filing <u>Form C-100</u> along with a \$35 application fee. More information about how to register for charitable solicitation in Georgia can be found in <u>Charitable Registration in Georgia</u>.

Does Your Organization Need to Register in Other States Because of Your Website?

Georgia organizations that receive online donations from individuals residing in states other than Georgia may be required to register for charitable solicitation in those other states. While charitable solicitation laws vary from state to state, the following guidelines *generally* apply:

- A nonprofit that specifically targets persons within another state for donations through its website must register to solicit for charitable donations with that state. For example, if a nonprofit advertises through direct mail, television or radio ads in another state and directs potential donors to its website, the nonprofit must register for charitable solicitation with that state. In addition, if the website includes an explicit or implicit reference to soliciting donations from that state, the nonprofit must register for charitable solicitation with that state.
- If the nonprofit's website is interactive in that it accepts donations electronically (through a "Donate Now" button, for example), and the organization receives donations from individuals in another state <u>on a repeated or ongoing basis or a substantial basis</u> through its website, registration within that state is probably required.
- If the website does not allow online donations, but specifically invites further offline activity to complete a donation, and the Georgia organization receives donations from individuals in another state <u>on a repeated or ongoing basis or a substantial basis</u>, registration within that state is probably required.
- Registration with another state is not required if the website makes clear that the fundraising focus is limited to a particular state (and the organization is registered in that state), even if the organization receives limited donations from other states.
- An organization cannot <u>directly</u> solicit a person for donations by e-mail, telephone or direct mail or by directing that person to its website in any state in which it is not registered (except for those states that do not have charitable solicitation requirements – see below). For example, if an organization receives a donation from a person in another state through its website and now has the person's geographic location through the billing address provided, this organization may not be able to directly solicit additional contributions from that person if it is not registered in that state and such state requires registration.

Exceptions

Some states do not require any charitable registration for solicitation of donations. These states are: Hawaii, Idaho, Indiana, Iowa, Montana, Nebraska, Nevada, Texas, South Dakota, Vermont, and Wyoming. If a Georgia organization receives Internet donations from one of these states, there is no need to register in that state.

Multi-State Filing

Charitable solicitation registration requirements are different in each state. If a nonprofit receives donations from multiple states on a repeated and ongoing basis or substantial basis, the organization can complete the Unified Registration Statement (URS). The URS consolidates the charitable solicitation registration forms of 36 states and the District of Columbia, allowing the nonprofit to register with those states with one unified

form. It will still be necessary to register separately with states that do not participate in the URS.

The URS is an *alternative* to filing all of the respective registration forms of each of the 36 cooperating states. A registering nonprofit may use *either* the state form *or* the URS. The URS is most useful to nonprofits soliciting regionally or nationally that are, therefore, subject to the registration laws of *multiple* states.

The URS Kit includes the URS form and instructions for its completion, a list of required supplementary forms for 13 different states that must be filed with the URS if the nonprofit is registering in those states, and an appendix that compiles the fees, regulations, and mailing addresses for all cooperating states. The URS Kit can be found <u>here</u>.

More information about the URS and multi-state registration can be found here.

Consequences of Failure to Register

In Georgia, the Secretary of State may take action against organizations that fail to register for charitable solicitation. These sanctions may include a substantial fine. Other states have similar consequences for failure to register in those states.

States wish to encourage organizations' efforts to comply with registration laws and tend to employ sanctions only when necessary. An organization should register as soon as it becomes aware of the requirements to do so, even if it has already begun solicitation in that state.