

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
AND TOMLINSON, MAY 5, 1993

REFERRED TO COMMITTEE ON STATE GOVERNMENT, MAY 5, 1993

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
18 report of every charitable organization employing professional

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

18 * * *

19 (h) Other acceptable reports.--

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

27 (2) Any charitable organization which does not employ
28 professional solicitors or any other paid staff or officers
29 may submit a copy of its most recent Internal Revenue Service
30 990 Form submitted to the Internal Revenue Service in lieu of

1 an audit or review by an independent public accountant if all
2 fundraising activities of the charitable organization are
3 conducted by volunteers, members or an auxiliary or affiliate
4 thereof, and those volunteers, members or affiliates receive
5 no compensation, directly or indirectly, for the fundraising
6 activities.

7 * * *

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