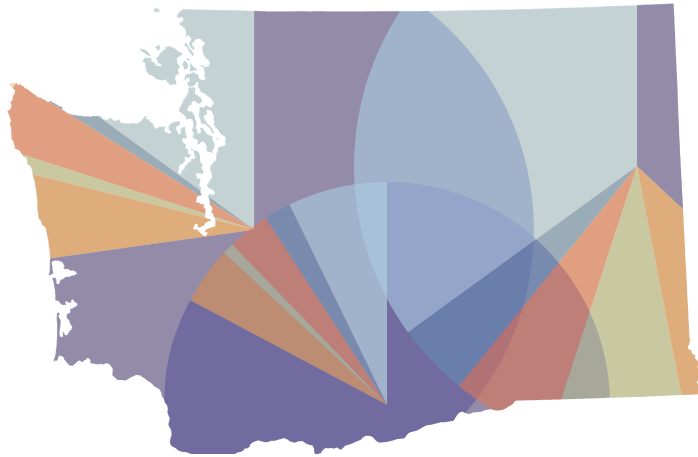




**EVANS SCHOOL OF PUBLIC AFFAIRS**

UNIVERSITY *of* WASHINGTON

Nancy Bell Evans Center on Nonprofits & Philanthropy



# NONPROFITS IN WASHINGTON

A STATISTICAL PROFILE

**PUTNAM BARBER, SENIOR ADVISOR**

NANCY BELL EVANS CENTER ON NONPROFITS AND  
PHILANTHROPY, EVANS SCHOOL OF PUBLIC AFFAIRS

WITH ASSISTANCE FROM T.J. STUTMAN, MPA

2010 UPDATE

## NUMBERS AND TYPES OF NONPROFITS

The number of nonprofit organizations in Washington state is large and difficult to establish with precision. The statistics about these organizations are derived from a variety of administrative sources. This report draws on two principal sources. The Secretary of State registers nonprofit corporations of several types—the largest group is described by chapter 24.03 of the Revised Code of Washington—and regulates organizations that address charitable solicitations to the public. The Internal Revenue Service collects information from federally recognized tax-exempt corporations, a category that overlaps with but includes fewer organizations than the state’s roster of nonprofits. Many nonprofit corporations that are properly organized under Washington statutes do not, for many reasons, apply for recognition as exempt from federal income taxes—as “charitable” or in any other category of federal exemption.

### REGISTRATIONS WITH THE SECRETARY OF STATE

|        |   |
|--------|---|
| 54,030 | “Regular” nonprofit corporations (RCW 24.03), May 19, 2010                |
| 3,920  | Other types of nonprofit corporations                                     |
| 9,308  | Fundraising organization registrations, February 22, 2010                 |
| 2,088  | Optional statements of fundraising organizations not required to register |

### FILINGS WITH THE INTERNAL REVENUE SERVICE

|        |  |
|--------|--|
| 24,919 | 501(C)(3) public charities, IRS, April 2010                  |
| 1,296  | 501(c)(3) private foundations, IRS                           |
| 10,311 | Other categories of federally tax-exempt corporations, IRS   |
| 11,319 | Small organization report (Form 990-N) filers, IRS, May 2010 |

**TABLE 1**

Registrations and Filings of Nonprofit Organizations

## FUNDRAISING ORGANIZATIONS

Organizations that solicit charitable contributions from Washington residents are generally required (by RCW 19.09, the Charitable Solicitations Act) to report annually to the Charities Program of the Secretary of State. Of the 9,308 registrations as of June 2008, 3,017 were for out-of-state groups that have fundraising activities in Washington.

## CHANGES IN THE NUMBER AND FINANCES OF NONPROFIT ORGANIZATIONS IN WASHINGTON

In the early 1990s, when the first “Nonprofits in Washington” report was published, there were approximately 32,000 nonprofit corporations and 13,000 federally recognized tax-exempt charities in the record books. By 2010, the number of nonprofit corporations in the state’s administrative files had increased to the vicinity of 58,000. Over the same interval, the number of tax-exempt charities recognized by the IRS under section 501(c)(3) of the Internal Revenue Code had nearly doubled to approximately 26,000.

## ON THE WEB

Updated several times since the first edition in 1994, “Nonprofits in Washington” uses state and federal administrative statistics to profile nonprofit organizations serving Washington communities.

