

## INITIAL SOLICITATION FORM

### Charitable Organizations and Solicitations Act (COSA)

This form is primarily used to register organizations for the first time under the Charitable Organizations and Solicitations Act (COSA) MCL 400.271 *et seq.* However, Michigan-based organizations, and those also selecting "Yes" under item 8, will also be registered under the Supervision of Trustees for Charitable Purposes Act (STCPA), MCL 14.251 *et seq.*

#### Who should file this form?

- Charitable Organizations filing for the first time to solicit in Michigan.

#### Who should not file this form?

- Charitable organization renewing their solicitation registration. Instead, use Form CTS-02, Renewal Solicitation Form.
- Organizations whose prior solicitation registration has expired. Instead, use Form CTS-02. Also provide copies of any changes to your organizing documents, bylaws, IRS status, or charitable purposes since your previous submission.
- Organizations exempt from solicitation registration. See Form CTS-03, Request for Exemption.

## INSTRUCTIONS

### GENERAL INFORMATION

**Exemptions** – Both COSA and STCPA contain certain exemptions from their respective registration requirements. To see if you qualify for exemption from one or both acts, refer to the [Request for Exemption](#) form.

**Expiration**– Your solicitation registration will expire 7 months after the close of your fiscal year (financial accounting period). Your renewal form is due 30 days before the expiration of your registration.

**Use of file number** – The organization will be assigned a file number that must be used on all correspondence and forms sent to this office. Your file number will be printed on the registration.

**Fees** – There is currently no fee to register to solicit in Michigan.

**Filing the initial form** – You may submit your registration by email, efile, fax, or by mail. **For faster processing, use email or efile.**

**Email** - The Form and all required documents should be attached in PDF form. Send it to: [ct\\_email@michigan.gov](mailto:ct_email@michigan.gov). **Put the legal name and AG file number, if known, in the subject line.**

**Efile** – On the Attorney General's website, <http://www.mi.gov/charity>, scroll down to the link for [Efile](#).

**Mail** - Send the solicitation form to:

Department of Attorney General  
Charitable Trust Section  
PO Box 30214  
Lansing, MI 48909

Telephone: (517)335-7571  
Fax: (517) 241-7074

#### Verify that we have received your filing

Search for the organization at [www.mi.gov/CharitySearch](http://www.mi.gov/CharitySearch). The search results will state, "Application/registration pending."

### SPECIFIC INSTRUCTIONS

To avoid delays and unnecessary correspondence, answer all questions completely.

**Name** – Enter the organization's exact legal name on the form. This will be the same name as is currently on the articles of incorporation or other organizing document. If you use any names other than the legal name, enter each name on the solicitation form in the space *All other names under which you intend to solicit*.

**Item 4.** Summarize in 50 words or less the organization's charitable purposes. This summary will appear on our searchable website. Do not simply quote or refer to the articles of incorporation or standard IRS 501(c)(3) language.

**Item 5.** A Michigan resident agent must be named for the acceptance of process issued by any court. The form will not be processed without this information. You must provide a street address, not a P.O. box. The organization cannot name itself, the Michigan Attorney General, or the Michigan Secretary of State as its resident agent. You may designate a private individual residing in Michigan. If you need information on companies that will act as resident agent for a fee, you may

wish to do your own internet research. Our office does not provide lists of such companies.

**Item 10.** Most charitable organizations formed in Michigan are required to register as a charitable trust under the STCPA. If the organization was not incorporated or organized in Michigan, STCPA registration will usually only be required if it holds assets or is physically present in Michigan. Assets include cash, bank or investment accounts, land, building, equipment, etc.

See our [Request for Exemption](#) form for exemptions from registration as a charitable trust.

There is an annual financial report requirement with the STCPA registration. However, if you are also registered to solicit contributions under COSA, your annual renewal registration will serve as the STCPA annual financial report.

**Item 11.** Select YES and provide the information requested on the form if you are a parent organization that directly supervises and controls a local, county, or area division or chapter that is also a separate legal entity.

Parent organizations not incorporated in Michigan must obtain a certificate of authority to transact business or conduct affairs in Michigan from the Michigan Department of Licensing and Regulatory Affairs, Corporation Division.

