

PUBLICATION

Lessons from the Trump Foundation: Complying with State Charitable Solicitation Requirements

October 11, 2016

Politics aside, the Donald J. Trump Foundation's (Trump Foundation) recent troubles with the New York Attorney General should be a lesson to other charities and 501(c)(3) organizations.

The Trump Foundation recently received a Notice of Violation from the Office of the New York State Attorney General for failure to register prior to soliciting donations in the state. Most states have fundraising laws which require some form of registration prior to soliciting donations in the state. This so-called charitable solicitation requirement varies from state to state, but a non-profit organization that fundraises in multiple states must comply with each state's laws. In addition to an initial registration, many states require ongoing registrations in subsequent years, and it is not uncommon for charitable organizations to conduct fundraising activities in violation of state law because they are not aware of the charitable solicitation registration requirement. As in the case of the Trump Foundation, such violation may result in a cease and desist order or other enforcement action against the charity, preventing the charity from fundraising in the state until it has complied with the law.

The initial charitable solicitation registration generally requires filing an application, along with organizational documents, such as Articles of Incorporation and Bylaws, as well as evidence of the organization's tax exempt status and most recent IRS Form 990 tax return. Registration renewals in subsequent years usually require filing of a renewal application and IRS Form 990 tax return. Depending on the amount of contributions received by the organization, reviewed or audited financial statements may be required in some states during the initial registration and subsequent renewals. For charities registering in multiple states, the Unified Registration Statement (URS) may provide some efficiencies. The URS is a single form that can be filed in cooperating states, along with the appropriate state addendum, as an alternative to filing each state's respective registration form. For a list of states that require charitable solicitation registration and those that accept and do not accept the URS, visit the [URS website](#).

If you need advice or assistance in complying with state fundraising laws, including charitable solicitation requirements, please contact a member of Baker Donelson's Exempt Organizations and Non-profits Group.