

Is That Right? Verifying Addresses and Activities in the IRS Business Masterfile

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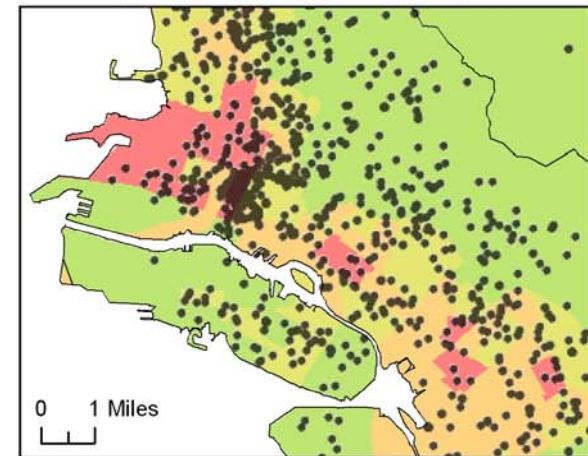
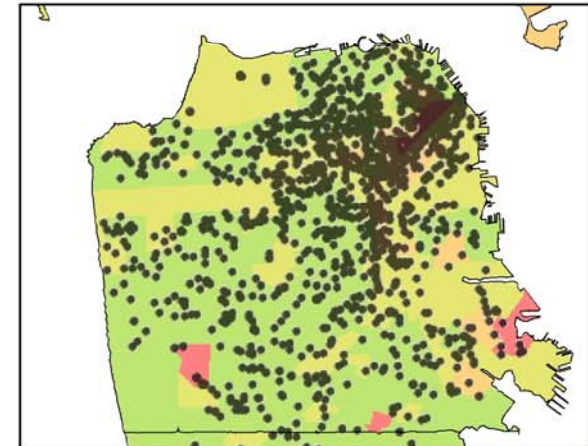
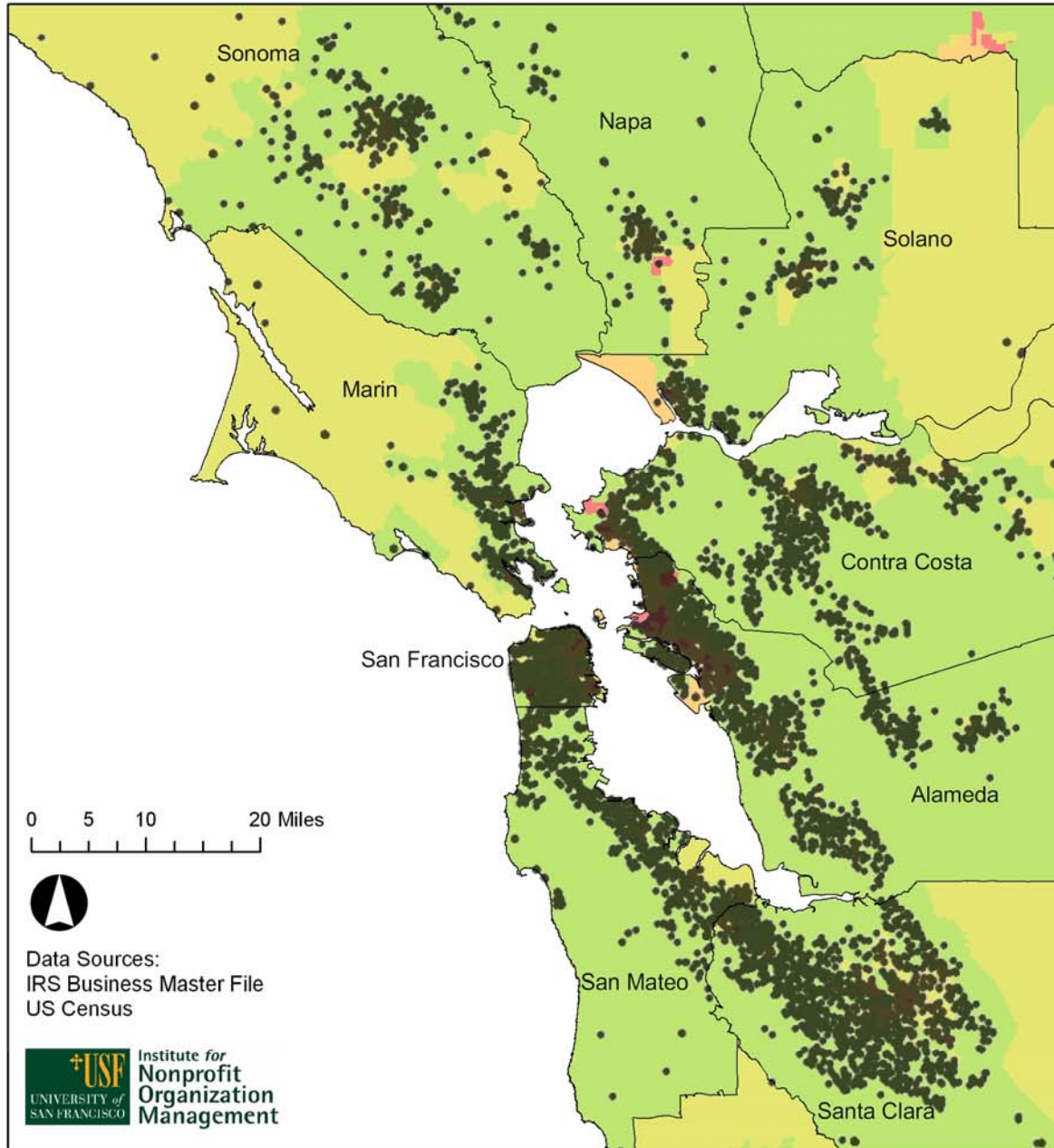
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Purpose of Research

