

SB0172



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB0172

Introduced 2/9/2021, by Sen. Laura M. Murphy

SYNOPSIS AS INTRODUCED:

225 ILCS 460/4

from Ch. 23, par. 5104

Amends the Solicitation for Charity Act. Provides that every charitable organization registered under the Act which shall receive in any 12-month period contributions in excess of \$750,000 (rather than \$300,000), shall file a written report with the Attorney General, which shall include a financial statement containing information provided for in the Act. Makes a conforming change.

LRB102 15338 SPS 20695 b

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Solicitation for Charity Act is amended by
5 changing Section 4 as follows:

6 (225 ILCS 460/4) (from Ch. 23, par. 5104)

7 Sec. 4. (a) Every charitable organization registered
8 pursuant to Section 2 of this Act which shall receive in any
9 12-month period ending upon its established fiscal or calendar
10 year contributions in excess of \$750,000 ~~\$300,000~~ and every
11 charitable organization whose fund raising functions are not
12 carried on solely by staff employees or persons who are unpaid
13 for such services, if the organization shall receive in any
14 12-month period ending upon its established fiscal or calendar
15 year contributions in excess of \$25,000, shall file a written
16 report with the Attorney General upon forms prescribed by him,
17 on or before June 30 of each year if its books are kept on a
18 calendar basis, or within 6 months after the close of its
19 fiscal year if its books are kept on a fiscal year basis, which
20 written report shall include a financial statement covering
21 the immediately preceding 12-month period of operation. Such
22 financial statement shall include a balance sheet and
23 statement of income and expense, and shall be consistent with

1 forms furnished by the Attorney General clearly setting forth
2 the following: gross receipts and gross income from all
3 sources, broken down into total receipts and income from each
4 separate solicitation project or source; cost of
5 administration; cost of solicitation; cost of programs
6 designed to inform or educate the public; funds or properties
7 transferred out of this State, with explanation as to
8 recipient and purpose; cost of fundraising; compensation paid
9 to trustees; and total net amount disbursed or dedicated for
10 each major purpose, charitable or otherwise. Such report shall
11 also include a statement of any changes in the information
12 required to be contained in the registration form filed on
13 behalf of such organization. The report shall be signed by the
14 president or other authorized officer and the chief fiscal
15 officer of the organization who shall certify that the
16 statements therein are true and correct to the best of their
17 knowledge, and shall be accompanied by an opinion signed by an
18 independent certified public accountant that the financial
19 statement therein fairly represents the financial operations
20 of the organization in sufficient detail to permit public
21 evaluation of its operations. Said opinion may be relied upon
22 by the Attorney General.

23 (b) Every organization registered pursuant to Section 2 of
24 this Act which shall receive in any 12-month period ending
25 upon its established fiscal or calendar year of any year
26 contributions:

1 (1) in excess of \$15,000, but not in excess of
2 \$25,000, during a fiscal year shall file only a simplified
3 summary financial statement disclosing only the gross
4 receipts, total disbursements, and assets on hand at the
5 end of the year on forms prescribed by the Attorney
6 General; or

7 (2) in excess of \$25,000, but not in excess of
8 \$750,000 ~~\$300,000~~, if it is not required to submit a
9 report under subsection (a) of this Section, shall file a
10 written report with the Attorney General upon forms
11 prescribed by him, on or before June 30 of each year if its
12 books are kept on a calendar basis, or within 6 months
13 after the close of its fiscal year if its books are kept on
14 a fiscal year basis, which shall include a financial
15 statement covering the immediately preceding 12-month
16 period of operation limited to a statement of such
17 organization's gross receipts from contributions, the
18 gross amount expended for charitable educational programs,
19 other charitable programs, management expense, and fund
20 raising expenses including a separate statement of the
21 cost of any goods, services or admissions supplied as part
22 of its solicitations, and the disposition of the net
23 proceeds from contributions, including compensation paid
24 to trustees, consistent with forms furnished by the
25 Attorney General. Such report shall also include a
26 statement of any changes in the information required to be

1 contained in the registration form filed on behalf of such
2 organization. The report shall be signed by the president
3 or other authorized officer and the chief fiscal officer
4 of the organization who shall certify that the statements
5 therein are true and correct to the best of their
6 knowledge.

7 (c) For any fiscal or calendar year of any organization
8 registered pursuant to Section 2 of this Act in which such
9 organization would have been exempt from registration pursuant
10 to Section 3 of this Act if it had not been so registered, or
11 in which it did not solicit or receive contributions, such
12 organization shall file, on or before June 30 of each year if
13 its books are kept on a calendar basis, or within 6 months
14 after the close of its fiscal year if its books are kept on a
15 fiscal year basis, instead of the reports required by
16 subdivisions (a) or (b) of this Section, a statement certified
17 under penalty of perjury by its president and chief fiscal
18 officer stating the exemption and the facts upon which it is
19 based or that such organization did not solicit or receive
20 contributions in such fiscal year. The statement shall also
21 include a statement of any changes in the information required
22 to be contained in the registration form filed on behalf of
23 such organization.

