

Response to the
Multistate Registration & Filing Portal Request for Information

RESPONDENT LEGAL ENTITY NAME:

Affinity Resources LLC dba Affinity Fundraising Registration aka Affinity

RESPONDENT CONTACT PERSON:

Name, Title: Marc Lee, President

Address: 4800 Wadsworth Blvd, #110 | Wheat Ridge | CO | 80033

Phone Number: 303-578-9622

Email: Team@fundraisingregistration.com

Experience: Affinity has created and owns the exclusive rights to the Affinity Single Portal® (see www.GoSinglePortal.com and www.Affinitycq.com) which captures data through a PHP/mySQL database formatted according to written and online specs provided by the states for hardcopy and online initial and renewal registration and annual report filings. In short, we have already created the user interface side of the multi-state system you describe in your RFI.

An Affinity Fundraising Registration proposal to build and maintain an MRFP database will meet all the criteria laid out in the RFI with the following modifications:

The Affinity self-funding approach will:

- A. pay for development
- B. pay for maintenance
- C. pay for staffing to support the user community

In order to develop a model that can be successfully “Self-funding” we recommend that you segment and prioritize.

These principles will govern an Affinity proposal should one be requested.

1. Allow the market-place to work. When your project was first envisioned it quoted the cost of registration services from a third party to be \$8,500 annually. At the time there were approximately 4 such providers that were and are law firms plus approximately another 8 companies, all offering or specializing in 3rd party filings. Since that time an additional 12 firms have established an internet presence to market similar services and the cost for a 3rd party filing in 40 entities has fallen to

the \$5500 range – a 35% reduction. Expect further cost reductions which could well impact the financial viability of the MRFP system.

2. Guidance and support for nonprofit users of the MRFP system will be needed from the beginning. Far more guidance and support than you envision is required by unsophisticated nonprofit users. Answers to RFI questions suggest you feel that this can wait until a later phase of development. Our experience is that it cannot. Therefore, see #3.

3. Do not re-invent the wheel – partner with the 3rd party filing community to build on what exists. Every 3rd party filing company has some form of digital process, and they have a wealth of existing knowledge, that you are only just now starting to garner, regarding what is required to navigate and meet multi-state filing requirements. At least two companies – Affinity and Simple Charity – already have online portals to capture data.

The Affinity Single Portal® system is structured in such a way that within 30 days of receiving specs, it could provide direct data handoffs for both Registered and Unregistered charities to a unified MRFP database, not only for the 12 beta states but for the entire universe of 39 state requirements. All existing state information requirements would be met. The challenge that would be faced would be to adapt the interface to automate back-filings for CA, IL and MA. Your RFI, unless we have missed something, does not require this capability.

At least at the outset MRFP does not need to build its own data-entry portal. Instead create a set of individual state specifications and allow any company to digitally hand off data to the MRFP database. Let it be the responsibility of those multiple portals to provide guidance and support to the user community.

Anticipate that multiple portals to the database will need to exist, each conforming to a fixed digital protocol for data handoffs to the MRFP database. In this manner it would be the handoff, not access to an MRFP Portal, that would be the billing point. MRFP could license digital handoff access in such a way as to assure continuing marketplace competition and pay the costs of maintaining the system. Affinity possesses the capability of building the MRFP database but would also be open to partnering with another company.

4. Take smaller steps. Large centralized systems tend to fail. The Affinity proposal would segment the Fundraisers, Consultants and Solicitors system into a separate entity. It does not have enough potential volume to justify the cost. It can be built later, like the 3rd party portals and the state systems. See #7 below.

5. Consider whether the system needs, at least at the outset, 6.2.04 Electronic

Filing of IRS Forms. There are many providers that do this for nonprofits already. Inclusion of this element re-invents the wheel. Instead, allow e-file systems to function as portals and file their information digitally, similarly to the other portals.

6. Item 6.2.06, Private Foundation Submission of IRS Form 990-PF, is another significant expense for little return. An Affinity proposal would see this as a segment to be added on during secondary development.

7. Item 6.3 all sub-items, Professional Fundraiser registration is another significant expense for little return. An Affinity proposal would see this as a segment to be added on during secondary development. See #4 above.

8. Ensure that a developer with first-hand experience with multi-state filings is selected (Affinity, we recognize, is not the only option in this regard). Regulators usually see only one side of their piece of the pie. Ongoing collaboration with the existing community of third party-filers will assure success. Charitable registration requirements are continually changing, and with them the needs of the users.

9. Affinity created the first and only complete online system for managing and facilitating party filings. Affinity understands intimately the need to continually maintain and adjust the platform to meet not only the user needs but also these changing requirements. MRFP must anticipate this as well. The most effective ways of ensuring the MRFP does this is to establish systems of communication and support between existing entities and the future users.

Marc Lee
President
Affinity Fundraising Registration
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