

What is a Charity and What are the three main aspects of regulation?²

What is considered a “charitable organization” under the Solicitation of Charitable Funds Act?

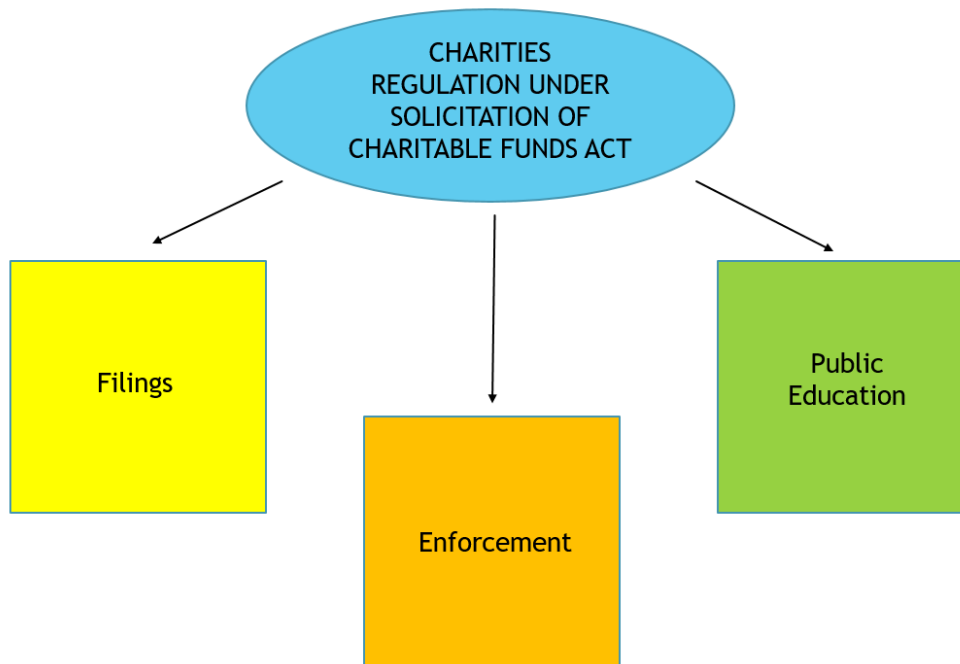
“Charitable organization” is defined as a person:

- that has been determined by the Internal Revenue Service to be a tax exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code;
- that is or holds itself out to be established for any benevolent, social welfare, scientific, educational, environmental, philanthropic, humane, patriotic, public health, civic, or other eleemosynary purpose, or for the benefit of law enforcement personnel, firefighters, or other persons who protect the public safety; or
- that employs a charitable appeal as the basis of solicitation or an appeal that suggests that there is a charitable purpose to a solicitation, or that solicits or obtains contributions solicited from the public for a charitable purpose.

Types of entities that solicit donations but that are excluded from the definition of “charitable organization” include:

- Churches, synagogues, mosques and other houses of worship;
- Religious organizations not required to file financial reports with the IRS based on their religious classification;
- Political candidates and parties; and
- Entities that are required to file with the Federal Election Commission or State Election Commission, such as political action committees

What are three main aspects of charities regulation under the Solicitation of Charitable Funds Act?



² S.C. House of Representatives, House Legislative Oversight Committee, “Agency Presentation – Charities and Trademarks (October 28, 2019),” under “Committee Postings and Reports,” under “House Legislative Oversight Committee,” under “Secretary of State, Office of the,” and under “Meetings,”

[https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/SecretaryofState/SoS%20presentation%20-%20Charities%20and%20Trademarks%20\(10.28.19\).pdf](https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/SecretaryofState/SoS%20presentation%20-%20Charities%20and%20Trademarks%20(10.28.19).pdf) (accessed November 27, 2019), slide 8, 11, and 12.

Hereinafter “Charities Presentation.”