

WAC 434-120-025 Definitions. (1) "Accounting year" means a twelve-month period used by an entity to record and report financial activity for accounting and tax purposes.

(2) "Charitable trust" means any real or personal property right held by an entity or person that is intended to be used for a charitable purpose(s). The trust may be created by will, deed, articles of incorporation, or other governing instrument. It may be express or constructive.

(3) "Charities program" means the division of the office of the secretary of state responsible for administration of the Charitable Solicitations Act, chapter 19.09 RCW, and the Charitable Trust Act, chapter 11.110 RCW.

(4) "Compensation" is defined in RCW 19.09.020 and shall not include reimbursement for documented expenses incurred, or noncash awards or prizes valued at one hundred dollars or less and given no more than annually to each volunteer.

(5) "Entity" means an organization, individual or institution with its own existence for legal and/or federal tax purposes. It has the capacity to enter into agreements or contracts, assume obligations, incur and pay debts, sue and be sued in its own right, and to be held responsible for its actions. Entity may include, but is not limited to, a corporation, association, limited liability company, trust, group, partnership, proprietorship, company, estate, agency or unit of state government, person as defined in RCW 1.16.080, or any combination thereof.

For purposes of complying with registration requirements under Washington's Charitable Solicitations Act, "entity" does not include a branch, chapter, unit, affiliate or similar subordinate of another entity if said subordinate:

(a) Is under the direct supervision and control of the related entity;

(b) Does not have its own separate existence from the related entity for legal and/or federal tax purposes; and

(c) The related entity maintains registration under chapter 19.09 RCW.

Regardless of whether or not a subordinate is required to register under the act, it shall comply with the conditions set forth under RCW 19.09.100.

(6) "Income-producing assets" means assets of any kind that are purchased with the objective that the assets will generate income or appreciate and be sold at a higher price in the future including, but not limited to stocks, bonds or real property.

(7) "Investment real property" means real property either:

(a) Held exclusively with the objective that it will generate income or appreciate and be sold at a higher price in the future; or

(b) Used in whole or in part for any purpose other than to provide physical space for directly performing the charitable function for which it is held in trust.

(8) "Renewal date" for charitable organizations, commercial fund-raisers, and charitable trusts means the last business day of the eleventh month after the close of the organization's accounting year.

(9) "Solicitation" is defined in RCW 19.09.020 and includes:

(a) A commercial fund-raiser soliciting or receiving contributions directly from the public if contributions are solicited or received by the fund-raiser or by any officer, employee, principal, or shareholder of the commercial fund-raiser, including immediate family members.

(b) A commercial fund-raiser soliciting or receiving contributions indirectly from the public if the contributions are solicited or received by:

(i) Any organization owned or controlled by the commercial fund-raiser or owned or controlled by any officer, employee, principal, or shareholder of the commercial fund-raiser, including immediate family members; or

(ii) Any person or organization, other than the charitable organization for which funds are solicited, with which the commercial fund-raiser has a contractual relationship governing the solicitation or receipt of contributions.

(c) "Solicitation" as defined in RCW 19.09.020(19), does not include any of the following:

(i) An application or request for a grant, contract, or similar funding from any foundation, corporation, governmental agency or similar entity which has an established application and review procedure for reviewing such requests;

(ii) The attempt to sell goods or services that constitute the basis of the charitable organization's activities under which the federal income tax exemption was granted, or is the primary purpose for the existence of the charitable organization. For example, admission to a theatrical or other performance presented by a charitable organization focused on drama, music, or dance.

(10) "Volunteer" means a person who is not paid or compensated to perform a service.

[Statutory Authority: Chapters 11.110, 19.09, and 43.07 RCW. WSR 14-17-025, § 434-120-025, filed 8/12/14, effective 9/12/14. Statutory Authority: RCW 19.09.075, [19.09.]079, [19.09.]097, and [19.09.]520. WSR 12-14-114, § 434-120-025, filed 7/5/12, effective 8/5/12. Statutory Authority: RCW 19.09.315, 19.09.540, and 43.07.125. WSR 09-22-056, § 434-120-025, filed 10/30/09, effective 11/30/09. Statutory Authority: RCW 19.09.097, [19.09.]315, [19.09.]540, 43.07.125. WSR 09-01-106, § 434-120-025, filed 12/17/08, effective 1/17/09. Statutory Authority: RCW 23B.01.200(2), 24.03.007, [24.03.]008, 25.15.007, 19.09.020(15), [19.09].315, 19.77.115, and 43.07.170. WSR 04-04-018, § 434-120-025, filed 1/23/04, effective 2/23/04. Statutory Authority: RCW 19.09.079, 19.09.190 and 19.09.315. WSR 97-16-036, § 434-120-025, filed 7/30/97, effective 8/30/97. Statutory Authority: RCW 11.110.070 and 19.09.315. WSR 95-11-135, § 434-120-025, filed 5/24/95, effective 6/24/95. Statutory Authority: Chapters 34.05, 19.09, 11.110 and 43.07 RCW and 1993 c 471. WSR 94-01-004, § 434-120-025, filed 12/1/93, effective 1/1/94. Formerly WAC 434-19-020.]