GuideStar & Simple Charity Registration response to Request For Information from Multistate Registration and Filing Portal, Inc.

Background

The National Association of State Charities Officials (NASCO) and the National Association of Attorneys General (NAAG) launched Multistate Registration and Filing Portal, Inc., a Delaware nonprofit corporation (MRFP), to "develop an online system that will allow nonprofit organizations and their professional fundraisers to comply with all states' registration and annual filing requirements through a single online portal ("The Single Portal Initiative")."

GuideStar (GS) and Simple Charity Registration (SCR) staff have both been communicating with the leadership of the Single Portal Initiative for years. Jim Dobrzeniecki, VP of IT for GuideStar, has been serving on the Advisory Board for the Initiative. Culin Tate, Co-Founder of SCR, has engaged with NASCO at multiple points to learn about, and hopefully inform, the scope and structure of the effort. The capacities of our organizations are unique and complimentary and we believe we can create a viable solution for the MRFP, using existing technologies and capacities. The specific capacities of each organization related to the RFI are reviewed in subsequent pages.

Capabilities of Simple Charity Registration

SimpleCharityRegistration.com is a product of CBT Tech LLC. CBT Tech is a technology company formed in late 2012, with the specific mission of creating an easy, affordable software tool to simplify the process of complying with charity registration systems in the United State. The management team has both vast experience in the non profit industry, and also in the software development field. Our core proprietary form processing software was been developed and refined over the past 10 years and has served over 3 million forms in it's application in the identity space. SCR began taking paying nonprofit customers April 2015, and has since on-boarded 1500+ nonprofit customers and numerous service provider partners.

Requirements from the RFI:

- *(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.*

    - SimpleCharityRegistration is a live and fully functional online charity registration service with over 1,500 users. This software as a service allows users to 1. Understand which states they may need to register in or file exemption forms, 2. provides a user specific

questionnaire to collect all data fields required to generate a form for extension, renewal, initial registration, or exception (where applicable for all states with current registration requirements), 3. provides a user specific email notification system alerting the user to filing deadlines, 4. provides a safe warehouse for registration data from one year to the next.

- SCR has the current capability to submit registration forms or data to individual states or a central database by means of paper form, electronic pdf, via our existing API, or by an API or XML protocol deemed appropriate by any individual state or the MRFP Inc.

- Professional fundraiser registration is a challenging project as each state has multiple forms for each of the three categories Professional fundraiser, Fundraising Counsel, and Commercial Co-venture. Further the data presented in Appendix A of the FRI total 1,475 as the approximate number of professional fundraisers/solicitors. Based on the large number of form permutations and the apparent low volume of users, we would recommend some further harmonization and streamlining of the professional registration process while considering this a second phase of the project

- *(3)Allow registration service providers to transmit data for multiple registrant/clients electronically.*

  - SCR currently works with many service providers including law firms, CPA firms, and charity registration consultants. These service providers are becoming increasingly aware of, and versed with using our software tool as a means of providing more efficient service to their non profit clients.

- *(6)Allow users to attach supporting documents as necessary.*

  - SCR is currently developing this functionality. SCR can use the GuideStar APIs for required documents from IRS registrations or that nonprofits have uploaded to their GuideStar profile (e.g. annual reports, audited financial statements, etc.).

- *(8)Use a transaction-based funding model.*

  - SimpleCharityRegistration.com currently uses a per state registration transaction-based funding model. SCR charges charities fees per state registration of $50/state or $900 for all states. We currently offer the first state free which allows and encourages even the smallest local only charities to register in their home state without encouraging any non state fees. We see this price per state declining as user volume increases.

  - SCR has developed a model to collect and pass state registration fees to any state via our payment gateway given that state provides their merchant bank credit card processing credentials.

