



2007 ASSEMBLY BILL 908

March 4, 2008 - Introduced by Representatives STRACHOTA, NASS, KERKMAN, HAHN, MURSAU, TOWNSEND, BIES and GUNDERSON, cosponsored by Senators SULLIVAN, GROTHMAN, DARLING and OLSEN. Referred to Committee on Financial Institutions.

1 **AN ACT to amend** 440.42 (3) (a) (intro.), 440.42 (3) (b) and 440.42 (8); and **to**
2 **create** 440.42 (3) (bm) of the statutes; **relating to:** reporting requirements for
3 certain charitable organizations.

Analysis by the Legislative Reference Bureau

Under current law, charitable organizations are regulated by the Department of Regulation and Licensing (department). Generally, if a charitable organization received more than \$5,000 in contributions in its most recently completed fiscal year, the organization must file an annual financial statement with the department. If a charitable organization received more than \$100,000 in contributions in its most recently completed fiscal year, the organization must instead file an audited financial statement and an opinion on the statement from an independent certified public accountant.

Under this bill, a charitable organization must file an audited financial statement and an accountant's opinion if the charitable organization received more than \$400,000 in contributions in its most recently completed fiscal year. If a charitable organization received between \$200,000 and \$400,000 in its most recently completed fiscal year, the charitable organization must file a financial statement and a review of the statement by an independent certified public accountant.

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 440.42 (3) (a) (intro.) of the statutes is amended to read:

2 440.42 (3) (a) (intro.) Except as provided in pars. (am) ~~and (b)~~, and (bm), and
3 in rules promulgated under sub. (8), a charitable organization that received
4 contributions in excess of \$5,000 during its most recently completed fiscal year shall
5 file with the department an annual financial report for the charitable organization's
6 most recently completed fiscal year. The department shall prescribe the form of the
7 report and shall prescribe standards for its completion. The annual financial report
8 shall be filed within 6 months after the end of that fiscal year and shall include all
9 of the following:

10 **SECTION 2.** 440.42 (3) (b) of the statutes is amended to read:

11 440.42 (3) (b) Except as provided in rules promulgated under sub. (8), ~~in lieu~~
12 ~~of filing a report under par. (a),~~ if a charitable organization that received
13 contributions in excess of \$100,000 \$400,000 during its most recently completed
14 fiscal year, the charitable organization shall file with the department, in lieu of a
15 report under par. (a), an audited financial statement for the charitable organization's
16 most recently completed fiscal year, prepared in accordance with generally accepted
17 accounting principles, and the opinion of an independent certified public accountant
18 on the financial statement. The audited financial statement shall be filed within 6
19 months after the end of that fiscal year.

20 **SECTION 3.** 440.42 (3) (bm) of the statutes is created to read:

