

A GUIDE TO MINNESOTA'S CHARITIES LAWS

This Guide summarizes certain Minnesota laws that govern charitable organizations, professional fund-raisers and charitable trusts, including laws that require registration with or notice to the Attorney General. The discussion below is intended simply as an introduction. Other state and/or federal statutes or regulations may also apply to a particular charitable organization or trust. For exact statements of the law or application of the law to a particular organization, refer to the statutes themselves or consult a private attorney.

I.

LAWS THAT GOVERN CHARITABLE ORGANIZATIONS – MINNESOTA CHARITABLE SOLICITATION ACT

Chapter 309 of Minnesota Statutes, generally referred to as the Minnesota Charitable Solicitation Act, governs the activities and behavior of organizations that solicit funds from the public. The Charitable Solicitation Act provides for the registration, financial reporting, and supervision by the Attorney General of charities and their fund-raisers. The Charitable Solicitation Act is designed to make organizations that hold or solicit funds for charitable purposes accountable to the public for management of the funds. By making certain information available to the public, the law seeks to ensure that donors or prospective donors are well informed and protected from misrepresentation and fraud, and that funds held for public purposes are protected. Such protections encourage informed charitable giving.

A. REGISTRATION

Unless exempt, a charitable organization must file certain documents with the Charities/Civil Division of the Attorney General's Office before it solicits contributions from persons in Minnesota. Minn. Stat. § 309.52, subd. 1.

B. DEFINITION OF CHARITABLE ORGANIZATION

For purposes of Minnesota law, a “charitable organization” is any person, including a corporation or other entity, that solicits for any charitable, philanthropic or similar public interest purpose. Minn. Stat. § 309.50, subd. 4. A charitable organization can include an organization that is tax-exempt pursuant to section 501(c)(3) of the Internal Revenue Code or any person or entity that holds itself out to be established for a charitable purpose or that uses a charitable appeal in any solicitation. Consequently, a “charitable organization” could be a civic league, a lobbying group, a fraternal society or a chamber of commerce, provided that the organization solicits contributions for charitable purposes.

Organizations whose primary purpose is to support or oppose a candidate for public office are not considered charitable organizations. Minn. Stat. § 309.50, subd. 4.

B. Exemptions from Registration

The Charitable Solicitation Act generally applies to all charitable organizations. Nonetheless, the law exempts certain charitable organizations from filing registration and financial information. Pursuant to Minn. Stat. § 309.515, the following charitable organizations are exempt from registration:

1. Organizations that do not pay persons to perform the organization’s functions or activities, do not utilize a professional fund-raiser, and that do not receive and *do not plan to receive* more than \$25,000 in total contributions (see following section on “Determining Total Contributions”) from the public in and outside Minnesota during an accounting year. Minn. Stat. § 309.515, subd. 1(a). If an organization has paid staff performing its functions or activities or employs a professional fund-raiser, it is required to register even if it falls below the \$25,000 in contributions threshold.

If a charity pays persons to perform services for it that are related to the organization’s functions or activities (i.e., related to its governance or administration, fundraising, solicitation of contributions, representations to donors, etc.) it must register. If a charity does not pay any staff—or only pays persons for services unrelated to the performance of

its functions or activities—then the charity need not register if it also satisfies the other criteria for exemption contained in section 309.515, subdivision 1(a).

- **Example 1:** A charity paying someone to clean its offices, clear its parking lot of snow, or operate a server that hosts its website *does not* pay a person engaged in performing the organization’s functions or activities.
 - **Example 2:** By contrast, a charity paying a person to act as a board member or officer, oversee or provide its charitable programming, create its solicitations, websites, or publications providing information to donors, or engaging in other similar or equivalent conduct *does* pay a person who performs the organization’s functions and activities.
2. Religious organizations or societies that are exempt from filing an IRS Form 990 federal information return as religious entities pursuant to Internal Revenue Code, section 6033(a)(2)(A)(i) and (iii), and Internal Revenue Code, section 6033(a)(2)(C)(i). Minn. Stat. § 309.515, subd. 1(b).
 3. Certain educational institutions. Minn. Stat. § 309.515, subd. 1(c).
 4. Organizations that limit solicitations to persons who have a right to vote as a member (examples are alumni, trade or professional organizations). Minn. Stat. § 309.515, subd. 1(d).
 5. Organizations that solicit contributions for a single person specified by name if all contributions are transferred to the person with no restrictions and there is no deduction. Minn. Stat. § 309.515, subd. 1(e).
 6. Private foundations that did not solicit contributions from more than 100 persons during the previous accounting year. Minn. Stat. § 309.515, subd. 1(f).

