Charitable Registration Brief

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Key findings

- Soliciting charitable contributions in a state generally requires registration in that state **regardless of whether the foundation has any staff, office, or members there.**
- A foundation that mails a single fundraising appeal to donors in 30 states may need to be registered as a charitable solicitor in some or all of those 30 states.
- Penalties for soliciting without registration range from fines to a state ordering a foundation to stop fundraising there entirely.
- NANA is advocating for a single multistate registration filing to replace separate state-by-state applications; the issue is currently in the monitoring stage with no filing deadline set.

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Why this brief exists

Many national associations run a charitable foundation — for scholarships, research, or public education — alongside their main 501(c)(6) trade arm. The NANA Foundation, which funds CAE exam-fee scholarships and institutional grants, is itself an example of the structure this brief addresses. Foundation staff are usually experts in grantmaking and program administration, not in the fifty-state patchwork of charitable solicitation law, and most have never had reason to ask whether their registration status matches where they actually raise money.

Board Secretary Benjamin Oduya, general counsel at the Coalition of Independent Museums and the board member who leads NANA's triennial bylaws review, wrote this brief after a pattern of member questions on the topic that NANA's policy team had been fielding informally for months.

Operating in a state versus soliciting in one

Operating in a state — having staff, an office, or a physical presence — is a different legal question from soliciting in a state, which generally means asking anyone located there for a charitable contribution. A foundation with no staff or office outside its home state can still trigger a solicitation-registration requirement simply by mailing a fundraising letter, publishing a donation page accessible nationally, or accepting an online gift from a donor who happens to live elsewhere.

This distinction catches association foundations more often than trade associations themselves, because a foundation's fundraising activity — appeals, donor mailings, online giving pages — is far more likely to reach donors in states where the foundation has no other presence at all.

What triggers a registration requirement

Most states define "soliciting" broadly enough to include a mailed appeal, an email fundraising campaign, or a donation button on a website that isn't geographically restricted. A foundation does not need to actively target a state's residents to trigger the requirement — it's enough that a resident of that state received the appeal and could have responded.

Some states exempt very small solicitors below a dollar threshold, and a handful exempt organizations that solicit exclusively from their own members. Neither exemption is universal, and a foundation cannot assume either applies without checking the specific state's statute.

What lapsed registration actually costs

Penalties vary by state but generally include fines, and in more serious or repeated cases, a state ordering the foundation to stop soliciting there until it comes into compliance. Some states also require a foundation to disclose registration status, or the lack of it, in its own fundraising materials — meaning an unregistered foundation can find itself required to publicly flag its own non-compliance to keep soliciting at all.

The more common consequence in practice is simpler and less dramatic: a foundation discovers during an unrelated compliance review, an audit, or a state's own outreach that it has been soliciting unregistered for years, and now faces a multi-state cleanup with back filings, fees, and in some cases penalties assessed retroactively.

Where NANA's advocacy stands

Charitable Registration Harmonization — NANA's policy file on this issue — is currently in the monitoring stage. NANA supports a single multistate registration filing that would let a foundation register once and have that registration recognized across participating states, rather than filing separately in each one. No legislative vehicle currently exists to advance this, and NANA's policy team is tracking proposals rather than actively lobbying a specific bill at this stage. Members with foundations facing multistate registration burdens are encouraged to share specific compliance costs with NANA's policy team, since concrete member examples strengthen the case for harmonization when the right legislative opportunity arises.

A checklist for foundations that haven't audited their status

- List every state where your foundation has mailed a fundraising appeal, run an online giving campaign, or accepted a gift in the past three years
- Compare that list against your current state solicitation registrations
- Check whether any state you solicit in offers a small-solicitor or members-only exemption

your foundation might qualify for
- If gaps exist, consult counsel about a voluntary disclosure process before a state finds the gap first — most states offer more lenient terms to foundations that self-report a lapse than to those discovered through an outside review
- Build an annual registration-renewal calendar rather than treating the initial filing as a one-time task, since most states require renewal on a fixed schedule
- Assign registration compliance to a specific staff role in writing, rather than leaving it as an informal responsibility that can fall through the cracks during a staff transition

A note for foundations without dedicated compliance staff

Most association foundations are small — the NANA Foundation itself runs on four staff — and few have a dedicated compliance or legal role. That's the structural reason this issue matters as much as it does: a foundation with a general counsel on staff can absorb a multistate registration review as part of an existing job. A foundation without one is more likely to let registration status go unreviewed for years, simply because no one owns the question.

If your foundation doesn't have counsel on staff, this is a reasonable use of outside counsel's time even on a limited budget, since the downside of getting it wrong compounds the longer it goes unreviewed. NANA's policy team can point member foundations toward counsel with association-sector experience on request, though NANA does not itself provide legal advice on a specific foundation's registration status.