



City and County of San Francisco

Office of the Controller

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Policy [October 22, 2026]: City Nonprofit Contractor Compliance with California Attorney General Registry Charities and Fundraisers

I. Overview

Government Code section 12585 requires that every charitable corporation, unincorporated association, charitable trustee and other legal entity holding property for charitable purposes, must register with the California Attorney General. Initial registration and annual renewal reporting also apply to all foreign charitable organizations (i.e., corporations formed under the laws of other states) doing business or holding property in California for charitable purposes. Doing business in California includes active solicitation, such as soliciting donations in California by mail, by advertisements in publications, applying for grants from public agencies, maintaining a "Donate" button on any internet platform, or by any other means of targeting California residents for donations. Other examples of doing business in California include engaging in any of the following activities: holding meetings of the board of directors or corporate members in California, maintaining an office in California, having officers or employees who perform work in California, and/or conducting charitable programs in California.

Accordingly, nonprofit organizations must register and comply with all filings required by the State Attorney General (AG) Registry of Charities and Fundraisers ("Charity Registry") to operate and do business in California. The following policy and guidance outline the processes the City and County of San Francisco ("City") departments must use to ensure the City's nonprofit contractors and grantees ("contractors") as well as subcontractors, subgrantees and subrecipients ("subcontractors") comply with State law. The policy and guidance establish the process to ensure compliance for any new City agreements and/or amendments with nonprofit contractors, as well as the steps City departments should take when an existing nonprofit contractor is no longer in good standing with the State AG's Charity Registry.

As nonprofit organizations are required to be in compliance with all filings to the State AG Charity Registry in order to operate and do business in California, the City is not authorized to continue to do business with any City nonprofit contractor deemed not in good standing by the State AG Charity Registry. Additionally, in cases where nonprofit organizations have established a fiscal sponsorship, fiscal agent, or similar relationship between a prime contractor and a sponsored entity, the City may not continue to do business with the prime contractor or, where applicable, the sponsored entity, if either is required to register and is deemed not in good standing by the State AG's Charity Registry.

The State AG provides information about compliance with the Charity Registry at <https://oag.ca.gov/charities>. The website also defines various registration, compliance and/or entity statuses. As of September 2026, the State AG Charity Registry indicates a contractor is not in good standing if it has an *Entity status* of "Cease and Desist Order," *Registration status* of Delinquent, Delinquent Platform Charity, Expired, Suspended or Revoked; or a *Compliance status* of "Cease and Desist Order." The State AG considers contractors with any other entity, registration or compliance status to be in good standing.

The State AG may periodically update its website, tools, terminology or statuses. Through this policy, the City aligns to the State AG's terminology and definitions of good standing, including any future changes the State AG makes to tools, terminology or statuses. Nonprofit contractors are wholly accountable to their own compliance with State law, including understanding how to maintain good standing with the State AG's Charity Registry.

The following policies and procedures apply to all City contracts, grants and amendments with City nonprofit contractors.

II. City Contracting Procedures regarding the State AG Charity Registry

- a. **Contract Terms and Conditions.** All City contracts for the purchase of goods and services and grant awards must include language requiring nonprofit contractors to maintain compliance with the State AG's required registration and filings for the duration of the term of any agreement with the City.
 - i. By signing any contract or amendment, nonprofit contractors will attest to their compliance with State law at the time of contract execution and commit to maintain compliance over the term of the City contract or be subject to contract termination at the discretion of the City.
- b. **Department Verification.** Contracting departments must confirm a City nonprofit contractor is in good standing by searching the State AG Charity Registry at the time of submission of a contract with that contractor to the City Attorney for approval as to form.
 - i. The Charity Registry search functionality is available here: <https://ca-rcf.evokeplatform.com/app/publicPortal/verification> or follow links to the tool from <https://oag.ca.gov/charities>
 - ii. Review Entity, Registration and Compliance status fields to confirm contractor is in good standing, or, if tools, terminology or status fields have changed, review current State AG guidelines for the fields that designate good standing.

