



**House State Government Committee**  
**Hearing on Donor Disclosure and Campaign Finance Regulations**  
**February 7, 2022**  
**Pennsylvania Department of State**

Chairman Grove, Chairman Conklin, and members of the House State Government Committee: Thank you for the invitation to submit testimony to the Committee regarding Donor Disclosure and the Bureau of Corporation and Charities.

The Department of State's Bureau of Corporations and Charitable Organizations and the Bureau of Enforcement and Investigations are responsible for the administration and enforcement of the Solicitation of Funds for Charitable Purposes Act (10 P.S. §162.1, et seq). This Act requires charitable organizations to register with the Department of State before they solicit contributions in Pennsylvania unless they are specifically excluded or exempt from registration requirements. As of June 30, 2021, there were 14,691 charitable organizations registered with the Department of State.

A charity registering with the Department must file the following paperwork: an annual registration statement, IRS 990 federal informational returns, and financial statements. Depending on the amount of their annual gross contributions, those financial statements may have to be compiled, reviewed, or audited.

The United States Supreme Court in *Americans for Prosperity v. Bonta* struck down a California requirement that charities and non-profit organizations provide the names and addresses of their largest donors to the state. California required the Schedule B to IRS Form 990 which organizations use to disclose the names and addresses of donors who have contributed more than \$5,000 or more than 2% of revenues in a year.

The ruling did not impact the registration process for the Department of State. The Solicitation of Funds for Charitable Purposes Act does not require or specify any 990 schedules other than Schedule A. A charity registering with the Department is not required or asked to provide their Schedule B information.

If Schedule B information is submitted to the Department alongside a registration, the Schedule B information is set aside and destroyed. If the Department receives a request for a copy of filed registration and 990 form, the Bureau staff review what is given out to ensure that no Schedule B information would be included. Additionally, while the charity registration form and instructions do not ask for the Schedule B information to be included, the Department is in the process of updating those documents to specifically say that the Schedule B is not required.

The Bureau of Enforcement and Investigations (BEI) has the authority to investigate violations of the Solicitation of Funds for Charitable Purposes Act. BEI may request or issue subpoenas in an investigation of violations of this Act. BEI would be permitted to subpoena Schedule B information. This is a necessary tool for BEI to investigate complaints and enforce the Act. That authority should not change.

Additionally, professional solicitors, individuals and companies who raise funds on behalf of charitable organizations, are required to register with the Department. As of June 30, 2021, there were 101 solicitors registered. Professional solicitors must file campaign financial reports for each solicitation campaign they conduct in Pennsylvania. These reports must be filed within 90 days of the campaign's completion, or on the anniversary of any campaign lasting more than one year. The reports must list the total contributions raised during the campaign, the campaign's total expenses, and the amount of the total contributions the charitable organization received. The reports do not include the names and addresses of individual donors.

The Department continues to remain committed to reviewing new changes to applicable laws and precedents set in Pennsylvania and across the United States. We are happy to answer any questions you may have about our filing requirements, how our process works, or how any changes may impact our process and requirements. Thank you.