



## **Updating the Indiana Nonprofit Database: 2001-2004**

School of Public and Environmental Affairs

Indiana University – Bloomington

Richard Clerkin & Kirsten Grønbjerg

June 2005

# Updating Indiana's Nonprofit Database

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- General purpose of this effort
  - Maintain up-to-date listing of Indiana nonprofits
    - Limit focus to two key electronic institutional sources
      - IRS registered tax exempt entities with Indiana reporting addresses (as of spring, 2004)
      - Indiana Secretary of State (SOS) – List of incorporated non-for-profit organizations (as of early winter, 2004)
    - In future, will explore web-based listings of congregations
      - Involves significant challenges of time and efforts
- But a limited effort
  - Unable to undertake other supplemental approaches used in 2001
    - Local listings in twelve selected communities
    - List of nonprofits from survey of Indiana residents about personal affiliations with nonprofits

# Multi-step process

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- Review/correct existing 2001 database
  - Review information from nonprofit survey completed in 2002
  - Include updates received since then from Indiana nonprofits
- Update database to 2004
  - Using two key electronic listings (IRS and SOS)
    - Add new records (entrants)
    - Delete non-recurring records (departures, perhaps defunct)
    - Identify and delete duplicates among new and/or existing records
    - Update other information that may have changed (names, addresses, etc.)
- Make available in web-searchable format, hosted by [www.ihc4u.org](http://www.ihc4u.org)

# Review/Correct 2001 Database

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- Original 2001 database contained 59,412 records
  - Merged institutional databases – 54,108 records
    - IRS list of exempt entities with Indiana reporting addresses
    - Indiana Secretary of State list of incorporated nonprofits
    - Yellow page listings of congregations
  - Additional records - 5,304 (not in merged 3 lists)
    - Supplementary listings from 11 communities across the state
    - Nonprofits identified through Nonprofit Affiliation survey (332)
- Upon review: 3,139 records should have been deleted
  - Additional duplicates - 2,419
  - Out of state records – 643
  - Records with incomplete information - 77

# Presentation Format for Analysis

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- Cross-classify records by IRS and SOS status (table cells)
  - IRS status – rows in tables
    - Any IRS registration (bottom row in most tables)
      - 501(c)(03) – charities (eligible to receive tax-deductible contributions)
      - 501(c)(04) – “advocacy” or “social welfare” nonprofits
      - All other subsections – various mutual benefit nonprofits
    - Not IRS-registered
  - SOS status – columns in tables
    - Incorporated with Indiana Secretary of State
    - Not incorporated with Indiana Secretary of State
- Data presented
  - Actual number of records that meet criteria, cross-classified
  - Percent distribution of records across combination of categories
  - If relevant: each combination as percent of corresponding base

# Revised 2001 Database Composition

Originally, the 2001 INP database contained 59,412 records

		SOS		
		yes	no	total
IRS	03	8,534	8,013	16,547
	04	1,367	2,584	3,951
	other	2,569	9,482	12,051
	no	16,924	9,939	26,863
total		29,394	30,018	59,412
IRS ALL		12,470	20,079	32,549

		SOS		
		yes	no	total
IRS	03	14.4%	13.5%	27.9%
	04	2.3%	4.3%	6.7%
	other	4.3%	16.0%	20.3%
	no	28.5%	16.7%	45.2%
total		49.5%	50.5%	100.0%
IRS ALL		21.0%	33.8%	54.8%

The 2001 database should have contained 56,271 records – clean base

		SOS		
		yes	no	total
IRS	03	8,479	7,413	15,892
	04	1,361	2,370	3,731
	other	2,554	8,809	11,363
	no	16,830	8,455	25,285
total		29,224	27,047	56,271
IRS ALL		12,394	18,592	30,986

		SOS		
		yes	no	total
IRS	03	15.1%	13.2%	28.2%
	04	2.4%	4.2%	6.6%
	other	4.5%	15.7%	20.2%
	no	29.9%	15.0%	44.9%
total		51.9%	48.1%	100.0%
IRS ALL		22.0%	33.0%	55.1%

# "Additions" – 9,265 new records

9,265 nonprofits newly incorporated and/or IRS registered, 2001- 04

		SOS		total
		yes	no	
IRS	03	1,225	1,720	2,945
	04	48	190	238
	other	103	748	851
	no	5,231		5,231
	total	6,607	2,658	9,265
IRS ALL		1,376	2,658	4,034

		SOS		total
		yes	no	
IRS	03	13.2%	18.6%	31.8%
	04	0.5%	2.1%	2.6%
	other	1.1%	8.1%	9.2%
	no	56.5%		56.5%
	total	71.3%	28.7%	100.0%
IRS ALL		14.9%	28.7%	43.5%

