

**CALIFORNIA DEPARTMENT OF JUSTICE**

**TITLE 11. LAW**

**DIVISION 1. ATTORNEY GENERAL**

**CHAPTER 4. SUPERVISION OF TRUSTEES AND FUNDRAISERS FOR  
CHARITABLE PURPOSES ACT and CHAPTER 4.6. NONPROFIT RAFFLE  
PROGRAM**

**UPDATED INFORMATIVE DIGEST**

**Applicable Laws:**

Since the Notice of Proposed Rulemaking, on July 1, 2021, the United States Supreme Court ruled in *Americans for Prosperity Foundation v. Bonta* that charitable organizations may not be required to disclose the names and addresses of major donors in Schedule B of the IRS Form 990. Proposed California Code of Regulations, Title 11, section 301 and Form RRF-1 were revised to include statements that Schedule B is not required.

**Effect of the Proposed Rulemaking:**

On April 2, 2021, the Department of Justice (Department) published the Notice of Proposed Rulemaking, which included an Informative Digest. Following the initial 45-day public comment period, the Text of Proposed Regulations was modified on August 9, 2021, resulting in an additional 15-day public comment period that concluded on August 25, 2021. The purpose of each section has changed as follows:

There has been no change to the purpose of section 300.

Section 301 sets forth filing requirements for periodic reports that charitable organizations must submit to the Department. In addition to those amendments originally proposed in the Initial Statement of Reasons, this section and the Annual Registration Renewal Fee Report (Form RRF-1) were further amended to clarify that completing Schedule B of the Internal Revenue Service Form 990 is not required when filing the RRF-1.

There has been no change to the purpose of section 303.

There has been no change to the purpose of section 305.

There has been no change to the purpose of section 308.

Section 311 sets the initial and subsequent annual registration fees. In addition to those revisions originally proposed in the Initial Statement of Reasons, this section and the RRF-1 were further amended to replace “gross annual” with “total” when reporting revenue on the RRF-1.

There has been no change to the purpose of section 411.

There has been no change to the purpose of section 415.

There has been no change to the purpose of section 418.

In addition to those revisions originally proposed in the Initial Statement of Reasons, the Department amended the Form RRF-1 to replace “gross annual” with “total” revenue when reporting revenue on the Form RRF-1. This change was necessary to conform to the IRS Form 990’s use of “total revenue” so that nonprofits know how to accurately report their revenue and calculate the fees owed. The RRF-1 also was amended to include “noncash contributions” in the “total revenue” to align with IRS Form 990, and ensure that nonprofits are accurately reporting their revenue and calculating their associated fees.

The instructions on Form RRF-1 were also revised to include a statement that Schedule B is not required. This change was necessary because on July 1, 2021, the United States Supreme Court ruled in *Americans for Prosperity Foundation v. Bonta* that charitable organizations may not be required to disclose the names and addresses of major donors in Schedule B of the IRS Form 990. The instructions were also revised to reflect the change to “total revenue” rather than “gross annual,” and that “total revenue” includes “noncash contributions” and “special event revenue.” These changes were necessary to align with IRS Form 990 and would allow the nonprofits to accurately report their revenue and calculating their associated fees.