

## **New Federal “Transparency” Reporting Rules Do NOT Apply to Charter Schools or Most Other Nonprofits**

November 8, 2024

We have recently learned about alarming information sent to California charter schools and other nonprofits about deadlines for a new federal law called the “Corporate Transparency Act” (CTA). Please rest assured that the new CTA rules do not apply to charter school nonprofit operators and most other nonprofits, including school support organizations. The purpose of the CTA is to combat illegal activity such as money laundering, tax fraud, and terrorism financing, and it requires affected for-profit companies to report beneficial ownership information to the Financial Crimes Enforcement Network (FinCEN). It has nothing to do with the charitable operations of most nonprofits—like public schools.

If you are interested in the CTA and the nonprofit exemptions, this link to an article by the National Council of Nonprofits is helpful.

Please do not hesitate to contact us about this or any other nonprofit compliance matter. We are here to assist you.

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Please do not hesitate to contact us with any questions.

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