III. Oversight of State AG Charity Registry Status during a Contract Term

- a. **Ongoing Monitoring.** The Controller's Office coordinates the Citywide Nonprofit Monitoring and Capacity Building Program (Monitoring Program), through which contracting departments monitor fiscal and compliance standards across a selected pool of City nonprofit contractors. For that selected pool, the Controller's Office reviews City nonprofit contractors' State AG Charity Registry statuses and establishes corrective actions associated with findings in this area which may include application of the Citywide Nonprofit Corrective Action Policy.
 - i. The Controller's Office may provide technical assistance via the Monitoring Program to support City nonprofit contractors who are not in good standing to remedy their status with

the State AG, including developing and submitting any required filings. Contracting departments may submit a referral to the Controller's Office as needed. Technical assistance may be limited based on Program capacity.

- b. Noncompliance during Contract Term. Contracting departments are only required to verify compliance with the State AG Charity Registry at contract origination or amendment. If a contracting department becomes aware of noncompliance by one of its nonprofit contractors during the contract term, such as through the annual monitoring process, contracting departments should take the following steps:
 - i. Using the template provided in the Appendix of this policy, contracting departments are responsible for notifying the contractor that they are not in good standing with the State AG, and this is out of compliance with the terms of that contractor's agreement with the City which requires the nonprofit contractor to remain in good standing throughout the term of the agreement.
 - ii. Per the template provided in the Appendix of this policy, City nonprofit contractors will be provided reasonable time to cure their status with the State AG to avoid disruption to client services and/or harm to individuals receiving services if such contracts were immediately terminated.
 - iii. If the City nonprofit contractor does not return to good standing within the time period provided, the contracting department must stop doing business with the non-compliant contractor immediately.
 - If the contractor can show due diligence in its efforts to cure its status throughout the period provided, contracting departments have the option to hold any pending payments and pause activities but maintain the contract in an active status until the contractor comes into compliance.
 - If the contractor has not attempted to cure its status in the time provided, contracting departments should engage their Deputy City Attorney, and initiate a termination of the agreement.

IV. Nonprofit Subcontractors, Subgrantees, Subrecipients and Sponsored Entities

Nonprofit entities may receive City funding as a prime contractor, subcontractor, grantee, subgrantee, subrecipient or sponsored entity. Prime contractors and grantees have a contract directly with the City to deliver services. Subcontractors, subgrantees, subrecipients and sponsored entities may receive City funding, with the prime contractor/grantee serving as a fiscal intermediary, fiscal sponsor or fiscal agent. All nonprofits doing business in California, regardless of their contracting relationship with the City, are required to register with the Secretary of State to receive a business license, and to register with the Attorney General in order to receive charitable donations and to operate in the state as a nonprofit.

- a. When signing new contracts with the City, it will be the responsibility of prime contractors or grantees to ensure any subcontractors, subgrantees, subrecipients, and if applicable, sponsored entities receiving City funding via the contract are eligible and registered to do business within California and have submitted all required filings to the State AG, using the State AG's Charity Registry website to verify the status of each as in good standing.
- b. During contract execution, prime contractors/grantees that are nonprofits will be required to affirm their own good standing through the contract terms and conditions. On or before this time, prime contractors/grantees should notify the contracting department about any selected subcontractors,

subgrantees, subrecipients, and if applicable, sponsored entities that are not in good standing prior to entering into a new contract.

- c. If a subcontractor, subgrantee, subrecipient and if applicable, sponsored entity is not in good standing, this may disqualify the prime contractor/grantee from obtaining the City contract. In such a case, the contracting department should determine in consultation with the City Attorney whether the contract award is still appropriate or if an alternate organization in good standing may be added to the contract.
- d. Subcontractors, subgrantees, subrecipients, and if applicable, sponsored entities, may be eligible for City technical assistance to come into compliance.