When submitting the Initial Solicitation Form, you MUST also provide:

- appropriate documentation to show that you directly supervise and control the chapter;
- names and addresses of each chapter to be included in your registration; and
- separate financial statements for each chapter;
- a copy of your organization's IRS group return (if applicable).

**Item 12.** The engagement and compensation of all professional fundraisers and fundraising consultants providing services on Michigan campaigns must be reported in the PFR List.

A professional fundraiser (PFR) is anyone who "plans, conducts, manages, or carries on a drive or campaign of soliciting contributions for or on behalf of a charitable organization." Fundraising consultants that only have consulting contracts do not have to be licensed as professional fundraisers. You do not have to report consulting contracts. Employees of a charitable organization are PFRs if they are paid wholly or in part by commissions – including bonuses – based on funds raised.

If you are unsure if the services provided by a person or firm you contracted with are such that a PFR license is required, provide a copy of the contract with this form and request to have the contract reviewed. You will be notified if you must complete the PFR List and if the contractor should be licensed as a PFR.

**Verification of license of PFR** - Michigan law requires that you verify that any PFR with which you contract for fundraising in Michigan is currently licensed with this office.

**PFR Contract** - You are required to provide copies of contracts with PFRs within 10 days of signing a new contract or extending an existing contract.

**Campaign Financial Statement** - Campaign Financial Statements, Form CTS-10, are required for all campaigns conducted by a PFR with which you have contracted, except those who are solely consultants. The Campaign Financial Statement will be filed by the PFR, but you will be required to provide additional campaign expense information and sign the form. Campaign financial statements are due within 90 days of the conclusion of any campaign. If the campaign lasts more than a year, a Campaign Financial Statement must be filed annually.

#### **PFR List**

Sum of all payments to / retained by PFR during the year reported – Include all fees, reimbursements, or other payments to the PFR that were related to the campaign or activity conducted by the PFR for the organization. Any monies that were retained by the professional fundraiser before remitting the proceeds of a campaign or activity to the charity must also be included here. If the PFR listed was engaged after the close of the fiscal year reported with the form, enter "N/A" in this column.

Consultants - To qualify as a fundraising consultant, all of the following conditions must be met:

- the PFR is usually retained by a charitable or religious organization for a fixed fee or rate that is not computed on the basis of funds raised or to be raised;
- the PFR does not solicit funds, assets or property, but only plans, advises, consults, or prepares materials for a solicitation or fundraising event in Michigan;
- the PFR does not receive or control funds, assets, or property solicited in Michigan; and
- the PFR does not employ, procure, or engage any compensated person to solicit, receive, or control funds, assets, or property.

**Item 13.** An organization registering to solicit must provide a financial statement for its most recently completed fiscal year. If an organization files Form 990, 990-EZ, or 990-PF with the IRS, a copy must be provided with the form. We do not accept Form 990-N. Organizations that do not complete a Form 990, 990-EZ, or 990-PF should complete items 14 and 15 on the form.

The IRS return must be prepared in accordance with IRS instructions. If you do not follow the instructions, we may question the return even if the IRS does not. All applicable schedules and attachments required by the IRS form or instructions must be submitted. However, if you file Form 990 or 990-EZ, do not provide a copy of Schedule B, Schedule of Contributors.

**Organizations in first accounting period.** If your organization was formed within the past year and is in its first financial accounting period, or the period was recently completed and financial information is not yet available, check the box beside "In first financial accounting period" on page 6, item 13. Use the following worksheet to help determine if you should provide financial information with the registration form.

Worksheet	
1.	Date organization was created:  mm/dd/yy
2.	The day set as the <b>last</b> day or the organization's annual accounting period. (This should be the last day of a month):  mm/dd
3.	The first time the day in box 2 occurs after the date in box 1:  mm/dd/yy
If more than 6 months have passed since the date in box 3, you must provide us with financial information. If the organization had no financial activity before that date, enter 0 on each line.	

The registration of an organization that indicated that it is in its first financial accounting period will expire 7 months after its first accounting period was to have ended.