Some exempt organizations and charities that do not receive contributions, but are recognized as tax-exempt under section 501(c)(3) of the Internal Revenue Code, may need to register under Minn. Stat. ch. 501B if they have more than \$25,000 in total assets. Please see Section III of this publication, which discusses charitable trusts.

D. DETERMINING TOTAL CONTRIBUTIONS

The amount of contributions an organization receives is important for registration purposes. As noted previously under “Exemptions From Registration,” organizations receiving under \$25,000 in total contributions may not be required to register.

“Contributions” are the promise or grant of money or property from individuals, corporations, foundations, or combined appeals, such as those conducted by the United Way or various charitable federations, upon the representation that any part of the money or property will be used for a charitable purpose. Minn. Stat. § 309.50, subd. 5. Similarly, “contributions” include payments for merchandise or advertising if it is represented that any part of the price will be applied to a charitable purpose. In the case of a charitable organization offering goods and services to the public, “contributions” includes the difference between the direct cost (to the charitable organization) of the goods and services and the price for which the charitable organization or any person acting on its behalf resells those goods or services to the public. For purposes of registration, grants received from government entities are *not* “contributions.”

E. INITIAL REGISTRATION REQUIREMENTS

For initial registration, a charitable organization is required to file a registration statement on a form prepared by the Attorney General, which is generally available at <http://www.ag.state.mn.us/Charity/DownloadForms.asp>. Minn. Stat. § 309.52, subd. 1. The registration statement should be accompanied by the organization’s financial statement of its operations for the most recent twelve-month period. Minn. Stat. § 309.52, subd. 2. The required financial statement may be the organization’s IRS Form 990, an audited statement, or any other statement which contains financial information about the organization. All charitable organizations must include a \$25.00 registration fee, payable to the State of Minnesota, with their registration materials. Minn. Stat. § 309.52, subd. 2.

F. ANNUAL REPORT

Each year following initial registration, charitable organizations that file or are required to file a registration statement must file an Annual Report with the Attorney General to continue their registration. The Annual Report is due on or before the fifteenth day of the seventh month after

the close of the organization's fiscal year. Minn. Stat. § 309.53, subd. 1. For example, if an organization's year-end is December 31, that organization's Annual Report due date will be July 15, which is the fifteenth day of the seventh month after the close of the organization's fiscal year. The attached Appendix contains a chart showing due dates for Annual Reports for common year-end dates. The Annual Report is intended to advise the Attorney General and the public of the organization's financial status for the most recent year, and to inform the public regarding the charitable activities conducted by the organization.

1. Extensions: Charitable organizations may request an extension of time of up to four months in which to file their Annual Report. Minn. Stat. § 309.53, subd. 1. To obtain an extension, a charitable organization must file an electronic extension request on the Attorney General's website at <https://www.ag.state.mn.us/Charity/ExtensionRequest.aspx>. Organizations that are unable to file an electronic extension may request an extension by mail using the Attorney General's Extension Request Mail-In Form. An organization that fails to submit an extension request by its Annual Report due date must pay a \$50 late fee. Minn. Stat. § 309.53, subd. 2.
2. Parent Affiliate Filing: A parent organization that is registered with the Attorney General may file an Annual Report on behalf of a chapter or similar affiliate organization. Minn. Stat. § 309.53, subd. 4. If so, the accounting information for each affiliate or chapter which raises or expends more than \$25,000 in Minnesota must be set forth separately.
3. Failure To Timely File Annual Report: If an organization fails to file a complete Annual Report by the due date, the organization is in default, its registration is not continued, and it may not solicit contributions in Minnesota. Minn. Stat. § 309.52, subd. 7. Minnesota law provides that if an organization in default subsequently attempts to register, it shall not be eligible to file a new registration statement or Annual Report until it has filed the required Annual Reports. As noted above, this failure to file will also cause the organization to pay a \$50 late fee per annual filing.
4. Contents of Annual Report: The following are required as part of the Annual Report under Minn. Stat. § 309.53:

