

1969 Senate Bill 652

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CHAPTER 330, LAWS OF 1969

AN ACT to renumber 175.13 (2) (a) 7; to amend 175.13 (1) (c) and (2) (c); to repeal and recreate 175.13 (2) (a) 3 and (d), (3) (c) and (e), (4) and (10) (c); and to create 175.13 (2) (a) 7 to 10, 12 and (e) of the statutes, relating to solicitation of funds for charitable purposes.

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

SECTION 1. 175.13 (1) (c) of the statutes is amended to read:

175.13 (1) (c) "Professional fund raiser" includes any person who for compensation or other consideration plans, conducts, manages, or carries on any drive or campaign in this state for the purpose of soliciting contributions for or on behalf of any charitable organization or any other person, or who engages in the business of, or holds himself out to persons in this state as independently engaged in the business of soliciting contributions for such purpose. A bona fide officer or employe of a charitable organization is not deemed a professional fund raiser *unless his salary or other compensation is computed on the basis of funds to be raised, or actually raised.*

SECTION 2. 175.13 (2) (a) 3 of the statutes is repealed and recreated to read:

175.13 (2) (a) 3. The names and addresses of any professional fund raiser and professional solicitors who act or will act on behalf of the charitable organization, together with copies of contracts or statements setting forth the terms of the arrangements for salaries, bonuses, commissions or other remuneration to be paid to the professional fund raisers and professional solicitors. Where any such contract or arrangement is executed after the filing of the registration statement, a copy thereof shall be filed within 10 days of the date of execution.

SECTION 3. 175.13 (2) (a) 7 of the statutes is renumbered 175.13 (2) (a) 11.

SECTION 4. 175.13 (2) (a) 7 to 10 and 12 of the statutes are created to read:

175.13 (2) (a) 7. The addresses of the organization and the addresses of any offices in this state. If the organization does not maintain a principal office in this state, the name and address of any person in this state having custody of any of its financial records.

8. Where and when the organization was legally established, its tax exempt status and a copy of its latest filed federal tax form.

9. Whether the organization is authorized by any other governmental authority to solicit contributions and whether it is or has ever been enjoined by any court from soliciting contributions or has lost its authorization to so solicit contributions.

10. Board, group or individual having final discretion as to the distribution and use of contributions received.

12. Every registered organization shall notify the department within 10 days of any change in the information required to be furnished by such organization under this section.

SECTION 5. 175.13 (2) (c) of the statutes is amended to read:

175.13 (2) (c) For filing such registration, the department shall receive a fee of ~~\$5~~ \$10, to be paid at the time of registration.

SECTION 6. 175.13 (2) (d) of the statutes is repealed and recreated to read:

175.13 (2) (d) Such registration shall remain in effect unless it is either canceled by the department with the advice and consent of the attorney general or withdrawn by the organization.

SECTION 7. 175.13 (2) (e) of the statutes is created to read:

175.13 (2) (e) In no event shall a registration of a charitable organization continue, or be continued, in effect after the date such organization should have filed, but failed to file, an annual report, and such organization shall not be eligible to file a new registration until it shall have filed the required annual report with the department and such additional information concerning the activities of the organization during any interim period not covered in reports filed with the department. If such report is subsequently filed such organization may file a new registration.

SECTION 8. 175.13 (3) (c) and (e) of the statutes is repealed and recreated to read:

175.13 (3) (c) Any charitable organization which does not intend to solicit and receive and does not actually receive contributions in excess of \$500 during any 12-month period ending December 31 of any year, provided all of its fund raising functions are carried on by persons who are unpaid for such services. However, if the gross contributions received by such charitable organization during any 12-month period ending December 31 of any year is in excess of \$500, it shall within 30 days after the date it has received total contributions in excess of \$500 register with the department under sub. (2). Fraternal, civic, benevolent, patriotic and social organizations which solicit contributions solely from their membership shall not be required to register with the department.

(e) Any local, county or area division of a charitable organization supervised and controlled by a superior or parent organization, incorporated, qualified to do business, or doing business within this state, if the superior or parent organization files a registration statement on behalf of the local, county or area division in addition to or as part of its own registration statement. Where a registration statement has been filed by a superior or parent organization, it shall file the annual report required under sub. (4) on behalf of the local, county or area division in addition to or as part of its own report, but the accounting information required under sub. (4) shall be set forth separately and not in consolidated form with respect to every local, county or area division which raises or expends more than \$500 during any 12-month period ending December 31 of any year.

