

the law of fundraising

2023 Supplement

Sixth Edition

Alicia M. Beck and Bruce R. Hopkins

WILEY

+ website

the law of fundraising

2023 Supplement

Sixth Edition



BECOME A SUBSCRIBER!

Did you purchase this product from a bookstore?

If you did, it's important for you to become a subscriber. John Wiley & Sons, Inc. may publish, on a periodic basis, supplements and new editions to reflect the latest changes in the subject matter that you need to know in order to stay competitive in this ever-changing industry. By contacting the Wiley office nearest you, you'll receive any current update at no additional charge. In addition, you'll receive future updates and revised or related volumes on a 30-day examination review.

If you purchased this product directly from John Wiley & Sons, Inc., we have already recorded your subscription for this update service.

To become a subscriber, please call 1-877-762-2974 or send your name, company name (if applicable), address, and the title of the product to:

mailing address: **Supplement Department**

> John Wiley & Sons, Inc. 10475 Crosspoint Blvd. Indianapolis, IN 46256

subscriber@wiley.com e-mail: 1-800-605-2665 fax: online: www.wiley.com

For customers outside the United States, please contact the Wiley office nearest you:

Professional & Reference Division John Wiley & Sons Canada, Ltd. 90 Eglinton Ave. E. Suite 300 Toronto, Ontario M4P 2Y3

Canada

Phone: 416-236-4433 Phone: 1-800-567-4797 Fax: 416-236-8743 Email: canada@wlley.com

John Wiley & Sons Australia, Ltd.

42 McDougall Street Milton, Queensland 4064 **AUSTRALIA**

Phone: 61-7-3859-9755 Fax: 61-7-3859-9715

Email: aus-custservice@wiley.com

John Wiley & Sons, Ltd. European Distribution Centre

New Era Estate Oldlands Way

Bognor Regis, West Sussex

PO22 9NQ, UK

Phone: (0)1243 779777 Fax: (0)1243 843 123

Email: customer@wlley.co.uk

John Wiley & Sons (Asia) Pte., Ltd.

1 Fusionopolis Walk #07-01 Solaris South Tower SINGAPORE 138628

Phone: 65-6302-9838 Fax: 65-6265-1782

Customer Service: 65-6302-9800 Email: asiacart@wiley.com

+ website

the law of fundraising

2023 Supplement

Sixth Edition

Alicia M. Beck and Bruce R. Hopkins

WILEY

Copyright © 2023 by John Wiley & Sons, Inc. All rights reserved

Published by John Wiley & Sons, Inc., Hoboken, New Jersey Published simultaneously in Canada

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning, or otherwise, except as permitted under Section 107 or 108 of the 1976 United States Copyright Act, without either the prior written permission of the Publisher, or authorization through payment of the appropriate per-copy fee to the Copyright Clearance Center, Inc., 222 Rosewood Drive, Danvers, MA 01923, (978) 750-8400, fax (978) 750-4470, or on the web at www.copyright.com. Requests to the Publisher for permission should be addressed to the Permissions Department, John Wiley & Sons, Inc., 111 River Street, Hoboken, NJ 07030, (201) 748-6011, fax (201) 748-6008, or online at http://www.wiley.com/go/permission.

Trademarks: Wiley and the Wiley logo are trademarks or registered trademarks of John Wiley & Sons, Inc. and/or its affiliates in the United States and other countries and may not be used without written permission. All other trademarks are the property of their respective owners. John Wiley & Sons, Inc. is not associated with any product or vendor mentioned in this book.

Limit of Liability/Disclaimer of Warranty: While the publisher and author have used their best efforts in preparing this book, they make no representations or warranties with respect to the accuracy or completeness of the contents of this book and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. No warranty may be created or extended by sales representatives or written sales materials. The advice and strategies contained herein may not be suitable for your situation. You should consult with a professional where appropriate. Further, readers should be aware that websites listed in this work may have changed or disappeared between when this work was written and when it is read. Neither the publisher nor authors shall be liable for any loss of profit or any other commercial damages, including but not limited to special, incidental, consequential, or other damages.

For general information on our other products and services or for technical support, please contact our Customer Care Department within the United States at (800) 762-2974, outside the United States at (317) 572-3993 or fax (317) 572-4002.

Wiley also publishes its books in a variety of electronic formats. Some content that appears in print may not be available in electronic formats. For more information about Wiley products, visit our web site at www.wiley.com.

Library of Congress Cataloging-in-Publication Data is Available:

ISBN 9781119873440 (main edition) ISBN 9781394159727 (supplement) ISBN 9781394159758 (ePDF) ISBN 9781394159734 (ePub)

Cover Design: Wiley
Cover Image: © Comstock/Getty Images

Contents

A Letter to the Reader		vii	
Preface			ix
Chapter	r One	Government Regulation of Fundraising	
		for Charity	1
§ 1.2 § 1.3		ritable Fundraising: A Portrait lution of Government Regulation	1
	of F	undraising	3
§ 1.4	Cor	ntemporary Regulatory Climate	6
§ 1.5	202	2 Remarks by State Charity Officials	11
Chapter § 4.16		State Regulation of Fundraising ifornia Law Regulating Charitable	33
	Fun	draising Platforms	33
Chapter	r Five	Federal Regulation of Fundraising	37
§ 5.5		d Pro Quo Contribution Law	37
A ppendi	CES		49
Append	lix A	Inflation-Adjusted Insubstantiality Threshold—\$50 Test	49
Append	lix B	Inflation-Adjusted Insubstantiality Threshold—\$25 Test	51
Append	lix C	Inflation-Adjusted Low-Cost Article Definition	53

CONTENTS

TABLES	55
Table of Cases	55
Table of IRS Pronouncements	69
Table of Private Letter Rulings and Technical Advice Memoranda Discussed in Bruce R. Hopkins' Nonprofit Counsel	71
Table of Cases Discussed in	
Bruce R. Hopkins' Nonprofit Counsel	73
Online Resources	77
Index	79

A Letter to the Reader

It is with a heavy heart that we relay the news to you that Bruce Richard Hopkins, JD, LLM, SJD, passed away on October 31, 2021. Bruce's love for the law and for writing resulted in a wonderful relationship with Wiley that lasted for better than 30 years. Throughout that time, Bruce penned more than 50 books as well as writing *Bruce R. Hopkins' Nonprofit Counsel* (a newsletter published monthly for 40 years). Bruce's texts are practical guides about nonprofits written for both lawyers *and* for laypeople, many of which are considered vital to law libraries across the country. The ideas just kept flowing.

Beloved by many, Bruce was often referred to as the "Dean of Nonprofit Law." His teaching muscle was built over a period of 19 years when he was Professional Lecturer in Law at George Washington University National Law Center. Later, as Professor from Practice at the University of Kansas, School of Law, Bruce exercised his generative spirit teaching and mentoring younger colleagues. Always the legal scholar, he could brilliantly take complicated concepts and distill them down into easily understood principles for beginners, seasoned colleagues, and those unfamiliar with the subject matter. He was a presenter and featured speaker, both nationally and internationally, at numerous conferences throughout his career, among them Representing and Managing Tax-Exempt Organizations (Georgetown University Law Center, Washington, DC) and The Private Foundations Tax Seminar (El Pomar Foundation, Colorado Springs, Colorado). He practiced law in Washington, DC, and Kansas City, Missouri, for over 50 years, receiving numerous awards and forms of recognition for his efforts.

Bruce will be dearly missed, not solely for his contributions to the Wiley catalog, but because Bruce was a wonderful person who was loved and respected both by all of us at Wiley and by all those he encountered.