

CALIFORNIA CODE OF REGULATIONS

TITLE 11. DIVISION 1. CHAPTER 4. REGULATIONS ADOPTED PURSUANT TO THE SUPERVISION OF TRUSTEES AND FUNDRAISERS FOR CHARITABLE PURPOSES ACT

§ 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 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), 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; Section 5227, Corporations Code.

§ 300.1 Educational Institution Exemption.

(a) Educational institutions are exempt from the filing, registration, and reporting provisions of the Act. "Educational institution" means that term as defined in Corporations Code section 10251, any public school, unincorporated association, or any nonprofit corporation that meets all of the following criteria:

- (1) primarily presents formal instruction,
- (2) maintains a regular faculty and curriculum,
- (3) has a regularly enrolled body of students, and
- (4) has either physical or virtual classroom facilities.

(b) "Formal instruction" or "curriculum" may include, but is not limited to, any of the following:

- (1) A program that teaches the arts (including, but not limited to, dance, drama, and music), cultural studies, a foreign language, geography, language arts

(including, but not limited to, the alphabet), math (including, but not limited to, elementary numbers and puzzle solving), practical life and sensorial skills, or science (including, but not limited to, basic science and nature studies).

(c) An entity that primarily provides custodial care for children and not formal instruction is not an educational institution for purposes of this section. Even if such entity has some educational activities, if the primary purpose of the program is not the presentation of formal instruction, it is not an educational institution.

(d) Designation as an “educational institution” or “school” by the Internal Revenue Service (IRS) and/or the Franchise Tax Board (FTB) does not determine whether the organization is exempt from registration and reporting with the Attorney General’s Registry of Charitable Trusts.

Note: Authority cited: Sections 12585 and 12587, Government Code. Reference: Section 12583, Government Code.

§ 300.2 Government Exemption.

(a) Governments in the United States and their agencies and subdivisions are exempt from the filing, registration, and reporting provisions of the Act. Public benefit corporations may fall under this exemption if they meet all of the following criteria:

- (1) The bylaws or articles show that the public benefit corporation was founded by government, to benefit government and its constituents, and that at dissolution all funds are transferred to the founding government,
- (2) The bylaws or articles demonstrate that government has the right to nominate or appoint members of the board, and
- (3) The founding government has the ability to prevent the loss of charitable assets through inspection rights, the right to conduct audits, or to obtain regular financial reports.

Note: Authority cited: Sections 12585 and 12587, Government Code. Reference: Section 12583, Government 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. 09/2017), 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. 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.

§ 302. Place of Filing.

All instruments, reports or other data required to be filed pursuant to these regulations or pursuant to the provisions of the Act shall be filed with the Registry of Charitable Trusts in the office of the Attorney General, Sacramento, California.

Note: Authority cited: Sections 12586 and 12587, Government Code. Reference: Sections 12585, 12586, 12587, 12599, 12599.1 and 12599.2, 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. 09/2017); 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.

§ 304. Time of Filing Reports.

The first such periodic report shall be filed as required by paragraph (d) of section 12586 of the Government Code.

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. 09/2017) 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.

§ 306. Contents of Reports.

(a) Periodic reports shall be executed under penalty of perjury and shall set forth in detail all of the information required by the applicable forms set forth in these regulations. Incomplete or incorrect reports will not be accepted as meeting the requirements of the law.

(b) A copy of an account filed by a trustee in a court having jurisdiction over the trust shall not be accepted in lieu of a report on official forms unless such court accounting is identical in form and content with the official forms and is compatible without alteration with electronic data processing equipment in the same manner as reports on official forms.

(c) When requested by the Attorney General any periodic report shall be supplemented to include such additional information as the Attorney General deems necessary to enable the Attorney General to ascertain whether the corporation, trust or other relationship is being properly administered.

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

§ 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. 09/2017), hereby incorporated by reference.
- (2) \$350 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. 09/2017), hereby incorporated by reference; the Commercial Fundraiser for Charitable Purposes/Thrift Store Operations ("Form CT-2TCF" Rev. 09/2017), hereby incorporated by reference; and the Commercial Fundraiser for Charitable Purposes/Vehicle Donation Program ("Form CT-2VCF" Rev. 09/2017), 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. 09/2017), hereby incorporated by reference.

