



Let's Go Legal Fundraising

Speakers: Jodi Nishioka and Judy Andrews

00:00:00 Video description: The text "Let's Go Legal! The right road to compliance and protection" appears at the top of the screen. An animated orange smart car drives down a country road on a sunny day. On the bottom of the screen are the Nonprofit Association of Washington logo, the shape of the state of Washington made of colorful shapes with the words "Nonprofit Association of Washington" under it, and the Communities Rise Logo, the word "Communities" arching over the word "Rise" with two curved yellow lines intersecting underneath.

00:04 Video description: The screen fades to white. Text reading "Fundraising" appears on the left side of the screen. On the right is a picture of a fuel gage showing a full tank of gas in a purple circle.

00:00:06 Jodi: A car needs fuel. For your nonprofit, your fuel is money. You need to raise money to pay for your expenses and programs. There are rules that apply when you take money from others for the benefit of your organization.

00:00:19: Video description: The Let's Go Legal color wheel appears on the screen. The color wheel is split into five sections with an orange smart car with a license plate that says "LGL" at the center. The five sections are labeled, state law (orange), federal law (red), fundraising (purple), employment (blue), and intellectual property (green). A line in the shape of a "T" comes off each section connecting icons and words related to each section.

00:00:22 Jodi: There are four key areas of law related to fundraising.

00:00:25 Video description: The video zooms into the fundraising section of the color wheel. At the bottom of the screen is the text "Your fuel is money. You need to raise funds

to pay for expenses and programs” under the picture of the fuel gage. Four icons are next to the color wheel: a register button, an envelope, a restricted symbol, and a ticket. Text that reads “Registration” appears next to the registration button icon.

00:00:26 Jodi: First, registration and reporting. Nonprofits that solicit donations from the public have to register with the Secretary of State's office. We already talked about the registration of your organization as a nonprofit corporation.

00:00:42 Video description: *The screen fades to white. Text that reads “There is a second and separate registration for organizations that ask the public for money” appears on the screen.*

00:00:41 Jodi: Here we are talking about a second and separate registration for organizations that ask the public for money. Here are the two questions to consider.

00:00:52 Video description: *The previous text disappears and text that reads “Do you raise \$50,000 or more in donations from the public?” appears.*

00:00:52 Jodi: First, do you raise \$50,000 or more in donations from the public?

00:00:57 Video description: *The previous text disappears and text that reads “Do you pay anyone to do the fundraising work of the organization?” appears.*

00:00:57 Jodi: Second, do you pay anyone to do the fundraising work of the organization? If you say yes to either of these questions,

00:01:07 Video description: *The previous text disappears and text that reads “Charitable Solicitations Act” appears.*

00:01:06 Jodi: you must register with the state under the Charitable Solicitations Act.

00:01:11 Video description: *The LGL color wheel zoomed in to the fundraising section appears on the screen again. Text that reads "Written Acknowledgements" appears next to the envelope icon.*

00:01:12 Jodi: Second, written acknowledgments. Donations of \$250 or more need to have a written acknowledgment sent to the donor. There are other rules if the donation is tied to an auction and these are included in the kit.

00:01:31 Video description: *Text that reads "Restricted gifts" appears next to the restricted icon.*

00:01:32 Jodi: Third, restricted gifts. If a donor gives you a gift for a particular purpose, you have to use it for that purpose.

00:01:44 Video description: *Text that reads "Fundraising activities" appears next to the ticket icon.*

00:01:44 Jodi: Fourth, there are lots of ways that nonprofits raise money at events like raffles, gaming or auctions. The Washington State Gambling Commission regulates raffles and other types of gaming. If there is alcohol, you need to get a liquor license, and if you are having an auction, there are specific tax rules around those receipts and you may have to pay sales tax.

00:02:11 Video description: *The screen fades to black and a video of a person with shoulder length wavy brown hair wearing a dark grey sweater and a blue scarf appears.*

Behind them is a light grey wall. The LGL color wheel appears with text of the speaker's name, Judy Andrews.

00:02:11 Judy: The three most common mistakes that I see in the area of fundraising are first a confusion between registration under the Charitable Solicitations Act and the annual corporate report, both of which must be filed with the Secretary of State's office. So for example, for a food bank that has revenue of \$25,000 a year but employs a person in the food pantry, it will need to register under both the charitable solicitations act, and they need to file their annual corporate report with the Secretary of State's office. Secondly, is the area of restricted gifts. When a donor makes a contribution to your organization for a particular purpose, you need to honor that purpose. So if a donor makes \$100,000 contribution to an animal rescue organization for the purpose of renovating the barn, the organization can't use those funds to pay overdue vet bills. So the third area is fundraising activities. Lots of people think that because their organization has a great mission and does good work in the community, that they don't need to follow the rules that everybody needs to follow. So for example, if your event serves alcohol, you do need to get a liquor license. Or if you have a raffle at your annual fundraising dinner, you do need to follow the rules for raffles from the Washington State Gambling Commission.

00:03:40 Video description: *The LGL color wheel appears on screen with a text list of key documents that appear one by one: "Charitable solicitations registration, policies around gift acknowledgements"*

00:03:41 Jodi: There are some key documents to return and keep up to date: the charitable solicitations registration which is filed with the Secretary of State if you are a charitable organization and soliciting donations from the public, and the policies around gift acknowledgments.

00:04:01 Video description: *A preview of the Fundraising Checklist appears on the screen with a large green check mark.*

00:03:59 Jodi: Your kit includes a checklist to help you move forward.

00:04:03 Video description: *The fundraising checklist moves off the screen to reveal a drawing of a gas pump and the LGL color wheel in the corner. The animated smart car drives up and parks at the pump.*

00:04:03 Jodi: Those are the basics about what you need to know about fundraising. Money is your fuel, so it is worth spending time on getting it right.

00:04:09 Video description: *The text “Let’s Go Legal! The right road to compliance and protection” appears at the top of the screen. An animated orange smart car drives down a country road on a sunny day.*

00:04:15 Video description: *The screen fades to white with a pencil drawing of a country road through some hills. Text that reads “Download the Let’s Go Legal guide: nonprofitwa.org/learn. Tell your board about Boards In Gear (BIG) & Finance Unlocked for Nonprofits (FUN) also available from Nonprofit Association of Washington” scrolls up the screen, pauses for a few seconds and then disappears.*

00:04:20 Video description: *Text that reads “Let’s go Legal was guided by a team of legal advisors. We greatly appreciate their contribution: Brenda Tausch Lapora, Jodi Nishioka, Judy Andrews, Nancy Stephens, Taylor Ball. Their contribution should not be viewed as legal advice” scrolls up the screen, pauses for a few seconds, and then disappears.*

00:04:23 Video description: *Text that reads “Let’s Go Legal was created by Nonprofit Association of Washington and Communities Rise, and was sponsored by the Washington Office of the Secretary of State. ©2022 Nonprofit Association of Washington.*

All rights reserved. Music: Smiling Cars by David Szesztay" scrolls up the screen and pauses for a few seconds, and then disappears.

00:04:27 Video description: *The screen fades to black. Text that reads "3 Choices Creative Communications" appears on the screen above a logo of an eye. Under the eye, text reads "3greatchoices.com."*