- a. *An Attorney General Annual Report form.* This form is used to update registration information about an organization and provides for a brief financial statement from registered organizations that do not file an IRS Form 990. As part of the Annual Report form, charitable organizations must list the five highest paid directors, officers and employees of the charitable organization and its related organizations who receive more than \$100,000 (if any), together with each person's total compensation. (Compensation includes amounts paid by a "related organization," as defined by Minn. Stat. § 317A.011, subdivision 18.) The Annual Report form must be signed by two officers of the charitable organization and executed pursuant to a resolution of the Board of Directors authorizing submission of the entire Annual Report to the Attorney General's Office.
- b. *Financial statements.* Organizations must submit a financial statement containing a balance sheet, a statement of income and expense and a statement of functional expenses of the organization. The financial statement must be prepared in accordance with generally accepted accounting principles, and must fully disclose financial information such as total receipts and total income from all sources, costs of management and general operating expenses, costs of fund-raising and costs of public education. Minn. Stat. § 309.53, subd. 3.
- c. *An IRS Form 990, 990-EZ, 990-PF or 990-N, with schedules.* If an organization files a federal tax or information return with the IRS, it must also file a copy of all such returns—including all schedules *except* those of contributors—with the Attorney General. Minn. Stat. § 309.53, subd. 2. Charitable organizations that file a copy of their IRS Form 990, 990-EZ or 990-PF with the Attorney General are not required to file a copy with the Minnesota Department of Revenue. Notably, if the federal tax or information return submitted to the IRS by an organization does not contain sufficient information to fulfill all state requirements for a financial statement, such organization must file a separate functional expense statement—a statement showing total direct and indirect public support and government grants—on a form provided by the Attorney General. The form provided by the Attorney General is included in the Charitable Organization Initial Registration & Annual Report Form as question

number seven of Section Three entitled “Statement of Functional Expenses.”

- d. *An audited financial statement.* If a charitable organization received total revenue in excess of \$750,000 for its most recent fiscal year, it must file an audited financial statement prepared *in accordance with generally accepted accounting principles* (“GAAP audit”). Minn. Stat. § 309.53, subd. 3. The value of donated food to a nonprofit food shelf may be excluded in calculating the \$750,000 threshold if the food is donated for subsequent distribution at no charge and not for resale. The audited financial statement must bear the opinion of an independent certified public accountant. In preparing the audit, the certified public accountant must take into consideration capital, endowment or other reserve funds controlled by the charitable organization. The statute specifies that the financial statement must be a GAAP audit. Thus, other “financial statements,” such as a review or compilation, do not fulfill the statutory requirements.
- e. *Fee.* The report must be accompanied by a reregistration fee of \$25.00. Organizations filing a late report must submit an additional \$50.00 late fee. Minn. Stat. § 309.53, subds. 2 and 8.

Please note: A charitable organization is *not* required to file a list of its donors (known as the schedule of contributors). Minn. Stat. § 309.53, subd. 2. If a donor list is filed, it may become part of the organization’s registration file, which is available for public inspection. *See* Minn. Stat. § 309.54, subd. 1.

G. PUBLIC DISCLOSURE REQUIREMENTS

Prior to orally requesting a contribution or contemporaneously with a written request, charitable organizations *and* their professional fund-raisers must make certain disclosures. *See* Minn. Stat. § 309.556. These disclosures are required even if the charitable organization on whose behalf the request is being made is exempt from registration. The disclosures required of both charitable organizations and professional fund-raisers under Minn. Stat. § 309.556, subd. 1, are:

1. The name and location by city and state of the charitable organization;
2. The tax deductibility of the contribution; and
3. A description of the charitable program for which the solicitation campaign is being carried out; and, if different, a description of the programs and activities of the organization generally.

If the solicitation is made by direct personal contact, these disclosures must be made *both* orally and displayed prominently on a written document to persons being solicited. If the solicitation is made by means not involving direct personal contact, including but not limited to, radio, television, letter, telephone, or internet, the disclosures must be clearly made in the solicitation.

In addition to the above, professional fund-raisers must also disclose their name as on file with the Attorney General and that the solicitation is being conducted by a “professional fund-raiser.” Minn. Stat. § 309.556, subd. 2.