- Can we use the filing addresses from the IRS Business Masterfile (BMF) in order to locate service areas for public charities?
- Is the filing address from the Secretary of State (SoS) listing of incorporated public benefit organizations a better indicator of service area?
- How accurate are the activity codes and NTEE codes in classifying the current work of the nonprofit?
- Can we statistically model the reasons why filing address and activity codes are more or less descriptive of the organization?

Bay Area Nonprofit Organizations

Serving Youth, Families, and their Communities



• Each dot represents one nonprofit organization

Neighborhood Poverty

Census Tracts

- Less than 10%
- 10 - 20%
- 20 - 30%
- More than 30%



Data Sources:
IRS Business Master File
US Census



Study Design

- Survey of 1,495 nonprofits in California
 - Health, social service, and community development organizations
 - 66% (994) were matched with the SoS using FTB as a crosswalk
 - <1% (12) were matched with the SoS using Registry as a crosswalk
 - 14% (213) were handmatched to the SoS
 - 19% (276) were unmatched

Did the SoS Provide a Different Address?

- Of the 1,208 organizations where we had both an IRS and a SoS filing address:

67 % (809) used the same address for both filings

33 % (399) used a different address

Areas Covered in Survey

1. Geographic area served
2. Whether IRS or SoS filing address best describes service area
3. Adequacy of activity and NTEE codes in describing mission and activities
4. Targeted populations that are served
5. Ethnic composition of population served
6. Annual revenues
7. Staff size

Methodology

- Five mailings to organizations
 - Approach letter
 - Survey
 - Reminder postcard
 - Second survey
 - Final survey

Highlighting the Impact of the Nonprofit Sector



*A survey
to find out
where and how
nonprofits are serving
California*



Returns to Date

- 393 returned completed
- 3 duplicate organizations
- 21 refused
- 11 defunct
- 215 returned: not deliverable

31% response rate to date

Organization Primarily Serves People in a Defined Area

	%	N
Yes	86.3	252
No	11.3	33
Total	100	285
N missing	7	

Geographic Area Primarily Served

	%	N
Within one or more neighborhoods	6.0	15
Within one city or town	18.3	46
Across several adjacent cities or towns	41.0	103
Within a larger part of California	15.5	39
Across the entire state of California	1.6	4
Throughout and beyond California	6.0	15
International	.8	2
Other	10.8	27
Total	100	251

Does IRS Filing Address Reflect Primary Service Delivery Location?

	%	N
No	47.0	133
Yes	53.0	150
Total missing=9	100	283

IRS Address is a:

	%	N
Administrative Office	33.3	49
Representatives Office	7.5	11
Mailing Address	40.0	59
Old Address	4.1	6
Other	15.0	22
Total	100	108

Does SoS Filing Address Reflect Primary Service Delivery Location?

	%	N
Primary location	25.5	27
Secondary location	3.8	4
Not service location	70.8	75
Total	100	106

Activity/NTEE Code Accurate

	%	N
NTEE code	83.5	248
First activity code	84.4	180
Second activity code	85.5	122
Third activity code	86.8	83