

NEW HAMPSHIRE CHARITABLE TRUSTS UNIT

FUNDRAISING FOR COVID-19 RELIEF

FREQUENTLY ASKED QUESTIONS

Since the outbreak of the COVID-19 pandemic, many generous people have initiated fundraising to support those who have become ill, healthcare workers, those who have become unemployed, charities, businesses, and other victims of the disease. While we are grateful for and encourage these efforts, as the officials responsible for the oversight and supervision of New Hampshire charities, we wish to ensure that well-intentioned people understand and comply with the New Hampshire laws applicable to fundraising for charitable causes. These laws are intended to protect charities and make sure that donations reach their intended target. The following are frequently asked questions and answers regarding fundraising.

I am raising money on a social media platform to benefit any restaurant workers in the seacoast area who have been out of work since the Governor's emergency order was issued. Do I need to register with the Attorney General, Charitable Trusts Unit?

Yes. As you are raising money for a charitable purpose to benefit an indefinite class of people, so you are required to register and report to the Attorney General, Charitable Trusts Unit. Instead, you might want to consider collaborating with an existing charity. (See below.)

What is involved in registering and reporting to the Attorney General, Charitable Trusts Unit?

To register as a charity, among other things, you must obtain and submit a taxpayer identification number from the Internal Revenue Service, prepare and submit governing documents for your organization, provide proof of a bank account, establish a conflict of interest policy, and establish a policy on dissolution. You must thereafter submit annual reports to the Charitable Trusts Unit with information regarding the finances and governance of your charity. The instructions and forms for registering and reporting may be found on [the Charitable Trusts Unit website](#). Information on "Starting a Charity" is also available on the homepage.

If I collaborate in fundraising with an existing charity that has been determined by the IRS to be exempt under section 501(c)(3) of the Internal Revenue Code, do I need to register?

Probably not. Indeed, it may be a more efficient use of resources and more effective to collaborate with a local charity, like Granite United Way, the NH Food Bank, or another NH charity that provides emergency hardship assistance and has an understanding of what is needed in the community. However, in order to represent in any way that you are fundraising on behalf of a charity, you must first obtain written authorization to do so by that charity. *See* RSA 7:28-f. Thus, you may not fundraise for Granite United Way or the NH Food Bank or any other organization without first obtaining the charity's written authorization.

I have a really good idea to get our community involved with supporting essential workers over the long term. Is there a way I can start this without registering with the Charitable Trusts Unit?

If you have a plan for an organization that is intended to continue even after the end of the current crisis, you will need to register with us if you plan to work independently. You will also need good advice in launching your idea. The [NH Center for Nonprofits](#) may be able to help. On the other hand, you should consider reaching out to an existing organization in your area that has a compatible mission. Perhaps you can launch your idea as a program of that existing organization. Or perhaps an existing organization will be willing to serve as your fiscal sponsor, until you are able to operate independently. Fiscally sponsored organizations do not need to register and report to us separately. But we caution that the fiscal sponsor has its own oversight responsibilities as to this new venture.

I am raising money on a social media platform for my restaurant co-workers who have been out of work for weeks. Do I need to register with the Attorney General, Charitable Trusts Unit?

No. If you are fundraising for a private interest, such as for the employees of a particular restaurant or a particular person or family, and not a public or charitable class, you are not required to register. You still have a legal obligation to make sure the donations are used for the purpose stated in your fundraising appeal.

I would like to raise money for a local business that has been closed since the Governor's emergency order was issued last month. Do I need to register with the Attorney General, Charitable Trusts Unit?

No. Fundraising for a specific business is not considered to be a charitable cause, and you do not need to register with the Charitable Trusts Unit.

I am the owner of a restaurant, and I want to raise money to help pay my employees while the restaurant is closed. Do I need to register and report to the Charitable Trusts Unit?

No. Fundraising for a private interest, such as to support your own employees, is not considered to be a charitable cause, and you do not need to register with the Charitable Trusts Unit. However, there may be tax implications. For more information, read the [Disaster Relief publication](#) from the IRS.

I am the owner of a business that has established a separate charitable foundation, the mission of which is to benefit financially needy people in the state. I would like to make payments from that charitable foundation to benefit my employees. Do I need to register and report to the Charitable Trusts Unit? Are there any tax implications or concerns if I make payments to benefit my own employees?

Yes, the Foundation is required to register and report to the Charitable Trusts Unit. As the Foundation is a charitable organization, it is required to serve public, rather than private interests.

As a result, while your employees ultimately could benefit from payments from the Foundation, the Foundation would also need to consider and benefit other people in need. For more information about tax and other implications related to employer-provided disaster assistance, visit the IRS website and specifically, its [Disaster Relief publication](#).

I am raising money to benefit my local nonprofit hospital so that it can purchase needed supplies. Do I need to register?

It depends. You will not be required to register if the hospital agrees to permit you to raise money on its behalf. However, in any event, you are required to obtain written authorization before you fundraise for the hospital. *See* RSA 7:28-f.