

February 14, 2023

Testimony on Senate Bill 254
Business Regulation - Charitable Contribution - Definition
Senate Judicial Proceedings 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 organizations from the audit or financial review requirement under §6-402(b)(7) and §6-408(c)(2) of the Maryland Solicitations Act.

Amendments forthcoming from the bill sponsors and Office of the Secretary of State would exclude “charitable contributions of personal property, including household goods, furniture, appliances, or clothing, that was solicited for redistribution by the charitable organization to individuals residing in Maryland without charge” from determination of the audit or financial review requirement under §6-402(b)(7) and §6-408(c)(2) should certain criteria be met. Most notable of these criteria is that the submitting organization “Has cash receipts from charitable contributions amounting to less than 10% of the organization’s gross income from charitable contributions in the preceding fiscal year...”

Under current law, organizations with substantial charitable contributions of personal property for redistribution may be required to submit an audit or financial review. The costs of retaining a Certified Public Accountant for the execution of such an audit or financial review may be exceptionally onerous for such organizations with limited cash contributions.

Apra Maryland supports Senate Bill 254 / House Bill 72 with forthcoming sponsor amendment. We would likewise support exempting organizations with cash receipts from charitable contributions amounting to less than 25% of the organization’s gross income from charitable contributions in the preceding fiscal year.

Thank you,
Theresa Clark

President
Apra Maryland