



The Charleston Principles: Guidelines on Charitable Solicitations Using the Internet	
<p>Entities Domiciled Within the State</p>	<ul style="list-style-type: none"> ▪ An entity that is domiciled within a state and uses the Internet to conduct charitable solicitations in that state must register in that state. This is true without regard to whether the Internet solicitation methods it uses are passive or interactive, maintained by itself or another entity with which it contracts, or whether it conducts solicitations in any other manner. ▪ An entity is domiciled within a particular state if its principal place of business is in that state.
<p>Entities Domiciled Outside the State</p>	<ul style="list-style-type: none"> ▪ An entity not domiciled within a state must register in accordance with the law of that state if: <ol style="list-style-type: none"> a) It's non-internet activities alone would be sufficient to require registration; b) 1) The entity solicits contributions through an Interactive Web Site; and 2) Either the entity <ol style="list-style-type: none"> i. Specifically targets persons physically located in the state for solicitation, or ii. Receives contributions from the state on a repeated and ongoing basis or a substantial basis through its web site; or c) 1) The entity solicits contributions through a site that is not interactive, but either specifically invites further offline activity to complete a contribution, or establishes other contacts with that state, such as sending e-mail messages or other communications that promote the Web site; and 2) The entity satisfies Principle (b)(2)
<p>Interactive Web Site</p>	<p>Web site that permits contributor to make a contribution, or purchase a product in connection with a charitable solicitation, by electronically completing the transaction such as by submitting credit card information or authorizing an electronic funds transfer.</p> <ul style="list-style-type: none"> ▪ Interactive sites include sites through which donor may complete a transaction online through any online mechanism processing a financial transaction, even if completion requires the use of linked or redirected sites ▪ A Web site is interactive if it has this capacity, regardless of whether donors actually use it
<p>Specifically target persons physically located in the state for solicitation</p>	<ul style="list-style-type: none"> ▪ To either: <ol style="list-style-type: none"> a) Include on its Web site an express or implied reference to soliciting contributions from that state; or b) To otherwise affirmatively appeal to residents of the state, such as by advertising or sending messages to persons located in the state (electronically or otherwise) when the entity knows or reasonably should know the recipient is physically located in the state. ▪ Charities operating on a purely local basis, or within a limited geographic area, do not target states outside their operating area, if their Web site makes clear in context that their fundraising focus is limited to that area even if they receive contributions from outside that area on less than a repeated and ongoing basis or on a substantial basis.
<p>Receive contributions from the state on a repeated and ongoing basis or a substantial basis</p>	<ul style="list-style-type: none"> ▪ Receiving contributions within the entity's fiscal year, or relevant portion of a fiscal year, that are of sufficient volume to establish the regular or significant (as opposed to rare, isolated, or insubstantial) nature of those contributions. ▪ States should set, and communicate to the regulated entities, numerical levels at which it will regard this criterion as satisfied. Such numerical levels should define "repeated and ongoing" in terms of a number of contributors and "substantial" in terms of a total dollar amount of contributions or percentage of total contributions received by or on behalf of the charity. Meeting any threshold would give rise to a registration requirement but would not limit an enforcement action for deceptive solicitations. For example, a state might explain that an entity receives contributions on a repeated and ongoing basis if it receives at least one hundred online contributions at any time in a year and that it receives substantial contributions if it receives \$25,000, or a stated percentage of its total contributions, in online contributions in a year.