

CALIFORNIA DEPARTMENT OF JUSTICE

TITLE 11. LAW

DIVISION 1. ATTORNEY GENERAL

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

TEXT OF PROPOSED REGULATIONS

Article 2. Notices and Requests to the Attorney General

§ 332. Request for Waiver of Objections to Voluntary Dissolution of a Charitable Organization.

(a) A request for the Attorney General to issue a waiver of objections to the voluntary dissolution of a charitable organization must be in writing and contain all “material facts” as defined in section 328 of these regulations. Information and all “material facts” must be submitted under penalty of perjury under the laws of the State of California.

(b) Any proposed recipient of charitable assets from the dissolving charitable organization, that is required to register and report with the Registry of Charities and Fundraisers must be current with its registration and reporting with the Registry of Charities and Fundraisers.

(c) A nonprofit public benefit corporation that holds assets subject to a charitable trust at the time of the proposed voluntary dissolution must provide the following:

(1) A letter signed on behalf of the corporation by an authorized director or by an attorney for the corporation containing:

(A) Full legal name of the corporation;

(B) Registration number with the Registry of Charities and Fundraisers, Federal Employer Identification Number, and Corporation or Organization Number;

(C) A statement requesting a waiver of objection to the distribution of charitable assets;

(D) A statement identifying the proposed charitable recipient or recipients of the charitable assets, the amount to be distributed to each recipient, an explanation of how the proposed recipient or recipients have the same or similar charitable purposes as the dissolving corporation, and whether the assets are restricted in use or purpose; and

(E) If the corporation's registration with the Registry of Charities and Fundraisers is not current, or it is not registered with the Registry of Charities and Fundraisers, a detailed explanation as to why.

(2) Financial statements consisting of a balance sheet and income and expense statement for the last three years of operation.

(3) A copy of the founding documents, including Articles of Incorporation, and any amendments to the founding documents.

(4) A copy of the resolution or the meeting minutes of the board of directors of the corporation showing the approval of the board of directors to voluntarily dissolve the corporation.

(5) All documents showing restrictions on the charitable assets to be distributed to proposed charitable recipient or recipients.

(6) The final Annual Registration Renewal Fee Report ("Form RRF-1") and Internal Revenue Service Form 990 of the corporation.

(d) A nonprofit public benefit corporation that does not have assets subject to a charitable trust at the time of proposed voluntary dissolution must provide the following:

(1) A letter signed on behalf of the corporation by an authorized director or by an attorney for the corporation containing:

(A) Full legal name of the corporation;

(B) Registration number with the Registry of Charities and Fundraisers, Federal Employer Identification Number, and Corporation or Organization Number;

(C) A statement confirming the corporation: has never held charitable assets, or if the corporation had charitable assets in the past but does not currently hold charitable assets, an explanation of the type of assets received in the past, and how the assets were used; and

(D) If the corporation's registration with the Registry of Charities and Fundraisers is not current, or it is not registered with the Registry of Charities and Fundraisers, a detailed explanation as to why.

(2) Financial statements consisting of a balance sheet and income and expense statement for the last three years of operation to a zero balance.

- (3) A copy of the founding documents, including Articles of Incorporation, and all amendments to the founding documents.
 - (4) A copy of the resolution or the meeting minutes of the board of directors of the corporation showing the approval of the board of directors to voluntarily dissolve the corporation.
 - (5) The final Form RRF-1 and Internal Revenue Service Form 990 of the corporation.
- (e) A nonprofit mutual benefit corporation that holds assets subject to a charitable trust at the time of proposed voluntary dissolution must provide the following:
- (1) A letter signed on behalf of the corporation by an authorized director or by an attorney for the corporation containing:
 - (A) Full legal name of the corporation;
 - (B) Registration number with the Registry of Charities and Fundraisers, Federal Employer Identification Number, and Corporation or Organization Number;
 - (C) A statement requesting a waiver of objection to the distribution of charitable assets;
 - (D) A statement identifying the proposed charitable recipient or recipients of the charitable assets, the amount to be distributed to each recipient, an explanation of how the proposed recipient or recipients have the same or similar charitable purposes as the restricted assets held in charitable trust by the dissolving corporation; and
 - (E) If the corporation's registration with the Registry of Charities and Fundraisers as to the assets held in charitable trust is not current, or it is not registered with the Registry of Charities and Fundraisers, a detailed explanation as to why.
 - (2) Financial statements consisting of a balance sheet and income and expense statement for the last three years of operation as to the assets held in charitable trust.
 - (3) A copy of the founding documents, including Articles of Incorporation, and all amendments to the founding documents.
 - (4) A copy of the resolution or meeting minutes of the board of directors of the corporation showing the approval of the board of directors to dissolve.
 - (5) All documents showing restrictions on the charitable assets to be distributed to proposed charitable recipient or recipients.