SECTION 9. 175.13 (4) of the statutes is repealed and recreated to read:

175.13 (4) REPORTS BY REGISTERED CHARITABLE ORGANIZATIONS. (a) Every charitable organization registered pursuant to sub. (2) which shall receive in any 12-month period ending December 31 of any year contributions in excess of \$10,000 and every charitable organization whose fund raising functions are not carried on solely by persons who are unpaid for such services shall file a written report with the department upon forms prescribed by the department, on or before March 31 of each year if its books are kept on a calendar basis, or within 3 months after the close of its fiscal year if its books are kept on a fiscal year basis, which shall include a financial statement covering the immediately preceding 12-month period of operation. Such financial statement shall fairly represent the financial operations of the organization and contain such information as the department requires in sufficient detail to permit public evaluation of its operations and shall include but not be limited to a balance sheet and statement of income and expense and shall be consistent with forms furnished by the department clearly setting forth the following: gross receipts and gross income from all sources, broken down into total receipts and income from each separate solicitation project or separate special

event; cost of administration; cost of solicitation; cost of programs designed to inform or educate the public; funds or properties transferred out of this state, with explanation as to recipient and purpose; total net amount disbursed or dedicated for each major purpose, charitable or otherwise. Such report shall also include a statement of any changes in the information required to be contained in the registration form filed on behalf of such organization. The report shall be signed by the president or other authorized officer and the chief fiscal officer of the organization, and shall be accompanied by an opinion signed by an independent certified public accountant that the financial statement therein fairly represents the financial operations of the organization in sufficient detail to permit public evaluation of its operation.

(b) Every organization registered pursuant to sub. (2) which receives in any 12-month period ending December 31 of any year contributions not in excess of \$10,000 and all of whose fund raising functions are carried on by persons who are unpaid for such services shall file a written report with the department upon forms prescribed by the department on or before March 31 of each year if its books are kept on a calendar basis, or within 3 months after the close of its fiscal year if its books are kept on a fiscal year basis, which shall include a financial statement covering the immediately preceding 12-month period of operation fairly representing the financial operations of the organization and contain such information as the department requires in sufficient detail to permit public evaluation of its operations and shall include but not be limited to a statement of such organization's gross receipts from contributions, fund raising expenses including a separate statement of the cost of any goods, services or admissions supplied as part of its solicitations, and the disposition of the net proceeds from contributions. Such report shall also include a statement of any changes in the information required to be contained in the registration form filed on behalf of such organization. The report shall be signed by the president or other authorized officer and the chief fiscal officer of the organization who shall certify that the statements therein are true and correct to the best of their knowledge.

(c) For any fiscal or calendar year of any organization registered pursuant to sub. (2) in which such organization would have been exempt from registration pursuant to sub. (3) if it had not been so registered, or in which it did not solicit or receive contributions, such organization shall file, on or before March 31 of each year if its books are kept on a calendar basis, or within 3 months after the close of its fiscal year if its books are kept on a fiscal year basis, instead of the reports required by par. (a) or (b), a report in the form of an affidavit of its president and chief fiscal officer stating the exemption and the facts upon which it is based or that such organization did not solicit or receive contributions in such year. The affidavit shall also include a statement of any changes in the information required to be contained in the registration form filed on behalf of such organization.

(d) The department, with the advice and consent of the attorney general, shall cancel the registration of any organization which fails to comply with par. (a), (b), (c) or (e) within the time therein prescribed, or fails to furnish such additional information as is requested by the department or attorney general within the required time; except that the time may be extended by the department for a period not to exceed 3 months. Notice of such cancellation shall be mailed to the registrant at least 15 days before the effective date thereof.

(e) Any charitable organization which exceeds \$500 in gross receipts from each separate solicitation project or separate special event, which disburses, for the total cost of solicitation for each such separate solicitation project or separate special event, more than 25% of gross receipts

from each project or separate special event, shall file a written report as described in par. (a) with the department within 30 days of the completion of such project or separate special event.

(f) The department shall semiannually compile and make public lists of the charitable organizations registered indicating the gross receipts and total solicitation costs for each organization and each project or special event in each organization in dollar values and percentages.

(g) For filing such annual financial statement, the department shall receive a fee of \$10, to be paid at the time of filing.

SECTION 10. 175.13 (10) (c) of the statutes is repealed and recreated to read:

175.13 (10) (c) Whoever violates this section may be fined not exceeding \$1,000 or imprisoned not more than 6 months or both.

Approved December 15, 1969.
