Pennsylvania Association of Nonprofit Organizations

Advocacy 101: What 501(c)(3)s CAN Do:

Facilitators:
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Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it's the only thing that ever has.

--Margaret Mead

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Today's Conversation

- ❑Advocacy vs. Lobbying
- ❑What 501 (c)(3)s CAN Do
- ❑ Advocacy Program Structure – Getting Started
- ❑Lobbying Basics
- ❑Making Your Case for Elected Officials
- ❑Building Advocacy Coalitions – incl. Those Served
- ❑Tracking Lobbying Expenses

Various Types of Advocacy

Broadly, advocacy is the “active support [for] a cause, idea, or policy.” –American Heritage Dictionary

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Importance of *Lobbying*

Many nonprofits are created to address inequities in polices and the programs resulting from those policies.

Yet too many executives and board members mistakenly assume that it is illegal for nonprofits to lobby.

In fact, <3% of nonprofits lobby to advance their missions - compared to the 100% that have the legal right to do so. - National Council of Nonprofits, Nonprofits Matter, 2019

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LOBBYING

Direct communication with a defined group of federal/state officials for the purpose of influencing legislation or regulatory action.

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What does it mean to influence legislation?

- Take a position.
- Communicate with lawmakers.
- Tell the public how to vote on a particular bill/issue - including the state and federal budget bill.
- Urge your members to vote for certain candidates.

Excluded from the Lobbying Definition

- Providing research & education.
- Responding to requests.
- Issues affecting exemption status (e.g., defending yourself as an exempt organization).
- Seeking a grant.
- Testifying before a committee.
- Inviting elected officials to events.
- Adding elected officials to your mailing lists.

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What Does "Nonpartisan" Mean...

...in these days when everything can be framed as being "political"?

Organizations need to ensure that all participation in community affairs is strictly nonpartisan.

Examples:

- Candidate forums must allow for equal time for each candidate running for office.
- Nonprofits should *not* display signage for candidates.
- Nonprofit employees should *not* wear a candidate button while at work or wear their nonprofit shirt while knocking on doors for a candidate or party.

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What Does “Nonpartisan” Mean…

…in these days when everything can be framed as being “political”?

If organization has determined that your selected issue is a basic human right or mission-critical, then consider including something like the following in your messaging:

We recognize that everything is now seen through a political lens. We do not believe this is political, but rather:

- [An unalienable right for every human].
- [An encouragement for everyone to fully participate in our democratic system.]

What 501 (c)(3)s CAN Do

1. Build relationships with local, state, and federal representatives year-round – not just when you need something.

2. Promote voter registration – among clients, staff & volunteers.

   Caveat: Don't meet with candidates in their campaign headquarters.

3. Create, distribute, and publish a candidate questionnaire around issues that matter to your mission.

4. Host a candidate forum.

   This is permissible if you follow one simple rule: invite ALL candidates to the forum. Even if all do not show up, ensure you have given equal opportunity for engagement.

5. Educate your constituents about the voting process – for every election – not just the big ones.

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What 501 (c)(3)s CAN Do

6. Distribute nonpartisan voter guides.
7. Host a community conversation about a ballot measure.

   Unlike distributing information promoting/opposing specific candidates, nonprofits may take sides on ballot measure. IRS rules treat this like a lobbying activity – not an endorsement of candidates.

8. Give staff Paid Time Off to vote.
9. Transport clients, staff, and volunteers to the polls.
10. Continue issue advocacy during an election.

Advocacy Program Structure – Getting Started

- Get board buy-in and support – and make sure those involved understand lobbying basics.

- Develop a policy for public policy to provide high level guidance for *proactively* setting priorities and for determining the types of issues to which you will *reactively* respond.

- Consider creating a Public Policy Committee, including staff, board members, and volunteers.
  - Create a committee job description.

- Determine 1-3 issues to prioritize annually.
  - Determine availability and capacity when identifying priorities, along with who else might be focused on the same issues.

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Advocacy Program Structure – Made Easy

See PANO's Advocacy 101 Toolkit

Includes:

- ❑ Example Public Policy Committee Description.
- ❑ Example Policy on Public Policy

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Lobbying Basics

How a Bill Gets Passed

1. A member of either the Senate or the House introduces a bill to other members of their chamber.
2. That bill must be passed by a majority of the members of their chamber (Senate or House).
3. The bill then goes to the other chamber and must be passed by a majority of members in that chamber. That chamber has the option of making recommended amendments.
4. If the bill has added amendments, it goes back to the original chamber, and must be passed with the amendments.
5. Once the bill passes by majority in both chambers, it goes to the President or Governor.
6. The President or Governor can veto the bill or sign it. If signed, the bill then becomes law.

Lobbying Basics

Legislative Sessions

At both the federal and the state level, Legislative Sessions are two (2) years in length.

1. Bills must go through the entire of cycle within the session in which they are introduced.
2. If they are not passed into law within that session, they need to be reintroduced in the new session, and start the cycle from the beginning.

The 2025 - 2026 legislative session started January 2025.
This session runs through the end of 2026.

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Lobbying Basics

Term Length by Position

Federal: Members of Congress

- Senators = Staggered six (6) year terms (*1/3 of the Senate every 2 years*)
- House Members = Two (2) year Terms

State: Pennsylvania's General Assembly

- Senators = Four (4) year terms (*1/2 of the state Senate every 2 years*)
- House Members = Two (2) year terms

Local: County Commissioners

- Four (4) year terms
- Counties with Home Rule may also have an elected County Executive.

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Lobbying Basics

Elected Officials at Each Government Level

Federal: Total Members of Congress

- Senators = 100
- House Members = 435

Federal: Pennsylvania Members of Congress

- Senators = 2
- House Members = 17

State: Pennsylvania's General Assembly

- Senators = 50
- House Members = 203

Local: County Commissioners

- Most counties have 3 county commissioners; those with Home Rule may have more

Lobbying Basics

Where to Find Your Elected Officials

Federal: Pennsylvania Members of Congress

- Website: https://www.govtrack.us/congress/members
- Search by your address to find senators and house members
- Senators serve the entire state; house members represent their districts

State: Members of Pennsylvania's General Assembly

- Website: https://www.legis.state.pa.us/cfdocs/legis/home/findyourlegislator/
- Search by your address or county to find your state senator and house member

Local: County Commissioners, Mayor, City Council Members

- Website: PA Dep. Of Community & Economic Development/Municipal Statistics
- Search by county/city to find contact information for both elected officials and administrators

Making Your Case for Elected Officials - *In Real Time*

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Advocacy ABCs

A. Collect the data about *your* issue – the information needed to make your case.
B. Identify others (individuals and groups) with whom you might collaborate to amplify your message.
C. Research the elected official – with whom you are meeting. (It's all about relationships!)
D. Prepare your pitch – narrow this down to 3 bullet points.
E. Determine the data points to be included in the 1-pager you leave behind when in the meeting.
F. Schedule and attend the meeting. (Plan for 20 minutes max!)
G. Follow-Up: With a thank-you email highlighting actions you want from them, attaching your 1-pages, and sending along any other follow-up information they requested.
H. Ask to share a photo with you took with them on your social media – thanking them for their time.