H. OTHER REQUIREMENTS

Other provisions of the Charitable Solicitation Act prohibit misrepresentation or fraud, the use of a charity’s name without the written permission of the charity, direct or indirect representations that registration constitutes an endorsement by the State of Minnesota, and the sale of names of contributors unless the contributor has consented to the sale. Minn. Stat. § 309.55. Chapter 309 also requires all charitable organizations to maintain accurate and detailed books and records for at least three years, which shall be open to inspection at all reasonable times by the Attorney General. Minn. Stat. § 309.54.

II.

LAWS THAT GOVERN PROFESSIONAL FUND-RAISERS - MINNESOTA CHARITABLE SOLICITATION ACT

In addition to the disclosure and solicitation provisions discussed above, professional fund-raisers retained by charitable organizations are also governed by other provisions of the Charitable Solicitation Act.

A. DEFINITION OF PROFESSIONAL FUND-RAISER

Under Minn. Stat. § 309.50, subd. 6, the broadly defined term “professional fund-raiser” includes any person (including a corporation or other entity) who, for compensation or profit, either:

1. Solicits contributions in Minnesota for a charitable organization or performs any service for a charitable organization by which contributions are solicited in Minnesota by the compensated person or any compensated individual the person employs, procures or engages to solicit; or
2. Plans, manages, advises or consults, or prepares materials for, or with respect to, the solicitation in Minnesota of contributions for a charitable organization.

True salaried officers, employees or volunteers of a charitable organization are not professional fund-raisers for the purposes of Minnesota law. Similarly, certain professionals such as investment advisers, broker-dealers, lawyers, accountants and bankers are not professional fund-raisers. Additionally, an auctioneer licensed and bonded under Minnesota Statutes Chapter 330 who is conducting a live auction *and* has no access to the proceeds of the auction is not subject to the registration and reporting requirements of Minnesota Statutes Chapter 309. Minn. Stat. § 309.515, subd. 1(g).

B. REGISTRATION OF PROFESSIONAL FUND-RAISERS

Minnesota Statutes section 309.531 governs the registration of professional fund-raisers in Minnesota. That section provides that no person, corporation or other entity may act as a professional fund-raiser unless registered with the Attorney General. The professional fund-

raiser registration year runs from May 1 through the following April 30. Registration must be renewed for the upcoming registration year prior to May 1 of each year. Registration consists of the following:

1. A registration fee of \$200.00;
2. A registration statement on a form provided by the Attorney General;
3. A signed copy of each contract between a charitable organization and the professional fund-raiser.¹ The contract must:
 - a. be in writing,
 - b. contain information as to what services the professional fund-raiser will provide, including whether it will have custody of contributions, and
 - c. for those professional fund-raisers who directly or indirectly solicit in Minnesota, disclose the percentage or reasonable estimate of the percentage of the total amount solicited from each person that will be received by the charitable organization for charitable purposes;
4. A bond for \$20,000 if the professional fund-raiser will have custody of or access to solicited contributions at any time during the campaign;
5. A completed “solicitation notice” on a form provided by the Attorney General, if the professional fund-raiser solicits in Minnesota. The notice, which contains information about the campaign, must be verified by the charitable organization. A professional fund-raiser soliciting for more than one charitable organization needs to file a “solicitation notice” for each campaign; and
6. A post-solicitation campaign financial report, sworn to by *both* the charitable organization and the professional fund-raiser, for every campaign in which the professional fund-raiser solicited in Minnesota during the previous registration year. This report is required to be filed within 90 days after the completion of a solicitation campaign and 90 days following the anniversary of the commencement of a solicitation campaign lasting more than one year. A campaign financial report for a given registration period must be on file before a professional fund-raiser can register for a subsequent year. This requirement is not limited to professional fund-raisers who

¹ All new contracts between the professional fund-raiser and a charity entered into during the registration year must also be filed with the Charities/Civil Division of the Attorney General’s Office

have custody of or access to the contributions raised.

A professional fund-raiser who fails to submit complete registration materials on the date required or who fails to file the post-solicitation campaign financial report on the required date must pay a late fee of \$300. The late fee is in addition to the \$200 registration fee.

