

COMMERCIAL FUNDRAISER WEBSITE FREQUENTLY ASKED QUESTIONS

1) **What is a commercial fundraiser for charitable purposes?**

A commercial fundraiser for charitable purposes is defined as any individual, corporation, or other legal entity who for compensation does either of the following:

- (1) Solicits funds, assets, or property in California for charitable purposes.
- (2) As a result of a solicitation of funds, assets, or property in this state for charitable purposes, receives or controls the funds, assets, or property solicited for charitable purposes.
- (3) Employs, procures, or engages any compensated person to solicit, receive, or control funds, assets, or property for charitable purposes.

(See Government Code section 12599 for a complete definition.)

2) **What is a fundraising counsel?**

A fundraising counsel for charitable purposes is defined as any person who is described by all of the following:

- (1) For compensation plans, manages, advises, counsels, consults, or prepares material for, or with respect to, the solicitation in this state of funds, assets or property for charitable purposes.
- (2) Does not solicit funds, assets, or property for charitable purposes.
- (3) Does not receive or control funds, assets, or property solicited for charitable purposes in this state.
- (4) Does not employ, procure, or engage any compensated person to solicit, receive, or control funds, assets, or property for charitable purposes.

(See Government Code section 12599.1 for complete definition.)

3) **What is a commercial coventurer?**

A commercial coventurer is defined as any person who, for profit, is regularly and primarily engaged in trade or commerce other than in connection with the raising of

funds, assets, or property for charitable organizations or charitable purposes, and who represents to the public that the purchase or use of any goods, services, entertainment, or any other thing of value will benefit a charitable organization or will be used for a charitable purpose. (See Government Code Section 12599.2 for complete definition.)

4) What is required to register as a commercial fundraiser?

- (a) A completed and signed Registration Form (ct-1CF).
- (b) \$200 in certified funds.
- (c) The **original** of a properly executed \$25,000 surety bond in the registrant's name or the original pass book or certificate of deposit indicating \$25,000 is held in the Attorney General's name.

5) What is required to register as a fundraising counsel?

- (a) A completed and signed Registration Form (ct-3CF).
- (b) \$200 in certified funds.

6) What is required to register as a commercial co-venturer?

- (a) A completed and signed Registration Form (ct5-CF).
- (b) \$200 in certified funds.

7) When is registration required?

Registration is required prior to soliciting any funds in California for charitable purposes, or prior to January 15 of each year.

8) Do I have to file a financial report or accounting of funds or assets received as a result of a solicitation for charitable purposes?

Commercial fundraisers must file an annual financial report for each campaign conducted for each charity during a calendar year.

9) Which financial reporting form should I use to file the required financial report(s)?

There are three different financial reporting forms:

Annual Financial Report (Commercial Fundraisers) (ct-2CF)

Annual Financial Report (Thrift Store Operations) (ct-2TCF)

Annual Financial Report (Vehicle Donation Program) (ct-2VCF).

Registered commercial fundraisers should use the financial reporting form that is appropriate for their organization. All financial reporting forms are available on the commercial fundraiser website.

10) When must annual financial reports be filed?

Annual financial reports must be filed by January 30 of each year.

11) Is there a penalty for not completing registration or filing annual financial report(s) by the required dates?

SB 2015 has added Section 12586.1 to the Government Code which reads “In addition to a registration fee, a ...commercial fundraiser, fundraising counsel, or coventurer may be assessed a late fee or an additional fee of twenty-five dollars (\$25) for each month or part of the month after the date on which the registration statement or financial report were due to be filed ...if the commercial fundraiser, fundraising counsel or coventurer does any of the following:

- (a) Exists and operates in California without being registered.
- (b) Solicits contributions in California without being registered or, if applicable, bonded.
- (c) Fails to correct the deficiencies in its registration or annual report within 10 days of receipt of written notice of those deficiencies.

A complete copy of Government Code sections 12580-12599.5 is available on the commercial fundraiser website under “Statutes and Regulations.”