Further detail on the topics presented here is available on the related website: <http://evans.washington.edu/research/centers/nancy-bell-evans/nonprofit-and-philanthropy-research/nonprofits-in-washington>

**TABLE 2**

Nonprofit Corporations Enrolled with the Office of the Secretary of State, 2004-2009

|                             | 2004   | 2005   | 2006   | 2007   | 2008   | 2009   |
|-----------------------------|--------|--------|--------|--------|--------|--------|
| <b>Nonprofit Renewals</b>   | 41,112 | 34,338 | 40,159 | 43,699 | 46,781 | 45,286 |
| <b>Nonprofit Formations</b> | 4,159  | 4,134  | 4,515  | 4,822  | 4,378  | 5,067  |

*Source: Corporations Division, Office of the Secretary of State (courtesy tabulation). The figure for 2005 renewals may have been affected by changes in procedures and by processing delays. See Data Note 1 on page 12.*

The number of renewals filed each year with the Secretary of State provides a good indication of the number of nonprofits in operation during the year, though there are other factors that affect these tallies (as explained in **Data Note 1** on page 12). It is also clear from the information in the table above that a good number of nonprofits cease operation each year—the number of renewals in the subsequent year is often not as high as the total of renewals and formations in the previous period. Nonprofits cease operations for a wide variety of reasons—as a result of mergers, when their projects are completed, and, of course, when they cannot realize sufficient revenues to continue.

There is no source for financial information for the nonprofit corporations in the files of the Secretary of State. Financial information for many nonprofits that have been federally recognized is available from the annual information returns—commonly known by its designation as Form 990—filed with the Internal Revenue Service by those with revenues of \$25,000 and higher.

**TABLE 3**

Number, Revenues, and Assets of Public Charities, 2006-2010

(as of April each year)

|                      | 2006           | 2007           | 2008           | 2009           | 2010           |
|----------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Number</b>        | 21,161         | 22,745         | 23,145         | 24,059         | 24,919         |
| <b>Total Revenue</b> | 23,400,134,221 | 25,884,949,766 | 29,587,549,537 | 26,657,284,604 | 27,535,879,677 |
| <b>Total Assets</b>  | 34,211,295,559 | 38,686,939,360 | 45,010,616,662 | 43,415,580,824 | 45,150,539,061 |

*Source: IRS Data compiled by the National Center for Charitable Statistics. Used by permission. See Data Note 2 on page 12.*

**TABLE 4**

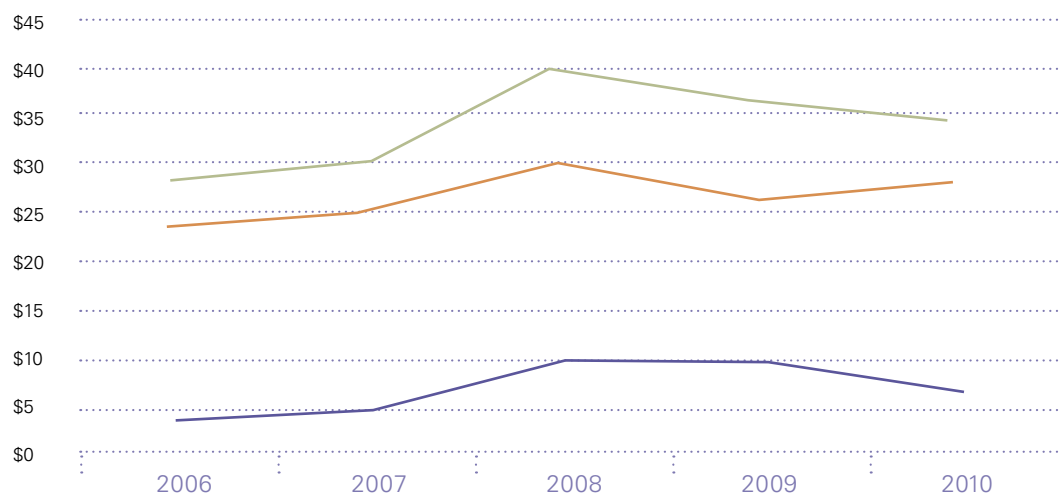
Number, Revenues, and Assets of Private Foundations, 2006-2010

(as of April each year)

|                      | 2006           | 2007           | 2008           | 2009           | 2010           |
|----------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Number</b>        | 1,159          | 1,263          | 1,305          | 1,303          | 1,296          |
| <b>Total Revenue</b> | 3,440,396,418  | 5,082,036,969  | 9,581,150,728  | 9,651,597,598  | 7,327,717,250  |
| <b>Total Assets</b>  | 33,316,766,946 | 37,623,196,550 | 82,999,473,963 | 83,017,675,980 | 64,395,560,794 |

*Source: IRS Data compiled by the National Center for Charitable Statistics. Used by permission. See Data Note 2 on page 12.*

