

By: Senator(s) Johnson

To: Judiciary, Division A

SENATE BILL NO. 2077

1 AN ACT TO AMEND SECTION 79-11-507, MISSISSIPPI CODE OF 1972,  
2 TO RAISE THE AUDIT THRESHOLD FOR CHARITY ORGANIZATIONS FROM  
3 \$500,000.00 TO \$750,000.00, AND USE CASH BASIS MEASUREMENT ONLY;  
4 AND FOR RELATED PURPOSES.

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

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

8 79-11-507. (1) Every charitable organization registered  
9 pursuant to Section 79-11-503 that shall receive in any fiscal  
10 year contributions in excess of \* \* \* ~~Five Hundred Thousand~~  
11 ~~Dollars (\$500,000.00)~~ Seven Hundred Fifty Thousand Dollars  
12 (\$750,000.00) via monetary donations and all of whose fund-raising  
13 functions are carried on by persons who are unpaid for such  
14 services, and every charitable organization registered pursuant to  
15 Section 79-11-503 whose fund-raising functions are not carried on  
16 solely by persons who are unpaid for such services shall file a  
17 financial statement for its most recently completed fiscal year  
18 with the Secretary of State. The financial statement shall be  
19 filed along with the registration statement required by Section



20 79-11-503 and any renewals or final report thereafter. The  
21 financial statement shall include a balance sheet and statement of  
22 income and expense and shall be consistent with forms furnished by  
23 the Secretary of State clearly setting forth the following: gross  
24 receipts and gross income from all sources, broken down into total  
25 receipts and income from each separate solicitation project or  
26 source; cost of administration; cost of solicitation; cost of  
27 programs designed to inform or educate the public; total net  
28 amount disbursed or dedicated for each major purpose, charitable  
29 or otherwise. The statement shall be signed by the president or  
30 other authorized officer and the chief fiscal officer of the  
31 organization, and shall be accompanied by an opinion signed by an  
32 independent certified public accountant that the financial  
33 statement therein fairly represents the financial operations of  
34 the organization in sufficient detail to permit public evaluation  
35 of its operations. The financial statement shall be accompanied  
36 by any and all forms required to be filed by a charitable  
37 organization with the United States Internal Revenue Service.

38 (2) Every organization registered pursuant to Section  
39 79-11-503 that shall receive in any fiscal year contributions of  
40 at least Two Hundred Fifty Thousand Dollars (\$250,000.00) but not  
41 more than \* \* \* ~~Five Hundred Thousand Dollars (\$500,000.00)~~ Seven  
42 Hundred Fifty Thousand Dollars (\$750,000.00) via monetary  
43 donations and all of whose fund-raising functions are carried on  
44 by persons who are unpaid for their services shall file a



45 financial statement reviewed by an independent certified public  
46 accountant along with the registration statement required by  
47 Section 79-11-503 and any renewals or final report thereafter with  
48 the Secretary of State upon forms prescribed by him. The reviewed  
49 financial statement shall cover the most recently completed fiscal  
50 year and include such information as required by the Secretary of  
51 State by rule or otherwise, including, but not limited to, the  
52 gross receipts from contributions and the use of the proceeds of  
53 such contributions. The statement shall be signed by the  
54 president or other authorized officer of the organization who  
55 shall certify under penalties of perjury that the statements  
56 therein are true and correct to the best of the signer's  
57 knowledge. The reviewed financial statement shall be accompanied  
58 by any and all forms required to be filed by a charitable  
59 organization with the United States Internal Revenue Service.

60 (3) Every organization registered pursuant to Section  
61 79-11-503 that shall receive in any fiscal year contributions not  
62 in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00) and  
63 all of whose fund-raising functions are carried on by persons who  
64 are unpaid for their services shall file a financial report along  
65 with the registration statement required by Section 79-11-503 and  
66 any renewals or final report thereafter with the Secretary of  
67 State upon forms prescribed by him. Such financial report shall  
68 cover the most recently completed fiscal year and include such  
69 information as required by the Secretary of State by rule or



70 otherwise, including, but not limited to, the gross receipts from  
71 contributions and the use of the proceeds of such contributions.  
72 The report shall be signed by the president or other authorized  
73 officer of the organization who shall certify under penalties of  
74 perjury that the statements therein are true and correct to the  
75 best of the signer's knowledge. Such financial report shall be  
76 accompanied by any and all forms required to be filed by a  
77 charitable organization with the United States Internal Revenue  
78 Service.

79 (4) Any charitable organization receiving more than  
80 Twenty-five Thousand Dollars (\$25,000.00) but less than \* \* \*~~Five~~  
81 ~~Hundred Thousand Dollars (\$500,000.00)~~ Seven Hundred Fifty  
82 Thousand Dollars (\$750,000.00) via monetary donations shall, at  
83 the request of the Secretary of State, submit additional financial  
84 information, including, but not limited to, an audited financial  
85 statement prepared in accordance with generally accepted  
86 accounting principles and accompanied by an opinion signed by an  
87 independent certified public accountant that the financial  
88 statement therein fairly represents the financial operations of  
89 the organization in sufficient detail to permit public evaluation  
90 of its operations.

91 (5) The Secretary of State pursuant to Section 79-11-509 may  
92 promulgate rules to provide for extensions of the due date for  
93 filing of the financial statements required by this chapter and  
94 may impose an administrative penalty against any organization



95 which fails to comply with this section within the time  
96 prescribed, or fails to furnish such additional information as is  
97 requested by the Secretary of State within the required time.

98         **SECTION 2.** This act shall take effect and be in force from  
99 and after July 1, 2023.