**Item 14.** - Briefly describe the organization's activities or accomplishments during the fiscal period. Provide a sheet if additional space is needed. Do not simply restate the organization's charitable purpose.

**Item 15.** – Complete all lines. You must enter the end date of the accounting period. Do not leave any lines blank. Enter "0" if applicable.

On line D, enter all costs related to conducting the charitable activities and accomplishments discussed in Item 14.

**Item 16. Audited or reviewed financial statements requirement** - If audited financial statements have been prepared for the year being reported, provide a copy with the form. It is not necessary to complete the Financial Statements Worksheet.

For all others, complete the worksheet to calculate if audited or reviewed financial statements will be required. Total support may be reduced by the amount of governmental grants received during the year.

Audited financial statements must be prepared in accordance with generally accepted accounting principles.

**If audited or reviewed financial statements are required, but they have not been prepared:**

- You may request a one-time waiver of the reviewed or audited financial statements requirement. In your request, specify the fiscal year for which the waiver is requested and state that the necessary financial statements will be provided in all future years in which reviewed or audited financial statements are required. If you have already received a waiver of the financial statements requirement for a prior year, engage an auditor and see below to request a conditional registration.
- If the required financial statements are in the process of being prepared or you have already engaged an auditor to perform the necessary review or audit, provide a letter requesting a conditional registration. In your letter, state when you expect the financial statements to be available. Also, provide a copy of the signed engagement letter agreement with the audit firm. The solicitation registration will include the condition that the required financial statements are to be provided by a specified date.
- The financial statements requirement may be suspended for food banks and similar organizations whose contributions are substantially non-cash. However, suspension of the requirement is unlikely if the organization's cash contributions exceed the audited or reviewed financial statements thresholds, or if donated non-cash items are typically converted to cash. Provide your suspension request with the registration form.

## INITIAL SOLICITATION FORM

Full <u>exact legal</u> name of organization		
All other names under which you intend to solicit		
Attorney General File Number	Telephone number	Fax number
Employer Identification Number (EIN)	Organization email address	Organization website

All items must be answered. Provide additional sheets if necessary. If you have questions, see the instructions.

### 1. Organization addresses –

A. Street address of principal office. If you do not have a principal office, provide the name and address of the person having custody of the financial records.

\_\_\_\_\_

B. Organization mailing address, if different.

\_\_\_\_\_

C. Provide the address of all other offices in Michigan.

\_\_\_\_\_

### 2. Type of Organization - Check one:

Nonprofit corporation - State of incorporation \_\_\_\_\_ Date incorporated \_\_\_\_\_

Provide copies of your articles of incorporation, bylaws and, if applicable, Mich. Certificate of Authority

If incorporated in Michigan, provide your Corporate Identification Number: \_\_\_\_\_

Trust – Provide a copy of the trust instrument.

Unincorporated association – Enter date created \_\_\_\_\_

Provide a copy of your Articles of Association, Constitution and Bylaws, or other organizing document.

Other – Describe and provide a copy of the relevant document: \_\_\_\_\_

### 3. Federal Tax Exempt Status – Check one:

Exempt under 501(c)(3) - Provide a copy of your determination letter.

Applied, or will apply, for tax exempt status under section 501(c)(3). Date of application \_\_\_\_\_

If you checked either box above, indicate the form used to apply for exempt status.  Form 1023  Form 1023-EZ

Exempt under another section: Section 501(c) \_\_\_\_ Provide a copy of your determination letter.

The organization is not tax exempt and will not apply for tax exempt status.

### 4. Summarize organization's purposes below in 50 words or less. This summary appears on our website.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. You **must** designate a resident agent located in Michigan authorized to receive official mail sent to your organization.

Name \_\_\_\_\_

Address (Michigan street address, not PO box) \_\_\_\_\_

6. Methods of solicitation. Check all that apply.

- Mail       Personal contact       Special events       Other (specify) \_\_\_\_\_  
 Telephone       Radio / television       Newspaper/magazines       None (explain) \_\_\_\_\_  
 Internet       Email

7. List all current officers and directors unless they are included on your IRS return. Mark the box to indicate whether the person is an officer, director, or both. Provide an additional sheet if necessary.