The economic turmoil that began in 2008 is reflected in several ways in these statistics. The sharp downturn in the total assets of private foundations—nearly \$19 billion between the reports for 2009 and 2010—is an indication of the impact of financial markets on endowments and suggests that the decline in foundation revenue that began in 2009 and continued in 2010 can be expected to continue. The decline in the number of private foundations, while small, represents a marked departure from the pattern of year-to-year increases in previous years. The declines for public charities were much less pronounced and from 2009 to 2010, both revenues and assets of these organizations increased slightly. The sharply lower number of formations recorded by the Secretary of State in 2008 may well reflect the climate of uncertainty in which nonprofits were operating in that year. The sharp increase in foundation assets earlier in the decade reflects, among other things, additions to the endowment of the Bill and Melinda Gates Foundation.



**CHART 1**

Total Revenue of Public Charities and Private Foundations, 2006-2010

(In Billions)

— Total  
 — Public Charities  
 — Private Foundations



**CHART 2**

Total Assets of Public Charities and Private Foundations, 2006-2010

(In Billions)

— Total  
 — Public Charities  
 — Private Foundations

## OTHER FEDERALLY RECOGNIZED ORGANIZATIONS

The Internal Revenue Code defines more than 20 kinds of organizations that may qualify for exemption from federal corporate income taxes but are not, in general, eligible to receive tax-deductible donations for charitable activities. These other forms of exempt organizations include business leagues, social clubs, and advocacy organizations along with a variety of less common sorts of institutions.

## EMPLOYMENT AND WAGES

Some nonprofit employers participate in the unemployment insurance program of the Washington State Employment Security Department; others rely on different programs to meet their obligation to contribute to unemployment benefits. For this reason, employment data are available from Employment Security for fewer organizations than are covered in other portions of this report. In the first quarter of 2009, 2,484 nonprofit firms employed 174,374 workers and paid estimated annual wages of \$8.1 billion, or a little over \$46,000 per employee. These figures should be considered approximations because there is seasonal variation in employment and the total number of employees includes both full- and part-time workers. Covered nonprofit employment was about 6% of the total workforce of the state, and the workers received about 6% of the covered wages.

## INFORMAL GROUPS

Though these numbers may be impressively large, many would argue that they significantly under-represent the true scope of the community benefits provided by activities conducted without the goal of profit. An untold number of groups operate in communities of every size without any official registration or recognition—from carpools to block watch collaborations to broad coalitions of like-minded people who act on the basis of news reports and Internet exchanges to influence public policy and respond to community needs.

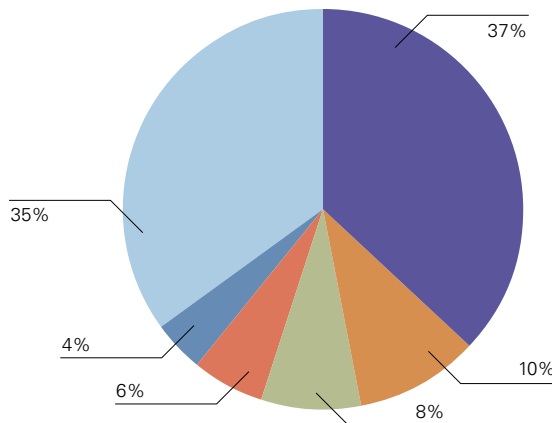
## GEOGRAPHIC DETAIL

In **Table 5**, organizations have been grouped into “ZIP Regions” using the first three digits of the ZIP-code in their addresses. Although the total numbers of organizations in each administrative category differ greatly, the proportions of the various types of nonprofit organizations are highly consistent within geographic regions. The highest concentration for most categories of nonprofit organizations is in the city of Seattle (981xx). There is another peak in the vicinity of Tacoma (984xx), the state capital (985xx), and in the major city of the “Inland Empire,” Spokane (992xx). The “other” category for federally recognized nonprofits (i.e., trade associations, social action groups, and the like) is more frequently represented in the state capital.

As **Table 5** shows, nonprofits operate everywhere in Washington state. The more urbanized areas of the state, not surprisingly, include larger proportions of these organizations. The concentration of financial resources (revenues and assets) among tax-exempt entities, as demonstrated by annual reports filed with the IRS, is even more sharply concentrated in the urbanized areas. This is particularly true for Seattle, where the largest capital-intensive organizations in the state—principally hospitals, research laboratories, universities, and foundations—are located. The five urban counties highlighted in **Charts 3, 4, and 5** account for 65% of the total population of the state and nearly 70% of the number of 501(c)(3) organizations.

