tecuity™

MRFI, Inc.

Multistate Registration & Filing Port, Inc.

RESPONSE to RFI

April 1, 2016

Table of Contents

Executive Summary

Tecuity applauds the efforts of the Multistate Registration and Filing Portal (MRFP) working with the National Association of State Charities Officials (NASCO), and the National Association of Attorneys General (NAAG) in developing an online system allowing nonprofit organizations and their professional fundraisers to comply with all states' registration and annual filing requirements through one single online portal.

Tecuity has been providing online filing and registrations systems to multiple states in regards to business entity and associating filing requirements for over 10 years. We completely understand the complexities involved in developing a "one-stop" portal and possess the necessary experience to develop Software as a Service (SaaS) solution to MRFP, Inc.

It is understood the goals of the initiative are to maximize efficiency, provide data transparency, and information sharing by enabling compliance with registration requirements for all participating states without the duplication of data entry. In addition, the solution will provide for the following:

- Provide public access to collected data through an interactive and searchable format allowing policy makers, academics, and the general public to conduct their own inquiries.
- Provide data downloads of data in machine-readable format.
- By utilizing the single portal with multistate registration capabilities, registrants will realize reduced administrative costs as well as an increase in efficiency in registering with multiple states.
- A technology that can be hosted on multi-tenant basis in a secure public cloud.
- Online filing and registration capabilities as well as service oriented architectures will significantly reduce the inconvenience and uncertainty of paper filings.
- An increase in data accuracy and transparency – no double or triple data entry causing mistakes and inefficiencies.
- Registration service providers will be able to electronically transmit data securely and efficiently for multiple clients.
- State filing fees will be collected through the portal and disbursed appropriately
- Accept electronically filed form 990 and extract data elements.
- Combine form 990 data and state registration data requirements.
- Analytics and key performance indicators will be captured to provide Business Intelligence (BI) – this information will provide policy makers and law enforcement additional information to better protect charitable resources.

By utilizing state-of-the-art technologies, world-class methodologies and engineering resources, Tecuity will provide a comprehensive "One-Stop" filing and registration solution to MRFP, Inc. This will allow states and their limited resources to focus on their regulator responsibilities of preventing fraud and abuse of charitable funds and solicitations.

To state again, Tecuity is exceptionally qualified to provide a "One-Stop" Online Charitable Filing and

Registration solution for multiple states. Tecuity's reputation and experience includes a highly configurable platform that will bring tremendous benefits to this solution.

We look forward to any opportunity to provide further information and proposed pricing.

Statement 1

Allow charitable organizations and their professional fundraisers to register and file annual renewals and reports with multiple state charity offices through a single process.

Tecuity's technology is proven and in use by multiple states and supports transactions that are:

- Highly Configurable
- Highly Extendable
- Natural External Integration

This technology provides a fully responsive web design such that any device that supports a browser (including mobile devices) can be used. Tecuity recommends that MRFP be implemented using a ***proven platform*** and a ***proven team*** with a track record such that, the implemented multi-state portal:

- Increases on-line filing (the ability to move customers from paper based systems to electronic filing systems).
- Blends on-line filing with paper based systems for states that continue to allow one or the other, or blended submissions.

We believe the objectives of the system should ***increase customer satisfaction*** for the filing entities. It goes without saying that the portal has to be a better experience than current practices.

The system structure needs to utilize a ***dynamic database*** so that shared and non-shared multi-state fields can be entered once and used wherever and whenever required.

On-line submission should use ***intuitive screens*** that automatically include:

- Error Checking
- Validation against known third-party data sets, i.e., USP addresses
- Field Level Verification
- Complete Forms – submission of only 100% complete forms
- Intuitively Visually Queued Fields

Integrated document management is a key element of the portal. Tecuity has developed a fully ***integrated document management*** system that allows documents to be faxed or emailed for inclusion within the data record in a variety of formats, PDF, DOC, TIF, JPG, etc.   Form submissions can be included in the record via a browse and attach, an associated email attachment, or a faxed document. In any case the received document image can be viewed simultaneously with the corresponding data.

The system supports barcode, OCR, and ICR technologies. The document management system should allow for redaction as required. The beauty to the system is that is scalable to any volume. The key to a successful system will be the premise of being based on **paperless attributes**.