(6) The final Form RRF-1 and Internal Revenue Service Form 990 of the corporation.

(f) A nonprofit mutual benefit corporation that had assets subject to a charitable trust but does not have assets subject to a charitable trust at the time of the proposed voluntary dissolution must provide the following:

(1) A letter signed on behalf of the corporation by an authorized director or by an attorney for the corporation containing the following:

(A) Full legal name of the organization;

(B) Registration number with the Registry of Charities and Fundraisers, Federal Employer Identification Number, and Corporation or Organization Number;

(C) A statement confirming the corporation: has no assets held in charitable trust, or if the corporation had charitable assets in the past but does not currently hold charitable assets, an explanation of the type of assets received in the past, and how the assets were used;

(D) An explanation of the reasons for the proposed dissolution; and

(E) If the corporation's registration with the Registry of Charities and Fundraisers is not current, or it is not registered with the Registry of Charities and Fundraisers, a detailed explanation as to why.

(2) Financial statements consisting of a balance sheet and income and expense statement for the last 3 years of operation to a zero balance as to the assets held in charitable trust.

(3) A copy of the founding documents, including Articles of Incorporation, and all amendments to the founding documents.

(4) All documents showing the assets that the corporation had held subject to a charitable trust.

(5) The final Form RRF-1 and Internal Revenue Service Form 990 of the corporation.

(g) A nonprofit religious corporation that holds assets subject to a charitable trust at the time of the proposed voluntary dissolution must provide the following:

(1) A letter signed on behalf of the corporation by an authorized director or by an attorney for the corporation containing:

(A) Full legal name of the corporation;

(B) Federal Employer Identification Number, and Corporation or Organization Number;

(C) A statement requesting a waiver of objection to the distribution of charitable assets; and

(D) A statement identifying the proposed charitable recipient or recipients of the charitable assets, the amount to be distributed to each recipient, an explanation of how the proposed recipient or recipients have the same or similar charitable purposes as the dissolving corporation, and whether the assets are restricted in use or purpose.

(2) A copy of the founding documents, including Articles of Incorporation, and all amendments to the founding documents.

(h) A nonprofit religious corporation that does not have charitable assets at the time of the proposed voluntary dissolution must provide the following:

(1) A letter signed on behalf of the corporation by an authorized director or by an attorney for the corporation containing:

(A) Full legal name of the corporation;

(B) Federal Employer Identification Number, and Corporation or Organization Number; and

(C) A statement confirming that the corporation has no charitable assets.

(2) A copy of the founding documents, including Articles of Incorporation, and all amendments to the founding documents.

(i) An organization that is unincorporated and has charitable assets at the time of the proposed voluntary dissolution must provide the following:

(1) A letter signed on behalf of the organization by an authorized individual or by an attorney for the organization containing the following:

(A) Full legal name of the organization;

(B) Identification number assigned by the California Secretary of State, and Federal Employer Identification Number;

(C) An explanation of the reasons for the proposed dissolution;

(D) A statement identifying the proposed charitable recipient or recipients of the charitable assets, the amount to be distributed to each recipient, an explanation of how the proposed recipient or recipients have the same or similar charitable

purposes as the dissolving organization, and whether the assets are restricted in use or purpose; and

(E) If the organization's registration with the Registry of Charities and Fundraisers is not current, or it is not registered with the Registry of Charities and Fundraisers, a detailed explanation as to why.

(2) Financial statements consisting of a balance sheet and income and expense statement for the last three years of operation.

(3) The final Form RRF-1 and Internal Revenue Service Form 990 of the organization.

(j) An organization that is unincorporated that had assets subject to a charitable trust but does not have charitable assets at the time of the proposed voluntary dissolution must provide the following:

(1) A letter signed on behalf of the organization by an authorized individual or by an attorney for the organization containing the following:

(A) Full legal name of the organization;

(B) Identification number assigned by the California Secretary of State, and Federal Employer Identification Number;

(C) An explanation for the reasons for the proposed dissolution;

(D) A statement confirming that the organization has no assets;

(E) An explanation of the charitable assets it had in the past, the type of assets, and how the assets were used; and

(F) If the corporation's registration with the Registry of Charities and Fundraisers is not current, or it is not registered with the Registry of Charities and Fundraisers, a detailed explanation as to why.