C. OTHER LAWS THAT MAY GOVERN PROFESSIONAL FUND-RAISERS

Professional fund-raisers should be aware that a myriad of other state and federal statutes, regulations and common law, which are not addressed in this publication, may govern their conduct depending upon the method and manner of their solicitations. For example, Minnesota law prohibits the use of an automatic dialing-announcing device (commonly known as “robocalls”) except under very specific limited circumstances, such as the recipient knowingly or voluntarily requesting, consenting, permitting or authorizing the receipt of the message, or if the message is immediately preceded by a live operator who obtains the recipient’s consent before the message is delivered. *See* Minn. Stat. § 325E.27. Professional fund-raisers should assess the applicability of any federal telemarketing statutes to their conduct and make sure they are in compliance when soliciting Minnesota residents. Professional fund-raisers should also be aware that making certain misrepresentations in relation to a charitable campaign may violate Minnesota’s Consumer Fraud laws, including, Minn. Stat. §§ 325D.44, 325F.67 and 325F.69, particularly if the solicitation campaign involves the sale of merchandise.

III.

LAWS THAT GOVERN CHARITABLE TRUSTS - SUPERVISION OF CHARITABLE TRUSTS & TRUSTEES ACT

Like the Minnesota Charitable Solicitation Act, the Minnesota Supervision of Charitable Trusts and Trustees Act (“Charitable Trust Act”), Minn. Stat. §§ 501B.33 to 501B.45, requires charitable trusts to register with the Attorney General. It also requires charitable trusts to notify the Attorney General of certain court proceedings. The law charges charitable trustees with certain fiduciary duties to properly administer property held for charitable purposes, a violation of which constitutes a breach of trust. Minn. Stat. 501B.41, subd. 6.

A. DEFINITION OF CHARITABLE TRUST

For purposes of the Charitable Trust Act, a “charitable trust” is created if: 1) a fiduciary or trust relationship with respect to property is created; 2) there is an intent to create this relationship; and 3) the trustee is required to deal with the property for charitable purposes. Minn. Stat. § 501B.35, subd. 3. A charitable purpose is a charitable, benevolent, philanthropic, religious, social service, educational, eleemosynary or other public use or purpose. Minn. Stat. § 501B.35, subd. 2. In Minnesota, money or property given to or held by a charitable organization is deemed to create a charitable trust even if the word “trust” is not used by the donor. *In re Peterson’s Estate*, 277 N.W. 529, 532 (Minn. 1938); *In re Quinlan’s Estate*, 45 N.W.2d 807, 810 (Minn. 1951). This includes charitable bequests in wills or other testamentary instruments. *In re Munson’s Estate*, 57 N.W.2d 22, 25 (Minn. 1953). Organizations that are charitable trusts include private foundations, charitable corporations, non-profit corporations and some unincorporated organizations that have a charitable purpose or hold assets for a charitable purpose. Any organization that holds funds or obtains any other asset from individuals, corporations, the government, foundations, other charities or through lawful gambling for a charitable purpose is a charitable trust.

B. REGISTRATION OF CHARITABLE TRUSTS

Unless exempt, any charitable trust that has gross assets of \$25,000 or more at any time during a taxable year must register with the Attorney General within three months after the charitable

trust receives the trust property. Minn. Stat. §§ 501B.36 and 501B.37, subd. 2. The registration statement should be filed on a form prepared by the Attorney General. A copy of the trust's articles of incorporation or trust instrument, including any amendments, plus a \$25.00 registration fee must be filed with the registration statement. Minn. Stat. § 501B.37, subd. 2.

C. EXEMPTIONS FROM REGISTRATION

Chapter 501B excludes certain charitable trusts from its registration and reporting requirements. While these excluded organizations do not have to file registration documents or Annual Reports, they still have fiduciary duties to properly administer property held for charitable purposes.

Pursuant to Minn. Stat. § 501B.36, charitable trusts that are excluded from the registration and reporting requirements are:

1. Organizations that do not have at least \$25,000 in gross assets at any time during a taxable year;
2. Organizations that register and file with the Attorney General as charitable organizations under the Minnesota Charitable Solicitation Act;
3. Charitable trusts administered by the United States or other political subdivisions including the District of Columbia or the Commonwealth of Puerto Rico;
4. Religious associations and all charitable trusts organized and operated exclusively for religious purposes that are administered by a religious association;
5. All charitable remainder annuity trusts or unitrusts or pooled income funds;
6. Trusts described in section 4947(a)(2) of the Internal Revenue Code of 1954, known as split-interest trusts;
7. Trusts in which the only charitable interest is a contingent interest for which no charitable deduction has been allowed for Minnesota income, inheritance or gift tax purposes; and
8. Trusts in which not all of the unexpired interests are devoted to one or more charitable purposes and where the charitable interest is an annuity or income interest that qualifies for a charitable deduction under applicable Minnesota income tax laws.

