



# Nonprofit Corporations and Charities

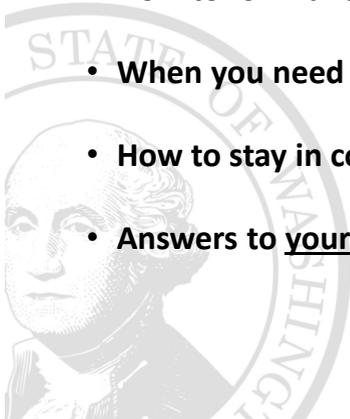
## The Basics & Beyond

Office of the Secretary of State  
Corporations & Charities

Charities & Nonprofit Education Program

### What We Will Be Discussing Today:

- OSOS Website navigation & resources
- How to form and maintain a nonprofit corporation
- When you need to register with the Charities Program
- How to stay in compliance with both programs
- Answers to your questions



www.sos.wa.gov/corp/

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Office of the Secretary of State

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INFORMATION CENTER **NONPROFITS** CHARITIES AWARDS PUBLIC NOTICES CONTACT US

**Information for nonprofits and charities**

Thinking of starting a nonprofit corporation? Want to establish 501 (c) exempt status? Planning to raise money from the public?

This handbook is a practical resource for nonprofit corporations. It outlines management standards and offers tips for how nonprofit leaders can stay in compliance with laws and develop organizations.

The **Washington State Chapter of Community Associations Institute (WSCAI)** Members include condominium, cooperative, and homeowner associations as well as those who provide services and products to associations.

This small business guide provides helpful information, links to valuable resources, and outlines the steps for starting and operating a business in Washington.

A quick guide for board members to help understand the responsibilities as stewards of their organizations. Presented by the Office of the Secretary of State and the Attorney Generals Office.

**IRS Tax Exempt Status Information.** Are you applying for a **501 (C)** tax exempt status? Articles of incorporation must

Nonprofit Handbook  
 Community Associations Institute  
 Small Business Guide  
 Nonprofit Board Guide  
 IRS

Register a nonprofit corporation  
 RENEW a nonprofit corporation ONLINE  
 Manage a nonprofit corporation  
 Register a charity, trust or fundraiser  
 See all registration forms  
 Return to corporations home  
 Nonprofit and Charity Training Opportunities  
 A tool to measure your nonprofit organizations efforts  
 Check us out on Facebook!

**STOP** If your nonprofit organization is or plans to fundraise from the public, it may also be required to register with the Charities Program of the Secretary of State. Registration with the Charities Program is separate from and in addition to filings required under corporate law. Please visit the [Charities Program Web Site](#) to review the registration requirements and registration forms.

www.sos.wa.gov/corps/NonprofitCorporations.aspx

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 **Corporations**

SEARCH

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## Washington Nonprofit Corporations

RENEW YOUR NONPROFIT CORPORATION ONLINE

The following links will take you to the available Washington paper form. Online annual reports may be found above and to the right of this page. Foreign (**non-Washington**) forms are linked below the list of fees.

**Washington Nonprofit Corporations (Title 24.03 RCW)**

Amendment to Filing	\$20
Dissolution	No Fee
Reinstatement	Call for Fee 360-725-0377
Amended Annual Report	\$10
Annual Report	\$10
Change of Registered Agent / Office	\$0 File Online
Reservation of Name	\$20
Merger	\$20 per merging entity
Resignation of Registered Agent	\$20
Any other statement or report	\$10
Cooperative Annual Report	\$10

RENEW a Nonprofit Corporation ONLINE

Subscribe for Email renewal notices

Change your Registered Agent ONLINE

See all registration forms

Return to Home Page

Check us out on Facebook! 

Click Here for forms to use with Foreign (**non Washington**) Profit Corporations

**STOP** If your nonprofit organization is or plans to fund-raise from the public, it may also be required to register with the Charities Program of the Secretary of State. Registration with the Charities Program is separate from and in addition to filings required under corporate law. Please visit the Charities Program Web site to review the registration requirements and registration forms. You may also want to review the Charitable Solicitations Act, RCW 19.09

## Resources for Nonprofit Corporations

- **Internal Revenue Service (IRS)**

1-877-829-5500 [www.irs.gov](http://www.irs.gov)

- **Washington Nonprofit Handbook**

*Published by WA Attorneys Assisting Community Organizations (WAACO, now known as **Wayfind**) & King County Bar Association Young Lawyers Division*  
<http://www.wayfindlegal.org>