- Distribution of new nonprofits (top right)
  - 57% SOS only → gateway for nonprofits
  - 29% IRS only, mainly c(3)
  - 15% both IRS and SOS
- Rates (as % of 2001 clean cell, right)
  - 17% overall
  - 31% for SOS only
  - 23% for unincorporated c(3)

		SOS		total
		yes	no	
IRS	03	14.4%	23.2%	18.5%
	04	3.5%	8.0%	6.4%
	other	4.0%	8.5%	7.5%
	no	31.1%		20.7%
	total	22.6%	9.8%	16.5%
IRS ALL		11.1%	14.3%	13.0%

# "Deletions" – 8,549 defunct records

## 8,549 nonprofits became defunct 2001-04 – Actual and % Distribution

		SOS		
		yes	no	total
IRS	03	868	2,007	2,875
	04	148	640	788
	other	190	2,197	2,387
	no	2,496	3	2,499
total		3,702	4,847	8,549
IRS ALL		1,206	4,844	6,050

		SOS		
		yes	no	total
IRS	03	10.2%	23.5%	33.6%
	04	1.7%	7.5%	9.2%
	other	2.2%	25.7%	27.9%
	no	29.2%	0.0%	29.2%
total		43.3%	56.7%	100.0%
IRS ALL		14.1%	56.7%	70.8%

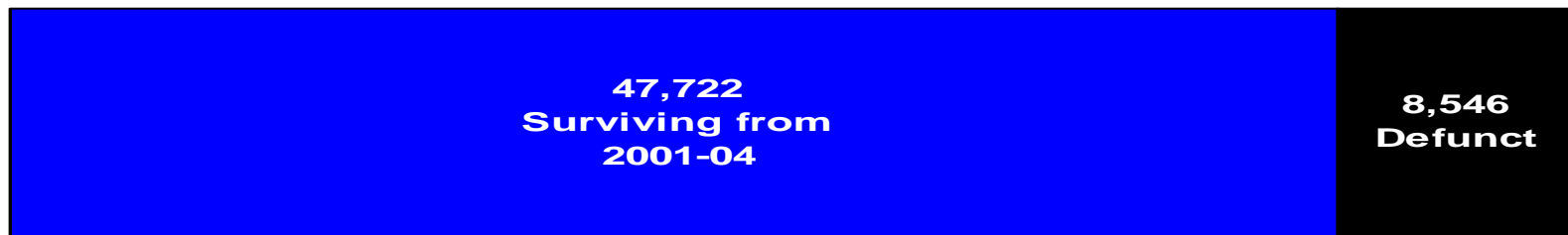
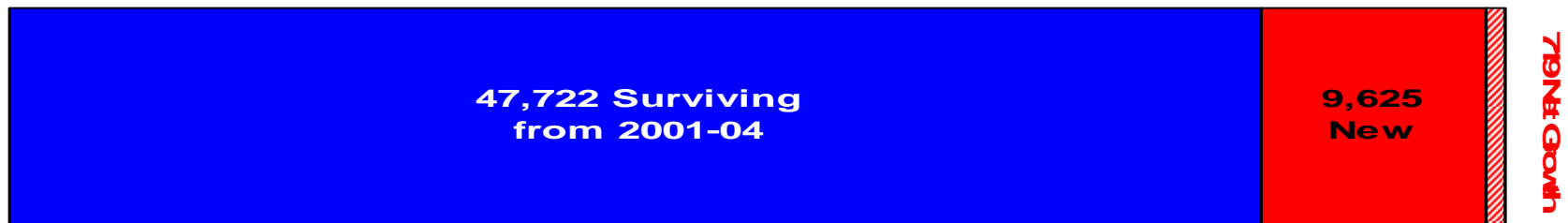
- Overall non-recurring rate: 15% (as % of clean 2001 base, right)
- IRS & SOS only defunct rate: 10%
- SOS only defunct rate: 15%
- IRS only defunct rate: 26%
- c(3) defunct rate: 18% (27% IRS only)
- c(4) defunct rate: 21% (27% IRS only)
- c(other) defunct rate: 21% (25% IRS only)

### Defunct Rate

		SOS		
		yes	no	total
IRS	03	10.2%	27.1%	18.1%
	04	10.9%	27.0%	21.1%
	other	7.4%	24.9%	21.0%
	no	14.8%	0.0%	9.9%
total		12.7%	17.9%	15.2%
IRS ALL		9.7%	26.1%	19.5%