(2) \$350 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. 09/2017), hereby incorporated by reference.

(2) \$350 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 report shall be filed on the Commercial Coventurer Annual Financial Report Form ("Form CT-6CF" Rev. 09/2017), hereby incorporated by reference. The annual financial report 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.

§ 309. No Activity Report. (Repealed, 1974)

§ 310. Public Inspection of Charitable Trust Records.

(a) The register, copies of instruments and the reports filed with the Attorney General, except as provided in subdivision (b) and pursuant to Government Code section 12590, shall be open to public inspection at the Registry of Charitable Trusts in the office of the Attorney General, Sacramento, California, at such reasonable times as the Attorney General may determine. Such inspection shall at all times be subject to the control and supervision of an employee of the Office of the Attorney General.

(b) Donor information exempt from public inspection pursuant to Internal Revenue Code section 6104 (d)(3)(A) shall be maintained as confidential by the Attorney General and shall not be disclosed except as follows:

- (1) In a court or administrative proceeding brought pursuant to the Attorney General's charitable trust enforcement responsibilities; or
- (2) In response to a search warrant.

Note: Authority cited: Sections 12587 and 12590, Government Code. Reference: Section 12590, 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 initial registration fee;
- (2) an annual registration renewal fee, the amount of which shall be determined based on the registrant's gross annual revenue for the preceding fiscal year, as follows:

Gross Annual Revenue	Fee
Less than \$25,000	0
Between \$25,000 and \$100,000	\$25
Between \$100,001 and \$250,000	\$50
Between \$250,001 and \$1 million	\$75
Between \$1,000,001 and \$10 million	\$150
Between \$10,000,001 and \$50 million	\$225
Greater than \$50 million	\$300

(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.

§ 312. Use of Annual Registration Fee.

Annual registration fees paid pursuant to Government Code section 12587 and section 311 of this chapter, registration or renewal fees paid pursuant to Government Code sections 12599, 12599.1 and 12599.2, and the Registry of Charitable Trusts Fund established pursuant to Government Code section 12587.1, shall be used to operate and maintain the Attorney General's Registry of Charitable Trusts, to provide public access via the Internet to reports filed with the Registry of Charitable Trusts in the office of the Attorney General, Sacramento, California, and to enforce the registration and reporting provisions.

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

§ 312.1. Board or Trustee Review of Executive Compensation.

The board of directors or an authorized committee of the board of a charitable corporation or unincorporated association and all trustees of a charitable trust shall review and approve the compensation, including benefits, of all of the following: every person, regardless of title, with powers, duties, or responsibilities comparable to the president, chief executive officer, treasurer, or chief financial officer. The review shall be conducted in accordance with Government Code section 12586(g).

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

§ 313. Address of Record.

Every registrant and applicant is responsible for keeping the Registry of Charitable Trusts informed of the registrant's or applicant's current address. Any notice, order or document issued by the Attorney General shall be deemed properly served if mailed to the registrant's or applicant's address of record. The address of record is the address listed on the most recent registration or renewal form filed with the Registry unless the registrant or applicant has subsequently notified the Registry of a change of address in writing.

Note: Authority cited: Sections 12584, 12585, 12586(a) and (b) and 12587, Government Code. Reference: Sections 12594, 12598(a), 12599, 12599.1 and 12599.2, Government Code.

§ 314. Grounds for Issuance of Cease and Desist Order.

(a) The grounds upon which a cease and desist order may be issued include, but are not limited to, the following:

- (1) Refusal or failure, after notice, to produce records of the organization or to disclose information required to be disclosed.
- (2) Making a material false statement in an application, statement or report required to be filed.
- (3) Failure to file a financial report, or filing an incomplete financial report.
- (4) Engaging in any act prohibited pursuant to Government Code section 12599.6.
- (5) Engaging in any act that requires registration under Government Code section 12580 et seq, if unregistered, delinquent, suspended or revoked. Such acts include but are not limited to, solicitation for charitable purposes.

(b) Violation of a cease and desist order constitutes disobedience of or resistance to a lawful order pursuant to Government Code section 11455.10. The Attorney General may pursue a contempt sanction for violations pursuant to Government Code section 11455.20, in addition to any other remedy otherwise available to the Attorney General.

