Donor Identity Protected from California Regulators

July 29, 2021

In many states, when a large charitable donation is made to a nonprofit organization, the donor's identity may have to be disclosed by the charity. However, in California the donor's anonymity has been protected at the state level. This process was challenged, and on July 1, 2021 the Supreme Court ruled that California cannot implement the nonprofit donor disclosure rule, which would require charities to file the federal Form (Schedule B) disclosing the name of major donors at the state level. The Court denied the challenge, citing that it would infringe on the donor’s First Amendment rights.

The Federal Form Schedule B that is referenced in the ruling requires an organization to disclose the name and address of donors if their contributions are either greater than $5,000 or if they exceed 2% of the total contributions from any single contributor.

New York State has similar regulations that were issued in November 2019 that require organizations registered with the State’s Charities Bureau to file a form containing the names and addresses of major contributors. This Supreme Court ruling from California may impact New York State’s disclosure requirements in the future.

For more information or to discuss plans for charitable donations, contact your Anchin Relationship Partner or a member of Anchin Private Client at info@anchin.com.