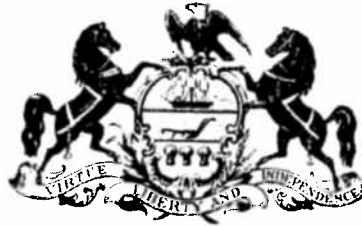


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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
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MEMORANDUM

TO: All House Members
FROM: Rep. Dan Moul
DATE: January 6, 2011
SUBJECT: Cosponsorship of Legislation
Solicitation of Funds for Charitable Purposes Act – Former HB 178

In the near future, I will be reintroducing legislation that would amend the "Solicitation of Funds for Charitable Purposes Act" to ease the regulatory and financial burden this statute currently imposes on many of our volunteer organizations.

This Act requires charitable organizations that solicit contributions to annually register with the Department of State's Bureau of Charitable Organizations unless they are exempted from registration under the Act. Registration triggers other Act requirements, including the duty to file a financial report simultaneously with registration filing. Depending on the level of fundraising contributions, the organization is required to have the financial report independently audited, reviewed or compiled by a public accountant. Certain organizations are exempted from Act registration; however, veteran's groups, volunteer fire companies, ambulance and rescue squads, and their auxiliaries enjoy exemption only if all fundraising activities are carried on by organization members or volunteers.

Thus, if a volunteer fire company, for instance, utilizes an outside paid entity to simply prepare a fundraising "mailer" for the company, the exemption is lost and the company must register with the Bureau, submit a financial report, and have that report subjected to the appropriate level of financial scrutiny mandated by the Act. Putting together a formal financial report is a burden and the cost of paying for a formal audit or review by a public accountant can easily run into several thousands of dollars. In my view, this is an unnecessary and costly mandate on these groups.

My legislation would amend the Act to expand the exemption provided the organizations do not utilize a professional solicitor to actually solicit contributions. This would remove the onerous bureaucratic and regulatory burden and costly financial mandate from the back of these volunteer charitable organizations.

If you would like to cosponsor this legislation, please contact Suzette Beemer (sbeemer@pahousegov.com).

DM/sb

Prior Cosponsors: BEYER, BOYD, CREIGHTON, DePASQUALE, GEIST, GIBBONS, GOODMAN, GRELL, GROVE, HALUSKA, HARRIS, M. KELLER, KILLION, KOTIK, MILLER, MURT, PHILLIPS, PICKETT, ROCK, SIPTROTH, SONNEY, STERN, SWANGER, VULAKOVICH AND GINGRICH