



Charitable Registration In New Jersey

Revised August 2017

1. What Is Charitable Registration?

In New Jersey, as in most other states, charitable solicitation is a regulated activity. In 1994, the New Jersey legislature enacted the Charitable Registration and Investigation Act (CRI Act),¹ which regulates the fundraising activities of most charitable organizations and all independent professional fundraisers, fundraising counsel, commercial co-venturers, and solicitors conducting business within New Jersey. There are also regulations under the CRI Act.²

The CRI Act requires these organizations to register prior to any solicitation and to file annual reports with the **Charities Registration and Investigation Section** of the New Jersey Division of Consumer Affairs.³ The CRI Act is intended to combat fraudulent charitable activities and to collect information on the fundraising activities of charities operating in New Jersey.

Throughout this article, the words “nonprofit,” “charity,” and “charitable organization” are used interchangeably to refer to charitable organizations.

¹ N.J.S.A. 45: 17A-18 *et seq.*, available at www.njconsumeraffairs.gov/Statutes/Charitable-Registration-and-Investigation-Act.pdf.

² N.J.A.C. 13:48 -1 *et seq.*, available at www.njconsumeraffairs.gov/regulations/Chapter-48-Charitable-Fund-Raising.pdf. The regulations contain extensive, detailed definitions in N.J.A.C. 13:48 -1.3 that senior managers of nonprofits should review.

³ The Charities Registration and Investigation Section’s website is at www.njconsumeraffairs.gov/charities/Pages/default.aspx. The Charities Registration and Investigation Section is within the Office of the New Jersey Attorney General.

2. How Does A Charitable Organization Comply With The Charitable Registration Requirement?

To comply with the charitable registration requirement in New Jersey, a charitable organization that engages in fundraising activities that raise more than \$10,000 in gross contributions in the most recent fiscal year or compensates a third party for fundraising services must:

- a. Register with the Charities Registration and Investigation Section prior to engaging in charitable solicitation activities;
- b. File an annual financial report on fundraising activity within six months after the end of its fiscal year;
- c. Place special language on every written solicitation or pledge reminder;
- d. Separately register and report on other solicitation activity, such as sales promotions; and
- e. Enter into written contracts with independent professional fundraisers, fundraising counsel, and commercial co-venturers, and file those contracts with the Charities Registration and Investigation Section (the independent professional fundraisers and fundraising counsel must also file the contracts with the Section).

Registration requires that the charitable organization submit a copy of its Certificate of Incorporation; Bylaws; IRS Form 1023 application, IRS Form 990 filings; tax-exempt determination letter from the IRS; information about trustees; and other financial information, such as a copy of an independent audit or certified financial statements (depending on the gross revenue of the organization).

Educational institutions, libraries, and religious organizations that meet certain requirements, and organizations that have raised no more than \$10,000 in gross contributions in their most recent fiscal year without compensating a third party for fundraising, are exempt from the registration requirement.⁴ However, charitable organizations raising no more than \$10,000 in gross contributions may voluntarily choose to register. If an organization has elected not to register and raises more than \$10,000 in a fiscal year, then it must register within 30 days after exceeding the \$10,000 threshold.

⁴ See N.J.S.A. 45:17A-26, available at www.njconsumeraffairs.gov/Statutes/Charitable-Registration-and-Investigation-Act.pdf; N.J.A.C. 13:48-3.3(a), available at www.njconsumeraffairs.gov/regulations/Chapter-48-Charitable-Fund-Raising.pdf.

Charitable organizations that are newly formed or that have received no more than \$25,000 in gross contributions and whose fundraising is conducted by volunteers or paid staff file the short-form registration statement ([Form CRI-200](#)) initially and annually thereafter.

Organizations with gross contributions exceeding \$25,000 annually, or those using fundraising counsel or independent paid fundraisers, initially register by filing the long-form *initial* registration statement ([Form CRI-150-I](#)). Each year thereafter, they file the long-form *renewal* registration statement ([Form CRI-300R](#)), along with IRS Form 990 for the applicable year.

If an organization is a CRI-300R filer, and has over \$500,000 in gross revenue, it must also submit a certified audit. Additionally, if a charity is engaged in a sales promotion or other activity where the charity receives a percentage of sales, the specifics of this arrangement, known as a commercial co-venture, must also be filed. See Question 5 below.

