

SUBJECT: Review of charitable organizations participating in a state campaign

COMMITTEE: State Affairs — favorable without amendment

VOTE: 10 ayes — Cook, Giddings, Craddick, Farrar, Frullo, Geren, Harless, Huberty, Menéndez, Oliveira

0 nays

3 absent — Hilderbran, Smithee, Sylvester Turner

WITNESSES: For — Jackie Rogers, Capital Area SECC; (*Registered, but did not testify:* Robert Flores, Texas Association of Mexican-American Chambers of Commerce)

Against — None

BACKGROUND: Government Code, sec. 659.146 requires a charitable organization with an annual budget not exceeding \$100,000 to provide a copy of its annual IRS nonprofit filing and an accountant’s review in order to be eligible to participate in the state employee charitable campaign. A participating organization with an annual budget exceeding \$100,000 must undergo a full audit each year.

DIGEST: HB 2252 would amend Government Code, sec. 659.146 to require a participating charitable organization with an annual budget not exceeding \$250,000 to supply its annual IRS nonprofit filing and an accountant’s review each year to the state employee charitable campaign. A charitable organization with an annual budget exceeding \$250,000 would have to undergo a full audit each year.

The bill would take effect September 1, 2013.

SUPPORTERS SAY: HB 2252 appropriately would allow more smaller charities to be reviewed by a certified public accountant rather than undergoing a full audit, in order to participate in the state employee charitable campaign. This could represent a savings of up to \$5,000, allowing these charities to devote more resources toward their core missions and programs. During the 2012

state employee charitable campaign, 32 statewide charities would have benefitted from the bill's increase of the threshold dollar amount.

The smaller charities, in submitting their annual IRS report and undergoing an accountant's review, still would be subject to accountability. Larger charities have diverse revenue streams, so it is appropriate to require a full audit of these charities each year.

OPPONENTS
SAY:

No apparent opposition.