The technology includes an **integrated payment** system that allows payment from multiple payment methods (primarily credit card) and includes backend accounting. This system will create a check-out scenario based on multiple states' submission based on the various fees from each state. It will then allow the charity to make a single payment and the backend accounting system will distribute the funds accordingly.

Another key element of a well-designed system is one that will provide an **audit trail** that can be exposed to various user level credentials. This detailed **transparency** will allow the administrators to see and understand each and every transaction.

The size of the proposed system requires that users have powerful **search engines** to query charities and/or states with multiple search criteria that allows users to find what they are looking for. Additionally based on the number of users (states and charities) the system needs to **have real-time-processing**. Once data is entered and accepted by the system everyone can see it, with zero latency – no need to wait for batch processes that run overnight, etc.

We have designed systems that proactively create **user notifications** of pending data sensitive activities, for example renewals. These off-line messages could be sent via email or text messaging.

Tecuity also recommends that the chosen technology should provide a **natural interface** model such that agencies can partner and external agencies can easily interface with MRFP using web services, API and batch-file bases to support offline interfaces.

Tecuity also recommends that security, personalization and protection of confidential information should be one of the prime goals of the technology. Tecuity highly recommends that the technology should follow federal security standards such as NIST.

Statement 2

> **Allow population of registration fields with data from electronically filed IRS 990 and 990EZ Tax Returns for tax exempt entities (Forms 990), and allow receipt of electronically filed 990s in machine-readable form from IRS, the user, or other sources.**

Based on the conference call we sense there are variables in play with the IRS and various states for the methods of receiving IRS 990 forms and data. We have dealt with similar situations. The system will need to accommodate multiple submission methods:

1. IRS machine-readable forms – once the IRS is ready this can be included.

2. Much like we complete our taxes from a W2 – each field of the 990 can be entered by the user with check sums etc. for error checking.
3. Data can also be extracted from a submitted 990 via scanning and OCR.
4. Via the document management system described in State 1 an image of the 990 can be included for states that require an actual copy.

Tecuity's expertise supports data entry utilizing a user-friendly interface such that the user interface provides necessary edits and validation so only accurate data is accepted. In addition to data-entry, the platform also supports bulk filing using standard file formats in XML or delimited ASCII files. Any data that is filed as a paper filing, OCR is utilized to extract necessary data and store data in back-end tables.

Statement 3

> **Allow registration service providers to transmit data for multiple registrant/clients electronically.**

Tecuity's technology allows uploading data to and from multiple registrants and clients through an automated process to all users that have credentials to do so.   The data has to be formatted in a standard format and should be uploaded as XML or a delimited ASCII file.

Tecuity's technology provides web services whereby a customer may submit multiple registrations electronically. This provides customers with large registration volumes a method for preparing registration information in their native environment, and submitting the information in bulk.

Bulk submission data is validated using the same validation rules that are applied to individual registrant entries. Detailed status and exception reporting is provided to the bulk filer for each record submitted.

Payment options for bulk filing include a pre-paid process whereby filing fees are subtracted from a standing account balance, a trust model where records are recorded immediately and filers would be required to submit payment in a timely manner, or submission only, where the records are kept in a pending status, ready to be submitted once the filer provides payment for the pending records.

Customers wishing to utilize this process are provided with the web service interface definitions, details describing the requirements for a validly formatted and complete registration records, and security credentials to interact with the web service.

Statement 4

Allow private foundations to file a copy of their IRS Form 990-PF with their state attorney general in machine-readable electronic form, if available, or as a PDF.

Uploading data to a State specified agency partner including IRS is a standard feature of Tecuity's technology. The upload can be conducted in a single-mode or bulk batch-mode. The data is formatted in a standard XML and/or Ascii delimited files to comply with IRS Form 990-PF standards. The technology also provides timely reports and upload detailed status notifications.

Statement 5

Make the non-confidential collected registration data public in an open data format. Confidential data and Personally Identifiable Information must be inaccessible to unauthorized users.

Tecuity's technology provides document and transaction specific confidentiality such that in a public search personal information cannot be retrieved. In case a document or a transaction is a hybrid of personal and public viewable information. All personal information is automatically redacted. Each data element can include a corresponding security level. Via this security level viewing the field is limited to only those authorized. Nevertheless, the audit trail consistency remains intact.