Note: Authority cited: Sections 12581, 12584, 12585, 12587 and 12598, Government Code. Reference: Sections 11400 et seq. and 11500 et seq., 12581, 12581.2, 12584, 12585, 12586, 12588, 12591, 12591.1, 12595, 12596, 12597, 12599, 12599.1, 12599.2, 12599.6 and 12599.7, Government Code; Sections 17510, 17510.2, 17510.25, 17510.3, 17510.4, 17510.5, 17510.8, 17510.85 and 17510.9, Business and Professions Code; Sections 5142, 5230, 5231, 5232, 5233, 5235, 5236, 5237, 5238, 5250, 6215, 6320, 7231, 7233, 7236, 7237 and 7238, Corporations Code.

§ 315. Imposition of Penalty.

(a) The Attorney General may assess a penalty pursuant to Government Code section 12591.1, not to exceed \$1,000 for each act or omission that constitutes a violation. To assess a penalty, the Attorney General shall serve a written notice by certified mail that states the basis of the violation and the amount of the penalty.

- (1) For violations of Government Code section 12586.1, subdivisions (c), (d), (e) or (f), the notice must be mailed at least 30 days before the penalty becomes effective. The notice shall advise the recipient how to correct or appeal the violation. If the recipient provides documentation to the Attorney General within 30 days that the violation has been corrected the penalty will not be imposed.
- (2) For other violations, the notice shall be mailed at least 5 days before the penalty becomes effective. When the violation occurs in connection with a solicitation for charitable purposes, each call, mailing or request constitutes a separate violation regardless of whether it results in a donation.
- (3) If the act or omission that constitutes a violation is ongoing, the notice may include a statement that penalties shall continue to accrue at a rate of \$100 per day for each day until the violation is corrected. The notice shall advise the

recipient how to correct the violation and how to inform the Attorney General that the violation has been corrected. When the Attorney General determines that the violation has been corrected, the Attorney General shall issue a written notice identifying the beginning and ending dates of the violation along with the total amount of the penalty.

(b) Appeals shall be made in accordance with California Code of Regulations, title 11, section 999.6, subdivision (c). Unless a timely appeal has been filed, all penalties must be paid within 30 days of the issuance of the notice setting forth the amount of the penalty, unless the Attorney General has agreed to a later date in writing.

Note: Authority cited: Sections 12581, 12584, 12585, 12587 and 12598, Government Code. Reference: Sections 11400 et seq., and 11500 et seq., 12581, 12581.2, 12584, 12585, 12586, 12588, 12591, 12591.1, 12595, 12596, 12597, 12599, 12599.1, 12599.2, 12599.6 and 12599.7, Government Code; Sections 17510, 17510.2, 17510.25, 17510.3, 17510.4, 17510.5, 17510.8, 17510.85 and 17510.9, Business and Professions Code; Sections 5142, 5230, 51231, 5232, 5233, 5235, 5236, 5237, 5238, 6215, 7231, 7233, 7236, 7237 and 7238, Corporations Code.

§ 316. Suspension of Registration.

(a) If the Attorney General assesses penalties under section 315, the Attorney General may suspend the registration of that person or entity in accordance with the procedures set forth in section 999.6 et seq. of Title 11 of the California Code of Regulations.

(b) The registration of any person or entity that fails to timely pay a penalty shall be automatically suspended until the penalty is paid and no registration shall be renewed until the penalty is paid.

Note: Authority cited: Sections 12581, 12584, 12585, 12587, 12598, Government Code. Reference: Sections 11400 et seq., and 11500 et seq., 12581, 12581.2, 12584, 12585, 12586, 12588, 12591, 12591.1, 12595, 12596, 12597, 12599, 12599.1, 12599.2, 12599.6 and 12599.7, Government Code; Sections 17510, 17510.2, 17510.25, 17510.3, 17510.4, 17510.5, 17510.8, 17510.85 and 17510.9, Business and Professions Code; Sections 5142, 5230, 51231, 5232, 5233, 5235, 5236, 5237, 5238, 6215, 7231, 7233, 7236, 7237 and 7238, Corporations Code.