Collect the Data

Helpful Data Sources

- U.S. Census Bureau (by County and down to census tract)
- PANO's 2025 Economic Impact of Pennsylvania's Nonprofit Report –
  - The Pittsburgh Foundation's Economic Impact of Nonprofits in Southwestern Pennsylvania Dashboard.
- PA Department of Health Statistics:
  - ❑Behavioral Risk Statistics
  - ❑PA County Profiles
- PA Department of Education: Data and Reporting (e.g., graduation rates)
- United Way of Pennsylvania – ALICE *(Asset Limited, Income Constrained Employed)*
- U.S. Bureau of Labor Statistics

Research Your Elected Official

...because...it's all about relationships!

- ❑Meet your elected officials BEFORE you need something (and need to parachute in).
- ❑It matters less that you "get" something and more that you have established rapport.
  - ❑What town do they live in?
  - ❑What committees do they serve on?
  - ❑Do they have any experience with nonprofits?
  - ❑Do they have experience working with the population you serve?
  - ❑**Identify shared values, enter with curiosity, and practice empathy.**
  - ✓ When you think about your community, what values do you hold most dear?
  - ✓ When you think about your elected official, what values do you think he/she holds dear?

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Researching Elected Officials – Made Easy

See PANO's Advocacy 101 Toolkit

Includes 1-pagers:

- ❑ For every member of Pennsylvania's General Assembly and every member of Congress by district and by county.
- ❑ That contain the # of nonprofits by district, the number of people employed by those nonprofits and the number of people served by those nonprofits.

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Prepare Your Pitch

Nonprofits partner with government to provide the services that the government is mandated to provide.

And we usually do so more efficiently and effectively than the bureaucracy of government is equipped to do.

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The Role of Nonprofits in Southwestern Pennsylvania

4,720 nonprofits actively work to benefit neighborhoods in Pennsylvania.

Providing services to more than one-third - or over 1.4 Million of the region’s residents.

Employing 176,500 individuals or 17.5% of the region’s workforce.

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The Role of Nonprofits in Pennsylvania

More than 49,000 501 (c)(3) nonprofits actively work to benefit neighborhoods in Pennsylvania.

Providing services to more than one-third - or over 4.2 Million Pennsylvania residents.

Employing more than 817,300 individuals or 15.7% of the Commonwealth's workforce

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Schedule & Attend the Meeting

- ❑ Introduce yourself AND your organization properly.
- ❑ Briefly ask about them—pulling out relevant items from your research.
- ❑ Don't be shy about your ask – lead with it.
- ❑ Share your story—the WHY and the impact on their issues/concerns.
- ❑ Be flexible with time and who you meet with.
- ❑ Thank them for the meeting.

Don't Forget to Follow-Up

- *Follow-Up: With a thank-you, your 1-pager, and any information they may have requested.*
- *Ask if a photo is appropriate to share out on your social media; ask if there is time for photo with the legislator.*

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Building Advocacy Coalitions

#s Matter!

- ❑ Link arms with other organizations arms to amplify your own voice, and to demonstrate that we are not interested in playing hunger games with each other.
- ❑ Use the data about all nonprofits in Pennsylvania: nearly 49,000, who employ 15.7% of Pennsylvania's workforce - over 817,000 individuals.
- ❑ Give and take a little to get to a common message; talk about how your causes intersect w. each other (vs. competing)
- ❑ Sharing the work reduces the work (most of the time).

What is the one thing that that 501(c)(3)s are expressly prohibited from doing?

- ❑ Testifying before a legislative committee.
- ❑ Holding a candidate forum.
- ❑ Providing nonpartisan voter guides.
- ❑ Campaigning/endorsing a candidate or party (i.e., “electioneering.”)
- ❑ Lobbying for a mission-related issue.

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Individual Political Activities

- ❑ Contributions
- ❑ Volunteering
- ❑ Letters of Support

- *Can be done as an individual in <u>all</u> cases.*
- *Considerations - How public is your role?*
  - *Example: If you are an Executive Director/CEO, your role/position can easily be misunderstood.*
- *Consider an internal policy related to individual political activity and guidelines for their individual social media accounts.*

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Don’t Forget to Track Your Lobbying Expenses

501 (c)(3)s Do Have Limits; We Must Track Lobbying Expenses

Expenses can include, but are not limited to, the following:

1. Internal employee time spent on lobbying (e.g., salaries, taxes, fringe benefits, overhead costs)
2. Volunteer time (e.g., only the time spent on direct lobbying)
3. Direct expenses (e.g., consultants, publications, research tools, travel, meals)

Lobbying Definitions

FEDERAL	Contact…	With the Public Legislators or staff of legislators…	To influence specific legislation.
STATE	Contact…	With the public, legislators, staff of legislators or any member of state government.	To influence legislative or administrative action.

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Tracking Lobbying Expenses – Pennsylvania

LOBBYING CONTACTS:

- Any communication for the purpose of influencing state legislative action or administrative action.

LOBBYING ACTIVITIES:

- Any preparation, planning or research for a lobbying contact.

State & Federal Lobbying Registration Requirements

State Registration Requirements (PA) – w. the Dept of State

- Total lobbying expenses exceed $3,000 in any reporting period (quarterly), or
- An individual who spends 20 hours or more during any reporting period lobbying (quarterly)

Federal Registration Requirements

- One employee who spends 20% of his/her time on lobbying at the federal level using the Lobbying disclosure act definition of lobbying and
- Has one federal lobbying contact

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How much federal level lobbying can you do as a 501(c)(3)?

The Expenditure Test

- 501(c)(3) nonprofits who file their lobbying election may spend **20% of the first $500,000** of their annual expenditures on lobbying ($100,000), 15% of the next $500,000, and so on…
- Up to $1 million a year! (of which grassroots cannot exceed 25% or $250,000)

Tip: Eligible organizations should consider filing IRS Form 5768 – Election 501(h).

