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**Welcome from the Secretary**

This annual report from our Corporations and Charities Division helps to shed light on the exceptional work performed over Fiscal Year (FY) 2009 by the dedicated employees at the Dolliver Building.



Under new leadership, the division has made strides this year to make services more convenient, improving our website, and enhancing outreach efforts to educate and recognize the business and charities community.

Corporations and charities are of vital importance to Washington, and my team works hard to make sure you are registered correctly and aware of new laws that impact you, so you can focus on providing your services to the people of this state.

Please make sure to send your feedback and suggestions to the Corporations and Charities Division at [corps@sos.wa.gov](mailto:corps@sos.wa.gov).

Sincerely,  
 Sam Reed, Secretary of State

**A word from the Director**

I am pleased to present you with the Corporations and Charities Division's inaugural annual report.



I believe it is important to let our customers know that we are striving to improve our services for them, and to keep them updated on our progress.

Fiscal Year 2009 (FY09) was a challenging year for many of our customers and partner state agencies. Budget cuts affected service levels as well as our ability to provide timely and relevant outreach. Some of the highlights of FY09 included:

- The kick-off of our first series of **Nonprofit 101 presentations** for the public. We provided nine free training sessions throughout Washington (*details on page 3*)
- Our inaugural **Corporations For Communities awards program**, which recognizes businesses that give back to their community (*details on page 3*)
- The expansion of rights to **Domestic Partners**.

It is my hope that our next fiscal year will prove successful and beneficial to you as we expand our efforts to serve you better.

Sincerely,  
 Pam Floyd, Director

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## Did you know?

### In FY09, Corporations and Charities teams:

- Filed **45,881** new corporate business registrations
- Filed **1,332** new charitable organization, trust and commercial Fundraiser registrations
- Renewed **148,284** corporate business registrations
- Renewed **5,183** charitable organizations, trusts and commercial fundraisers
- Registered **1,403** Domestic Partners
- Registered **1,273** new trademarks
- Answered over **20,300** calls on charitable organizations and **165,872** on corporate entities
- Saw almost **135,000** website visits on the Charities home page, and approximately **1.9 million** website visits on the Corporations homepage
- Mailed **1,538** service of process notices
- Issued **19,800** apostilles and **8,086** authentication certificates for documents sent to foreign counties
- Scanned over **531,000** incoming documents
- Registered **20** Immigration Assistants

## What do we do?

The Corporations and Charities division primarily serves the people of the State of Washington in two ways:

- The Corporations section registers domestic and foreign corporations, limited liability companies, limited partnerships, and limited liability partnerships. This section also registers state-level trademarks, immigration assistants, international student exchange programs, domestic partnerships and accepts service of process.
- The Charities section registers individuals, organizations, and commercial fundraisers that solicit charitable donations from the general public. Both the benefiting charities as well as independent, for-profit entities soliciting funds must, in most cases, register annually. This section also registers individuals and organizations that are holding assets in trust for a charitable purpose.

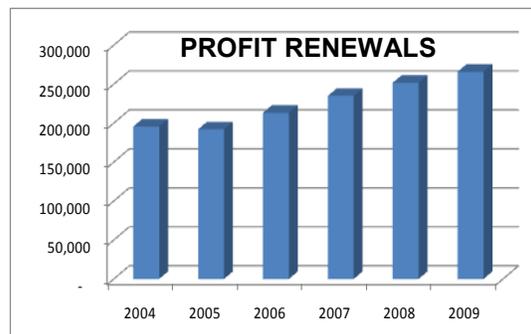


## How did we do?

FY09 saw some decreases in new business (profit) registrations over the past years, presumably as a result of the economic downturn.



Profit renewals continue to show a steady increase, indicating that current businesses are maintaining a business presence in Washington.



After adding temporary staff in early 2009, we were able to complete these business transactions in an average of three days. However, staff layoffs due to budget reductions caused an increase in the average turn-around time to over 15 days (in some cases, up to two months to complete a new business registration.) For this reason, we have begun the process of analyzing its business fees and processes, and will be submitting a proposal to the 2010 legislature in hopes of creating a more streamlined, fully funded operation.