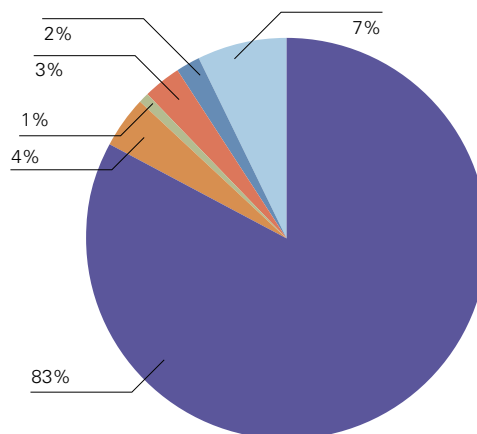
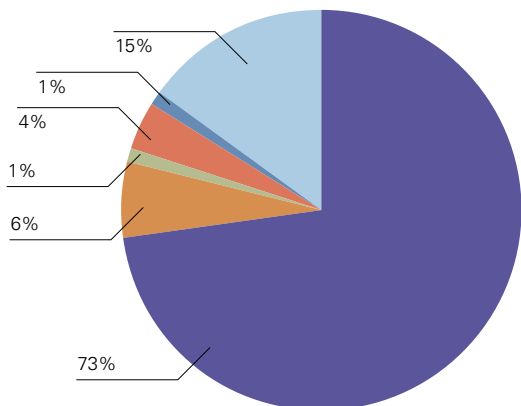
Financial information is available only for the 14,347 organizations that file a Form 990 with the IRS—generally those with more than \$25,000 in revenue per year (see **Data Note 3** on page 12). Organizations in King County, as **Charts 4 and 5** show, receive 85% of the revenue and hold 93% of the assets. The share of all other counties’ nonprofit revenues, though comparatively small, totals \$5.1 billion; the share of assets in all other counties comes to \$7.8 billion.

Employment numbers have a similar but weaker pattern. King County accounted for 43% of reported employment in nonprofit firms; the other four urbanized counties accounted for 30% of the total and the other 34 counties 27%.



**CHART 3**  
501(c)(3) Nonprofits by County, April 2010  
Total: 26,215

**CHART 4**  
501(c)(3) Nonprofits, Revenues by County, April 2010  
Total: \$34,863,596,927



**CHART 5**  
501(c)(3) Nonprofits, Assets by County, April 2010  
Total: \$109,546,099,855

**TABLE 5**

Active Nonprofit Corporations, Corporations Recognized as Exempt from Federal Corporate Income Taxes, April/May 2010

Data for the 501(c)(3) organizations that file Form 990 or Form 990-EZ are shown for each county in the online supplement to this report, available at <http://evans.washington.edu/research/centers/nancy-bell-evans/nonprofit-and-philanthropy-research/nonprofits-in-washington>.

