

Ohio Attorney General's  
**Nonprofit News**  
Protecting the Integrity of Nonprofits



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## Attorney General's Charitable Website Offers New Update Feature



The Charitable Law Section's website now provides up-to-the-minute notices to the charitable community on the most recent changes and resources provided through the site.

The new stand-alone website, [Charitable.OhioAGO.gov](https://Charitable.OhioAGO.gov), was launched this summer to allow members of the charitable community to find helpful resources or access to registration and licensing systems with a single click. Plans are underway to add additional features and expand the resource tools available for charitable leaders. Those who subscribe to the update feature will receive email announcements about additional training opportunities, reference materials added to the website and details about any legal or procedural changes that affect the charitable community. To register for this update feature, click [here](#).

"Members of Ohio's charitable sector can now receive the most up-to-date information about features added to our web page and information that might affect their charitable operations. We will get this information out to the sector

far more quickly through the website than any of our other communication tools, so we are encouraging everyone to sign up for these updates,” said Dan Fausey, Charitable Law Section Chief.

The section has been expanding the number of guides and resources it has been creating for charities dealing with the current coronavirus situation. Those who subscribe to the update feature will receive announcements when new tools are launched. Fausey said the section plans to continue adding additional information to the website in the coming months.

“The current pandemic has been very challenging for charities everywhere. We have been committed to trying to provide training opportunities and updates about important information that we think could help charitable leaders struggling with this situation. We will continue to develop new resources and the alert feature allows us to share information about those tools quickly,” Fausey said.

The new [website](#) provides easy links to the bingo licensing and charitable registration systems. Donors can quickly find the Research Charities button at the top of the page to check the registration status of a charity and learn more about its activities. Registration for the Section’s webinars and other resource information are also conveniently found on the new website’s home page. A carousel of changing images and information also highlights some of the most current issues of concern.

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## Second Round of Ohio Charities Survey in Circulation and Other Announcements

Ohio State University professor Erynn Beaton has circulated the second round of surveys to charities around the state asking about COVID-19’s impact on their organization. Nearly 8,000 charities responded to the first survey during the spring. A copy of that survey report is available [online](#), along with other resources developed to assist charities through the pandemic. Results of the second round of the survey will also be shared with policymakers who want to get a more complete picture of the impact of the health crisis over time.

**NASCO Virtual Conference.** The annual conference of the National Association of State Charities Officials (NASCO) had been scheduled to be held this fall in Denver. The conference now will be held virtually from Nov. 17 through Nov. 19. Members of the public are invited to participate in the first two days of the virtual conference. There will be panel discussions involving Attorneys General, Secretaries of State, regulators, and other experts addressing topics of concern within the sector, including enforcement actions, online fundraising, and the economic impact of COVID-19 on the charitable sector. The final day of the conference will be for regulators only. As details are finalized, they will be shared on the NASCO [website](#).

**Political Campaigns.** The IRS prohibits 501(c)(3) organizations from endorsing political candidates or making campaign contributions to candidates. This sort of activity can lead to the revocation of an organization’s tax-exempt status. For additional information, click [here](#).

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## You Can Help with the Development of Additional Charitable Resources

The Charitable Law Section has numerous publications and webinars on its webpage. The section is hoping to expand the number of resources on board governance and financial management for charitable leaders interested in strengthening the proper operations of their organizations. The section also is interested in sharing information on best practices and sample policies on a wide range of topics: conflict of interest, cash management, budgeting, board governance and other fiduciary matters. Those policies may be shared on the new Charitable Law website, although identifying information about the contributing charity may be deleted. If you are willing to share samples of policies and procedures from your organization that may be helpful for other charities, please email the materials to [CharitableLaw@OhioAttorneyGeneral.gov](mailto:CharitableLaw@OhioAttorneyGeneral.gov).

