



We Strengthen & Unite South Carolina's Nonprofit Network.

Co-Venturer Legislation Summary

Bills Referenced: [H.4662](#) | [S.715](#)

The **South Carolina Solicitation of Charitable Funds Act** (Title 33, Chapter 56) governs nonprofit fundraising and filing requirements with the Secretary of State (SOS). The law also regulates **commercial co-venturers**—for-profit businesses that raise funds for nonprofits through sales-based promotions (e.g., “percent of sales” events).

Together SC, along with Lowcountry Local First and SC Secretary of State’s office, are asking for changes to be made to these two areas of law to help reduce red tape on small businesses who wish to support their local nonprofits, and clarify registration requirements for nonprofit organizations.

Current Law

Nonprofit Registration Requirements (Section 33-56-50)

Nonprofit organizations are currently required to register with the Secretary of State’s office if they ***intend to solicit contributions*** (key words) from the public over certain thresholds. Those thresholds currently are \$7,500 with the help of a professional fundraiser / commercial co-venturer, or \$20,000 without the help of a professional fundraiser / commercial co-venturer. Those that don’t reach those thresholds are not required to register.

Commercial Co-Venturers (Section 33-56-110)

Commercial co-venturers are for-profit businesses that raise funds for nonprofits through sales promotions (e.g. “Spirit Night” at local ice cream shop where a portion of sales go to a nonprofit).

Current requirements:

- All co-venturer campaigns must register with the Secretary of State.
- Required filings include pre-registration, contract disclosure, and gross/net revenue reporting.
- No minimum dollar threshold applies.

For example: A small ice cream store would like to donate \$1 of every cone sold to the local food bank from 4-7pm on one Friday night in July. The store ends up selling enough ice cream cones to donate \$589 to the local food bank.

The ice cream store, under current law, is required to pre-file various information with the Secretary of State prior to the “solicitation event” (Friday, 4-7pm) occurring and then file financial information (gross revenue / net provided to nonprofit) after the event concludes.

Practical effect: Even small, short-term fundraising events (e.g., a one-day restaurant promotion) trigger full compliance. Engaging a co-venturer can also move a nonprofit into a higher registration category as stated above (if you engage a commercial co-venturer, even for one day, and intend to solicit more than \$7,500 in a year total from the public, you have to register with the state).

Proposed Legislation: H.4662 & S.715

Two bills have been filed to address these issues. Both bills are substantively similar and address the issues raised by both nonprofits, for-profits, and the Secretary of State’s office.

The intent of these bills is to reduce red tape for small businesses looking to support local nonprofits through profit-sharing events, as well as clarify language related to registration requirements – moving away from *intent to solicit contributions* to looking at gross revenue levels (regardless of source).

Key Proposed Changes

1. Reform Co-Venturer Regulations

- Establishes a **\$10,000 floor** before co-venturer registration is required.
- Registration required **before a campaign** if more than \$10,000 is anticipated.
 - If \$10,000 is exceeded unexpectedly, registration required **within 30 days**.
- No changes to required filings once registration is triggered.
- Requires disclosure of the nonprofit's name at the time of solicitation for any level of engagement.

Result: Substantially reduces unnecessary regulation of small, low-dollar fundraising campaigns.

2. Amend Nonprofit Registration Requirements

- Shifts registration triggers from *intent to solicit* to **actual gross revenue received**.
- Raises thresholds to trigger registration:
 - High threshold: **\$20,000 → \$25,000**.
 - Medium threshold: **\$7,500 → \$10,000**.
- Registration is based on **gross revenue**, not only on charitable contributions.
- Professional fundraiser trigger remains at Medium Threshold (\$10,000+).

Result: More nonprofits may be required to register due to the focus on gross revenue; however, greater clarity is provided to both nonprofits and state agency officials, and thresholds are raised.