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**Additional Requirements for Rescuing Racers Initiative   
Grant Applicants**

In order to be eligible for grant funds for the Rescuing Racers Initiative you must meet the following requirements

**Good standing with the Secretary of State in the state where you incorporated**

When you form a business entity, you file paperwork with the Secretary of State where you decide to form your business (usually the place where you operate). The state imposes requirements on corporations, which often include filing reports and/or forms on time, paying fees and/or taxes, and appointing a registered agent, and you must meet those requirements in order to be in good standing. The easiest way to find out if you are in good standing is to go to your state’s Secretary of State’s website and look up your organization (assuming that they keep their site up to date). Going online and searching for (1) your state’s name, (2) the phrase “secretary of state” and (3) the phrase “business search” (or alternatively “corporation search” or “entity search”) should bring you to the right place.

**Registered to solicit funds**

Nonprofits are generally required to register prior to soliciting funds and/or receiving donated funds within a state, although there are a few states that do not require registration. This year we are requiring that you are registered to solicit funds at least in your home state, unless your home state is one of the few that does not require registration (if that is the case, please let us know that your state does not require registration). A web search for your state’s name and the phrase “charitable solicitation registration” will likely take you to the right place to learn more about registration and to begin the registration process. While we are only requiring that you register to solicit funds in your home state at this time, please keep in mind that if you accept online donations, you should consider registering in every state that requires it. [This article provides more information](https://www.perlmanandperlman.com/fundraising-compliance/do-we-need-to-register/) regarding charitable solicitation registration.

**Current 501(c)(3) exemption or governmental entity**

You must have a current 501(c)(3) exemption. [Here is a helpful resource from the IRS](https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-section-501c3-organizations) describing which types of entities qualify for tax exemption under Section 501(c)(3).

**Majority independent board**

The majority of your board should be independent both from your organization and from one another. By way of example, if you have five people on your board of directors, and three are paid employees, your board would not have a majority of independent members. Also, if your five-person board contained a husband, wife, and their child, a majority would not be independent. The IRS has said: “Irrespective of size, a governing board should include independent members and should not be dominated by employees or others who are not, by their very nature, independent individuals because of family or business relationships.”

**Compensated board members shall not serve as board chair or treasurer**

It is best practice for your chairman of the board and your treasurer not to be compensated, and a requirement for this year’s Rescuing Racers grant funding.

**Land owned by organization or organization is on land pursuant to a valid lease**

Everyone wants to ensure that the horses in their care have a place where they can live without interruption. Applicants for Rescuing Racers funding will be asked to represent that they either own the land where their rescue is located or that they are on that land subject to a valid lease.