V. Roles and Responsibilities

- a. The Controller's Office is responsible for:
 - i. Periodic review via the Citywide Nonprofit Monitoring and Capacity Building Program to identify nonprofit contractors that are not in good standing with the State AG's Charity Registry and notifying relevant departments of the lapse.
- b. Contracting departments are responsible for:
 - i. Adhering to the policy and responding to contractor questions on implementation.
 - ii. Offering technical assistance to nonprofit contractors the department is doing business with to come into compliance, including making relevant referrals to the Controller's Office for technical assistance.
 - iii. Validating compliance with filing requirements during the development of every contract or grant with a nonprofit contractor at to ensure no new contracts or amendments to existing contracts are developed with a nonprofit contractor that is not in good standing until its status has been cured.
 - iv. When made aware of noncompliance with the State AG Charity Registry during the term of a contract (e.g., via an annual monitoring process), using the notification template in the Appendix of this policy to notify nonprofit contractors under contract about noncompliance with terms of the contract, and providing that nonprofit contractor with instructions and a timeline to cure their status or risk contract termination.
 - v. Notifying other City departments holding contracts with the nonprofit about the non-compliance, except in cases where the Controller's Office has already notified all departments holding contracts through the Monitoring Program.
- c. City nonprofit contractors are responsible for:
 - i. Coming into and maintaining good standing with the State AG Charity Registry.
 - ii. Affirming through contract language that the contractor is responsible for staying in good standing during the term of contract.
 - iii. Notifying contracting departments if the contractor falls out of good standing during the contract term, and timely carrying out necessary activities to reinstate good standing with State AG Charity Registry.
 - iv. Ensuring any relevant subcontractors are in good standing for the duration of the contract term, and notifying the contracting department if a subcontractor is no longer in good standing and escalation procedures may be warranted.
- d. City Attorney's Office is responsible for:
 - i. Working with departments to determine the appropriate escalation path to address non-compliance with Charity Registry requirements.

- ii.** Working with the City Administrator's Office and departments to develop City procurement documents and contract templates as needed to effectuate this policy.
 - e.** The Office of the City Administrator is responsible for:
 - i.** Supporting development of the State AG Registry Policy.
 - ii.** Contract Monitoring Division: Updating/incorporating the noted procedures into its Local Business Enterprise – Non-Profit Enterprise (LBE-NPE) Certification and Compliance program.

Appendix: Noncompliance Notification Template

Instructions to Contracting Departments

Once a nonprofit contractor's State AG Charity Registry status is confirmed at the time an agreement is circulated for signatures, contracting departments are not required to verify nonprofit contractors' status on the AG Charity Registry during the term of the contract. However, contracting departments may become aware that a nonprofit contractor is no longer in good standing on the State AG Charity Registry during a contract term, e.g., during an annual monitoring review or by other means. On these occasions, contracting departments should undertake the following steps:

1. Update the highlighted items in the notification template below with relevant details, including establishing a due date of four months after the notification date. Departments may make other edits to the draft as relevant and necessary for specific circumstances.
2. Distribute the notification template to relevant contacts at the nonprofit organization, including executive director and others who are the point of contact on contract administration with your department.
 - a. Departments do not need to include the Controller's Office or City Attorney on these distributions or otherwise inform the Controller's Office or City Attorney about contractor noncompliance upon initial notification.
 - b. Departments should forward notification to other departments holding contracts with the nonprofit to inform them of the lapse in compliance.
 - c. Departments should maintain records of notification to nonprofits about their status in case future escalation is necessary.
3. If a nonprofit contractor requests technical assistance, submit this request to the Citywide Nonprofit Monitoring and Capacity Building Program by emailing nonprofit.monitoring@sfgov.org.
4. Schedule a review of the contractor's State AG Charity Registry status on the four-month due date, unless you have previously been notified by the nonprofit that its status has been cured.
 - a. If the nonprofit contractor is in good standing at the time of the review, no further action is needed.
 - b. If the nonprofit contractor remains out of compliance, continue to the next step.
5. Notify the relevant contacts at the nonprofit organization that the time to cure has expired, and your department will begin the process of terminating the contract. Provide the nonprofit contractor the opportunity to share details of due diligence in coming into compliance, including:
 - a. Documentation showing submission of required forms to the State AG Charity Registry significantly prior to the due date.
 - b. Documentation showing communications with the State AG's Office regarding issues or challenges with coming into compliance significantly prior to the due date.
 - c. Documented requests for technical assistance significantly prior to the due date.
 - d. A documented timeline and plan for developing and/or gathering documents required for compliance (e.g., certified audit, IRS Form 990 submission timeline, etc.).
6. If the contractor provides relevant documentation showing due diligence, departments are authorized to provide an additional two-month extension when warranted and when a nonprofit contractor can offer reasonable assurance that it will regain compliance within that extension period.