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Advocacy Program Structure – Made Easy

See PANO's Advocacy 101 Toolkit

Includes:

- ❑ Lobbying Expense Tracker Template

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THE LAW: WON'T WE LOSE OUR NONPROFIT STATUS?

"SUBSTANTIAL PART" – EXPENDITURE TEST – 20% of expenditures

EXAMPLE: A community foundation has annual expenses of $1,000,000. The CEO wants to make a trip to Harrisburg to lobby for more funding for mental health. Considering the expenditure test, will this trip jeopardize the organization's 501c3 status with the IRS?

Personnel Salary	$100K per year	48.08/hr. X 12 hrs.	$576.96
Trip to Harrisburg	Miles, hotel, food	$200, $350, $100	$650.00
Office Expenses	Printed Materials	$125	$125.00
		TOTAL:	$1,351.96

SUBSTANTIAL PART TEST = 5% of annual expenditures

20% of $1,000,000 = $200,000

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Did We Meet Today's Goals?

- ❑Advocacy vs. Lobbying
- ❑What 501 (c)(3)s CAN Do
- ❑ Advocacy Program Structure – Getting Started
- ❑Lobbying Basics
- ❑Making Your Case for Elected Officials
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AND…just consider what we could collectively do in Pennsylvania IF…

The **817,000** individuals working for nonprofits + their board members would rally together to:

- ❑ All meet with their local and state elected officials?
- ❑ Tell the collective story of how we benefit our communities – while also supporting the Commonwealth's economy?

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Small Dollars, Big Impact

Launching a Recurring Donor Program on a Shoestring

Just in Time for Giving Tuesday

My Relevant Credentials and Positioning

Me

- State Certified Development Consultant (Growth Factor, LLC)
- Over 20 years of experience helping nonprofits across the United States and internationally build sustainable funding models
- Over 15 years of work with Western PA nonprofits serving local communities and those with missions reaching nationally or globally, empowering organizations to maximize impact with limited resources

I am going to Share

- proven, actionable strategies for launching a recurring donor program that turns modest gifts into long-term stability

Stressful, many would say unprecedented Times, but We Have an opportunity

- Giving Tuesday (Dec 2 this year) is our GIFT

Joy Braunstein
724-554-4157
joy.braunstein@growth-factor.net

Level Setting

- How many of you are feeling the weight of rising costs and shrinking budgets this year in Western PA?
- Who here has a recurring donor program already in place?
- How many see Giving Tuesday as a key moment to rally donors for your Western PA nonprofit, whether your mission is local or reaches further?
- True or False: Nonprofits cannot operate without money?

Take 1 minute to turn to a neighbor and share one question or challenge you face in starting a recurring donor program, especially in today’s unprecedented times.

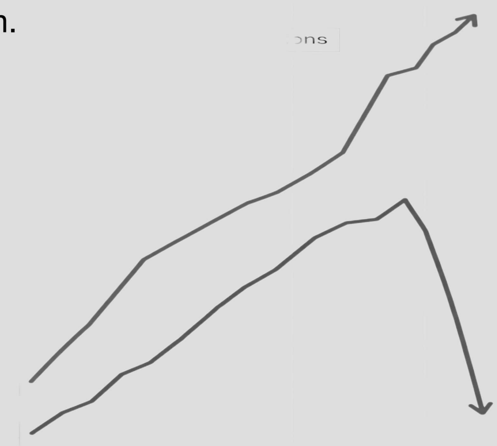
- What do you want addressed?

Session Summary

- What We Are Covering
  - How to turn small gifts into a sustainable funding stream by launching a recurring donor program on a shoestring budget, perfectly timed for Giving Tuesday (December 2, 2025).
  - These strategies are tailored for Western PA nonprofits, including those with missions extending nationally or globally.

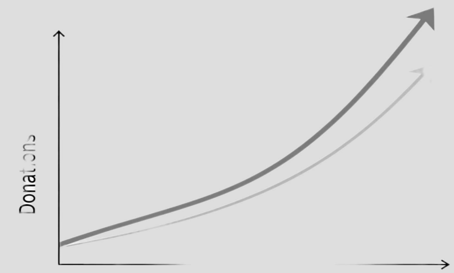
- Why It Matters
  - Nonprofits nationwide report rising costs and funding shortages, with 47% of U.S. organizations lacking funds to deliver programs in 2025
  - In Western PA, national and global challenges like government funding cuts and economic pressures are creating local crises, amplifying the need for stable funding.

- Key Deliverables
  1. A Giving Tuesday launch plan for your recurring donor program.
  2. An appeal template highlighting monthly giving.
  3. An ethical checklist to build trust and loyalty.



Fundraising Urgency - Controlling Your Narrative

- Acknowledge External Challenges - but don't let them define you:
    - Soaring costs, stagnant funding, and increased demand.
    - National/global issues creating local crises.
    - Government budget cuts; many nonprofits lost funding in 2025.
    - Foundations have narrowed their giving parameters.
    - Financial insecurity is widespread, risking donor burnout ("Compassion Fatigue").



- Change the Narrative To Giving Tuesday - focus on making it possible to make a difference:
    - Millions of people will give and that can help to build sustainable funding.
    - Just capture attention, secure small donations, and convert one-time gifts into recurring support.
    - Recurring donors are a lifeline: consistent, small gifts provide stability and predictability.
    - This initiative is achievable with minimal cost and effort.
    - More people can afford a small, monthly, gift than a one-time larger one
    - People want to be philanthropic - It is part of the makeup of Pittsburgh's culture

Building Your Recurring Donor Program - Why it Matters

- Why Recurring Donors Matter
  - Benefits
    - Stabilize budgets with predictable monthly/quarterly revenue, critical in volatile economic climates.
    - Build donor loyalty in Western PA communities and beyond, reducing churn.
    - Reduce fundraising stress, allowing focus on programs—whether serving local families or global causes.
  - Data Point
    - 100 donors giving $5/mo = $6,000/year
    - 50 donors giving $10/month = $6,000/year
    - 25 donors giving $25/month = $7,500/year
  - Donor Loyalty
    - Well Cared For recurring donors may incrementally increase gifts
    - Less likely to stop donating than 1-time donors

- Check-In
  - Would predictable funding help you plan and lead with confidence

Building Your Recurring Donor Program
Why Giving Tuesday is the Ideal Launch Pad

- Community Momentum
  - Giving Tuesday's appeal creates urgency and community in Western PA
  - Amplified for nonprofits with national or global missions.

