

REVISIONS TO PROPOSED REGULATIONS

Proposed deletions are in ~~red single strikethrough~~ and blue single underline for proposed additions.

CALIFORNIA DEPARTMENT OF JUSTICE

TITLE 11. LAW

DIVISION 1. ATTORNEY GENERAL

CHAPTER 4. SUPERVISION OF TRUSTEES AND FUNDRAISERS FOR CHARITABLE PURPOSES ACT

TEXT OF REVISIONS TO PROPOSED REGULATIONS

§ 300. Initial Registration.

(a) Every charitable corporation, unincorporated association, trustee or other person subject to the registration requirements of that act entitled the “Supervision of Trustees and Fundraisers for Charitable Purposes Act” (Article 7, Chapter 6, Part 2, Division 3, Title 2, of the Government Code commencing with Section 12580, hereafter “Act”) shall file with the Attorney General a copy of the articles of incorporation and bylaws, trust agreement, decree of distribution or other instrument governing its operation, as provided below. Filing of the Initial Registration Form, the supporting documents required by that form, and the required registration fee of ~~\$25~~50 shall constitute the initial registration. Required information and supplemental documents identified in the Initial Registration Form that are not available at the time of filing of the form may be submitted within ninety (90) days of submittal of the form.

(b) An Initial Registration Form (“Form CT-1” ~~Orig. 09/2017~~Rev. 02/2021), hereby incorporated by reference, and supplemental documents identified in that form shall be submitted to the Registry of Charitable Trusts.

(c) The registrant will be assigned a registration number (CT number) upon completion of the registration process.

Note: Authority cited: Sections 12584, 12585, 12586 and 12587, Government Code. Reference: Sections 12581, 12583, 12585, 12586, 12587 and 12598, Government Code; and Section 5227, Corporations Code.

§ 301. Periodic Written Reports.

Except as otherwise provided in the Act, every charitable corporation, unincorporated association, trustee, or other person subject to the reporting requirements of the Act shall also file with the Attorney General periodic written reports, under penalty of perjury, setting forth information as to the nature of the assets held for charitable purposes and the administration thereof by such corporation, unincorporated association, trustee, or other person.

Except as otherwise provided in these regulations, the following reports must be filed with the Registry of Charitable Trusts annually by all registrants: (1) the Annual Registration Renewal Fee Report, (“Form RRF-1” Rev. ~~02/2020~~02/2021), hereby incorporated by reference, which must be filed with the Registry of Charitable Trusts annually by all registered charities and (2) Internal Revenue Service Form 990, 990-PF, 990-EZ, or 1120, together with all attachments and schedules as applicable, in the same form as filed with the Internal Revenue Service. [Schedule B is not required.](#) At the time of filing the annual renewal of registration form (Form RRF-1), the registrant must submit a fee, as set forth in section 311.

Organizations whose revenue falls below the threshold for filing IRS Form 990-EZ, shall file Form RRF-1 with the Registry, together with the Annual Treasurer's Report (“Form CT-TR-1” Orig. 09/2017), hereby incorporated by reference, sufficient to identify and account for assets, liabilities, income and expenses.

A charitable organization that is not exempt from taxation under federal law shall use Internal Revenue Service Form 990 or 1120 to comply with the reporting provisions of the Supervision of Trustees and Fundraisers for Charitable Purposes Act. The form shall include, at the top of the page, in 10-point type, all capital letters, “THIS ORGANIZATION IS NOT EXEMPT FROM TAXATION.”

Registration requirements for commercial fundraisers for charitable purposes, fundraising counsel for charitable purposes, and commercial coventurers are set forth in section 308.

Note: Authority cited: Sections 12586 and 12587, Government Code. Reference: Sections 12581, 12582, 12583, 12586, 12587, 12599, 12599.1, 12599.2 and 12599.8, Government Code.

§ 303. Filing Forms.

All periodic written reports required to be filed under the provisions of section 12586 of the Government Code and section 301 of these regulations shall be filed with the Registry of Charitable Trusts, and include: (1) the Annual Registration Renewal Fee Report (“Form RRF-1” Rev. ~~02/2020~~02/2021); and (2) Internal Revenue Service Form 990, 990-EZ, 990-PF, 1120, or Form CT-TR-1, as applicable.

Note: Authority cited: Sections 12586 and 12587, Government Code. Reference: Sections 12581, 12583, 12586 and 12587, Government Code.

§ 305. Annual Filing of Reports.

After the first periodic report is filed, as required by section 304 of these regulations, periodic written reports shall thereafter be filed on an annual basis unless specifically required or permitted to be filed on other than an annual basis as set forth in these regulations, or when filing has been suspended by the Attorney General pursuant to Government Code section 12586. The time for filing any periodic report subsequent to the first periodic report shall be no later than four months and fifteen days after the organization's accounting period ends (May 15 for calendar-year filers) subsequent to the filing of the first report, but in no event less than once annually, unless for good cause extension of such annual filing has been granted by the Attorney General, or otherwise excused. If the Internal Revenue Service grants an extension to file the Form 990, 990-PF, 990-EZ, or 1120, that extension will be honored by the Registry of Charitable Trusts for purposes of filing the Form 990, 990-PF, 990-EZ, or 1120, and the Annual Registration Renewal Fee Report (“Form RRF-1” Rev. ~~02/2020~~02/2021) with the Registry of Charitable Trusts. The Form RRF-1 and Form 990, 990-PF, 990-EZ, 1120, or Form CT-TR-1 shall be filed simultaneously with the Registry of Charitable Trusts.

