

LEGAL ALERT

Flipcause Bankruptcy – Are You Affected?

Nonprofits that relied on the services of fundraising platform Flipcause, Inc. should be aware of actions they can take to possibly recover unpaid funds in light of Flipcause's recent bankruptcy filing.

Background

Flipcause is a California-based fundraising platform that provides donation management services to small nonprofits. In November 2025, the California Attorney General [ordered](#) Flipcause to cease operations due to its failure to distribute donated funds to nonprofits and other regulatory violations. In December 2025, Flipcause filed for Chapter 11 bankruptcy protection in the U.S. Bankruptcy Court for the District of Delaware. Flipcause is also the subject of a lawsuit in the Northern District of California brought by a number of nonprofit organizations.

Hundreds of nonprofits across the country, including in Ohio, have not received critical donations owed to them by Flipcause.

What Should Nonprofits Do Now?

Impacted nonprofits should:

- **Consider filing a bankruptcy claim.** Nonprofits seeking to recover unpaid funds through Flipcause's bankruptcy case should consider filing a proof of claim with the bankruptcy court. A list of Flipcause's creditors is available [here](#). Information on filing a proof of claim is available [here](#). *Please note that Pro Bono Partnership of Ohio is not able to assist with bankruptcy court filings or provide legal advice to creditors of Flipcause.*
- **Review the guidance provided by regulators.** Nonprofits should review the [guidance](#) issued by the California Attorney General. The guidance recommends that nonprofits document all donation records and communications related to unpaid funds and file a complaint with the California Department of Justice or their home state. Ohio nonprofits can [file a complaint](#) with the Ohio Attorney General's office. Nonprofits should also continue to monitor developments related to Flipcause's bankruptcy case.

As always, nonprofits considering using a third-party fundraising platform should:

- Conduct due diligence on fundraising platform providers to ensure they are registered and in compliance with applicable law.
- Understand how the fundraising platform will process and manage donations.

Need Legal Advice?

If you are a PBPO client and have questions regarding the content of this article, please contact us at info@pbphio.org or (513) 977-0304.

Not a Client? Apply to become a client by submitting a [Request for Legal Assistance online](#), or contact us at info@pbphio.org.

This article presents general guidelines for Ohio nonprofit organizations as of the date written and should not be construed as legal advice. Always consult an attorney to address your particular situation.