| ZIP REGION | REGION NAME                   | State Data                    |                      |                       |                   | Federal (IRS) Data   |                       |                  |                   |              |               |
|------------|-------------------------------|-------------------------------|----------------------|-----------------------|-------------------|----------------------|-----------------------|------------------|-------------------|--------------|---------------|
|            |                               | ACTIVE NONPROFIT CORPORATIONS | REPORTING 501(C)(3)S | NON-FILING 501(C)(3)S | NON-FILING OTHERS | REPORTING 501(C)(3)S | NON-FILING 501(C)(3)S | REPORTING OTHERS | NON-FILING OTHERS |              |               |
| 980xx      | King Co. (not Seattle)        | 10,692                        | 19.8%                | 2,442                 | 17.0%             | 2,231                | 18.8%                 | 799              | 13.0%             | 517          | 12.5%         |
| 981xx      | Seattle & Bainbridge Island   | 9,664                         | 17.9%                | 3,819                 | 26.6%             | 2,086                | 17.6%                 | 1,003            | 16.3%             | 510          | 12.3%         |
| 982xx      | NW Portion of State           | 7,424                         | 13.7%                | 1,637                 | 11.4%             | 1,505                | 12.7%                 | 764              | 12.4%             | 509          | 12.3%         |
| 983xx      | Olympic Peninsula, Pierce Co. | 5,199                         | 9.6%                 | 1,152                 | 8.0%              | 1,106                | 9.3%                  | 579              | 9.4%              | 386          | 9.3%          |
| 984xx      | Tacoma and Environs           | 3,634                         | 6.7%                 | 1,025                 | 7.1%              | 755                  | 6.4%                  | 387              | 6.3%              | 233          | 5.6%          |
| 985xx      | Thurston County               | 5,021                         | 9.3%                 | 865                   | 6.0%              | 863                  | 7.3%                  | 599              | 9.7%              | 429          | 10.4%         |
| 986xx      | SW Portion of State           | 3,065                         | 5.7%                 | 895                   | 6.2%              | 802                  | 6.8%                  | 415              | 6.7%              | 326          | 7.9%          |
| 988xx      | N Central Portion of State    | 1,747                         | 3.2%                 | 402                   | 2.8%              | 410                  | 3.5%                  | 304              | 4.9%              | 215          | 5.2%          |
| 989xx      | S Central Portion of State    | 1,544                         | 2.9%                 | 404                   | 2.8%              | 416                  | 3.5%                  | 273              | 4.4%              | 233          | 5.6%          |
| 990xx      | Spokane Vicinity (not city)   | 750                           | 1.4%                 | 151                   | 1.1%              | 180                  | 1.5%                  | 94               | 1.5%              | 103          | 2.5%          |
| 991xx      | NE Portion of State           | 1,129                         | 2.1%                 | 281                   | 2.0%              | 338                  | 2.8%                  | 211              | 3.4%              | 214          | 5.2%          |
| 992xx      | Spokane (city)                | 2,320                         | 4.3%                 | 682                   | 4.8%              | 573                  | 4.8%                  | 341              | 5.5%              | 215          | 5.2%          |
| 993xx      | SE Portion of State           | 1,728                         | 3.2%                 | 561                   | 3.9%              | 538                  | 4.5%                  | 379              | 6.1%              | 236          | 5.7%          |
| 994xx      | SE Corner of State            | 113                           | 0.2%                 | 31                    | 0.2%              | 65                   | 0.5%                  | 20               | 0.3%              | 17           | 0.4%          |
|            | <b>TOTAL</b>                  | <b>54,030</b>                 | <b>100.0%</b>        | <b>14,347</b>         | <b>100.0%</b>     | <b>11,868</b>        | <b>100.0%</b>         | <b>6,168</b>     | <b>100.0%</b>     | <b>4,143</b> | <b>100.0%</b> |

Sources: Corporations Division, Office of the Secretary of State, courtesy tally on May 19, 2010. Federal data, IRS Business Master File April 2010, National Center for Charitable Statistics, see **Data Note 3** on page 12.

## SIZE OF WASHINGTON'S NONPROFIT ORGANIZATIONS

Most nonprofit organizations are small. There is no information that directly shows the sizes of the nonprofit corporations registered with the state, but using data about federally recognized nonprofits and foundations offers an indication of how many organizations operate entirely with volunteers or on very small budgets. In the 24 months preceding April 2010, 14,347 501(c)(3) organizations filed a Form 990, in most cases because they received more than \$25,000 in revenue for the reporting year. In the IRS list of exempt organizations for Washington, 11,868 others were included that did not file, usually because revenues were below \$25,000 (but sometimes because they had ceased operations without notifying the IRS).

Of the filing organizations, 10,923 reported annual revenue of at least \$1 in the period ending in April 2010 (the others had \$0 in revenue or suffered losses for the year). Of these, 25% had revenue of less than \$31,268; the median organization reported \$83,124 in revenues; and 75% had revenues of less than \$321,151. In fact, 99% of the reporting organizations had total revenues of less than \$10 million, leaving 256 with revenues between \$10 million and the very largest (at \$3.8 billion.)

## TYPES OF SERVICES

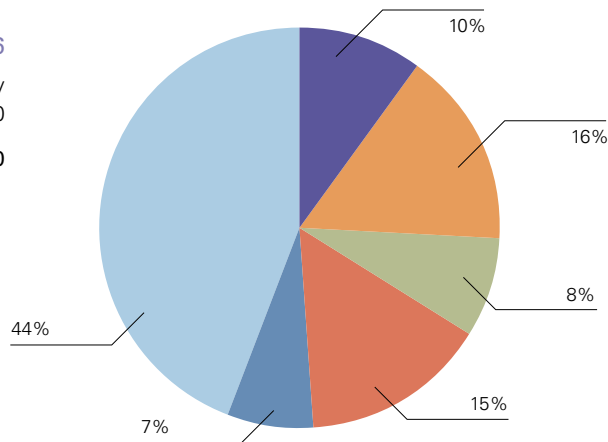
Charts 6, 7, and 8 show the numbers of reporting 501(c)(3) organizations in Washington state as well as total revenues and assets, both financial and fixed, for organizations in several service categories. The six categories shown here combine data from 26 fields of service detailed in the data from federal reports.<sup>1</sup> (The five organizations that lacked a code for field of service have not been included in this discussion. "NTEE" is shorthand for National Taxonomy of Exempt Entities, the classification system used by the IRS.)