- It's not a "zero-sum game" but a chance to channel heightened generosity into lasting commitments

- It Works for Any Mission

- Traditionally the end of calendar year holidays inspire great generosity
  - Thanksgiving
  - X-Mas
  - Tax Year

- Example:
  - Imagine saying, 'Join our $10/month Impact Circle this Giving Tuesday to provide meals for 5 families in Western PA'
  - or, 'Support clean water for 10 families abroad'
  - Or, 'Buy supplies for an after school program for 20 kids'

How to Set Up a Recurring Donor Program on a Shoestring

Actionable Steps (Local & Scalable)

I. Update Donation Form
   A. Add a “Make this a monthly gift” toggle using affordable platforms
II. Define Accessible Gift Tiers: Suggest $5, $10, $25, $50/month to suit diverse donor bases
III. Segment Appeals To Target - with tailored messaging around the same broader mission
   A. New donors
   B. Volunteer
   C. Existing one-time donors
   D. Beneficiaries in Western PA

Tool Tip: Use free/low-cost tools for outreach, adaptable for national/global audiences and scalable as you grow

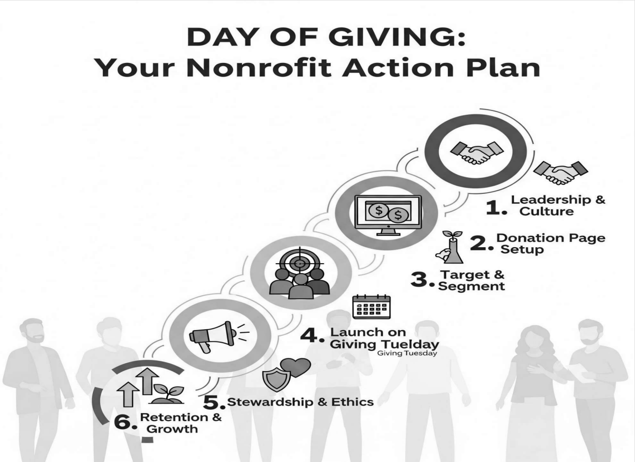
Quick Win: Make monthly giving the default option to boost uptake

Ethical Best Practices

- Build Trust Locally & Beyond
  - Use inclusive language: “Join our Steady Supporters Circle” or “Be a Sustaining Partner.”
  - Show impact transparently: “Your $10/month provides 50 meals in Western PA” or “supports 10 students globally.”
  - Ensure flexibility: Provide clear, accessible ways to adjust/cancel gifts, respecting donor autonomy.

- Refer to “*Ethically Stewarding Monthly Donors – An Expanded Checklist*”

Giving Tuesday Execution Tips



- ❖ Get Your “Action Plan” Down
  - ➢ 6 Easy Steps
- ❖ Write Your Theme then Communicate Early, Often, and Proudly
  - ➢ Start now and continue through Giving Tuesday
- ❖ Spotlight Monthly Giving
  - ➢ Messaging: “Start today, sustain our mission monthly!” (adapt for your organization).
    - ■ Mini-Goal: “If 50 people commit to $10/month, we can fund X ”
- ❖ Matching Gifts
  - ➢ Secure a board or corporate match to amplify first-month gifts, appealing to local and mission-driven donors
- ❖ Social Proof
  - ➢ Share updates like “25 people in Western PA joined our Steady Supporters Circle today!”
- ❖ Channels
  - ➢ Use email, social media, and local platforms to maximize reach in Western PA and beyond

Retention & Growth on a Budget

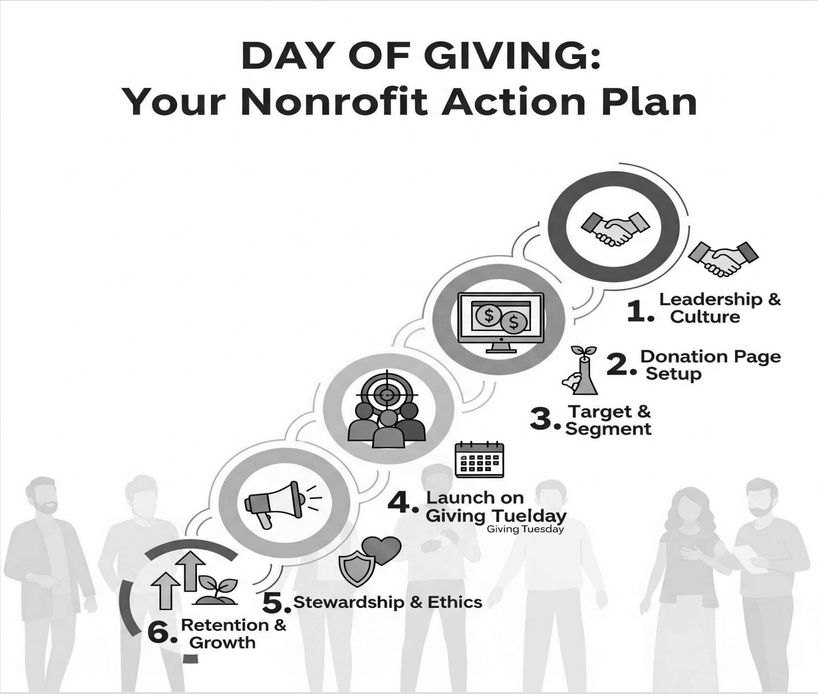
- Post-Giving Tuesday
  - Send welcome emails within 48 hours
  - Leverage holiday thank-you messaging to build community, tailored to local or cultural contexts
  - Share quarterly impact updates: “Your $10/month helped 120 families in Western PA” or “supported 50 students globally.”
  - Invite gentle upgrades next giving season

- Mindset Shift
  - Treat donors as partners in your mission
  - Not just funding sources

Review of Action Plan

Step-by-step guide To Launch

1. Secure leadership buy-in and match funds (local or mission-aligned sponsors).
2. Update donation page with monthly option, compatible with local and global payment systems.
3. Segment and target donors in Western PA and beyond.
4. Launch on Giving Tuesday with clear, mission-relevant messaging.
   a. Pre-Launch includes messages to inspire early donations
5. Thank donors and provide impact updates for local or broader impact.
6. Track metrics (monthly recurring revenue, churn) and plan upgrades.



