

## UPDATED INFORMATIVE DIGEST

The Uniform Supervision of Trustees for Charitable Purposes Act (the Supervision Act), provides that the Attorney General shall prescribe rules and regulations for registration and reporting by every charitable corporation, unincorporated association, and trustee subject to the Act. (Government Code, §§12585, 12586, 12587.)

The Attorney General's existing regulations specify requirements concerning the reporting forms and information required for initial registration and for the periodic written reports under the Supervision Act. (Chapter 4, Division 1, Title 11, sections 300-316.)

There are no immediately preceding laws or regulations directly related to this proposed rulemaking action and its effect.

In November 2017, the Office of Administrative Law approved amendments to sections 301, 303, 308, 411, 415, and 420 to change the telephone numbers on all Registry reporting forms as a result of a state-mandated technology upgrade. Those non-substantive changes were approved without regulatory effect as meeting the requirements of California Code of Regulations, title 1, section 100. Those amendments: (1) changed the telephone numbers on Registry forms, (2) deleted the name from Registry forms of an employee who is no longer with the Registry, and (3) replaced the name of a former Attorney General with the name of the Attorney General. None of these changes were directly related to the proposed rulemaking and its effect.

The Notice for the current proposed rulemaking was published on December 28, 2018. After the initial 45-day public comment period, the DOJ made a few modifications to the originally proposed regulations, and gave notice for public comment for an additional 15 days on June 5, 2019. These modifications, as more fully described in the Final Statement of Reasons, were:

**Section 300(b):** The text and Form CT-1 were modified as follows:

- The numbered list of information items required by the Initial Registration Form (Form CT-1) was deleted. The Notice had stated that because Form CT-1 will now be incorporated by reference, listing each item of information is unnecessary and duplicative. However, the list was inadvertently left in the proposed text accompanying the Notice.
- Form CT-1 was modified in response to public comments that the proposed question, intended to identify closely related organizations, was unclear. The comments also stated that using the examples of "fiscal sponsorships" and "affiliations" was unhelpful because those terms were not defined. The modification eliminated those terms and instead used terms the IRS uses, such as "common control," "close connection," and "related to." The modification also includes definitions in the CT-1 instructions, which largely track the IRS definitions and are necessary for clarity.
- Form CT-1 instructions were modified to include an instruction to Part I, question #3, that defined "common control," "close connection," "related to," and "control."

**Section 301:** Form RRF-1 instructions were modified:

- A reference to “Chapter 19 of Division 3 of the Business and Professions Code” was amended to refer to “Chapter 12 of Division 3” due to recent amendments to the code.
- The word “fiscal sponsors” was replaced with “fiscally-sponsored projects” to more accurately describe an example of an asset restriction.

**Section 301:** Form CT-TR-1 was modified to include a space to enter the applicable fiscal year. This modification was necessary for clarity and transparency.

**Section 308(a):** Forms CT-1CF, CT-3CF, CT-5CF were modified. The proposed regulations delete the requirement that payment be made by certified or cashier’s check. However, the commercial fundraiser forms still had language requiring payment by certified or cashier’s check. The language was modified to remove that requirement.

DOJ did not receive any comments during the additional 15-day comment period, and no changes made after the 15-day comment period.

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