D. ANNUAL FILING

The Attorney General does not require a specific form to be submitted by a charitable trust as part of an annual filing. Instead, all registered charitable trusts must annually submit a \$25.00 filing fee and a copy of their federal tax or information return, including all schedules and amendments that are submitted to the Internal Revenue Service (such as Forms 990, 990-EZ or 990-PF). Minn. Stat. § 501B.38, subd. 1. An organization which files its federal return with the Attorney General is not required to file the same information with the Minnesota Department of Revenue. Minn. Stat. § 501B.38, subd. 1a. If the charitable trust does not file a federal tax or information return with the Internal Revenue Service, it must file a balance sheet and a statement of income and expense for the accounting year last completed. Minn. Stat. § 501B.38, subd. 1. A form which complies with this requirement is available on the Attorney General's website at http://www.ag.state.mn.us/Charity/Forms/Trust_AnnRepForm.pdf.

Annual filings must be filed on or before the fifteenth day of the fifth month following the close of the charitable trust's taxable year. Minn. Stat. § 501B.38, subd. 1a. For example, if a trust has a taxable year-end of December 31, it must file its annual filing by May 15, which is the fifteenth day of the fifth month following the close of its taxable year. The attached Appendix contains a chart showing due dates for annual filings for common year-end dates for charitable trusts. The filing deadline may be extended by the Attorney General for up to six months. Requests for an extension should be in writing to the Charities/Civil Division of the Attorney General's Office.

E. BREACH OF TRUST

The failure of a trustee to timely register or file a complete, accurate annual filing or to administer and manage property held for charitable purposes in accordance with the law and consistent with fiduciary obligations, constitutes a breach of trust. Minn. Stat. § 501B.41, subd. 6.

IV.

ADMINISTRATION OF CERTAIN CHARITABLE FUNDS-UPMIFA

Passed in 2008, the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) (Minn. Stat. §§ 309.73-309.77) provides standards and procedures for managing and investing an institutional fund, which is defined by UPMIFA as a fund held by an institution exclusively for charitable purposes. Minn. Stat. § 309.735(5). For purposes of UPMIFA, an “institution” is a legal entity operated exclusively for charitable purposes, a government entity to the extent it holds funds for a charitable purpose, or a trust that had both charitable and noncharitable interests, after all noncharitable interests have terminated. Minn. Stat. § 309.735(4). In addition to requiring that an institutional fund be managed with the care of an ordinarily prudent person in a like position, UPMIFA requires an institution to manage and invest its funds subject to the intent of a donor in a gift instrument and with consideration to the charitable purposes of the institution. UPMIFA also provides specific standards and procedures for managing endowment funds and for releasing or modifying donor restrictions on institutional funds. Some of those procedures are discussed in the next section, which outlines the proceedings that trigger notice to the Attorney General.

V.

OTHER RELEVANT LAWS - NOTICE REQUIREMENT PROVISIONS

The Attorney General must be given notice of certain actions and activities involving charitable organizations and charitable trusts. Some of these notice requirements are set forth in the Supervision of Charitable Trusts and Trustees Act (Chapter 501B), the Minnesota Nonprofit Corporation Act (Chapter 317A), the Uniform Prudent Management of Institutional Funds Act (Minn. Stat. §§ 309.73-309.77) and the Minnesota Limited Liability Company Act (Chapter 322B).

A. NOTICE OF CERTAIN PROCEEDINGS OR ACTS INVOLVING CHARITABLE TRUSTS

The Supervision of Charitable Trusts and Trustees Act requires notice to the Attorney General of court proceedings to: 1) terminate a charitable trust; 2) liquidate or distribute the assets of a

charitable trust; 3) modify or depart from the stated purposes of a charitable trust, including a proceeding under Minn. Stat. § 501B.31 for the application of the doctrine of *cy pres*; 4) construe the provisions of an instrument with respect to a charitable trust; and 5) review an accounting submitted by a trustee. Minn. Stat. §§ 501B.41, subd. 2 and 501B.31, subd. 5. The Attorney General must also be notified of court proceedings involving a charitable trust when the interests of uncertain or indefinite charitable beneficiaries may be affected. *Id.* Finally, the law requires notice to the Attorney General of certain probate proceedings in which a bequest or devise for charitable purposes is involved. Minn. Stat. § 501B.41, subd. 5.