<sup>1</sup> These statistics for all 26 categories for each of Washington's 39 counties are included in the online supplement.

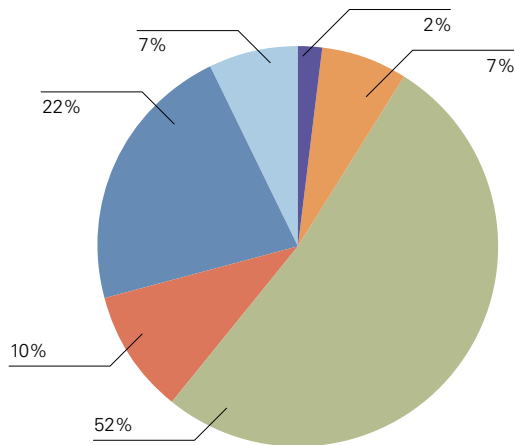
With substantial physical plants and significant fee and tuition income, education and health represent a significant portion of the financial activity among Washington nonprofits. At the same time, due to remarkable levels of gift-giving, the private and community foundations in Washington state (included in the category labeled "Philanthropy, Volunteerism, and Grantmaking Foundations") account for more than half the assets and almost two-thirds of the revenues shown below. The Bill and Melinda Gates Foundation alone accounts for much of these totals. The 2010 "Trends in Northwest Giving" report, prepared by Philanthropy Northwest, ranked the Gates Foundation as the largest funder to the northwestern United States, representing 28% of grant dollars to the region.

It is worth noting that these charts present foundations' role in the finances of the nonprofit sector twice, since the revenues received in the current year by foundations will be distributed in the form of grants—reported as revenue by other sorts of organizations—in future years. Accordingly, some portion of the current revenue reported by the other types of nonprofits in these charts was received as income by foundations in past years. Further complicating this discussion is that since foundations' grantmaking is not linked to the data by state, there is no way to identify grants by out-of-state foundations to Washington nonprofits and grants by Washington foundations to out-of-state recipients. (Nationally, foundation grants make up about 3.3% of total revenues for nonprofits other than foundations.)

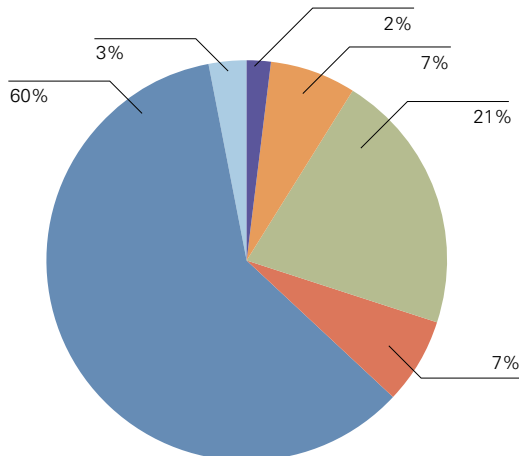
**CHART 6**  
 501(c)(3) Nonprofits, Count by  
 NTEE Group, April 2010  
 Total: 26,210



**CHART 7**  
 501(c)(3) Nonprofits, Total Revenue  
 by NTEE Group, April 2010  
 Total: \$34,863,596,927



**CHART 8**  
 501(c)(3) Nonprofits, Assets  
 by NTEE Group, April 2010  
 Total: \$109,546,099,855



- ARTS, CULTURE, & HUMANITIES
- EDUCATION
- HEALTH
- HUMAN SERVICES
- PHILANTHROPY, VOLUNTEERISM,  
AND GRANTMAKING FOUNDATIONS
- PUBLIC BENEFIT

## NEW FEDERAL REPORTING REQUIREMENT

Though exempt from filing with the IRS prior to 2008, 501(c)(3) organizations with less than \$25,000 per year in gross receipts are now required to complete IRS Form 990-N annually. The 990-N confirms that the organization continues to operate and that it has revenues below the threshold. As of April 2010, about 42% of all recognized tax-exempt organizations in Washington had not filed a Form 990 in the preceding 24 months. Of these, about 71% (as of mid-June 2010) had filed the new form, 990-N. Some of the organizations that filed neither version of Form 990 are exempt from filing (most often because of status as a religious congregation). Many of the others, though, may well have ceased operation. One policy goal for the creation of Form 990-N was to remove from the IRS files organizations that have completed their goals, merged, or simply stopped operating without informing the IRS. The rules established by the Pension Protection Act of 2006 (which defined the Form 990-N) provided that failing to file any annual report with the IRS for three consecutive years would result in automatic termination of tax-exempt status. On May 17, 2010, the first group of nonfiling organizations reached that deadline. The IRS has announced that any organization filing before October 16, 2010, will be considered to have filed by the deadline. It will identify those that have been removed from the list of recognized organizations early in 2011. Donors will continue to be able to take a deduction, even for gifts to organizations that have failed to file, until that list is published.