Pointers:

- a. Every charitable organization that is engaged in "solicitation activity" (fundraising) in New Jersey (other than the excluded nonprofits mentioned above) must register with the Charities Registration and Investigation Section, PRIOR to engaging in solicitation activities.
- b. "Solicitation activity" consists of fundraising special events, letter-writing, phone calls, personal requests to a potential donor for a contribution, websites that ask for donations and permit a donor to pledge or give online, canister or receptacle collections of money or goods for a charity, magazine subscription drives, cookie or merchandise sales where the proceeds go to the charity, written confirmations of verbal pledges, and all-related fundraising activity, such as commercial co-ventures and charitable sales promotions.
- c. New Jersey law imposes penalties on those charitable organizations that fail to register or comply with other provisions of the CRI Act.
- d. In addition to the initial registration procedures, each organization must renew its registration annually. Renewal registrations are due within six months after the close of the organization's fiscal year. Nonprofits may request an extension by filing [Form CRI-400](#). However, registered organizations receiving \$10,000 or less in gross contributions are not eligible for an extension.
- e. Fundraising counsel (defined as any person, including any assignee, subcontractors, independent contractor, or successor in interest, retained for a fixed fee to plan, manage, or advise a charitable organization with respect to solicitation activity) and independent paid fundraisers (defined as any person, including any assignee, subcontractors, independent contractor, or successor in

interest, who, for compensation, performs any service in connection with which contributions are, or will be, solicited in New Jersey) are also required to register. Nonprofits employing professional fundraisers and independent paid fundraisers should check to make sure that these third parties are registered because the charity will be held responsible, and penalties may be imposed, if the third parties and, in some instances, their individual employees fail to register.

3. Are Any Charitable Organizations Exempt From The Registration Requirements?

Yes. See the response to Question 2 above.

4. Where Do We Register?

Initial and renewal registrations were to be filed exclusively online as of January 1, 2017. However, technical issues have prevented full implementation of electronic filing.

The Charities Registration and Investigation Section requests that charitable organizations first attempt to file their initial and renewal registrations online. If an organization experiences difficulties with the online filing, then it should file the registration via mail, using the forms that can be downloaded from the Section's website at www.njconsumeraffairs.gov/charities/Pages/charities-registration-forms.aspx. Charities should check the Section's web page for updates on when online filing will be the exclusive method for the filing of initial and renewal registrations.

Online filing can be completed via the link at www.njconsumeraffairs.gov/charities/Pages/charities-registration-information.aspx.

For mailing, completed forms can be sent with the appropriate filing fee to:

New Jersey Division of Consumer Affairs
Charities Registration and Investigation Section
P.O. Box 45021
Newark, NJ 07101

Please note that requests for extensions of time for filing annual charity renewal registration statements and financial reports for charitable organizations must be submitted by mail, using [Form CRI-400](#). Electronic filing of extension requests is not currently permitted.

If you have any questions, call the Charities Registration and Investigation Section's office at (973) 504-6215.

5. Are There Other Special Registration Requirements?

Yes. In particular:

- a. ***Contracts with fundraising counsel or independent paid fundraisers must be filed with the Charities Registration and Investigation Section.*** Two authorized officers of the nonprofit (one of whom must be a board member) and the authorized contracting party of the fundraising counsel or independent paid fundraiser must sign the contract. The filing is due at least 10 days prior to the performance of any service by the fundraising counsel or independent paid fundraiser, who is responsible for filing the contract with the Charities Registration and Investigation Section. By regulation, the nonprofit is also required to file a copy of the contract; the nonprofit cannot delegate this filing obligation to the other party to the contract. From time to time, the Charities Registration and Investigation Section will refuse to accept the contract because of some deficiency. In that case, the charity and fundraiser have 10 days to satisfy the requirements or request a hearing. There is a \$30 fee for filing these contracts.⁵

- b. ***Contracts for "cause-related marketing" or "charitable sales promotions" or any arrangement that results in a charity receiving a percentage of sales, must be filed with the Charities Registration and Investigation Section.*** Under the CRI Act, when individuals or corporations (for-profit or nonprofit) advertise that the purchase of goods or the use of their service will benefit a particular charity, this is known as a commercial co-venture. The CRI Act requires charities that are involved in a commercial co-venture to file with Charities Registration and Investigation Section the written agreements they have with other parties 10 days prior to the initiation of the sales promotion (defined as an advertising campaign that represents that the purchase of goods or use of services will benefit a charity). There is a \$30 fee for filing these contracts.⁶

At the conclusion of the sales promotion, the charity must report to the Charities Registration and Investigation Section the gross amount of income/sales received by the commercial co-venturer and the percentage provided to the

⁵ For the latest filing fees, see N.J.A.C. 13:48-2.1, at www.njconsumeraffairs.gov/regulations/Chapter-48-Charitable-Fund-Raising.pdf, or www.njconsumeraffairs.gov/charities/Pages/paid-fund-raisers-registration-information.aspx.