UPMIFA also requires notice to the Attorney General of a court proceeding seeking the modification of a restriction contained in the gift instrument of an institutional fund. Minn. Stat. § 309.755. Such proceeding should be in accordance with the procedure and standards set forth in Minn. Stat. § 501B.31, subd. 2 or 4, whichever is applicable. An alternative procedure, which does not involve a court proceeding, is available for certain funds. Under the alternative procedure in Minn. Stat. § 309.755(c), sixty days after notification to the Attorney General, an institution, as defined under UPMIFA, may release or modify a restriction contained in a gift instrument relating to an institutional fund if: (1) the institutional fund subject to the restriction has a total value less than \$50,000; (2) at least 20 years have elapsed since the institutional fund was established; and (3) the institution uses the property in a manner consistent with the charitable purposes expressed in the gift instrument. This notification should be provided to the Charities/Civil Division of the Attorney General's Office.

B. NOTICE OF INTENT TO DISSOLVE, MERGE, CONSOLIDATE, OR TRANSFER ASSETS

The Minnesota Nonprofit Corporation Act requires a nonprofit corporation that holds assets for charitable purposes or is exempt under section 501(c)(3) of the Internal Revenue Code to notify the Attorney General if it intends to dissolve, merge, consolidate or transfer all or substantially all of its assets. Minn. Stat. § 317A.811, subd. 1. This notice does not apply to mergers with, consolidations into or transfers of assets to another organization that is exempt under section 501(c)(3). *Id.* at subd. 6. The information required to be submitted to comply with this requirement is set forth in Minn. Stat. § 317A.811, subd. 1(a)(2). The same notification

requirements apply to nonprofit limited liability corporations. *See* Minn. Stat. § 322B.975, subd. 6.

VI.

OTHER RELEVANT LAWS- NONPROFIT LIMITED LIABILITY COMPANY

Many charitable organizations and/or charitable trusts are nonprofit corporations formed under the Minnesota Nonprofit Corporation Act, chapter 317A. Minnesota law also provides for the formation of nonprofit limited liability corporations under chapter 322B. These chapters have very specific rules relating to the formation, governance and operation of these entities that are not addressed in this publication. An organization formed under these chapters should review the law to ensure that it is in compliance.

CONCLUSION

All documents that must be filed and all questions concerning the regulation or registration of charitable organizations or charitable trusts may be directed to the Attorney General's Office, Charities Division, 445 Minnesota Street, Suite 1200, St. Paul, MN 55101-2130, telephone (651) 296-9412 (voice), (651) 296-1410 ("TTY"). Please note that all registration statements, Annual Reports and other documents required to be filed with the Attorney General are public records.

FINAL NOTE

No information on the requirements of the Minnesota Secretary of State or the Minnesota Gambling Control Board has been included in this Guide. For information on registering as a Minnesota nonprofit corporation or as a foreign corporation, please contact the Minnesota Secretary of State, Retirement Systems of Minnesota Building, 60 Empire Drive, Suite 100, St. Paul, MN 55103, telephone (651) 296-2803 or (877) 551-6767. For information on laws concerning lawful gambling (including raffles) contact the Gambling Control Board, 1711 West County Road B, Suite 300 South, Roseville, MN 55113, telephone (651) 639-4000.

APPENDIX

DUE DATES FOR FILING CHARITABLE ORGANIZATION ANNUAL REPORTS (SOLICITING CHARITIES)

Accounting Year End	Date Due	Date Due With Requested Extension
January 31	August 15	December 15
February 28	September 15	January 15
March 31	October 15	February 15
April 30	November 15	March 15
May 31	December 15	April 15
June 30	January 15	May 15
July 31	February 15	June 15
August 31	March 15	July 15
September 30	April 15	August 15
October 31	May 15	September 15
November 30	June 15	October 15
December 31	July 15	November 15

DUE DATES FOR FILING CHARITABLE TRUST ANNUAL REPORTS

Accounting Year End	Date Due	Date Due With Requested Extension
January 31	June 15	December 15
February 28	July 15	January 15
March 31	August 15	February 15
April 30	September 15	March 15
May 31	October 15	April 15
June 30	November 15	May 15
July 31	December 15	June 15
August 31	January 15	July 15
September 30	February 15	August 15
October 31	March 15	September 15
November 30	April 15	October 15
December 31	May 15	November 15