## DEVELOPMENTS FOR WASHINGTON NONPROFITS

The 2010 Legislature authorized increased fees for registering and reporting under the Charitable Solicitations Act in order to expand educational activities for boards and staff of nonprofits. The new fees become effective August 1, 2010. During 2009, the Office of the Secretary of State completed regulations to implement new reporting requirements adopted by the Legislature in 2007 for organizations registered under the Charitable Solicitations Act (RCW 19.09). Organizations with more than \$1 million in annual gross revenues averaged over three years must assure that their Form 990s are professionally prepared (every soliciting organization must provide a copy of its most recent Form 990). Organizations with over \$3 million in averaged revenues must also attach audited financial statements. The Charities Advisory Council assisted the Office of the Secretary of State in drafting implementing the regulations and designing an education program. Further information about the fees, the required filings, the education program, and the Charities Advisory Council can be found on the Secretary of State's website at <http://www.sos.wa.gov/charities>.

The 2010 Legislature also adopted (in SHB 3046) an amendment to RCW 24.03, the Nonprofit Corporations Act, modifying the process for dissolution in situations where the governing body of the organization is unable or unwilling to act.

In an effort to address a projected revenue shortfall, the 2010 Legislature also raised the Business and Occupations (B&O) Tax rate for revenue in the Service and Other category (which includes many forms of revenue received by nonprofits) to 1.8% (from 1.5%). The "small business" credit was also raised to \$840 per year, meaning that revenue of less than \$46,667 is not subject to B&O tax.

As of August 1, 2009, Washington state no longer permits the formation of new “corporations sole”—a specific kind of nonprofit corporation designed in the past to hold the property of religious organizations. This change to RCW 24.12 allows existing corporations sole to continue while adding a requirement for an annual report. Creating a corporation sole was frequently wrongly understood to confer immunity from certain taxes on individuals, resulting in a considerable volume of correspondence between state officials and applicants pursuing the goal of reducing or eliminating exposure to various taxes.

In January of 2010, the planning group for a statewide association of nonprofits in Washington, named Washington Nonprofits, filed incorporation papers and began formal consultations across the state to develop initial program plans. The organizers represent nonprofit support centers and similar groups from Bellingham, Seattle, Tacoma, Vancouver, and Spokane. The new group has announced that its board will include one person from each of Washington’s nine congressional districts to ensure geographic balance and its dues structure will include lowered rates for members who are also members of local nonprofit support organizations or other statewide associations supporting nonprofits and their work.

**BOX 1**  
Nonprofit Support  
Organizations

**CENTER FOR NONPROFIT AND SOCIAL  
ENTERPRISE MANAGEMENT**

Seattle University  
<http://www2.seattleu.edu/artsci/mnpl/>

**EA ALLIANCE OF NONPROFITS**

Seattle, WA  
<http://www.exec-alliance.org/>

**EXECUTIVE SERVICE CORPS OF  
WASHINGTON**

<http://www.escwa.org/>

**NANCY BELL EVANS CENTER ON  
NONPROFITS AND PHILANTHROPY**

Evans School of Public Affairs,  
University of Washington  
<http://evans.washington.edu/nbec>

**NONPROFIT ALLIANCE**

Port Angeles, WA  
[http://www.jccfgives.org/jccf\\_gives\\_back/jc\\_nonprofitalliance.html](http://www.jccfgives.org/jccf_gives_back/jc_nonprofitalliance.html)

