

January 26, 2026

### **Information for Nonprofits Owed Money by Flipcause**

Our office has been contacted by numerous nonprofits unable to access money they had raised through the fundraising platform Flipcause. Apparently, hundreds of nonprofits around the country are in the same position. Flipcause has been ordered by the California Attorney General to cease and desist all operations, and it has declared Chapter 11 bankruptcy. It is also the subject of a class action lawsuit filed by 29 nonprofits.

This Legal Alert provides information for nonprofits owed funding by Flipcause. It does not constitute legal advice and is not a substitute for consulting with a lawyer. Lawyers Alliance for New York does not have the resources to find pro bono legal assistance for Flipcause's nonprofit creditors. New York-based nonprofits may be able to find an attorney through the attorney referral services of the [New York State Bar Association](#) or [New York City Bar Association](#).

#### Bankruptcy Claims

As a general rule, an organization that is owed money by a company that has declared bankruptcy must file a proof of claim in the Bankruptcy Court in order to recover funds through the bankruptcy proceeding. However, your organization may be able to recover money through the bankruptcy even without filing a claim if Flipcause's creditor schedule accurately lists the debt to your organization without marking that debt as disputed, contingent, or unliquidated. If the amount is not listed, is incorrect, or is listed as disputed, contingent, or unliquidated, you should seek the assistance of counsel to file a claim.

- To see if Flipcause's debt to your organization is accurately listed on the schedule of creditors check [here](#), starting on page 24.
- Information about how to file a claim in Flipcause's bankruptcy case is available [here](#).
- Deadline for filing claims: as of this writing, the Bankruptcy Court has not set a schedule for filing claims.

#### Charities Regulators

The California Attorney General issued a cease and desist order to Flipcause in November 2025 and has since sought to participate in Flipcause's bankruptcy proceeding to protect charitable funds. That office says in [this press release](#) to document your claim and file a complaint with their office, or the office of the AG in the state where your nonprofit is located. Complaints can be filed with the New York Attorney General's Charities Bureau [here](#).

#### Class Action Lawsuit

You can find information about the class action lawsuit against Flipcause, including information about how to join the lawsuit, in this [press release](#). Please note that Lawyers Alliance has not evaluated the strength of the claims in this lawsuit and makes no recommendation about whether organizations should join it.

***This alert is meant to provide general information only, not legal advice. If you have any questions about this alert please visit our website at [www.lawyersalliance.org](http://www.lawyersalliance.org) for further information. To become a client, visit [www.lawyersalliance.org/becoming-a-client](http://www.lawyersalliance.org/becoming-a-client).***

Lawyers Alliance for New York is the leading provider of business and transactional legal services for nonprofit organizations and social enterprises that are improving the quality of life in New York City neighborhoods. Our network of pro bono lawyers from law firms and corporations and staff of experienced attorneys collaborate to deliver expert corporate, tax, real estate, employment, intellectual property, and other legal services to community organizations. By connecting lawyers, nonprofits, and communities, Lawyers Alliance for New York helps nonprofits to provide housing, stimulate economic opportunity, improve urban health and education, promote community arts, and operate and advocate for vital programs that benefit low-income New Yorkers of all ages.