Name	Officer	Director	Name	Officer	Director

8. Is there any officer or director who cannot be reached at the organization's mailing address? . . .  **Yes**  **No**  
 If "yes," provide the names and addresses on an additional sheet.

9. Has the organization or any of its officers, directors, employees or fundraisers:
- |  |                          |                          |
|--|--------------------------|--------------------------|
|  | <b>Yes</b>               | <b>No</b>                |
| A. Been enjoined or otherwise prohibited by a government agency/court from soliciting? . . . . .   | <input type="checkbox"/> | <input type="checkbox"/> |
| B. Had its solicitation registration or license denied or revoked by any jurisdiction? . . . . .   | <input type="checkbox"/> | <input type="checkbox"/> |
| C. Been the subject of a proceeding regarding any license, registration, or solicitation? . . . . .  | <input type="checkbox"/> | <input type="checkbox"/> |
| D. Entered into a voluntary agreement of compliance with a government agency or in a case before a court or administrative agency? . . . . . | <input type="checkbox"/> | <input type="checkbox"/> |

If any "yes" box is checked, provide a complete explanation on a separate sheet.

10. Will the organization hold any assets (cash, bank accounts, land, building, etc.) in Michigan? \_\_\_\_\_  **Yes**  **No**

Charitable organizations created in Michigan and out-of-state organizations holding assets in Michigan will be registered as a charitable trust under the Supervision of Trustees for Charitable Purposes Act, 1961 PA 101, MCL 14.251 et seq. See [Request for Exemption](#), Form CTS-03, for possible exemptions.

11. Do you have chapters that solicit in Michigan that are to be included in the solicitation registration?  **Yes**  **No**

*Tip:* If you have offices in Michigan with no separate reporting or filing requirements, answer "no."

If yes, provide the following:

- appropriate documentation to show that you directly supervise and control the chapters
- a listing of the names and addresses of all Michigan chapters to be included
- a financial report for each chapter (see instructions)
- a copy of your organization's IRS group return (if applicable)

12. Has the organization engaged a professional fundraiser (PFR) for Michigan fundraising activity for either the financial accounting period reported in item 13 or 15 or the current period? See instructions for definition of "professional fundraiser." A consultant is not a PFR.

**Yes**    **No**  
      
 If no, go to question 13.

If yes, in the chart below list all PFRs that your organization has engaged for Michigan fundraising activity. Provide additional sheets if necessary. Provide copies of contracts for each PFR listed if not already provided.

*Note – You are required to verify that all PFRs under contract for Michigan campaigns are currently licensed.*

### Professional Fundraisers Under Contract for Michigan Campaigns

PFR List					
Name	Mailing address	Sum of all payments to / retained by PFR during year reported	Is contract currently in effect?	If no, enter date contract ended	
			y <input type="checkbox"/> n <input type="checkbox"/>	End date: _____	
			y <input type="checkbox"/> n <input type="checkbox"/>	End date: _____	
			y <input type="checkbox"/> n <input type="checkbox"/>	End date: _____	

13. All organizations, except those in their first financial accounting period, must report on their most recently completed financial accounting period. Check the appropriate box in one of the following choices and follow the instruction:

If you file Form 990, 990-EZ, or 990-PF with the IRS, check the box to indicate the type of return:

- Form 990 or 990-EZ** - Provide a copy of the return. Do not include Schedule B. Go to item 16 below.
- Form 990-PF** - Provide a copy of the Form 990-PF. Enter the amount the organization spent directly on its charitable program in the space below. Complete item 14 and go to 16.

Total program services expense: \$ \_\_\_\_\_

If your organization does not, or has not yet, filed the above returns with the IRS, check the appropriate box below to explain the reason:

- Files Form 990-N.** Complete 14 and 15 below, and then go to item 17.
- Included in IRS group return.** Provide a copy of the group return. Complete 14 and 15 below; go to 16.
- In first financial accounting period.** See instructions. Enter the date the organization's first accounting period will end. The date should be the last day of a month. Go to item 17.    \_\_\_\_ / \_\_\_\_ / \_\_\_\_
- Other reason.** Explain: \_\_\_\_\_  
Complete 14 and 15 below. Go to 16.

