August 14, 2020

The Honorable Anthony J. Portantino
Chair, Senate Appropriations Committee
State Capitol, Room 2206

Sacramento, CA 95814

## RE: Support for Assembly Bill 2208 – Charitable organizations: charitable fundraising platforms and platform charities (Irwin)

Dear Chair Portantino,

As nonprofit leaders in California, we write to express our organizational support for Assembly Bill 2208 (Irwin), which will define charitable fundraising platforms and make them trustees for charitable purposes subject to supervision by the Attorney General (AG). The bill also requires a charitable fundraising platform to get written consent from a recipient nonprofit before using its name in a solicitation—with certain exceptions. In addition, AB 2208 requires platforms to provide tax donation receipts to donors and to send donations promptly to recipient nonprofits.

We recognize online fundraising platforms as a valuable way to bring attention to issues our communities care about and a convenient way for donors to give to the nonprofits and causes they want to support. However, we also know from experience that current industry practices can erode donor confidence in online fundraising, use nonprofits’ names in ways that do not benefit the nonprofit, and delay receipt of funds by nonprofits. For example, current law does not require platforms to provide conspicuous fee disclosures before a donor donates online, so if the platform fee is significant, the nonprofit will get a smaller donation than the donor intended.

AB 2208 as amended will provide much-needed oversight of online fundraising platforms. The bill also mandates industry practices—including conspicuous fee disclosures, written consent requirements, and prompt payments—that will help ensure that donors continue to use online platforms to support the vital services we as nonprofits are providing our communities.

California’s nonprofits need charitable donations now more than ever as we step up to serve our communities during this current crisis. Although the Department of Justice will require additional resources to supervise online fundraising platforms under this bill, the potential financial and human costs of failing to regulate the online fundraising industry, and thereby eroding a vital funding source for nonprofits and our communities, far outweigh any state costs.

For these reasons, we respectfully request that you support AB 2208 and advance the bill from Appropriations to the Senate floor. Thank you for your consideration.

Sincerely,

NAMES OF SIGN-ON ORGANIZATIONS

California Association of Nonprofits