Note: Authority cited: Sections 12586 and 12587, Government Code. Reference: Sections 12581, 12582, 12583, 12586 and 12587, Government Code.

§ 308. Registration, Annual Filing, and Notice Requirements for Commercial Fundraisers for Charitable Purposes, Fundraising Counsel for Charitable Purposes, and Commercial Coventurers.

Every commercial fundraiser for charitable purposes, fundraising counsel for charitable purposes, and commercial coventurer that is subject to the Act must register with the Attorney General prior to soliciting any funds in California, and annually on or before January 15 of each year. The registration requirements and fees are set forth in this section. Each registrant will be assigned a registration number upon completion of the registration process.

(a) A “commercial fundraiser for charitable purposes,” as defined in Government Code section 12599, must submit the following at the time of initial registration and annual renewal:

(1) A completed Commercial Fundraiser for Charitable Purposes Annual Registration Form (“Form CT-1CF” Rev. ~~02/2020~~02/2021), hereby incorporated by reference.

(2) ~~\$350~~\$500 by check, electronically, or other means of payment prescribed by the Attorney General.

(3) The original of a properly executed \$25,000 surety bond form in the registrant's name, together with a signed Registry of Charitable Trusts Surety Bond Form (“Form CT-4CF” Rev. 09/2017), hereby incorporated by reference; or completion of the Deposit by Assignment in Lieu of Commercial Fundraiser for Charitable Purposes Surety Bond Form (“Form CT-8CF” Rev. 09/2017), hereby incorporated by reference; and Receipt for Notice of Assignment in Lieu of Commercial Fundraiser for Charitable Purposes Surety Bond Form (“Form CT-9CF” Rev. 09/2017), hereby incorporated by reference, together with the original passbook or certificate of deposit indicating \$25,000 is held in the Attorney General's name.

(4) An annual financial report as described in Government Code section 12599(d). The forms for the annual financial report include the Commercial Fundraiser for Charitable Purposes (“Form CT-2CF” Rev. 02/2020), hereby incorporated by reference; the Commercial Fundraiser for Charitable Purposes/Thrift Store Operations (“Form CT-2TCF” Rev. 02/2020), hereby incorporated by reference; and the Commercial Fundraiser for Charitable Purposes/Vehicle Donation Program (“Form CT-2VCF” Rev. 02/2020), hereby incorporated by reference. The annual financial reports must be filed on or before

January 30 of each year and report all revenue raised nationwide; reporting is not restricted to revenue raised in California.

(b) A “fundraising counsel for charitable purposes,” as defined in Government Code section 12599.1, must submit the following at the time of initial registration and annual renewal:

(1) A completed Fundraising Counsel for Charitable Purposes Annual Registration Form (“Form CT-3CF” Rev. ~~02/2020~~02/2021), hereby incorporated by reference.

(2) \$~~350~~500 by check, electronically, or other means of payment prescribed by the Attorney General.

(c) A “commercial coventurer,” as defined in Government Code section 12599.2, unless exempted by Government Code section 12599.2(b), shall submit the following at the time of initial registration and annual renewal:

(1) A completed and signed Commercial Coventurer Annual Registration Form (“Form CT-5CF” Rev. ~~02/2020~~02/2021), hereby incorporated by reference.

(2) \$~~350~~500 by check, electronically, or other means of payment prescribed by the Attorney General.

(3) If required to register and report pursuant to Government Code section 12599.2(c), the annual financial reports shall be filed on the Commercial Coventurer Annual Financial Report Form (“Form CT-6CF” Rev. 02/2020), hereby incorporated by reference. The annual financial reports must be filed on or before January 30 of each year.

(d) Every commercial fundraiser for charitable purposes and every fundraising counsel for charitable purposes shall file the notice required by Government Code sections 12599 and 12599.1. Commercial fundraisers shall file the Notice of Intent to Solicit for Charitable Purposes -Commercial Fundraiser for Charitable Purposes Form (“Form CT-10CF” Rev. 09/2017), hereby incorporated by reference. Fundraising counsel shall file the Notice of Intent to Provide Services Related to Charitable Solicitation -Fundraising Counsel for Charitable Purposes Form (“Form CT-11CF” Rev. 09/2017), hereby incorporated by reference. The forms shall be filed with the Registry of Charitable Trusts in the office of the Attorney General, Sacramento, California.

(e) Each of the above-identified forms filed with the Attorney General shall be signed under penalty of perjury.

Note: Authority cited: Sections 12586, 12587, 12599, 12599.1 and 12599.2, Government Code.
Reference: Sections 12587, 12599, 12599.1, 12599.2, 12599.3 and 12599.5, Government Code.

§ 311. Annual Registration Fee.