⁶ For the latest filing fees, see N.J.A.C. 13:48-2.1, at www.njconsumeraffairs.gov/regulations/Chapter-48-Charitable-Fund-Raising.pdf, or www.njconsumeraffairs.gov/charities/Pages/charities-registration-information.aspx.

charity. This report is filed using [Form CCO-500](#) (Report of Charitable Sales Promotion). There is a \$10 fee for filing these reports.⁷

6. Does It Cost Anything To Register And Renew?

Yes. The amount of the filing fee will depend upon the level of gross contributions received. As of June 30, 2017,⁸ the filing fees are:

CRI-200 Short Form Filers	Filing Fee
Raising between \$0 and \$25,000	\$30

CRI-150I and CRI-300R Long Form Filers	Filing Fee
Raising between \$25,001 and \$100,000	\$60
Raising between \$100,001 and \$500,000	\$150
Raising more than \$500,000	\$250

In addition, a \$25 late fee must accompany any late filing.

7. Are We Required To Include Any Language On Our Written Solicitations And Donation Confirmations?

Yes. The following language is required to be conspicuously printed on every printed solicitation, written confirmation, receipt, or written reminder of a contribution or pledge that is issued by a charitable organization, independent paid fundraiser, or solicitor concerning a solicitation or contribution on behalf of a charitable organization that is registered pursuant to the CRI Act:

INFORMATION FILED WITH THE ATTORNEY GENERAL CONCERNING THIS CHARITABLE SOLICITATION AND THE PERCENTAGE OF CONTRIBUTIONS RECEIVED BY THE CHARITY DURING THE LAST REPORTING PERIOD THAT WERE DEDICATED TO THE CHARITABLE PURPOSE MAY BE OBTAINED FROM THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY BY CALLING (973) 504-6215 AND IS AVAILABLE ON THE INTERNET AT <http://www.state.nj.us/lps/ca/charfrm.htm>. REGISTRATION WITH THE ATTORNEY GENERAL DOES NOT IMPLY ENDORSEMENT.

⁷ For the latest filing fees, see N.J.A.C. 13:48-2.1, at www.njconsumeraffairs.gov/regulations/Chapter-48-Charitable-Fund-Raising.pdf, or www.njconsumeraffairs.gov/charities/Pages/charities-registration-information.aspx.

⁸ For the latest filing fees, see N.J.A.C. 13:48-2.1, at www.njconsumeraffairs.gov/regulations/Chapter-48-Charitable-Fund-Raising.pdf, or www.njconsumeraffairs.gov/charities/Pages/charities-registration-information.aspx.

Note that the URL <http://www.state.nj.us/lps/ca/charfrm.htm> no longer works. At the revised website of the Charities Registration and Investigation Section, the replacement URL appears to be www.njconsumeraffairs.gov/charities/Pages/charities-registration-information.aspx.

8. When Should New Charitable Organizations Register?

If your organization is in the process of forming and you expect gross contributions in excess of \$10,000, you should register with the Charities Registration and Investigation Section soon after your Certificate of Incorporation is filed with the New Jersey Division of Revenue so that the organization is permitted to engage in fundraising activities. At this stage, it may be appropriate to complete the financial information section of the initial registration form by inserting "zeros" into the appropriate blanks on the form, because the organization is so new that it has not yet engaged in any of the financial activity requested on the form.

9. We Timely Filed Our Annual Renewal Registration With The Charities Registration And Investigation Section But Our Nonprofit Doesn't Appear In The *Directory of Registered Charities*. Why Is That?

There could be numerous reasons for a nonprofit not appearing in the *Directory of Registered Charities*, such as a paperwork backlog at the Charities Registration and Investigation Section or the failure to include a check with the required filing fee. If your nonprofit is missing from the *Directory*, you should call the Section and ask for an explanation. If a representative of the Section advises that your nonprofit is in compliance, you can request that the Section send the nonprofit a "Letter of Compliance," which will expressly state that the nonprofit is currently registered with the Section and in compliance with the CRI Act. These letters are usually sent out very quickly.