14. Briefly describe your charitable accomplishments during the period. \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_

15. Complete this section only if directed to in item 13 because your organization does not complete a Form 990, 990-EZ, or 990-PF. Complete all lines of the following schedules. You must enter the end date of the accounting period being reported. Enter "0" or "none" where appropriate or if you had no financial activity in the period.

Enter the end date of the financial accounting period reported below: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Revenue		
A	Contributions and fundraising received	
B	All other revenue	
C	Total revenue (add lines A and B)	

Expenses		
D	Charitable program services expense	
E	All remaining expenses (supporting services)	
F	Total expense (Sum of lines D and E)	

G	Revenue less expenses (subtract line F from line C)	
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Balance Sheet		
H	Total assets at end of fiscal period	
I	Liabilities at end of fiscal period	
J	Net assets (subtract line I from line H)	

**16. Audited or reviewed financial statements requirement**

Complete the following worksheet to determine if audited or reviewed financial statements are required. If audited or reviewed financial statements are required, but they have not been prepared, see the instructions.

Financial Statements Worksheet			
	Item	Where to Find it:	Amount
A.	Contributions from IRS return	Form 990: Part VIII, line 1h; Form 990-EZ: line 1; Form 990-PF: line 1	
B.	Net income from special fundraising events	Form 990: Part VIII, line 8c; Form 990-EZ: line 6c	
C.	Net income from gaming activities	Form 990: Part VIII, line 9c	
D.	Total contributions and fundraising	Add lines A, B, and C	
E.	Governmental grants	Form 990: Part VIII, line 1e; Form 990-EZ: enter governmental grants included above on line A.	
F.	Contributions	Subtract line e from line d	

After completing the schedule:

- If line F is \$525,000 or more, audited financial statements are required. They must be audited by an independent certified public accountant and prepared in accordance with generally accepted accounting principles.
- If line F is greater than \$275,000, but not greater than \$525,000, financial statements either reviewed or audited by a certified public accountant are required.

17. I certify that I am an authorized representative of the organization and that to the best of my knowledge and belief the information provided, including all accompanying documents, is true, correct, and complete. False statements are prohibited by MCL 400.288(1)(u) and MCL 400.293(2)(c) and are punishable by civil and criminal penalties.

Type or print name (must be legible): \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

THIS IS A PUBLIC RECORD, COPIES OF WHICH ARE SENT, UPON REQUEST, TO ANY INTERESTED PERSON.

**CHECKLIST:**

- Have all parts of the form been fully completed unless instructed otherwise?
- Have you provided the name and Michigan street address of a resident agent in item 5?
- Is a list of the officers and directors provided, or included with the IRS return?
- Have you provided a complete IRS 990, 990-EZ, OR 990-PF?
- If you file Form 990-PF, did you complete item 14?
- If you file Form 990-N, did you complete items 14 and 15? Do not submit Form 990-N.
- If audited or reviewed financial statements are required, are they provided? If not, have you requested a conditional registration or one-time waiver? (See instructions.)
- Are the Form 990 and financial statements prepared for the same reporting period?
- Have you submitted contracts and addenda to contracts with professional fundraisers that have not been previously submitted?
- Have you typed or printed your name, date, and title in Item 17 to certify the form?

<b>Return the completed registration form by:</b>	
<b>Email (preferred method):</b>	<b>ct_email@michigan.gov</b>
<b>1. Put the legal name of the organization in the email subject line and AG file number, if known.</b>	
<b>2. If your email with attachments exceeds 25 MB, submit two or more emails as necessary.</b> <b>Reference them as 1 of 2, 2 of 2, etc. Attachments must be PDF.</b>	
<b>3. Do not submit encrypted files.</b>	
<b>4. Do not share documents via links.</b>	
Mail:	Attorney General Charitable Trust Section PO Box 30214 Lansing, MI 48909
Overnight mail:	Attorney General-Charitable Trust Section 525 West Ottawa Williams Building - 3rd Floor Lansing, MI 48933
Fax:	(517) 241-7074