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§6.5–306.

(a) Before a public or nonprofit charitable entity or trust may receive a distribution of public or charitable assets in accordance with an agreement, contract, or transaction approved by the regulating entity under this subtitle, it shall have mechanisms in place to:

- (1) avoid conflicts of interest; and
- (2) prohibit the making of grants that would benefit:
 - (i) the public or nonprofit charitable entity's or trust's board of directors;
 - (ii) the public or nonprofit charitable entity's or trust's management;
 - (iii) the for-profit stock entity; or
 - (iv) a mutual entity.

(b) A public or nonprofit charitable entity or trust that receives a distribution of public or charitable assets shall submit an annual report to the office regarding the grant-making and other charitable activities of the entity related to its use of the public or charitable assets received.

(c) The annual report submitted under subsection (b) of this section shall be made available to the public at the principal office of the public or nonprofit charitable entity or trust.

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