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## Virtual Bingo Schools Announced

Bingo School has been a popular training provided throughout the state by the Charitable Law Section for many years. This traveling caravan training featured information about board governance, record-keeping requirements and the various types of bingo licenses. There were separate sessions provided for 501(c)(3) organizations and veteran, fraternal and sporting organizations since the recordkeeping requirements differ.

Due to COVID-19 restrictions, Bingo School webinars have now been scheduled and the registration for these virtual trainings is now open. To access the registration details for Bingo School webinars, and other webinars provided by the Charitable Law Section, click [here](#).

Bingo School is an excellent way for organizations considering applying for a license to determine whether they are interested in undertaking this fundraising initiative. The training is also valuable for new leaders in organizations that already hold bingo licenses. Be certain to register for the appropriate training based on whether your organization is a 501(c)(3) charity, or a veteran, fraternal or sporting organization.

The Charitable Law Section also provides regular trainings on the charitable registration system, as well as board governance. A pre-recorded board governance webinar, as well as one on cybersecurity, is also available online.

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## Legal Change Requires Electronic Payments for Charitable Registration Fees

Charities must now pay fees through the Ohio Attorney General's Office online charitable registration system with a credit card or electronic payment due to a recent change to the Ohio Administrative Code.

The change to Ohio Administrative Code removes the ability of charities to mail in payments by check. This change was approved by the Joint Committee on Agency Rule Review in August and became effective on Friday, Sept. 11.

The online system that charities use to make their annual filings with the Ohio Attorney General's Office provides clear instructions for the various electronic options that can be used.

"This change will enhance the security of payments made by charities," said Charitable Law Section Chief Dan Fausey.

"The secured portals used for making electronic payments provide far more protection and documentation for charities. There is an instant record of payment made through the portal that removes any questions about whether a check was timely sent and received," he said. "Additionally, fewer charities have been mailing in checks and have already elected to make electronic payments. We made this change to enhance the registration process for our charities and for administering the system the most effectively," he said.

Electronic payments are already required for charities seeking bingo licenses. Bingo manufacturers and distributors, as well as professional solicitors, also make electronic payments in connection with their filing requirements.

Ohio charities and charities soliciting Ohioans are required to register in our registration system and file annual reports about the activities of the organization. Some organizations like those that are exclusively religious are exempted from this requirement. The information provided through the reporting process is made available to the public in an effort to encourage wise giving decisions. Donors are encouraged to use the [Research Charities](#) feature to make certain that any organization they may support financially is properly registered and to learn about the activities of the charity. Click [here](#) to learn whether a particular charity is properly registered in the state.

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## Enforcement Actions

The Ohio Attorney General's Charitable Law Section has taken a variety of recent enforcement actions aimed at ensuring charitable assets are properly used.

**Ohio Association of the Deaf** – The Ohio Association of the Deaf (OAD) is an Ohio charitable organization that was organized to "actively support all efforts for the advancement of the deaf." After receiving a complaint regarding

OAG, the Ohio Attorney General's Office initiated an investigation. In July, the attorney general's office finalized an Assurance of Discontinuance (AOD) with OAG's former treasurer, Linda Mahmood. Mahmood served as OAG's treasurer from 2011 to 2019. As part of the AOD, Ms. Mahmood is enjoined for five years from soliciting in Ohio for charitable purposes and serving on the board of directors of any non-profit organization in Ohio. The AOD also requires Ms. Mahmood to pay a civil fine in the amount of \$5,000.

**Jacob's House Recovery Center** – Jacob's House Recovery Center is an Ohio nonprofit corporation formed in 2017 by Thomas Smith, Shawnessy Smith and Kendra Smith. The attorney general's investigation alleged a number of issues with the organization, including its failure to properly manage accounts and the filing of false or misleading information in a document required to be filed with the attorney general. In August, the attorney general's office entered into an AOD with the organization and Thomas Smith. As part of the AOD, the organization and Thomas Smith must pay a civil penalty in the amount of \$1,000. In addition to implementing specific board governance practices and internal controls, the organization must also produce certain records to the attorney general as part of a one-year review.

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