24 (d) As an alternative means of satisfying the duties and
25 obligations otherwise imposed by this Section, any veterans
26 organization chartered or incorporated under federal law and

1 any veterans organization which is affiliated with, and
2 recognized in the bylaws of, a congressionally chartered or
3 incorporated organization may, at its option, annually file
4 with the Attorney General the following documents:

5 (1) A copy of its Form 990, as filed with the Internal
6 Revenue Service.

7 (2) Copies of any reports required to be filed by the
8 affiliate with the congressionally chartered or
9 incorporated veterans organization, as well as copies of
10 any reports filed by the congressionally chartered or
11 incorporated veterans organization with the government of
12 the United States pursuant to federal law.

13 (3) Copies of all contracts entered into by the
14 congressionally chartered or incorporated veterans
15 organization or its affiliate for purposes of raising
16 funds in this State, such copies to be filed with the
17 Attorney General no more than 30 days after execution of
18 the contracts.

19 (e) As an alternative means of satisfying all of the
20 duties and obligations otherwise imposed by this Section, any
21 person, pursuant to a contract with a charitable organization,
22 a veterans organization or an affiliate described or referred
23 to in subsection (d), who receives, collects, holds or
24 transports as the agent of the organization or affiliate for
25 purposes of resale any used or second hand personal property,
26 including but not limited to household goods, furniture or

1 clothing donated to the organization or affiliate may, at its
2 option, annually file with the Attorney General the following
3 documents, accompanied by an annual filing fee of \$15:

4 (1) A notarized report including the number of
5 donations of personal property it has received on behalf
6 of the charitable organization, veterans organization or
7 affiliate during the preceding year. For purposes of this
8 report, the number of donations of personal property shall
9 refer to the number of stops or pickups made regardless of
10 the number of items received at each stop or pickup. The
11 report may cover the person's fiscal year, in which case
12 it shall be filed with the Attorney General no later than
13 90 days after the close of that fiscal year.

14 (2) All contracts with the charitable organization,
15 veterans organization or affiliate under which the person
16 has acted as an agent for the purposes listed above.

17 (3) All contracts by which the person agreed to pay
18 the charitable organization, veterans organization or
19 affiliate a fixed amount for, or a fixed percentage of the
20 value of, each donation of used or second hand personal
21 property. Copies of all such contracts shall be filed no
22 later than 30 days after they are executed.

23 (f) The Attorney General may seek appropriate equitable
24 relief from a court or, in his discretion, cancel the
25 registration of any organization which fails to comply with
26 subdivision (a), (b), or (c) of this Section within the time

1 therein prescribed, or fails to furnish such additional
2 information as is requested by the Attorney General within the
3 required time; except that the time may be extended by the
4 Attorney General for a period not to exceed 60 days upon a
5 timely written request and for good cause stated. Unless
6 otherwise stated herein, the Attorney General shall, by rule,
7 set forth the standards used to determine whether a
8 registration shall be cancelled as authorized by this
9 subsection. Such standards shall be stated as precisely and
10 clearly as practicable, to inform fully those persons
11 affected. Notice of such cancellation shall be mailed to the
12 registrant at least 15 days before the effective date thereof.

13 (g) The Attorney General in his discretion may, pursuant
14 to rule, accept executed copies of federal Internal Revenue
15 returns and reports as a portion of the foregoing annual
16 reporting in the interest of minimizing paperwork, except
17 there shall be no substitute for the independent certified
18 public accountant audit opinion required by this Act.

19 (h) The Attorney General after canceling the registration
20 of any trust or organization which fails to comply with this
21 Section within the time therein prescribed may by court
22 proceedings, in addition to all other relief, seek to collect
23 the assets and distribute such under court supervision to
24 other charitable purposes.

25 (i) Every trustee, person, and organization required to
26 file an annual report shall pay a filing fee of \$15 with each

1 annual financial report filed pursuant to this Section. If a
2 proper and complete annual report is not timely filed, a late
3 filing fee of an additional \$100 is imposed and shall be paid
4 as a condition of filing a late report. Reports submitted
5 without the proper fee shall not be accepted for filing.
6 Payment of the late filing fee and acceptance by the Attorney
7 General shall both be conditions of filing a late report. All
8 late filing fees shall be used to provide charitable trust
9 enforcement and dissemination of charitable trust information
10 to the public and shall be maintained in a separate fund for
11 such purpose known as the Illinois Charity Bureau Fund.

12 (j) There is created hereby a separate special fund in the
13 State Treasury to be known as the Illinois Charity Bureau
14 Fund. That Fund shall be under the control of the Attorney
15 General, and the funds, fees, and penalties deposited therein
16 shall be used by the Attorney General to enforce the
17 provisions of this Act and to gather and disseminate
18 information about charitable trustees and organizations to the
19 public.

20 (Source: P.A. 100-201, eff. 8-18-17.)