- <http://www.sos.wa.gov/charities/training>



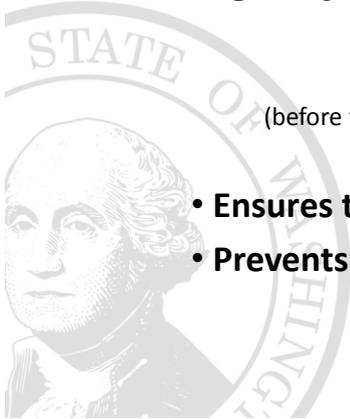
## Nonprofit Corporation Initial Filing

### To Form a Nonprofit Corporation File With the Secretary of State

#### – First –

(before filing with any other state agency)

- Ensures that desired name is available
- Prevents duplicate “UBI” numbers

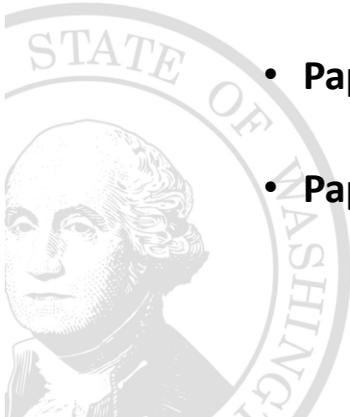


### Different Methods to File For A Nonprofit Corporation

- Online



- Paper forms by mail
- Paper forms in person



## Information Needed to Start (Articles of Incorporation)

- **Corporate Name** – Cannot have profit ending, unless LLC
- **Term of Existence** – Perpetual or number of years
- **Purpose** –very important if planning to apply for 501(c)(3) status (IRS Publication 557)
- **Dissolution** – What will happen to net assets (IRS Publication 557)
- **Registered Agent** – Must have a registered agent with a physical address in WA State (18 years and older)
- **Name(s) and address(s) of Initial Directors** (Business or home address is acceptable.)
- **Name, address and signature of each Incorporator**

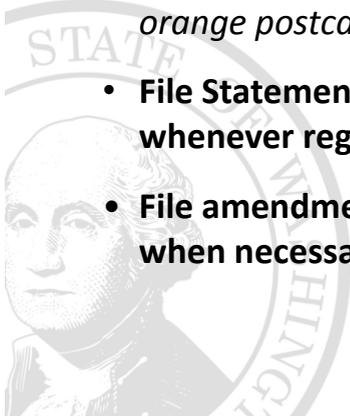
### ⚠ CAUTION

- OSOS forms meet the **minimum** requirements of state law – seek professional advice before you begin
- To qualify for 501(c)3 federal tax exempt status, the IRS requires specific language in your articles of incorporation.

See IRS publication 557 at [http://www.irs.gov/Charities-&-Non-Profits/Suggested-Language-for-Corporations-and-Associations-\(per-Publication-557\)](http://www.irs.gov/Charities-&-Non-Profits/Suggested-Language-for-Corporations-and-Associations-(per-Publication-557))

## Maintaining Your Nonprofit Corporation

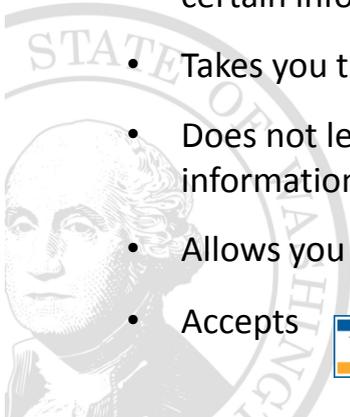
- **File annual reports each year, by the end of the month incorporated** (*watch for yellow and orange postcard reminders*)
- **File Statement of Change, online and free, whenever registered agent changes**
- **File amendments, mergers, reinstatements when necessary**



## ONLINE ANNUAL REPORTING

***Fast! Accurate! Convenient!***

- File your Annual Report in minutes, prefills certain information
- Takes you through the required steps
- Does not let you proceed with incomplete information
- Allows you to print a receipt for your records
- Accepts



## Charities - vs. - Nonprofits - vs. - Tax Exempt Same, but Different

### “Charity”

- Any entity that solicits, collects or accepts contributions from the general public where the contribution is to be used to support a charitable purpose - *A charity is not automatically a nonprofit or a federal tax exempt entity*

### “Nonprofit”

- Refers to legal structure - *A nonprofit is not automatically a charity or a federal tax exempt entity*