## How did we do? *(Continued)*

### Corporations For Communities

In the spirit of Secretary Reed's "Find Your One Thing" effort to get Washingtonians involved in their communities, we created the "Corporations for Communities" recognition program for businesses of all sizes that demonstrate a commitment to corporate giving, a drive to improve local and regional social conditions, and an engagement in a culture of giving within their organizations.



Twice a year, Secretary Reed selects two businesses that embody his "giving back" charge and honors its employees at a special ceremony. Reed then selects the year's winners to receive the National Association of Secretaries of State Medallion Award, which recognizes civic involvement around the country.

The first two recipients of the Corporations for Communities Award were KING 5 Television and Composite Solutions, a small business in Auburn. KING 5 Television has been a major supporter for disaster relief in the Northwest and organizes and hosts food drives for a statewide hunger program. Winning the small corporation category, Composite Solutions gives employees paid time off to do a variety of volunteer work; this year, despite layoffs, more than 60 percent of their employees volunteered at food banks, community programs and more. Award ceremonies were held November 4 in Seattle.



### Nonprofit 101 Presentations

Our nonprofit outreach program made progress in reaching out to the public, despite an absence of funding. We were able to present our two-hour workshop "Nonprofit 101" in nine cities across Washington (Olympia, Bellevue, Kelso, Lake Stevens,

Bellingham, Port Orchard, Yakima, Wenatchee, Tacoma), utilizing donated space and division staff. The division is working with the Charities Advisory Council to improve our efforts next year.

### 2009 Legislative Changes

The 2009 Legislature provided us with many opportunities to improve our service to the public. The major improvements made include:

- Addition of the new Limited Liability Limited Partnership (LLLLP) entity effective January 1, 2010.
- Eliminating the formation of Corporation Soles after August 1, 2009 and requiring annual registrations, which greatly reduces the formation of fraudulent businesses claiming to be formed for religious purposes.
- Allowance of governmental entities to serve as registered agents, at the request of customers.
- Expanding the rights of domestic partners.

## of NOTE

Washington State was recognized by U.S. News and World Report as one of the top 7 best states to start a business.

Rankings were based on how friendly the states are to entrepreneurs. Washington topped the list by "...coming in second on the New State Economy Index and fifth on the Small Business Survival Index.

Washington is first among the states in steps toward energy efficiency and using more alternative-energy sources. It also has a highly productive manufacturing sector, signaling high wages and a tech-intensive economy."

*U.S. News & World Report, Business & Economy, posted 1/6/09*

## Quotable Quotes

**“Coming together is a beginning. Keeping together is progress. Working together is success.”**  
- *Henry Ford*

**“Progress lies not in enhancing what is, but in advancing toward what will be.”** - *Kahlil Gibran*

**“Without continual growth and progress, such words as improvement, achievement and success have no meaning.”** - *Benjamin Franklin*

## Where are we going?

In our continuing efforts to make Washington a business-friendly state, we are already working to expand our options for Web filings to include annual renewals for nonprofits in late 2009, allowing changes to registered agents and/or offices online for no cost in mid-2010, and charitable organization registrations and renewals in late 2010.

The division has also begun the process of restructuring its fees to better meet the needs of its customers and to provide a more stable budget structure. A proposal will be put before the 2010 legislature which involves a change to three main fees (profit registration and renewals, and charity registration fees). The fee re-structure will result in re-

duced costs to new business owners over the first three years, as well as provide the division with a more balanced funding source. This revenue will enable the division to accomplish four main goals:

- Hire staff as needed to keep up with the workload to ensure businesses and charitable organizations are registered more timely.
- Complete a scanning project to provide online access to all corporate and charitable organization documents.
- Begin the process of replacing its current workflow system with an automated system that is more efficient and customer-friendly.
- Provide more outreach and training for nonprofits and charities.

VISIT US ONLINE FOR MORE INFORMATION AT [WWW.SOS.WA.GOV](http://WWW.SOS.WA.GOV)



*Washington*  
**Secretary of State**  
SAM REED

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