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California Issues Final Regulations to Charitable Fundraising Platform Law – Five Things You Need to Know

The California Department of Justice has finalized regulations (the “Regulations”) under the State’s law regulating online charitable fundraising platforms and charities that partner with them, known as **Assembly Bill 488** (the “Law”). We previously [wrote](#) about several rounds of proposed regulations since the Law was enacted in 2021. The Regulations are substantively the same as the previous draft (November 2023), except for [new staggered effective dates](#), as explained below.

Here are five important things to know:

1. Broad definitions of a “platform” and types of solicitation activities are now in effect.

The Regulations governing the types of platform activities covered by the Law became effective March 26, 2024. These regulations:

- Define a “platform” as “a website, mobile device application, computer software application, or other internet-based interactive electronic medium.”
- Provide examples of the five types of solicitation activities (labeled Type A through E in the Regulations). These include soliciting micro-donations and round-up donations and other donations by platform users (Type A); peer-to-peer crowdfunding campaigns created by platform users (Type B); charitable sales promotions, coventuring or cause marketing campaigns, or free action programs (Types C and D); and providing a platform to charities to solicit donations that can be private-labeled or otherwise customized and subject to a software-as-a-service license agreement (Type E).

These are not limiting examples, so parties using the Internet to reach California donors or consumers intending to benefit a charity should consider carefully whether the Law applies to their activities, even if those activities are not explicitly covered by any of the examples.

2. New filing requirements become effective June 12, 2024.

The Regulations defining new filings and reports that platforms must submit to the **Registry of Charities and Fundraisers** (the “Registry”) are effective June 12. (Section 315.) As a result:

- Charitable fundraising platforms already operating must register on new Form PL-1 (Initial Registration for Charitable Fundraising Platforms) by June 12. The first registration renewals (Form PL-2) will be due January 15, 2025, and the first annual

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reports (Form PL-4) will be due July 15, 2025.

- › Platform charities must provide notification of any partnership with a charitable fundraising platform on new Form PL-3 (Notification from Platform Charities) no later than 30 days after the partnership was entered, unless the platform charity or its partnering platform provided notification on a previous filing.

The new forms are viewable in PDF format on the [Attorney General's website](#), but can only be submitted online via the Registry's Online Filing Service, which is not yet available as of the date of this post.

3. Additional requirements regarding the “good standing” mandate are in effect.

The Law requires that charitable fundraising platforms and platform charities only solicit for and distribute funds to charities in “good standing” with the Internal Revenue Service (“IRS”), Franchise Tax Board (“FTB”), and the Attorney General. “Good standing” means that the IRS and FTB have not revoked an organization’s tax-exempt status, and the organization is not prohibited from soliciting or operating in the state by the Attorney General.

The Regulations addressing this mandate became effective March 26, 2024. The Regulations confirmed, among other details, that: the Attorney General’s “May Not Operate or Solicit for Charitable Purposes List” (the “List”)—naming organizations that are not in good standing—will be **published** semi-monthly on the first and third Wednesdays of each month, and there is a five-business-day grace period from the List’s publication date for soliciting or sending funds to a charitable organization that is not in good standing. Therefore, platforms should check the List and others published by the IRS and FTB regularly to avoid soliciting and making payments to charities that are out of compliance.

4. Certain other regulations are already effective as of March 26, 2024.

These include:

- › **Pre-Donation Disclosures to Donors.** Most platforms must make certain disclosures before donors can complete donations, including statements about who is receiving the donation, why a recipient charity may not receive the donations, and the maximum length of time for a donation to reach the recipient charity.
- › **Peer-to-Peer Charitable Fundraising.** Platforms that allow donated funds to be sent to the individual engaging in peer-to-peer charitable fundraising (the “Fundraiser”), must disclose that the Fundraiser is required to send the donated funds to the intended recipient charitable organization within 10 business days of receipt.

5. The remaining regulations will be effective January 1, 2025.

These include:

- › **Written Consent of Charities.** Platforms may either seek consent from recipient charitable organizations to use their name in a solicitation following certain requirements, or adhere to other rules that apply for non-consenting organizations, including limiting published information.
- › **Donation Receipts.** Certain platforms must send donors receipts containing specific information within 5 business days after a donation is made.
- › **Timing and Accounting of Distributions to Charities.** Platforms must comply with certain timelines and accounting for disbursement by a platform to a recipient charitable organization. These requirements vary based on the type of solicitation and whether the recipient charity consented to solicitations on the platform. Certain platforms must also make certain information available to donors and platform users. (Sections 320, 321, and 322.)

While the Regulations bring some certainty on final requirements on various areas under the Law, many questions remain around implementation and compliance. We anticipate providing more updates as the field begins to implement compliance measures.