7. If the timeline and plan for compliance is likely to take longer than two additional months, or if the nonprofit contractor does not respond to provide a plan and remains out of compliance, departments must immediately contact their Deputy City Attorney to develop an escalation approach.
 - a. For nonprofit contractors with a timeline and plan for compliance that may require an extended duration for completion, the escalation approach may include offering an additional extension, or may include pausing services and payments but maintaining the contract as active until the contractor can come into compliance. The exact escalation approach will be determined in consultation between the department and Deputy City Attorney on a case-by-case basis.
 - b. For nonprofit contractors that do not come into compliance and do not demonstrate due diligence in attempting to come into compliance, the escalation approach may include initiating contract termination and transfer of services to a provider in compliance with State law.

Note: if noncompliance is identified through annual monitoring procedures coordinated by the Controller's Office, a single notification template may be prepared and issued in conjunction with the joint monitoring report letter and copied to relevant staff across contracting departments. Each contracting department will be individually responsible for steps 4-7 above, even if the initial notification is disseminated as part of joint monitoring activities.

Notification Template:

To [Nonprofit Executive Director]:

On [DATE], [NONPROFIT NAME] was found to have a State AG Charity Registry status of [STATUS], making the nonprofit out of compliance with the terms of your agreement(s) with our department.

Nonprofit entities are required to be in good standing with the State AG Charity Registry in order to operate in California and do business with the City and County of San Francisco. All new solicitations, contracts, grant awards and/or amendments require City nonprofit contractors to attest to being in and maintaining good standing with the State AG for the term of the agreement.

To minimize impacts on service delivery, we are providing you with four months from the date of this notice to establish compliance with the State AG Charity Registry. The due date for coming into good standing is [DATE].

The State AG's Office documents all processes necessary for compliance on its website, including explanatory videos and detailed forms. Nonprofit contractors are directed to review State AG's Office materials here: <https://oag.ca.gov/charities>.

Technical assistance may be available via the Citywide Nonprofit Monitoring and Capacity Building Program. Please indicate if you would like a referral for technical assistance regarding your State AG Charity Registry status and the process for curing that status.

City contractors are responsible for notifying all contracting departments if the contractor falls out of compliance during the contract term. If you have not already done so, please promptly notify all other City departments with which you have an active contract about your change in status with the State AG Charity Registry.

Please reply to this email to notify us when your status on the State AG Charity Registry website has changed to indicate the organization is in good standing on or before the due date.

If you do not cure your organization's status with the State AG by the due date, City policy dictates that we must initiate contract termination proceedings, as contracting departments are not authorized to do business with nonprofit contractors out of compliance with State law.

If there are extenuating circumstances for why the organization is unable to cure its status by the deadline, please provide a summary of your efforts and anticipated timeline for coming into compliance.

If you do not provide information showing due diligence in your organization's attempts to cure the status during the cure period, we will terminate your agreement(s) with the City.

For more information:

- The City has issued a policy regarding these procedures here: [link to policy]
- The State AG Charity Registry website includes all required filing templates and instructions: <https://oag.ca.gov/charities>