(a) No form or report from any charitable corporation, unincorporated association, trustee or other person required to register or file a periodic report shall be accepted for filing unless accompanied by the appropriate fee. Filing and processing fees shall be paid by registrants at the time of filing as follows:

- (1) a ~~\$25~~50 initial registration fee;
- (2) an annual registration renewal fee, the amount of which shall be determined based on the registrant's ~~gross annual~~total revenue for the preceding fiscal year, as follows:

Gross Annual <u>Total</u> Revenue	Fee
Less than \$25,000 <u>50,000</u>	0 <u>\$25</u>
Between \$25,000 <u>50,000</u> and \$100,000	\$25 <u>50</u>
Between \$100,001 and \$250,000	\$50 <u>75</u>
Between \$250,001 and \$1 million	\$75 <u>100</u>
Between \$1,000,001 and \$10 <u>5</u> million	\$150 <u>200</u>
Between \$10,000,001 <u>5,000,001</u> and \$50 <u>20</u> million	\$225 <u>400</u>
<u>Between \$20,000,001 and \$100 million</u>	<u>\$800</u>
<u>Between \$100,000,001 and \$500 million</u>	<u>\$1000</u>
Greater than \$50 <u>500</u> million	\$300 <u>1200</u>

(b) This section does not apply to commercial fundraisers for charitable purposes, as defined by Government Code section 12599, fundraising counsel for charitable purposes, as defined by Government Code section 12599.1, or commercial coventurers, as defined by Government Code section 12599.2.

Note: Authority cited: Sections 12586 and 12587, Government Code. Reference: Sections 12585, 12586, 12587, 12599, 12599.1 and 12599.2, Government Code.

TITLE 11. LAW
DIVISION 1. ATTORNEY GENERAL
CHAPTER 4.6. NONPROFIT RAFFLE PROGRAM

§ 411. Definitions.

The following definitions shall be applicable when used in these regulations:

- (a) “Administrative information” means any information maintained by the Department of Justice (“DOJ”) that is reasonably necessary for DOJ to perform the duties required by Penal Code section 320.5. Such information includes, but is not limited to, the date a registration application or report is received, the date the registration takes effect, and the expiration date of the registration.
- (b) “Attorney General” means the California Attorney General or any employee of the Attorney General acting under the authority of the Attorney General.
- (c) “Department of Justice” means the California Department of Justice (“DOJ”) or any employee of DOJ acting under the authority of DOJ.
- (d) “Eligible organization” means a private nonprofit organization as defined in Penal Code section 320.5(c) and excludes those entities specified in Penal Code section 320.5(h).
- (e) “Fee” means the fee established by DOJ as authorized by Penal Code section 320.5(h).
- (f) “Nonprofit Raffle Program” means all information, documents and other material filed with or maintained by DOJ, including registration applications and electronic databases, reports and any processes, procedures or other means of effectuating the requirements of Penal Code section 320.5.
- (g) “Raffle” is defined in Penal Code section 320.5(b).
- (h) “Registrant” means an eligible organization which has filed an application to be registered in the Nonprofit Raffle Program.
- (i) “Registration application” or “registration form” means Application for Registration/Nonprofit Raffle Program (“Form CT_NRP-1” Rev. ~~09/2017~~[02/2021](#)), hereby incorporated by reference.
- (j) “Report” means the completed Nonprofit Raffle Report (“Form CT-NRP-2” Rev. 09/2017) (hereby incorporated by reference) that has been signed by a responsible fiduciary of the registrant declaring that the information therein is true and complete.

(k) “Responsible Fiduciary” and “Fiduciary” mean an authorized Officer or Director of the eligible organization.

Note: Authority cited: Section 320.5(h), Penal Code. Reference: Section 320.5, Penal Code.

§ 415. Registration.

Every eligible organization shall, prior to conducting any raffle in California, be registered with DOJ in the Nonprofit Raffle Program. The organization shall submit a registration application on Application for Registration/Nonprofit Raffle Program (“Form CT-NRP-1” Rev. ~~09/2017~~02/2021), the form prescribed by DOJ, which shall contain all of the information required, including a statement signed by a responsible fiduciary of the eligible organization (such as an officer or director of the organization), attesting that the information provided is true and correct. If the organization plans to conduct more than one raffle during the annual registration period (September 1 through August 31), it must indicate on the application form each date on which it plans to conduct a raffle; however, if any date changes, the organization is not required to amend its application. Only one application is required during the annual registration period even if the organization conducts more than one raffle. The application shall be submitted in the manner required by these regulations. The registration application and the required fee shall be submitted to the address set forth in section 416.

An eligible organization is not registered until it has received written confirmation from DOJ as provided in section 422.

Note: Authority cited: Section 320.5(h), Penal Code. Reference: Section 320.5, Penal Code.

§ 418. Fee for Registration.

The registration fee shall be determined by the DOJ. The fee is ~~\$20~~\$30 for the initial one-year registration period. As provided in section 320.5 of the Penal Code, the fee may be increased as necessary to cover the actual costs of the Department of Justice to administer and enforce Penal Code section 320.5.

Note: Authority cited: Section 320.5(h), Penal Code. Reference: Section 320.5, Penal Code.