

University of Karachi Alumni Association

UKAA Endowment Fund, P. O. Box 83508., GAITHERSBURG, MD 20883

The Honorable Delegate Valderrama, Chair

The Honorable Delegate Charkoudian, Vice Chair

Members of the Economic Matters Committee

From: University of Karachi Alumni Association of Baltimore – Washington Metropolitan Area, Inc. (UKAA) - EIN: 54-2003079

RE: SUPPORT FOR HOUSE BILL 483 – Maryland Solicitations Act – Charitable Organizations – Financial Reporting Requirements

Dear Chair, Korman, Vice Chair Boyce, and Honorable Members of the Committee:

On behalf of the **University of Karachi Alumni Association of Baltimore – Washington Metropolitan Area, Inc., (UKAA)**, a Virginia-registered nonprofit charitable organization with EIN 54-2003079, **we respectfully submit this testimony in support of House Bill 483.**

UKAA is a community-based 501(c)(3) organization dedicated to educational and charitable initiatives, including support for **underprivileged** university and college students. Like many mid-sized charitable organizations in the Washington Metropolitan Area, we fundraise in both Maryland and Virginia. Our annual gross revenue from charitable contributions in recent years has consistently exceeded \$300,000.

- **Excessive Compliance Costs:** Under current law, a financial review or audit by a CPA is required once revenue exceeds \$300,000. For our organization, this review costs between **\$5,000 and \$15,000** annually. These costs divert funds directly away from program services, educational support, and charitable beneficiaries.
- **Administrative Strain on Volunteers:** UKAA is a **100% volunteer-run organization** with no paid staff. The labor required to facilitate a formal CPA review is immense. Volunteers must spend considerable time gathering data and managing the review process that could otherwise be devoted to fundraising and program development.
- **Regional Disparity:** Maryland's current thresholds are significantly more restrictive than our neighbors. Specifically, **Virginia does not require a review until revenue reaches \$750,000.**

For the reasons stated above, we strongly support House Bill 483 and respectfully urge the Committee to issue a favorable report on this legislation.

Respectfully submitted,

University of Karachi Alumni Association of Baltimore – Washington Metropolitan Area, Inc.

Zafar Syed, Secretary, UKAA Endowment Board of Trustees

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UKAA Endowment Board of Trustees: **Tariq Husain – Chairman**
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