### “Tax Exempt” (aka 501c3)

- A federal status granted by the IRS through an application process

## Why Do I Have to Register Twice?

*The information required is different and the renewal periods are different*

### **The Nonprofit Corporations Act - RCW 24.03**

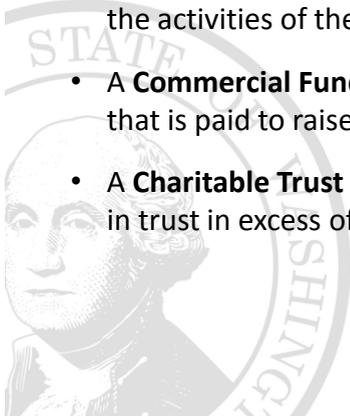
Annual reports filed in accordance with the Corporate Act is based on the month the organization initially filed its articles of incorporation

### **The Charitable Solicitations Act - RCW 19.09**

Registrations are based on the activities of the organization and annual filings are based on the organization’s fiscal year end

## Who is required to register with the Charities Program?

- A **Charity** - an individual or organization that raises over \$50,000 a year from the public to support a charitable purpose OR pays anyone (including fundraisers) to perform the activities of the organization
- A **Commercial Fundraiser** - an individual or organization that is paid to raise contributions on behalf of a charity
- A **Charitable Trust** - an organization that is holding assets in trust in excess of \$250,000 for a charitable purpose(s)



## Initial Registration Requirements for Charities

- **To register as a charitable organization:**
  - ✓ File a Charitable Organization Registration/Renewal Form
  - ✓ Include all the required attachments
  - ✓ Enclose the \$60 initial filing fee
- **Registrations accepted by mail or in person**
- **Registration is required before you begin fundraising**



## Renewal Schedule for Charities

A **Charitable Organization** may renew its registration at any time after the close of the organization's accounting year, but no later than the deadline noted in the chart below.

Find the month the organization's accounting year ends.

The annual renewal must be received no later than the deadline.

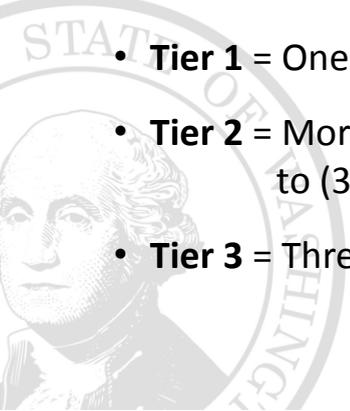
Charity's Accounting Year End	Renewal Deadline
January 31	December 31
February 28/29	January 31
March 31	February 28/29
April 30	March 31
May 31	April 30
June 30	May 31
July 31	June 30
August 31	July 31
September 30	August 31
October 31	September 30
November 30	October 31
December 31	November 30

## To Renew Charity Registration:

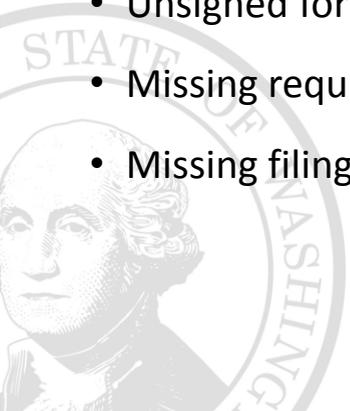
- Use Charitable Organization Registration / Renewal Form
- Provide required attachments listed on renewal form
- Enclose \$40 renewal fee
- Annual renewals accepted by mail or in person
- \$50 late fee applies to renewals received after Due Date (not postmarked)

## Financial Reporting Requirements

*Annual gross revenue averaged  
over the last three accounting years:*

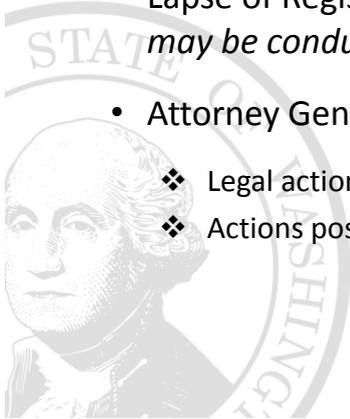
- 
- **Tier 1** = One (1) million dollars or less.
  - **Tier 2** = More than one (1) million & up to (3) three million dollars.
  - **Tier 3** = Three (3) million dollars or more.