To search to see if your nonprofit is listed as registered with the Section, go to <https://njconsumeraffairs.state.nj.us/public-charity-search-results>.

10. What Do The Terms In The Financial Information Section Of The Registration Form Mean?

Charities filling out the financial information section of the New Jersey charitable registration forms should understand the following defined terms:⁹

⁹ These definitions are adapted from www.njconsumeraffairs.gov/charities/Pages/FAQ.aspx.

Direct Public Contributions: Funds that are received by the charity directly from donors, either in person or by mail.

Indirect Public Contributions: Funds that are received by the charity but were solicited on its behalf by another charity (e.g., United Way contributions).

Gross Contributions: The total of direct public contributions and indirect public contributions.¹⁰

Government Grants: Funds received by the charity that were issued by a municipal, county, state, or federal government.

Other Support: Funds received by the charity that come from sources of revenue other than those defined above.

Total Gross Revenue: The total of gross contributions, government grants, and any other support.

Program Expenses: The dollars spent on the activities or programs for which the charity was founded.

Management Expenses: The dollars spent on running the charitable organization (e.g., salaries, office expenses, etc.)

Fundraising Expenses: The dollars spent on raising money to enable the charity to continue to exist.

Payments to Affiliates: The dollars spent by national charities to the local or state chapter, or dues paid by a local chapter to a state or national office.

Total Expenses: The sum of the expense categories.

11. What Do We Need To Do If Our Charitable Organization Is Fundraising In Multiple States?

Charitable organizations conducting solicitation activity in several states need to register in those states that require registration. Many states (including New Jersey) accept a

¹⁰ Note that N.J.A.C. 13:48-1.3, at www.njconsumeraffairs.gov/regulations/Chapter-48-Charitable-Fund-Raising.pdf, defines “gross contributions” as “the total amount of contributions received **nationwide** by a charitable organization before any deductions for expenses of collection or for overhead or for compensation for any services such as the services provided by a fund raising counsel or an independent paid fund raiser.” (Emphasis added.)

common initial registration form, the "Unified Registration Statement." Instructions and a downloadable version of the form may be found at www.multistatefiling.org.

The Lowenstein Sandler law firm prepared a *Summary Survey of State Charity Registration Requirements* for Pro Bono Partnership. The *Summary Survey* is at www.probonopartner.org/publications/summary-survey-state-charity-registration-requirements.

If your organization solicits contributions over the internet and either (a) actively seeks internet contributions from donors in other states or (b) does not actively seek internet contributions from donors in other states but thereafter seeks contributions from past out-of-state internet donors, then it may have to register in those other states if those states require registration. To read more about this, see the National Association of Attorneys General/National Association of State Charity Officials' *The Charleston Principles: Guidelines on Charitable Solicitations Using the Internet*, available at www.nasconet.org/wp-content/uploads/2011/05/Charleston-Principles-Final.pdf.

12. With Respect To Our Fundraising Activities, Are There Other New Jersey Agencies We Need To Register With?

Yes. If your nonprofit is going to conduct games of chance, such as raffles and bingo, then it will need to (a) register with the **Legalized Games of Chance Control Commission** of the New Jersey Division of Consumer Affairs and (b) obtain a license from each municipality where the games will be conducted. The nonprofit must renew its registration [biennially](#) thereafter and must file [reports of operations](#) by no later than the 15th day of the calendar month following the month in which a game of chance was conducted, except that reports relating to special door raffles need to be filed annually.

To learn more about these requirements, visit the Legalized Games of Chance Control Commission website, at www.njconsumeraffairs.gov/lgccc/Pages/default.aspx.

If your nonprofit is going to place, use, or employ donation clothing bins for solicitation purposes, then it must obtain a permit from each municipality in which a bin will be located. A copy of New Jersey's clothing bin solicitation law is available at www.njleg.state.nj.us/2006/Bills/PL07/209_.PDF.

Conclusion

For more information on charitable registration in New Jersey, visit the website of the Charities Registration and Investigation Section, at www.njconsumeraffairs.gov/charities/Pages/default.aspx.

You may also call the New Jersey office of Pro Bono Partnership, at (973) 240-6955.

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