



SENATE OF PENNSYLVANIA BILL SUMMARY

House Bill 1420 Printer's No. 1784

Prime Sponsor: Representative Greiner
Committee: State Government

SYNOPSIS:

Amends the Solicitation of Funds for Charitable Purposes Act (Act) to align the Commonwealth's audit requirements for charitable organizations with federal law.

SUMMARY:

Amends Section 5(f) (relating to audit of certain financial reports) of the Act to change the existing thresholds and set new auditing thresholds for charitable organizations that receive annual contributions. These new auditing thresholds are as follows:

- \$750,000 or more - must be audited by an independent certified public accountant or public accountant;
- \$250,000 but less than \$750,000 - must have a review or audit of their financial statements performed by an independent certified public accountant or public accountant;
- \$100,000 but less than \$250,000 – must have a compilation, review or audit of their financial statements performed by an independent certified public accountant or public accountant; and
- Less than \$100,000 – a compilation, audit, or review is optional.

The federal Single Audit Act of 1984 requires a charitable organization which expends federal funds received for its operations in the amount of \$750,000 or more to be audited by an independent certified public accountant or public accountant.

Effective Date: 60 days.

BILL HISTORY:

Referred to House Finance, May 19, 2017

Reported as committed, June 7, 2017

Third consideration and final passage (189-0), June 14, 2017

Referred to Senate State Government, June 16, 2017

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