

By: Senator(s) Browning

To: Judiciary, Division B

SENATE BILL NO. 2958

1 AN ACT TO AMEND SECTION 79-11-507, MISSISSIPPI CODE OF 1972,
2 TO INCREASE THE AMOUNT OF CONTRIBUTIONS WHICH CHARITABLE
3 ORGANIZATIONS MAY RECEIVE IN ANY FISCAL YEAR BEFORE HAVING TO FILE
4 CERTAIN FINANCIAL STATEMENTS WITH THE SECRETARY OF STATE; AND FOR
5 RELATED PURPOSES.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

7 **SECTION 1.** Section 79-11-507, Mississippi Code of 1972, is
8 amended as follows:

9 79-11-507. (1) Every charitable organization registered
10 pursuant to Section 79-11-503 which shall receive in any fiscal
11 year contributions in excess of Two Hundred Fifty Thousand Dollars
12 (\$250,000.00), and every charitable organization whose
13 fund-raising functions are not carried on solely by persons who
14 are unpaid for such services shall file a financial report for its
15 most recently completed fiscal year with the Secretary of State.
16 Such financial report shall be filed along with the registration
17 statement required by Section 79-11-503 and any renewals
18 thereafter. Such financial report shall include a balance sheet
19 and statement of income and expense and shall be consistent with
20 forms furnished by the Secretary of State clearly setting forth
21 the following: gross receipts and gross income from all sources,
22 broken down into total receipts and income from each separate
23 solicitation project or source; cost of administration; cost of
24 solicitation; cost of programs designed to inform or educate the
25 public; total net amount disbursed or dedicated for each major
26 purpose, charitable or otherwise. The report shall be signed by
27 the president or other authorized officer and the chief fiscal
28 officer of the organization, and shall be accompanied by an

29 opinion signed by an independent certified public accountant that
30 the financial statement therein fairly represents the financial
31 operations of the organization in sufficient detail to permit
32 public evaluation of its operations. Such financial report shall
33 be accompanied by any and all forms required to be filed by a
34 charitable organization with the United States Internal Revenue
35 Service.

36 (2) Every organization registered pursuant to Section
37 79-11-503 that shall receive in any fiscal year contributions not
38 in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00) and
39 all of whose fund-raising functions are carried on by persons who
40 are unpaid for such services shall file a financial report along
41 with the registration statement required by Section 79-11-503 and
42 any renewals thereafter with the Secretary of State upon forms
43 prescribed by him. Such financial report shall cover the most
44 recently completed fiscal year and include such information as
45 required by the Secretary of State by rule or otherwise,
46 including, but not limited to, the gross receipts from
47 contributions and the use of the proceeds of such contributions.
48 The report shall be signed by the president or other authorized
49 officer of the organization who shall certify under penalties of
50 perjury that the statements therein are true and correct to the
51 best of their knowledge. Such financial report shall be
52 accompanied by any and all forms required to be filed by a
53 charitable organization with the United States Internal Revenue
54 Service.

55 (3) Any charitable organization receiving more than
56 Twenty-five Thousand Dollars (\$25,000.00) but less than Two
57 Hundred Fifty Thousand Dollars (\$250,000.00) shall, at the request
58 of the Secretary of State, submit additional financial
59 information, including, but not limited to, an audited financial
60 statement prepared in accordance with generally accepted
61 accounting principles and accompanied by an opinion signed by an

62 independent certified public accountant that the financial
63 statement therein fairly represents the financial operations of
64 the organization in sufficient detail to permit public evaluation
65 of its operations.

66 (4) The Secretary of State pursuant to Section 79-11-509 may
67 impose an administrative penalty against any organization which
68 fails to comply with subsection (1), (2) or (3) of this section
69 within the time therein prescribed, or fails to furnish such
70 additional information as is requested by the Secretary of State
71 within the required time.

72 **SECTION 2.** This act shall take effect and be in force from
73 and after July 1, 2006.