

AP/AL: Appropriation

Project Type: Information Technology / Systems / Communication

Category: Law and Justice

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: Dave Blaisdell

Estimated Project Dates: 07/01/2012 - 06/30/2014

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Brief Summary and Statement of Need:

The Alaska Department of Law's Registry of Charitable Trusts (The Registry) seeks to transform its registry of nonprofit organizations and fundraising professionals from a paper driven process to an online repository that is easily accessible to the public and is an effective law enforcement tool. This project will improve government effectiveness and streamline the registration and filing processes for nonprofit organizations and fundraising professionals.

Funding:	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>Total</u>
Stat Desig	\$250,000						\$250,000
Total:	\$250,000	\$0	\$0	\$0	\$0	\$0	\$250,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	250,000	
Totals:	250,000	0

Additional Information / Prior Funding History:

No prior funding history.

Project Description/Justification:

State law requires charities and paid solicitors who solicit on behalf of charities for compensation to register with the Department of Law (DOL) annually before soliciting donations in Alaska. Approximately 2,500 charities and 40 paid solicitors register with the Department each year. The number of charities required to file registration forms has steadily increased over the past five years.

The registration requirement serves the following purposes:

1. Registration information is made available to the public, helping donors make informed decisions and avoid fraud; and,
2. The Department uses registration information in enforcing state laws related to charitable solicitations and charitable assets.

The Registry is unable to efficiently and effectively fulfill its mandated responsibilities because it does not have an integrated, automated system. The current system does not have the ability to identify non-compliance with registration and reporting requirements; nor can it automatically notify non-

complying entities of their obligations. The system cannot accept electronically filed annual report documents and is thus unable to collect and make available for analysis by Registry staff the data necessary to identify potential misuse of charitable assets or improper solicitation methods.

The current system is paper-intensive. In order to adequately comply with the requirement that filed information be made publicly available on the internet, the Registry needs to have a system that allows for the electronic receipt of initial registration, annual renewal and annual financial report filing; the receipt and collection of data from the IRS in an electronic format; and the ability to collect and store digital document images.

The Registry needs an integrated, online registration system that will house all relevant registration, registration renewal, demographic and annual financial reporting information for the organizations and professionals it regulates. The online registration system would allow electronic registration and filing of IRS 990 forms using the National Center for Charitable Statistics (NCCS) online system.

To accomplish this, the Department of Law must:

1. Retain a third party contractor to assist the state in developing the means to import the registration data from NCCS. The NCCS info would be received either in PDF or mineable data format. Regardless of form the data needs to be transferred to Prolaw database and must be searchable by the public.
2. Set up a payment portal so charities can pay registration fee. The State anticipates incorporating on-line credit card payments either at the Department of Law or through their web site, as well as the more traditional methods of payment.
3. Retain 3-5 years as may be required by DOL retention guidelines.

What is the purpose of the project?

State law requires charities and paid solicitors who solicit on behalf of charities for compensation to register with the Department of Law annually before soliciting donations in Alaska. This project will make the process more efficient and consistent, and will help ensure the information transmitted and maintained is secure. It will implement a modern web-based registration and payment system which allow charitable organizations to register online while providing the public with the ability to easily research and locate organizations.

Is this a new systems development project? Or, an upgrade or enhancement to existing department capabilities?

This project will entail the development of a new website that will facilitate online registration, leveraging existing form filing sites and the Department's existing case management system, ProLaw.

Specifically, what hardware, software, consulting services, or other items will be purchased with this expenditure. Include a line item breakdown.

Servers: \$75,000

Software Licensing: \$50,000

Consulting Services: \$125,000.

How will service to the public measurable improved if this project is funded?

An automated web-based system will allow current and archived information to be simultaneously available and easily accessible for Registry staff, charitable organizations, paid solicitors and the public. The public will have the ability to easily research and obtain critical information on charities and professional fundraisers financial and compliance with state and federal laws.

Does project affect the way in which other public agencies will conduct their business?

No

What are the potential out-year cost implications if this project is approved? (Bandwidth requirements, etc.)

Ongoing software licensing. Impact on bandwidth is expected to be minimal.

What will happen if the project is not approved?

The current manual process will continue to impact the timeliness and efficiency of the registration process and the availability of publicly requested information.