

Charitable Solicitation License

This document is meant to provide general information on CSLs and should not be construed as legal advice. We strongly recommend that you contact:

**N.C. Secretary of State
Charitable Solicitation Office
(888) 830-4989 or (919) 807-2214
csi@sosnc.gov**

Q: Does my organization need a charitable solicitation license (CSL)?

A. If your downtown revitalization organization operates as a nonprofit and receives charitable donations, as a general rule you must obtain a CSL through the N.C. Secretary of State's office and renew it annually (N.C. General Statute 131F-5), depending on how much monetary or in-kind contributions your organization receives each year.

"Charitable" means for a benevolent purpose, including environmental, health, humane, educational, patriotic, scientific, artistic, social welfare, and civic.

"Charitable organization" means any person who has or holds out as having a section 501(c)(3) tax exempt determination by the Internal Revenue Service and operates for a charitable purpose, or a person who is or holds himself out to be established for a charitable or civic purpose; or a person who employs a charitable or civic appeal as the basis of a solicitation, or employs an appeal that suggests there is a charitable or civic purpose for the appeal.

A **"contribution"** is considered to be "a promise, pledge, grant of any money or property, financial assistance, or any other thing of value in response to a solicitation. "Contribution" includes, in the case of a charitable organization or sponsor offering a good or service to the public, the excess of the price at which the charitable organization or sponsor or any person acting on behalf of the charitable organization or sponsor sells the good or service to the public over the fair market value of the good or service. Contribution" does not include bona fide fees, dues, or assessments paid by members if the membership is not conferred solely as consideration for making a contribution in response to a solicitation. "Contribution" does not include funds obtained by a charitable organization or sponsor under government grants or contracts."

Q: Are there any exceptions?

A: Your organization may be exempt if you receive less than \$25,000 a year in contributions. If you feel that you meet the criteria for exemption, you **must** file a "Request for Exemption" form with the N.C. Secretary of State's office along with any requested supporting documentation. You must renew your exemption annually as long as you meet the criteria for exemption. The form and questionnaire to determine exemption eligibility are available for download through the link, [SOSNC Forms](#)

Q. I am pretty sure we take in more than \$25,000 annually in contributions, so what do we need to do?

A: If you receive more than \$25,000 in contributions annually, you must apply for a CSL. Forms and instructions are available for download from [SOSNC Forms](#). Along with the completed form, you must supply a copy of your IRS tax exempt determination letter, a current list of board members with their contact information and your organization's financial information (Form 990/990EZ, audited financial statement or NC Annual Financial Report Form, also available from the CSL website referenced above). The license fee is dependent on the amount of contributions you receive annually and is calculated on the form. You must renew your license each year.

Q. We've hired someone to help with our fundraising efforts. Is there anything else we need to do because of that?

A: There are additional specific requirements regarding the use of a fundraising consultant or solicitor. Contact the CSL office with the N.C. Secretary of State for further information. This would include situations such as hiring someone to run a special event for your organization with part of their duties being to raise monies for the event.

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Q. We have a fundraising piece. Is there anything I need to do with that?

A. Every charitable organization or sponsor that is required to obtain a license under G.S. 131F-5 shall conspicuously display, in type of a **minimum size nine points**, the following statement on every printed solicitation, written confirmation, receipt, or reminder of a contribution:

"Financial information about this organization and a copy of its license are available from the State Solicitation Licensing Branch at 919-814-5400. The license is not an endorsement by the State."

The statement shall be made conspicuous by use of one or more of the following: underlining, a border, or bold type.

When the solicitation consists of more than one piece, the statement shall be displayed prominently in the solicitation materials but not necessarily on every page.

Resources

NC Non Profits Legal Compliance Checklist

https://www.ncnonprofits.org/sites/default/files/resource_attachments/2018LegalComplianceChecklist.pdf

Search Your Non Profits Name – Are You Current?

https://www.sosnc.gov/online_services/search/by_title/charities

NC Non Profit Forms

https://www.sosnc.gov/forms/by_title/Charities/Charities_Sponsors

NC Non Profit Online Filing

https://www.sosnc.gov/divisions/charities/online_filing