

## **Guidelines and Standards for Nonprofit Activity and Charitable Donations via Text Messaging**

### **OBJECTIVES**

1. Lay a strong foundation for the appropriate use of day-to-day PSMS fundraising in the United States.
2. Create industry-wide standards governing access to and use of PSMS fundraising services to preserve its integrity and maintain social responsibility.
3. Implement reliable and efficient PSMS fundraising and management processes that protect the best interests of consumers, carriers, non-profit organizations (NPO's), and the wireless industry.
4. Institute and manage a compensation model specifically designed with a low overhead cost for PSMS fundraising services.

### **GUIDELINES FOR CHARITABLE USE OF PSMS SERVICES**

To ensure the integrity of PSMS fundraising programs it is important that guidelines are put forth that establishes a satisfactory level of control over NPO access to mobile services. With that in mind the Mobile Giving Foundation (MGF), in cooperation with legal counsel and experts from the nonprofit industry, has created a set of guidelines entitled the “*Nonprofit Standards of Compliance*” (NSC). These guidelines provide the necessary benchmarks to qualify a legitimate and qualified NPO, and are designed to provide a framework for a defacto, industry-wide standard.

#### **Nonprofit Standards of Compliance**

The Mobile Giving Foundation is committed to advancing mobile philanthropy in the United States. It is our belief that this can best be achieved by creating an environment that establishes trust, confidence, ease of use and familiarity for those participating in charitable activity via the mobile device.

MGF's “*Nonprofit Standards of Compliance*” ensures that all client organizations meet specific standards of legitimacy, thereby safeguarding the integrity

of our products and services, the reputations of our clients and relationship carriers, and the interests of the end user.

The NSC establishes benchmarks to make certain an organization is fulfilling its obligations to those who benefit from its programs, to contributors, and to the public. The NSC also ensures that client activity is compliant with the MMA Consumer Best Practices Guidelines and the MMA Code of Conduct for Mobile Marketing.

These standards are intended as a framework for all fundraising using the mobile channel. All charities must meet the following standards:

- Have a well-defined mission and programs that work to efficiently achieve that mission.
- Be governed by an elected, volunteer board of directors.
- Have policies in place to prevent conflicts of interest.
- Practice sound financial management and comply with legal and regulatory requirements.
- Provide the public with information about their mission, program activities, and finances.
- Be accessible and responsive to members of the public who express interest in the affairs of the organization.
- In good standing with the state of registration.
- Fall under one of the following federally defined NPO categories:
  - Religious
  - Educational
  - Charitable
  - Scientific
  - Literary
  - Testing for Public Safety
  - Fostering National or International Amateur Sports Competitions
  - Promoting the Prevention of Cruelty to Children or Animals
- Be USA PATRIOT Act compliant.
- Maintain 501(c)(3) status.



Furthermore, no eligible charity or NPO shall to its knowledge: (i) invade any person's privacy; (ii) unlawfully post, promote, transmit or disseminate obscene, profane or pornographic material or content that is unlawful, threatening, abusive, libelous, slanderous, defamatory or otherwise offensive or objectionable; and (iii) unlawfully promote or incite hatred (including, without limitation, any transmissions constituting or encouraging conduct that would constitute a criminal offense, give rise to civil liability, or otherwise violate any applicable law).

The Mobile Giving Foundation reserves the right to not service client organizations that fail to meet these standards

### **DUE DILIGENCE PROCEDURES**

Simply setting guidelines and standards governing NPO use of PSMS fundraising is not enough. In order to give our NSC relevance we created a rigid set of due diligence procedures to ensure NPO's in fact meet the standards of compliance. Though rigid and in depth, MGF has developed an efficient, streamlined, and effective process to fulfill these due diligence responsibilities. MGF engages in a due diligence investigation of all participating organizations. The core components of MGF's due diligence procedures include the following:

1. Verify the non-profit's legitimacy;
2. Verify the non-profit's 501(c)(3) status;
3. Review any necessary corporate filings with the state of registration;
4. Review any necessary federal filings, including Forms 990 and 1023;
5. Review the non-profit's mission statement
6. Ensure the non-profit is established, compliant and well-run;
7. Review the necessary financial filings;
8. Ensure USA PATRIOT Act compliance; and
9. Conduct random audits of the non-profit's books, records and filings.

### **FLOW OF FUNDS VIA THE MOBILE GIVING FOUNDATION**

The Mobile Giving Foundation (MGF), as an IRS-registered 501(c)(3) tax exempt organization (pending), will streamline the PSMS donation process for wireless carriers. By establishing a nonprofit organization we have alleviated the wireless carriers of being subject to various state charitable



solicitation laws, furthermore, MGF has taken the necessary steps to comply with the relevant state laws. MGF also eliminates the need for carriers to set up relationships with every NPO that would like to implement PSMS fundraising and can serve as a trusted source to manage all support, compliance, due diligence, and distribution of funds. In addition to these managed services, MGF can also provide all donors with confirmation of tax deductibility of their contribution directly via SMS, using a web tool, or by providing a list of mobile donors to each NPO so that they can communicate directly with their supporters.