**THE NONPROFIT CENTER**

Tacoma, WA  
<http://www.npcenter.org/>

**THE NONPROFIT NETWORK**

Vancouver, WA  
<http://nonprofitnetworkwa.org/>

**NORTHWEST  
NONPROFIT RESOURCES**

Spokane, WA  
<http://www.nnr.org/>

**UNITED WAY OF KING COUNTY**

<http://www.uwkc.org/>

**WASHINGTON NONPROFITS**

<http://www.washingtonnonprofits.org/>

**WHATCOM COUNCIL OF  
NONPROFITS**

<http://www.wcnwebsite.org/>

---

## DATA NOTES

- 1 The Corporations Division in the Office of the Secretary of State renews the corporate status of nonprofits filing an annual report each year and enrolls newly formed nonprofits as the necessary paperwork is filed. Nonprofit corporations are removed from the rolls in two ways: some organizations file a “notice of dissolution” when they wind up their affairs while others simply fail to file the required annual report and are, eventually, dissolved administratively. Throughout the year, organizations that have been administratively dissolved apply for re-instatement (as is permitted by the rules). As a result, the tally of “active” corporations on the rolls can vary quite sharply from time to time, influenced by filing deadlines, processing schedules, and the volume of requests for reinstatement.
- 2 By agreement with the Internal Revenue Service, the National Center for Charitable Statistics (NCCS) at the Urban Institute publishes online detailed information from IRS Form 990 for tax-exempt entities. (Form 990 is a public document that must be available for examination by anyone.) The information published as of a given month represents the most recent forms filed by the included organizations within the past 24 months. The financial information shown in this report is based on data fields that have been scanned by NCCS to correct for frequent anomalies—such as rounding to the nearest \$1,000. Organizations recognized as tax-exempt under section 501(c)(3) of the Internal Revenue Code correspond most closely to the familiar term “nonprofit” as it is used in discussions around this topic. Churches, broadly defined, and their integrated auxiliaries are not required to provide financial information to the IRS, though some do so voluntarily. The 501(c)(3) group of organizations is further divided into “Public Charities” and “Private Foundations.” The former group includes most of the familiar social service, arts, educational, and advocacy organizations operating programs in Washington communities. They are classified by the breadth of the financial support they receive. Private foundations are most commonly grant-makers supported either by gifts from a small group of individuals (often members of a single family) or a corporation, or by earnings from past gifts that make up an endowment.
- 3 **State data:** The ZIP-code reported for a Washington nonprofit corporation may reflect the location of the corporation’s registered agent and not the site of its operations. This pattern probably overstates the numbers shown for the more urban areas of the state. As discussed in Data Note 1, there can be significant variations in tallies from the files of the Corporations Division in the Office of the Secretary of State that are not related to changes in the numbers of nonprofit corporations. It is likely that this total does not reflect a significant number of dissolutions that had not been processed at the end of April 2010, as well as some number of reinstatements and formations that were awaiting processing on that date. **Federal data:** As described in Data Note 2, the Internal Revenue Code defines several qualifications for tax-exemption. Section 501(c)(3) includes private foundations and public charities (see Data Note 2); other sections of the code provide exemption for business leagues, recreation clubs, social action (advocacy) organizations, veterans’ groups, etc. In general, only donations to 501(c)(3) organizations may be deducted when calculating personal income taxes. Organizations with less than \$25,000 in annual revenues (“non-filers”) are not required to provide detailed financial information and are displayed separately from the larger organizations (“filers”) in each region of the state. All 501(c)(3) organizations—foundations and public charities—are included in each ZIP-code region.

The preparation of the 2010 Update to “Nonprofits in Washington” has been supported by the Nancy Bell Evans Center on Nonprofits & Philanthropy at the Evans School of Public Affairs, University of Washington. Tom Pollak of the National Center for Charitable Statistics, Pam Floyd, Linda Shea, and Rebecca Sherrell of the Corporations Division in the Office of the Washington Secretary of State, and Michael Moores of the Washington Department of Employment Security assisted by providing the necessary data and advice on its interpretation. T.J. Stutman, MPA, compiled the data for this publication and the online supplements. Putnam Barber prepared the text.

The aim of the Nancy Bell Evans Center on Nonprofits & Philanthropy (the “Center”) is to enhance the understanding and vitality of the nonprofit and philanthropic sector. The Center conducts and supports research on nonprofits and philanthropy, and serves as an incubator for research-based nonprofit and philanthropic education at the University of Washington. The Center also convenes members of the academic, nonprofit, and philanthropic communities to stimulate thinking on current issues, share research and best practices, and promote increased dialogue and collaboration. The Center, housed within the Evans School of Public Affairs at the University of Washington, is run by Acting Director David Harrison (2010–11).

**W** **EVANS SCHOOL OF PUBLIC AFFAIRS**  
UNIVERSITY *of* WASHINGTON  
Nancy Bell Evans Center on Nonprofits & Philanthropy

203 Parrington Hall, Box 353055  
Seattle, WA 98195-3055  
<http://evans.washington.edu/nbec>

P 206.221.4629  
F 206.543.1096  
E [nbec@u.washington.edu](mailto:nbec@u.washington.edu)

---

**Further detail on the web at:**

<http://evans.washington.edu/research/centers/nancy-bell-evans/non-profit-and-philanthropy-research/nonprofits-in-washington>