## Common Reasons for Rejections:

- 
- Incomplete registration or renewal form
  - Unsigned form
  - Missing required attachments
  - Missing filing fee or late fee

## Consequences of Not Registering or Renewing on time

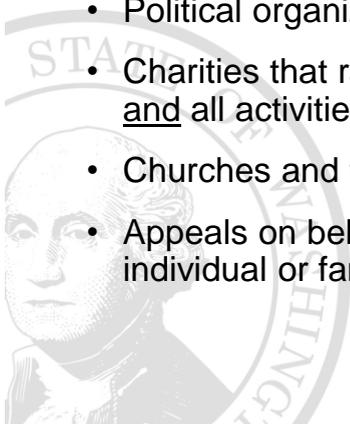
- Late fee (\$50)
- Lapse of Registration (*no fundraising activities may be conducted*)
- Attorney General involvement:
  - ❖ Legal action, legal fees and/or civil penalty
  - ❖ Actions posted to Charities Program website



## Exempt Organizations

*(Exempt in this case means they are exempt from registration as a charity in WA)*

- Political organizations
- Charities that raise less than \$50,000 a year and all activities are conducted by volunteers
- Churches and their integrated auxiliaries
- Appeals on behalf of a specific, named individual or family unit



## Combined Fund Drive

### To Qualify as a CFD Charity:

- IRS 501(c)(3) status
- Registered with the Secretary of State's Charities Program

### Benefits to Charities:

- Saves time and money, reduces administrative costs and provides more dollars for direct services
- Charities can plan out their budgets better knowing a steady stream of donation dollars are coming in
- Provides access to thousands of potential donors
- For some charities, the CFD is their primary source of funding
- It's FREE!

## Commercial Fundraisers

- Commercial Fundraisers are for-profit entities that enter into contracts with one or more charities and is paid to raise funds on the charities' behalf
- The Commercial Fundraiser must register and post a \$25,000 bond with the Secretary of State Charities Program
- A copy of contract(s) between the Commercial Fundraiser and the Charity must be filed with the Secretary of State *by the Charity*

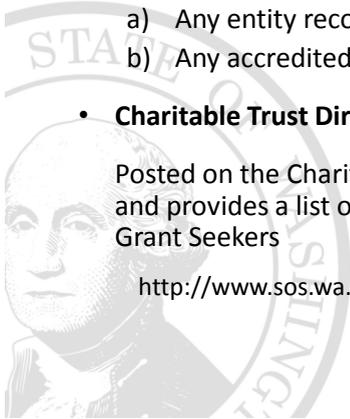
## Charitable Trusts

RCW Chapter 11.110

- **Any Entity holding income-producing assets in excess of \$250,000 (fair market value) in trust for a public, charitable purpose, except:**
  - a) Any entity recognized, by the IRS, as a religious organization
  - b) Any accredited institute of public education
- **Charitable Trust Directory**

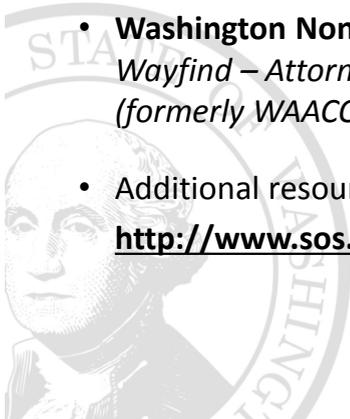
Posted on the Charities Web Page in two formats (PDF and Excel) and provides a list of Charitable Trusts that are Grant Makers and Grant Seekers

<http://www.sos.wa.gov/charities/CharitableTrustDirectory.aspx>



## Resources for Charities

- **Internal Revenue Service (IRS)** 1-877-829-5500  
<http://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations>
- **Washington Nonprofit Handbook** Published by Wayfind – Attorneys Supporting Communities (formerly WAACO)
- Additional resources available at:  
<http://www.sos.wa.gov/charities/training>



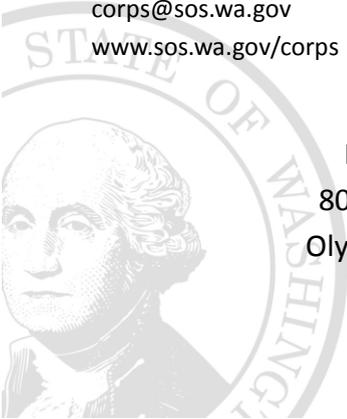
# OSOS Contact Information

### Corporations Division

360-725-0377  
corps@sos.wa.gov  
www.sos.wa.gov/corps

### Charities Program

360-725-0378  
1-800-332-4483 (toll-free in WA)  
charities@sos.wa.gov  
www.sos.wa.gov/charities



PO Box 40234  
801 Capitol Way S  
Olympia, WA 98504

# QUESTIONS?

