

No. 2006-121

AN ACT

HB 632

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

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

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

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

* * *

(f) Audit of certain financial reports.—The financial report of every charitable organization which receives annual contributions of ~~[\$125,000]~~ ~~\$300,000~~ or more shall be audited by an independent certified public accountant or public accountant. ~~[Except for the charitable organizations described in section 6(a)(3), every]~~ *Every charitable organization which receives annual contributions of at least \$100,000, but less than \$300,000, shall be required to have a review or audit of their financial statements performed by an independent certified public accountant or public accountant.* Every charitable organization which receives annual contributions of at least \$50,000, but less than ~~[\$125,000]~~ ~~\$100,000~~, shall be required to have a *compilation*, review or audit of their financial statements performed by an independent certified public accountant or public accountant. ~~[An]~~ *A compilation*, audit or review is optional for any charitable organization which receives annual contributions of less than \$50,000 ~~[or for any charitable organization described in section 6(a)(3) which receives annual contributions of less than \$125,000]~~. Audits shall be performed in accordance with *generally accepted auditing standards, including* the Statements on Auditing Standards of the American Institute of Certified Public Accountants, whereas reviews shall be performed in accordance with the Statements on Standards for Accounting and Review Services of the American Institute of Certified Public Accountants.

* * *

Section 2. The amendment of section 5(f) of the act shall apply to financial reports covering a period which concludes after the effective date of this section.

Section 3. This act shall take effect in 60 days.

APPROVED—The 27th day of October, A.D. 2006.

EDWARD G. RENDELL