

February 6, 2023

Testimony on Senate Bill 254 / House Bill 72
Business Regulation - Charitable Contribution - Definition
Senate Judicial Proceedings Committee | House Economic Matters Committee

Position: Favorable

Apra Maryland is the professional development and networking resource for Maryland-area fundraising professionals who harness information and data to drive philanthropy. With our 160 members, we urge your support of Senate Bill 254 / House Bill 72, to exempt certain charitable organizations from the audit or financial review requirement under §6-402(b)(7) of the Maryland Solicitations Act.

The [Standards for Excellence®: An Ethics and Accountability Code for the Nonprofit Sector](#) recommends only nonprofits with annual revenue in excess of \$500,000 undergo a annual audit by a Certified Public Accountant. In Maryland, 19,925 of the 31,819 nonprofits tax-exempt under §501(c)(3) of Internal Revenue Code report annual revenue under \$500,000 in the latest [IRS Exempt Organizations Business Master File Extract](#). For these smaller charitable organizations, an audit or financial review requirement may be onerous and detrimental to their business sustainability.

We urge you to give Senate Bill 254 / House Bill 72 a favorable report.

Thank you,
Theresa Clark

President
Apra Maryland