(2) Financial statements consisting of a balance sheet and income and expense statement for the last 3 years of operation to a zero balance.

(3) The final Form RRF-1 and Internal Revenue Service Form 990 of the organization.

(k) A waiver of objections issued by the Attorney General, based on documents and information submitted in support of the request for waiver, will be valid for one year from the date it was issued, unless the waiver is withdrawn by the Attorney General before it is submitted to the California Secretary of State by the charitable organization seeking a voluntary dissolution. The

Attorney General may extend the validity of a waiver of objections for an additional 90 days for good cause shown.

(l) The Attorney General may request additional information as necessary to enable the Attorney General to review and evaluate the request for a waiver of objections.

(m) The Attorney General may waive these requirements for a particular transaction if the Attorney General determines the requirement will not assist the Attorney General in reviewing and evaluating the request for a waiver, and the proposed dissolution does not pose risk or harm to the public interest.

Note: Authority cited: Section 12587, Government Code. Reference: Sections 6716, 8716, and 9680, Corporations Code.

§ 333. Termination of Charitable Trusts and Withdrawal of Foreign Charitable Organizations.

(a) A foreign nonprofit corporation must provide the following to withdraw its registration with the Registry of Charities and Fundraisers:

(1) A letter signed on behalf of the corporation by an authorized director or by an attorney for the corporation containing:

(A) Full legal name of the corporation;

(B) Registration number with the Registry of Charities and Fundraisers, Federal Employer Identification Number, and Corporation or Organization Number;

(C) A statement confirming the corporation no longer has charitable assets remaining in California, or, if the corporation has assets that are received from or restricted to California, a detailed plan for transferring those assets to another California charity or charities with an explanation of how the proposed recipient or recipients have the same or similar charitable purposes as the foreign corporation withdrawing its registration, and whether the assets are restricted in use or purpose, and the amount to be distributed to each California charity;

(D) A statement that the corporation will not solicit charitable donations from California residents or conduct business in California or provide any services directed at California; and

- (E) The date the corporation fully ceased operations in California.
- (2) If the corporation is qualified to do business in California as an out of state corporation, a copy of the endorsed Certificate of Surrender of Right to Transact Intrastate Business, or an explanation of why a Certificate of Surrender of Right to Transact Intrastate Business is not required to be filed with the Secretary of State.
- (3) The final Annual Registration Renewal Fee Report (“Form RRF-1”) and Internal Revenue Service Form 990 of the corporation.
- (b) A charitable trust must provide the following to terminate its registration with the Registry of Charities and Fundraisers:
- (1) A letter signed by the trustee or by an attorney for the trust containing:
- (A) Full legal name of the trust;
- (B) Registration number with the Registry of Charities and Fundraisers or Federal Employer Identification Number; and
- (C) The date the trust was or is to be terminated.
- (2) If there are no charitable assets in the trust, provide the date or dates of distribution of charitable assets and documents in support, and the name of the recipient organization or organizations of the trust assets.
- (3) If charitable assets remain in the trust, the date or dates the assets will be distributed, and the name of the recipient organization or organizations.
- (4) If the charitable trust was terminated by the written consent of the settlor and all beneficiaries without court approval, a copy of the written consent.
- (5) If the charitable trust is irrevocable and was terminated with the consent of all trust beneficiaries and court approval was obtained to terminate the trust, a copy of the court order approving termination of the trust.
- (6) A copy of the trust agreement and all amendments.
- (7) The final Form RRF-1 and Internal Revenue Service Form 990 of the trust.
- (c) The request to withdraw or terminate must contain all “material facts” as defined in section 328 of these regulations. Information and all “material facts” must be submitted under penalty of perjury under the laws of the State of California.
- (d) Any proposed recipient of charitable assets from the withdrawing foreign charitable organization or terminating charitable trust that is required to register and report with the

Registry of Charities and Fundraisers must be current in its registration and reporting with the Registry of Charities and Fundraisers.

Note: Authority cited: Section 12587, Government Code. Reference: 15404 and 16061.5, 16061.7, 16110, Probate Code.