
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 632

Session of
2005

INTRODUCED BY HERSHEY, SCHRODER, HENNESSEY, ARMSTRONG, BAKER,
BALDWIN, BARRAR, BASTIAN, BELARDI, BROWNE, CAPPELLI,
CREIGHTON, DALEY, DENLINGER, FORCIER, GEIST, GEORGE,
GINGRICH, HARHART, HARPER, HERMAN, HUTCHINSON, M. KELLER,
LEACH, LEH, MAJOR, MCGILL, MCILHATTAN, R. MILLER, S. MILLER,
PALLONE, PHILLIPS, PICKETT, READSHAW, ROHRER, SATHER,
SCAVELLO, SEMMEL, SOLOBAY, STERN, THOMAS, WANSACZ, WATSON,
WILT, YOUNGBLOOD AND MAITLAND, FEBRUARY 16, 2005

AS AMENDED ON THIRD CONSIDERATION, IN SENATE, OCTOBER 16, 2006

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 audit
8 of certain financial reports.

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

11 Section 1. Section 5(f) of the act of December 19, 1990
12 (P.L.1200, No.202), known as the Solicitation of Funds for
13 Charitable Purposes Act, amended June 22, 2001 (P.L.588, No.45),
14 is amended to read:

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

17 * * *

1 (f) Audit of certain financial reports.--The financial
2 report of every charitable organization which receives annual
3 contributions of [\$125,000] \$300,000 or more shall be audited by
4 an independent certified public accountant or public accountant.
5 [Except for the charitable organizations described in section
6 6(a)(3), every] Every CHARITABLE ORGANIZATION WHICH RECEIVES <—
7 ANNUAL CONTRIBUTIONS OF AT LEAST \$100,000, BUT LESS THAN
8 \$300,000, SHALL BE REQUIRED TO HAVE A REVIEW OR AUDIT OF THEIR
9 FINANCIAL STATEMENTS PERFORMED BY AN INDEPENDENT CERTIFIED
10 PUBLIC ACCOUNTANT OR PUBLIC ACCOUNTANT. EVERY charitable
11 organization which receives annual contributions of at least
12 \$50,000, but less than [\$125,000] ~~\$300,000~~ \$100,000, shall be <—
13 required to have a compilation, review or audit of their
14 financial statements performed by an independent certified
15 public accountant or public accountant. [An] A compilation,
16 audit or review is optional for any charitable organization
17 which receives annual contributions of less than \$50,000 [or for
18 any charitable organization described in section 6(a)(3) which
19 receives annual contributions of less than \$125,000]. Audits
20 shall be performed in accordance with GENERALLY ACCEPTED <—
21 AUDITING STANDARDS, INCLUDING the Statements on Auditing
22 Standards of the American Institute of Certified Public
23 Accountants, whereas reviews shall be performed in accordance
24 with the Statements on Standards for Accounting and Review
25 Services of the American Institute of Certified Public
26 Accountants.

27 * * *

28 SECTION 2. THE AMENDMENT OF SECTION 5(F) OF THE ACT SHALL <—
29 APPLY TO FINANCIAL REPORTS COVERING A PERIOD WHICH CONCLUDES
30 AFTER THE EFFECTIVE DATE OF THIS SECTION.

1 Section ~~2~~ 3. This act shall take effect in 60 days.

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