Statement 6

Allow users to attach supporting documents as necessary.

Tecuity's technology includes a document management solution that allows scanning and management of documents at a user-defined transaction level. The multiple types of documents e.g. MS Word, MS Excel, ASCII, PDF, TIF, BMP, JPEG, etc. are supported. Tecuity's technology also supports barcode based indexing of stored documents. Documents can be uploaded in a batch-mode or single-mode. Tecuity's technology also supports ICR and OCR.

When a state utilizes a third party document management system such as FileNet, Tecuity's technology can easily integrate with a third-party document management system.

Statement 7

> **Provide analytic tools for charity regulators to identify outliers that will enable improved response by regulators to potential fraud prevention, negligence or poor governance practices that may lead to loss or waste of charitable assets.**

Business Intelligence (BI) is a technology-driven data analyses against key indicators. The results are actionable information to help state offices and charities make informed business decisions. The two key components are filing statistics and web analytics.

Through **_charity filing statistics,_** period to period trends and patterns can be identified, along with repeatable metrics.

Web analytics assists managers to evaluate online priorities and traffic flow. Web analytics is a valuable tool for managers to assess and improve the effectiveness of a website. As an example, web analytics can be like measuring traffic on a road.   It is easy to count the number of vehicles, even the type of vehicle can be identified. The make and model of a vehicle could also be identified. But web analytics is more than that. A better question is why is the vehicle on the road in the first place and where are they going? If they turn off the road, why? And, where did they go?

The idea of fraud prevention is not necessarily a business intelligence issue, but is covered under Statement 1. Via the notification capabilities of Tecuity's technology, when changes are made to the record, notifications can be sent to an authorized master user via email or text. This empowers the creator to validate the changed data.

Statement 8

> **Use a transaction-based funding model.**

The proposed technology can be easily configured to provide transaction-based funding and multi-tenant environment. The transaction-based funding model provides multiple options:

- Flat monthly transaction fees
- Per transaction fee
- Discounted transaction fee options if the required volume cap is met

The proposed technology can also be configured to offer all the above in a hybrid mode. In addition to compliance with multiple transaction-based funding model, Tecuity suggests that the sharing of transaction payment shall have multiple options to meet multi-state requirements.

Statement 9

> **Accept payment of state registration fees from applicants and allocate them to the appropriate state(s).**

There are four key components of a collection and subsequent disbursement of funds.

1. What states are simultaneously being submitted?
2. What is the rate by specific state?
3. What is the single incoming payment method?
4. What is the specific state outgoing payment method?

The charity identifies/selects the states they are registering through the portal. The states with their corresponding fees are placed in a check-out basket, itemized, and ready for payment. (Note: The submissions are done first with all the error checking etc. but are not fully submitted until payment is received and cleared.)

The user goes to the check-out basket and confirms the states and amounts. We suggest that payment be allowed via credit card or ACH with their bank. Daily payment receive batches are processed so that reconciliation can take place between MRFP and the various payment centers.

Once the daily batch is confirmed and reconciled disbursement funds can be delivered to each state. We would suggest some sort of electronic transfer directly to the states' accounts. (At this point MRFP fee could be extracted per submission for each state.) Detailed itemized reports are sent to the participating states daily.

The design allows a single payment for the charity and background reconciliation and disbursement.

Tecuity Closing Statement

Tecuity, as a vendor, has supplied multiple state agencies with business registration systems that include the features listed under the SaaS model. We have demonstrated this through our repeated engagements to create enterprise systems that allow public users and internal administrative staffs to work seamlessly together in a data and image rich environment.

Tecuity systems currently handle millions of images and registrations and are designed to be flexible; meeting ever changing legislative and legal requirements. Each state has unique requirements. Tecuity has a proven track record of successfully providing software solutions in this challenging environments.

We are extremely confident in our ability to design and build a multi-state registration and filing portal. Utilizing our technology from our tired and proven solutions as a foundation, we are confident we can meet the needs contemplated by this RFI.

The capability of the Tecuity implementation **STRONGLY** favors an **EXACT MATCH** for the capabilities we have outlined.