Writing A Good Appeal

1. **Compelling** subject line / opening and a **Personalized** greeting
2. **Donor-centered** language (“you”)
3. **Urgency** and context with **Clear** statement of mission/need
4. Story or **emotional connection** that highlights Benefits and impact of giving
5. Specific **call to action** / ask with **Easy giving** options / links / remittance device
6. **Tiered** giving levels (if relevant) and Flexibility and transparency
7. Gratitude and **humbleness**
8. Postscript (**P.S.**)
9. Design/**readability** considerations
10. **Segmentation**/targeting

Wrap Up

- ❏ Quick Activity: Take 30 seconds to jot down one step you'll take this week to prep for your Giving Tuesday recurring donor launch
- ❏ Revisiting Opening Questions: Are Any Burning
- ❏ Call to Action: "In these unprecedented times, small dollars can create big impact. Let's use Giving Tuesday to build a community of recurring donors for your nonprofit!"
- ❏ Open Q&A
- ❏ Remember: "When global and national challenges feel like local crises, recurring donor programs turn small gifts into lasting stability. You have the tools to start now.
- ❏ Use the Tools You Have and Contact If You Need Help

Thank You Rep Salisbury for making this happen, and all of the Speakers Today for Giving This Gift To You

Bureau of Corporations and Charitable Organizations – Nonprofit and Charity Registration

Ashleigh Hamman
and
Phyllis Williams

Overview

- Non-Profits VS 501(c)(3) VS Charities
- What ‘s needed to file for a Nonprofit Corporation
- How to File an Annual Report
- How to file for a Charitable Organization Registration
- What is the different between Professional Solicitors and Professional Fundraising Counsel.
- What is needed to file for a Professional Solicitor
- What is needed to file for a Professional Fundraising Counsel
- Efforts to stop Charities Fraud
- Question and Answer Session

Nonprofit vs. 501(c)(3) vs Charity

- Nonprofit status relates to the type of entity when it is organized and operating in a state and whether it operates to make money for its members/shareholders. Nonprofit status is a matter of state law.
- 501(c)(3) status (also known as tax-exempt status) is exemption from federal income tax per the Internal Revenue Code Section of the same name. Tax-exempt status is a matter of federal law.
- Charitable organizations under this Act are typically non-profit corporations that have tax-exempt status, but the definition of charitable organization under state law includes “any person who is or holds himself out to be established for any charitable purpose or any person who in any manner employs a charitable appeal as the basis of any solicitation or an appeal which has a tendency to suggest there is a charitable purpose to any solicitation.”
- A for-profit entity that has a charitable appeal and is asking Pennsylvanians for contributions for the cause, they too are considered a charitable organization under this law.

How to file for a Charitable Organization Registration

- Log into Business Filing Services System: https://file.dos.pa.gov/
- Click on initial forms
- File the Articles of Incorporation- Nonprofit
- Enter the mandatory information
- Review and submit
- Submit payment
- Once submitted you can find the filing and track the progress in your My Work Queue Tab.
- Once approved, you can download the form, receipt, and Happy Letter from the MY Work Queue tab.

Permissible Attachments for Nonprofit Registrations

Note:

Internal association documents such as bylaws are not filed with the Department of State.

Officers are not permitted on the application or the attachment. You can update the officers by filing the Annual Report. If this is a **new business**, an **Annual Report will not be available**. Please wait till January of the next calendar year to file the Annual report.

Directors can be listed on the attachment to the Articles of Incorporation.

You may add any dissolution provisions clearly labeled as part of the Articles of Incorporation Nonprofit.

501(c)3 dissolution provisions must be stated in the Articles of Incorporation or attached as an Exhibit A.

Please see the IRS website for required provisions https://www.irs.gov/charities-non-profits/applying-for-tax-exempt-status.

How to file an Annual Report

What Needs To Be Filed?

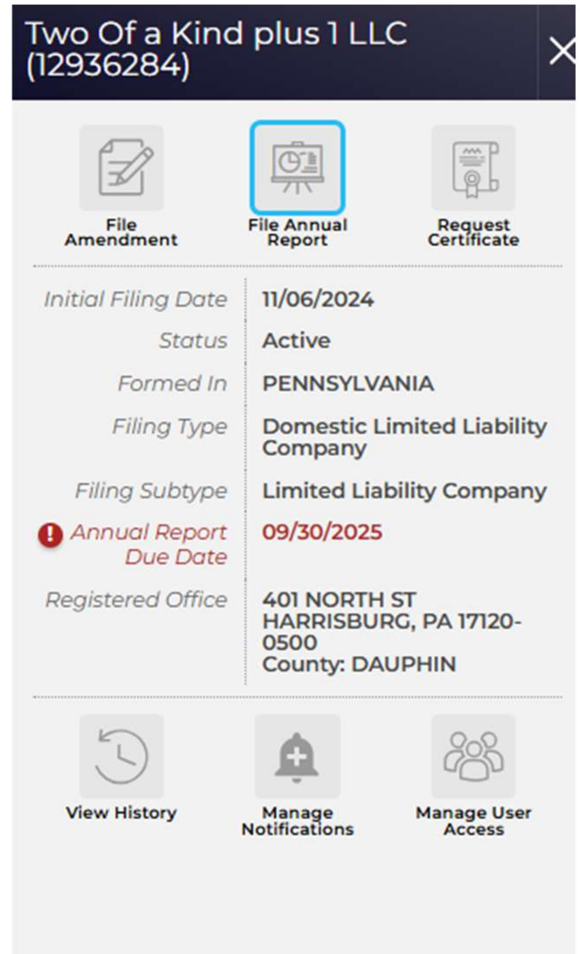
- Business name
- Jurisdiction of formation (i.e. Pennsylvania)
- Registered office Address
- Name of at least **one governor** (director, member, partner, etc.)
- Names and titles of principal officers, if any (not a mandatory field)
- Address of the principal office
- File number issued by the Pennsylvania Department of State

Note: Filing online is HIGHLY ENCOURAGED

How To File

- Log into Business Filing Services System: https://file.dos.pa.gov/
- Search the entity
- Click on "File Annual Report"
- Confirm or amend the mandatory information
- Review and submit
- Submit payment (if needed)

Note: unlike other amendments, no PIN is required for AR filings!