Capabilities of GuideStar

GuideStar is a 501(c)(3) organization whose mission is to "revolutionize philanthropy and nonprofit practice by providing information that advances transparency, enables users to make better decisions,

and encourages charitable giving." Founded in 1994, GuideStar began as an open data initiative to make IRS 990 information publicly accessible and has grown to become the world's largest source of information on nonprofit organizations.

More than 7 million nonprofit managers, foundation staff, consultants, and others use GuideStar.org each year. Nonprofit managers and staff use our data to compare their organization to peers and, therefore, learn how to better manage their programs, finances and operations. Foundation staff and board members use GuideStar to evaluate grantees and direct more resources to organizations that have a track record of using them wisely. Consultants use our data to advise their nonprofit and foundation clients and, therefore, improve the quality of advice they receive. Many state attorney general offices use GuideStar to support their investigations into charities in their state.

GuideStar's data also helps to make charitable giving easier and more efficient by powering over 185 different websites and mobile apps. These include online giving websites (e.g. JustGive, Network for Good, Classy, YourCause, iDonate), national donor advised funds (e.g. Fidelity Charitable, Schwab Charitable, Vanguard), grants management software (e.g. Fluxx, Foundant, Microedge / Blackbaud), community foundations (e.g. Kansas City Community Foundation, Boston Community Foundation, California Community Foundation), point of sale giving (e.g. Amazon), and others (e.g. Disney, Ebay, ESPN, Intuit, LinkedIn, PayPal, Salesforce, Target).

Requirements from the RFI:

- *(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.*

  - GuideStar data from forms IRS 990 and 990EZ, as well as other sources, already populates grant applications through numerous grants management software providers. GuideStar's APIs can be used by SCR to populate state charity registration forms from the electronically filed IRS Forms 990 and 990 EZ as well as other appropriate data from an organization's GuideStar Profile.

  - GuideStar has already begun receiving electronically filed 990s in machine-readable form from the IRS and has been using them to populate profiles on GuideStar.org. GuideStar also digitizes paper-based IRS 990 forms which can be used to populate the appropriate registration fields.

- *(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.*

  - GuideStar collects IRS Forms 990-PF, both through the IRS and directly from private foundations if they prefer to have the up-to-date information available on GuideStar. SCR can enable foundations using their system to submit a copy of their filed 990 PF with their registration by leveraging GuideStar's API.

- *(5)Make the non-confidential collected registration data public in an open data format. Open data are data that are available to all, free of charge, in a standard format, published without*

proprietary conditions, and available online as a bulk download. Confidential data and Personally Identifiable Information must be inaccessible to unauthorized users.

- GuideStar has a suite of data download functionalities and can adapt these to make the registration data available in our free experience and available as a bulk download. GuideStar has years of experience redacting confidential personal information from IRS Forms 990 when this information is shared publicly.

- *(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.*

  - GuideStar has been building analytical tools at increasing levels of sophistication.

  - GuideStar partnered with the Nonprofit Finance Fund to create a Financial SCAN financial health analysis tool using 990 data. Hundreds of foundations and nonprofits use this tool to evaluate the financial health of their grantees, themselves, or their peers.

  - GuideStar recently redesigned our nonprofit profile pages to show trends over time from our historical data (e.g. revenue, expenses, staff), and calculate annual net gain/loss, liquidity, months of cash on hand, and fringe rate.

  - GuideStar's Charity Check add-on provides up-to-date determination of a nonprofit's eligibility to receive tax-deductible contributions, flags organizations listed as supporting terrorism by the Office of Foreign Assets Control (OFAC) of the Department of the Treasury, and is the only product available in the marketplace that is 100% compliant with all IRS requirements.

  - We recently hired a Director of Data Science who has begun conducting research on what else is possible with our data. Her first project was a cluster analysis of nonprofit business models, which identified similar organizations and outliers.

  - We look forward to engaging with charity regulators to strengthen the analytical tools on GuideStar, as those tools would also be very useful for nonprofit managers, private foundations, corporate foundations, and public sector grantmakers.