

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1564 Session of
1993

INTRODUCED BY FLICK, GORDNER, WAUGH, M. N. WRIGHT, NYCE,
HERSHEY, HASAY, MIHALICH, LAUB, ROONEY, FLEAGLE, HERMAN,
RAYMOND, EGOLF, MILLER, FARGO, STABACK, HENNESSEY,
HUTCHINSON, KING, LEH, PHILLIPS, E. Z. TAYLOR, GERLACH,
DEMPSEY, PETRONE, GEIST, SCHULER, CAWLEY, CLARK, LAUGHLIN,
BAKER, FARMER, GODSHALL, TRELLO, ZUG, HESS, SAURMAN, SATHER,
PETTIT, REINARD, CORNELL, KASUNIC, CIVERA, KIRKLAND,
WILLIAMS, TOMLINSON AND DENT, MAY 5, 1993

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
APRIL 19, 1994

AN ACT

1 Amending the act of December 19, 1990 (P.L.1200, No.202),
2 entitled "An act providing for the registration and
3 regulation of solicitations by charitable organizations,
4 professional fundraisers and other solicitors; imposing
5 additional powers on the Department of State and the Office
6 of Attorney General; prescribing civil and criminal
7 penalties; and making a repeal," further providing for
8 reports by charitable organizations.

9 The General Assembly of the Commonwealth of Pennsylvania
10 hereby enacts as follows:

11 Section 1. Section 5(f) and (h) of the act of December 19,
12 1990 (P.L.1200, No.202), known as the Solicitation of Funds for
13 Charitable Purposes Act, are amended to read:

14 Section 5. Registration of charitable organizations; financial
15 reports; fees; failure to file.

16 * * *

17 (f) Audit of certain financial reports.--The financial

1 report of every charitable organization employing professional
2 solicitors, PROFESSIONAL FUNDRAISING COUNSEL or any other paid <—
3 staff or officers which received contributions in excess of
4 \$100,000 shall be audited by an independent public accountant.
5 Except for the charitable organizations described in section
6 6(a)(3), the financial report of every charitable organization
7 employing professional solicitors, PROFESSIONAL FUNDRAISING <—
8 COUNSEL or any other paid staff or officers which receives
9 contributions in excess of \$25,000, but less than \$100,000,
10 shall be reviewed or audited by an independent public
11 accountant. An audit or review is optional for any charitable
12 organization which receives contributions less than \$25,000 or
13 for any charitable organization described in section 6(a)(3)
14 which receives contributions less than \$100,000. Audits shall be
15 performed in accordance with the Statement on Auditing Standards
16 of the American Institute of Certified Public Accountants and
17 reviews shall be performed in accordance with the Statement on
18 Standards for Accounting and Review Services of the American
19 Institute of Certified Public Accountants.

20 * * *

21 (h) Other acceptable reports.--

22 (1) The Department may accept a copy of a current
23 financial report previously prepared by a charitable
24 organization for a governmental agency in another
25 jurisdiction in compliance with the laws of that
26 jurisdiction, provided that the report filed with such other
27 governmental agency shall be substantially similar in content
28 to the report required by this section.

29 (2) Any charitable organization which does not employ
30 professional solicitors, PROFESSIONAL FUNDRAISING COUNSEL or <—

1 any other paid staff or officers may submit a copy of its
2 most recent Internal Revenue Service 990 Form submitted to
3 the Internal Revenue Service in lieu of an audit or review by
4 an independent public accountant if all fundraising
5 activities of the charitable organization are conducted by
6 volunteers, members or an auxiliary or affiliate thereof, and
7 those volunteers, members or affiliates receive no
8 compensation, directly or indirectly, for the fundraising
9 activities.

10 * * *

11 Section 2. This act shall take effect in 60 days.