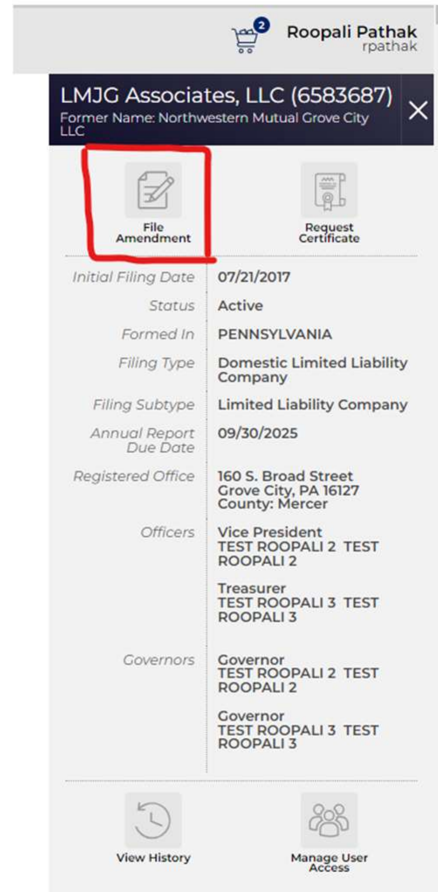


Amendments

Entities can amend their Annual Report information at any time during the reporting year without an additional fee. After the Annual Report deadline has passed, entities cannot amend their report. Therefore, only way to update will be to file a new Annual Report for the new year.

- Log into Business Filing Services System
- Search for the entity
- Click on "File Amendment"
- Select "Annual Report Update – Change information"
- Update the information
- Review and submit

Note: Filing an amendment will require a PIN



Deadlines

Starting 1/6/2025:

- Corporations (for profit and nonprofit, domestic and foreign): **January 1 - June 30.**
- Limited liability companies (domestic and foreign): **January 1 - September 30.**
- All other required entities (domestic and foreign): **January 1 - December 31.**
- If an entity misses its filing deadline, it will have up to **six months** to file before facing administrative dissolution or termination.
- Late filings do not incur penalties within the first six months.

Corporation Reported Statistics

- 183,325 Domestic & Foreign Non-profit Corporations on file to date
- To date, 1,688 Annual Reports have been filed for Foreign Non-profits and 41,718 for Domestic Non-profit Corporations
- Roughly 24% of Non-profit Corporations have filed their Annual Reports

2024/2025 Charities Annual Report

- Registered 16,556 charitable organizations
- Registered 870 institutions of purely public charity
- Reviewed more than 3,058 documents filed by more than 483 professional solicitors and professional fundraising counsels
- Twelve cease and desist orders. There are currently 528 orders in effect.
- Completion of 255 investigations of charitable organizations, professional solicitors and fundraising counsels suspected of violating the Act.

What the law states on who needs to file?

The Pennsylvania Solicitation of Funds for Charitable Purposes Act, 10 P. S. §162.1 et seq., requires organizations soliciting charitable contributions from Pennsylvania residents to register with the Bureau by filing a Charitable Organization Registration Statement (BCO-10) if gross contributions exceed $25,000 nationally, unless the organization is excluded or exempted from the Act (BCO-9).

Excluded groups

- Religious Institutions or a separate group or corporation which forms an integral part of a religious institution
- Organization of law enforcement personnel, firefighters or other persons who protect the public safety

Exempt Groups

- Educational institution or any auxiliary association, foundation or support group which is directly responsible to an educational institution.
- Hospital or hospital foundation.
- Veterans' organization chartered under federal law, volunteer fire company, ambulance association, rescue squad association and any auxiliary or affiliate thereof.
- Public, nonprofit library organization
- Senior citizen center or nursing home
- Parent/teacher association or organization
- Corporation established by an act of Congress of the United States that is required to submit annual reports of its activities to Congress containing itemized accounts of all receipts and expenditures after being fully audited by the Department of Defense
- Any charitable organization which receives gross national contributions of $25,000 or less annually
- Reciprocal exemption - For charitable organizations organized under the laws of another state having their principal place of business outside this Commonwealth, whose funds are derived principally from sources outside this Commonwealth, and which have been exempted from the filing of registration statements by the statute under whose laws they are organized if such state has a statute similar in substance to the provisions of the Pennsylvania law.

What needs to be filed with the Bureau for non-exempt or excluded charitable organizations?

- Annual Charitable Organization Registration Statement (BCO-10)
- A copy of the IRS 990/990EZ/990PF/990N Return and required schedules, signed and dated by an authorized officer
- Public Disclosure Form BCO-23 (if required)
- Applicable Financial Statements (audited, reviewed, compiled or internally prepared)
- Registration fee and any late filing fees
- Initial Registrants Only: IRS determination letter, articles of incorporation or charter and by-laws.

- Exempt groups that hire professional solicitors, professional fundraising counsel or compensate someone for fundraising MUST register with the Bureau.

Financial Statement Requirements

Gross Annual Contributions	Type of Financial Statement Required
Section 162.7(a) organizations	None
$25,000 or less	Internally Prepared, Compiled, Reviewed, or Audited
$25,000 to less than $100,000	Internally Prepared, Compiled, Reviewed, or Audited
$100,000 to less than $250,000	Compiled, Reviewed or Audited
$250,000 to less than $750,000	Reviewed or Audited
$750,000 or more	Audited

Registration Fees

Gross Annual Contributions	Registration Fee
Section 162.7(a) organizations	$15
$25,000 or less	$15
$25,001 to less than $100,000	$100
$100,001 to less than $500,000	$150
Greater than $500,000	$250

Late filing fees (if applicable): An organization failing to file a registration by the due date must pay an additional fee of $25 for each calendar month or part of a month after the date on which the registration was due to be filed. Late filing fees are statutorily required and may not be waived under any circumstances. Organizations electing to voluntarily register are not subject to late filing fees.

Professional Solicitors vs. Professional Fundraising Counsels

Professional Solicitors

- Professional Solicitors raise funds on behalf of charities.
- Professional Solicitors can have custody or control of contributions
- Professional Solicitors compensation can be related to the number of contributions received.
- Professional Solicitors can control content and volume of solicitations.

Professional Fundraising Counsels

- Professional Fundraising Counsels assist charities with fundraising efforts.
  - Planning/Conducting fundraising events
  - Direct mail and grant writing services.
- Fundraising Counsels do not solicit contributions.