# Overall Growth - Summary

- 56,271 “clean” base in 2001
  - 47,722 survived until 2004 – 85% of 2001 “clean” base
  - 9,265 new nonprofits by 2004 (16.5% of 2001 clean base )
  - 8,546 non-recurring/defunct by 2004 (15.2% of 2001 clean base)
    - 716 net growth (1.3% growth rate)
- 57,081 updated base in 2004



# "Survivors" – 47,722 Nonprofits

**Expected survivors: 2001 database records that didn't become defunct**

		SOS		total
		yes	no	
IRS	03	7,611	5,406	13,017
	04	1,213	1,730	2,943
	other	2,364	6,612	8,976
	no	14,334	8,452	22,786
total		25,522	22,200	47,722

IRS ALL 11,188 13,748 24,936

		SOS		total
		yes	no	
IRS	03	15.9%	11.3%	27.3%
	04	2.5%	3.6%	6.2%
	other	5.0%	13.9%	18.8%
	no	30.0%	17.7%	47.7%
total		53.5%	46.5%	100.0%

IRS ALL 23.4% 28.8% 52.3%

**Actual survivors: 2004 database records that originated in 2001**

		SOS		total
		yes	no	
IRS	03	10,076	5,424	15,500
	04	1,515	1,684	3,199
	other	2,804	6,650	9,454
	no	11,826	7,743	19,569
total		26,221	21,501	47,722

IRS ALL 14,395 13,758 28,153

		SOS		total
		yes	no	
IRS	03	21.1%	11.4%	32.5%
	04	3.2%	3.5%	6.7%
	other	5.9%	13.9%	19.8%
	no	24.8%	16.2%	41.0%
total		54.9%	45.1%	100.0%

IRS ALL 30.2% 28.8% 59.0%

# Survivors - Findings

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- Most nonprofits in database in 2001 were unchanged by 2004
- However, some changed status
  - 3,207 became newly IRS-registered by 2004
  - 699 became newly incorporated by 2004

# "Status changers"

Some nonprofits changed status 2001-04 – mainly to c(3) status

		SOS		total
		yes	no	
IRS	03	2,465	18	2,483
	04	302	-46	256
	other	440	38	478
	no	-2,508	-709	-3,217
	total	699	-699	0
IRS ALL		3,207	10	3,217

- As a result of these changes in status, looking only at nonprofits in existence in 2001, the number of IRS registered charities were 16 percent higher by 2004 than in 2001 (right).

- Example (left)
  - 2,508 records that had been "SOS only" in 2001, by 2004 also became IRS registered
  - Most of these (2,465, or 70%) became c(3) charities

		SOS		total
		yes	no	
IRS	03	29.1	0.2	15.6
	04	22.2	-1.9	6.9
	other	17.2	0.4	4.2
	no	-14.9	-8.4	-12.7
	total	2.4	-2.6	0.0
IRS ALL		25.9	0.1	10.4

# "Net Flow"

Joint effects of additions, deletions & changes in status → 716 net additions

		SOS		
		yes	no	total
IRS	03	2,809	-256	2,553
	04	196	-490	-294
	other	345	-1,403	-1,058
	no	228	-713	-485
total		3,578	-2,862	716
IRS ALL		3,350	-2,149	1,201

- Number of c(3) increased by 2,553
  - Equivalent to 5% of 2001 total (lower left)
  - Growth rate of 16% for c(3) (lower right)
- Number of ISOS increased by 3,578
  - Equivalent to 6% of 2001 total
  - Growth rate of 12 percent

Net flow as % of 2001 base – 56,271

		SOS		
		yes	no	total
IRS	03	5.0	-0.5	4.5
	04	0.3	-0.9	-0.5
	other	0.6	-2.5	-1.9
	no	0.4	-1.3	-0.9
total		6.4	-5.1	1.3
IRS ALL		6.0	-3.8	2.1

Rate of net flow by category

		SOS		
		yes	no	total
IRS	03	33.1	-3.5	16.1
	04	14.4	-20.7	-7.9
	other	13.5	-15.9	-9.3
	no	1.4	-8.4	-1.9
total		12.2	-10.6	1.3
IRS ALL		27.0	-11.6	3.9

## Still to come... 2005 updates

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- Updating two main electronic nonprofit listings
  - IRS list of all tax-exempt entities as of April 2005
  - SOS list of all incorporated nonprofits as of May 2005
- Explore updating list of congregations
  - Difficulties of using web-based listings of congregations –
    - Many listings (13,000+)
    - Limited number of listings per page
    - Time consuming cut-and-paste process
    - Multiple listings for the same congregations