Nonprofits Website and Technical Assistance WorkGroup

Suggested Additions/Changes to Website and Related Matters
September 22, 2010

This group met on September 22 and discussed potential changes to the Secretary of State’s website and related matters. Their suggestions and recommendations are set forth below.

**Addition of Start Button and Checklist to Website.** The group stressed the need to make it easier for prospective nonprofits and charities to determine where to start the process of forming a nonprofit. They also stressed the need for a checklist which would include the steps to form a nonprofit, and to obtain all other federal and state approvals and registrations. This would include information about the IRS tax exemption process, the Tax Commission requirements and the charities laws requirements, among others.

The group suggested this could be accomplished by adding a button on the home page of the Secretary of State’s website that would direct people to the checklist. They also suggested placing this same button on all of the pages where a filer might start looking for assistance. This would include the Business Services Page, the Nonprofit Corporations Page, the Charities Division Page, and possibly others. The idea was that if someone searched “Google” on “how to start a nonprofit or charity in MS” the result would take the person to the right starting point on the SOS website.

The group agreed that the current checklist prepared by the MS Center for Nonprofits with some minor changes and update would be a good checklist use for this purpose.

**Other Recommendations:**

**Duties and Responsibilities.** The group liked the duties and responsibilities document currently on the website, but recommended that it be re-written to be more user friendly and less like a legal document.

**FAQs.** The group also agreed that an expanded Frequently Asked Questions (FAQs) area be added to the site, which would appear on the nonprofit corporation page and the charities page. Tom Riley has sent a request to the group for suggested FAQs to be included.

**Warnings and Disclaimers**

The group recommended that warnings and disclaimers be added to the website and the checklist concerning

**Tax exemption.** Specifically:

- That filing of articles of incorporation with the SOS Office does not grant the nonprofit tax exemption from the IRS or the state tax commission.
- The nonprofit will need to take additional steps to obtain these exemptions
- A warning should also be added that certain specific language must be included in the articles in order to be able to apply for tax exempt status with the IRS
State charities law requirements. Warnings/Content should be added to the website about the need to register as a charity (or obtain exemption) if nonprofit will be acting as a charitable organization/soliciting in the state.

The group discussed whether the warning should include exactly who has to be registered but agreed that including all of this information would be too wordy and cumbersome, since the charities registration laws include so many exemptions and exclusions to registration. They group agreed it should just make the nonprofit aware that it needs to check with the charities division before going further if it will be soliciting in the state. Then the division can let the nonprofit know whether or not it needs to register, request an exemption or if it is excluded from the laws.

Website content for donors and potential donors. The group agreed it would be beneficial to include information on the website which would be helpful to persons who are interested in finding out more about a nonprofit or charity. These people might be interested in making a donation to a particular charity or in volunteering with a potential nonprofit. They recommended that there be information on the website which

- Warns the public that a nonprofit corporation must have tax exempt status from the IRS for donations to be tax-deductible
- Provides information on how public can find out if a nonprofit corporation has obtained tax exempt status
- Warns the public that the nonprofit must be registered with the Charities Division or have obtained an exemption from registration from the Charities Division to legally solicit donations in MS, otherwise they are violating state law
- Provides a link to the Charities Division with instructions on how to search the Charities Division for registered charities

Add links to other helpful websites. The group agreed that it would be beneficial to add links to other websites. The links mentioned were:

- Links helpful to nonprofits or prospective nonprofits
  - the Charities Division
  - the IRS
  - the MS Center for Nonprofits
  - copy of Nonprofit Corporation Act
  - MS State Tax Commission
- Links for the public interested in finding out more about a particular nonprofit or charity
  - Same as above
  - Link to IRS list of tax exempt organizations
  - National organizations that have information on charities

Sample Websites. The group will review other state’s websites content on nonprofits and charities and provide the Policy and Research Division with the names of state website formats and feature that they like.

Members of the Nonprofits Website and Technical Assistance Work Group:
Rep. Brian Aldridge, Mr. Tom Byrne, Ms. Ruth Cook, Ms. Julia Daily, Ms. Jan Eastman, Ms. Kathy French, Mr. Barry Jones, Mr. Mark McCrary, Mr. Jack Turner, Mr. Will Wilkins, and Mr. Eric D. Wooten.