Professional Solicitor Registration

- Annual Registration Statement (BCO-155) - $250
- Bond (BCO-160) – no fee
- Solicitation Notice (BCO-170 & BCO-170A) and written contract – BCO-170 $25 per notice, BCO-170A no fee
  - Contract Requirements
  - No solicitations or services with respect to soliciting contributions from Pennsylvania residents can begin before the Bureau has approved the contract and solicitation notice.
  - If more than one campaign or event is conducted under a contract, then a SOLICITATION NOTICE ADDENDUM - FORM BCO-170A must be filed no less than ten working days prior to the commencement of each additional campaign or event.
- Solicitation Campaign/Event Financial Report (BCO-165) – no fee

Professional Fundraising Counsel Registration

- Annual Registration Statement (BCO-150) - $250
- Written Contracts – no fee
  - Contract Requirements
  - A contract must be filed with the Bureau no less than ten working days prior to the performance by the professional fundraising counsel of any service with respect to the charitable organization’s solicitation of contributions from Pennsylvania residents.
  - A contract filed with the Bureau that cannot be approved is not considered filed. You may need to amend the date services are to commence for any contract not able to be approved by the Bureau since the contract must be re-filed at least ten working days prior to any services.

Efforts to Stop Charities Fraud

- File a complaint online: https://www.pa.gov/agencies/dos/file-a-complaint/charity-complaint.html
- Charities Investigation Unit, which is part of the Bureau of Enforcement & Investigation. We have 5 investigators and 2 auditors.
- Activities to educate both charities and the general public about Pennsylvania's charity law

Resources

Corporations

- File at https://file.dos.pa.gov/
- Annual Report info in dos.gov (includes FAQs)
- Infographic in English and Spanish
- How to file job aid

Charities

- Department of State : Charities Resources | Department of State | Commonwealth of Pennsylvania
- File a complaint online: Charity Complaint | Department of State | Commonwealth of Pennsylvania
- Internal Revenue Service: Life Cycle of an Exempt Organization | Internal Revenue Service

Thank you!

How to Contact Us!

Office : 717-787-1057
Email: ra-corps@pa.gov or ra-charity@pa.gov

Nonprofit Financial Management FAQs

October 30, 2025

What is Elevate NP?

We are creating a **stable, connected and accessible network of capacity-building resources** that builds on existing assets, fills gaps in service and connects nonprofit organizations to high-quality, effective solutions to maximize their community impact.

Long-term needs meet the **urgency of the moment**

- Assessment + Navigation
- **Financial Management**
- Fundraising
- Talent and Governance
- Strategic Change

We're here to help answer common financial management questions

- Budgeting
- Restricted vs. unrestricted funds
- Cash flow and burn rate
- Compliance requirements
- Finding financial help

Why is it important to have a budget?

- Roadmap to repeatable annual surplus
- Quantifies the resources available to execute existing programs and respond to new opportunities
- When loaded into your accounting system, provides clear monthly on track / off track picture for board and leadership – more timely than annual filings
- Board-approved budget required by many funders

How do I build a budget?

- Annual increase vs zero-based budgeting
- Set a target for every account in your chart of accounts – use actuals not just last year's budget!
- Be conservative with revenue – don't plug a deficit with unrealistic contributed support.
- Allow for some contingency – 5-10% of expenses depending on how you estimate unpredictability of your year.

Sample Nonprofit

07/1/2025 - 09/30/25

25%

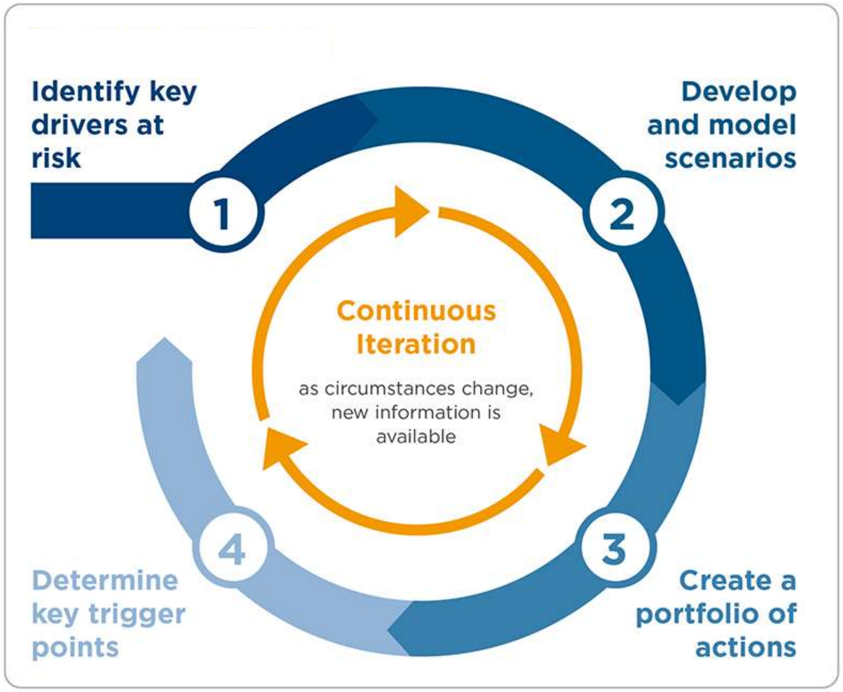
Cash Basis Budget vs. Actuals: Budget_FY26					
	Actual	Budget	Remaining	% of Budget	Notes
Revenue					
4000 Contributed Support	5,050	11,500	6,450	44%	
4100 Foundations	150,000	813,250	663,250	18%	
4200 Government grants & contracts	50,000	260,000	210,000	19%	
4400 Earned Revenue	29,221	442,720	413,499	7%	
4600 Other Income	0	0	0		
Total Revenue	**234,271**	**1,527,470**	**1,293,199**	**15%**	
Gross Profit	**234,271**	**1,527,470**	**1,293,199**	**15%**	
Expenditures					
7000 Personnel Expenses	144,965	611,427	466,462	24%	Prof Dev moved to Prgrm Exp
7100 Program Expenses					
7110 Subcontractors	164,795	628,030	463,235	26%	
7120 Events & Hospitality	1,018	7,500	6,482	14%	
7130 Advertising & Marketing	356	16,945	16,589	2%	
7140 Outside Venue & Related	732	1,000	268	73%	
7150 Program Supplies & Other	648	37,000	36,352	2%	
7160 Program Related Travel	2,661	5,605	2,944	47%	
7170 Staff Professional Development	105	5,625	5,520	2%	
Total 7100 Program Expenses	170,314	701,705	531,391	24%	Includes Prof Dev
8000 General & Administrative Expenses					
8100 Occupancy	11,657	43,393	31,736	27%	
8200 Office Expenses	3,941	3,250	(691)	121%	
8300 Communications	2,485	12,500	10,015	20%	
8350 Postage & Printing	1,007	1,500	493	67%	
8400 Staff Travel & Expenses	573	0	(573)	0%	Realignment of CoA
8500 Technology	3,559	15,000	11,441	24%	
8600 Bank Fees & Service Charges	911	2,500	1,589	36%	
8700 Insurance	1,903	8,300	6,397	23%	
8800 Professional Services	20,668	94,771	74,103	22%	
8980 Other	(237)	5,000	5,237	-5%	
8000 General & Administrative Expenses	46,467	186,214	139,747	25%	
Total Expenditures	**361,746**	**1,499,346**	**1,137,600**	**24%**	
Net Operating Revenue	**(127,476)**	**28,124**	**387,979**		
Net Revenue	**(127,476)**	**28,124**	**387,979**		

Elevate NP of SWPA

Budgeting in times of change

- Take the time to do some scenario planning with your leadership team. Don’t need a different budget for every scenario but should try to quantify possible impacts
- Increase the amount of contingency you build into your budget to reflect uncertainty
- May consider mid-year reforecast if you experience major changes, but don’t drop original approved budget

Free scenario planning toolkits are available on our website



Scenario planning tools are provided in collaboration with The Bridgespan Group

What are restricted and unrestricted dollars?

Unrestricted funds can be used for any purpose that supports your mission

- General donations, ticket sales, grants that specify unrestricted or operating support

Restricted funds come with rules set by the donor or funder

- Examples: A grant that must be used for a specific program, a donation given for a specific purpose (in writing).
- You must track how the dollars are used and may report

Why is it important to track restricted funds closely?

- Tracking ensures services are provided in the anticipated period and are not over or underspent
- Saves a scramble or awkward conversation at reporting time
- Vital information for cash management – need to know how much cash on hand is unrestricted and that funds are not misused
  - Don't necessarily need cash in separate accounts, but must track clearly

Cash flow fundamentals

- In a changing funding landscape cashflow management is more important
- Doesn't need to be overcomplicated – start with a simple monthly or weekly spreadsheet
  - List out all major sources of revenue and when you expect cash in-hand (not pledges)
  - List out all major expenses and when you expect to expend cash.
  - Sum expenses and revenue, present net at bottom of sheet

Week Ending	**31-Oct**	**7-Nov**	**14-Nov**	**21-Nov**	**28-Nov**	**5-Dec**	**12-Dec**	**19-Dec**	**26-Dec**	**2-Jan**	**9-Jan**	**16-Jan**	**23-Jan**	**30-Jan**
Beginning Balance	$ 10,000.00	$ 2,957.80	$ 707.80	$ 40,390.60	$ 40,140.60	$ 34,098.40	$ 31,848.40	$ 25,743.50	$ 25,743.50	$ 19,201.30	$ 16,201.30	$ 16,134.10	$ 16,134.10	$ 11,066.90
Revenue														
Individual Contributions	$ 500.00				$ 1,500.00	$ 1,000.00	$ 250.00	$ 250.00	$ 500.00	$ 1,000.00	$ 250.00	$ 250.00	$ 250.00	$ 250.00
Foundation Grants			$ 45,000.00								$ 5,000.00			
Program 1 Revenue	$ 250.00	$ 250.00	$ 250.00	$ 250.00	$ 250.00	$ 250.00	$ 250.00	$ 250.00	$ 250.00	$ 250.00	$ 250.00	$ 250.00	$ 250.00	$ 250.00
Program 2 Revenue	$ 100.00		$ 100.00		$ 100.00		$ 1,000.00		$ 100.00		$ 100.00		$ 100.00	
Expenses														
Payroll	$ 5,167.20		$ 5,167.20		$ 5,167.20		$ 7,104.90		$ 5,167.20		$ 5,167.20		$ 5,167.20	
Contractors														
Rent	$ 1,750.00				$ 1,750.00				$ 1,750.00					$ 1,750.00
Dollar Bank Credit Card		$ 2,000.00				$ 2,000.00				$ 3,500.00				
Duquesne Light	$ 250.00				$ 250.00				$ 250.00					$ 250.00
People's Gas	$ 125.00				$ 125.00				$ 125.00					$ 125.00
Alcosan	$ 100.00				$ 100.00				$ 100.00					$ 100.00
Other Accounts Payable	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00	$ 1,500.00	$ 500.00	$ 500.00		$ 750.00	$ 500.00	$ 500.00	$ 500.00	$ 500.00
Ending Balance	**$ 2,957.80**	**$ 707.80**	**$ 40,390.60**	**$ 40,140.60**	**$ 34,098.40**	**$ 31,848.40**	**$ 25,743.50**	**$ 25,743.50**	**$ 19,201.30**	**$ 16,201.30**	**$ 16,134.10**	**$ 16,134.10**	**$ 11,066.90**	**$ 8,841.90**

Compliance: The BCO-10

- Charitable Organization Registration (and renewal!) is required for *almost* all organizations that solicit funds from PA residents.
- Requires a copy of 990/990-EZ/990-N and financials:

Gross Contributions	**Financial statements required**
$100k or less	Internal prepared (or compiled, reviewed or audited)
$100k – $250k	Compiled, reviewed or audited
$250 – $750k	Reviewed or audited
$750k or more	Audited

Compliance: 990, 990-EZ, 990-N

Size	**Filing Required**
Gross receipts normally < $50k	990-N (postcard)
Gross receipts < $200k AND Assets < $500k	990-EZ
Gross receipts > $200k OR Assets > $500k	990
Private foundation regardless of size	990-PF

Seeking outside expertise

- CPAs, Accountants, and Bookkeepers
- Auditors
- Contracted (not staff) *Fundraising Counsel* and *Professional Solicitors* must be registered with the PA BCO

Shared Financial Services

Bookkeeping
Bookkeeping and accounting fundamentals

Basic Finance
Bookkeeping + audit support, grant application and report budgets

Strategic Finance
Board and leadership advisory, budgeting and forecasting, cash planning, customized reporting

Full Service
All services listed

Smaller, less complex

More complex, need essential support

Solid basic processes, need high level expertise

Need both day-to-day and strategic advisory

Other free resources from Elevate NP

- **Fundraising 101 Video + Resource series** in collaboration with New Sun Rising and Community Equip'd
- **Introduction to Scenario Planning Webinar** recording in collaboration with The Bridgespan Group
- ***Exploring Nonprofit Mergers and Collaborations Webinar*** *coming Tuesday, December 2 from 12-1pm*
- ***Assessment and Navigation*** *coming December*

Questions?
Want to stay in touch?

info@elevatenpofswpa.org