

AN ACT concerning charitable organizations.

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

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

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

Sec. 4. (a) Every charitable organization registered pursuant to Section 2 of this Act which shall receive in any 12 month period ending upon its established fiscal or calendar year contributions in excess of \$300,000 ~~\$150,000~~ and every charitable organization whose fund raising functions are not carried on solely by staff employees or persons who are unpaid for such services, if the organization shall receive in any 12 month period ending upon its established fiscal or calendar year contributions in excess of \$25,000, shall file a written report with the Attorney General upon forms prescribed by him, on or before June 30 of each year if its books are kept on a calendar basis, or within 6 months after the close of its fiscal year if its books are kept on a fiscal year basis, which written report shall include a financial statement covering the immediately preceding 12 month period of operation. Such financial statement shall include a balance sheet and statement of income and expense, and shall be consistent with forms

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

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

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

(2) in excess of \$25,000, but not in excess of \$300,000 ~~\$150,000~~, if it is not required to submit a report under subsection (a) of this Section, shall file a written report with the Attorney General upon forms prescribed by him, on or before June 30 of each year if its books are kept on a calendar basis, or within 6 months after the close of its fiscal year if its books are kept on a fiscal year basis, which shall include a financial statement covering the immediately preceding 12-month period of operation limited to a statement of such organization's gross receipts from contributions, the gross amount expended for charitable educational programs, other charitable programs, management expense, and fund raising expenses including a separate statement of the cost of any goods, services or admissions supplied as part of its solicitations, and the disposition of the net proceeds from contributions, including compensation paid to trustees, consistent with forms furnished by the Attorney General. Such report shall also include a statement of any changes in the information required to be contained in the registration form filed on behalf of such organization. The report shall be signed by

the president or other authorized officer and the chief fiscal officer of the organization who shall certify that the statements therein are true and correct to the best of their knowledge.

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

(d) As an alternative means of satisfying the duties and obligations otherwise imposed by this Section, any veterans organization chartered or incorporated under federal law and any veterans organization which is affiliated with, and recognized in the bylaws of, a congressionally chartered or

incorporated organization may, at its option, annually file with the Attorney General the following documents:

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

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

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

(e) As an alternative means of satisfying all of the duties and obligations otherwise imposed by this Section, any person, pursuant to a contract with a charitable organization, a veterans organization or an affiliate described or referred to in subsection (d), who receives, collects, holds or transports as the agent of the organization or affiliate for purposes of resale any used or second hand personal property, including but not limited to household goods, furniture or clothing donated to the organization or affiliate may, at its option, annually file with the Attorney General the following documents,

accompanied by an annual filing fee of \$15:

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

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

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

(f) The Attorney General may seek appropriate equitable relief from a court or, in his discretion, cancel the registration of any organization which fails to comply with subdivision (a), (b) or (c) of this Section within the time therein prescribed, or fails to furnish such additional information as is requested by the Attorney General within the

required time; except that the time may be extended by the Attorney General for a period not to exceed 60 days upon a timely written request and for good cause stated. Unless otherwise stated herein, the Attorney General shall, by rule, set forth the standards used to determine whether a registration shall be cancelled as authorized by this subsection. Such standards shall be stated as precisely and clearly as practicable, to inform fully those persons affected. Notice of such cancellation shall be mailed to the registrant at least 15 days before the effective date thereof.

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

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

(i) Every trustee, person, and organization required to file an annual report shall pay a filing fee of \$15 with each annual financial report filed pursuant to this Section. If a proper and complete annual report is not timely filed, a late

filing fee of an additional \$100 is imposed and shall be paid as a condition of filing a late report. Reports submitted without the proper fee shall not be accepted for filing. Payment of the late filing fee and acceptance by the Attorney General shall both be conditions of filing a late report. All late filing fees shall be used to provide charitable trust enforcement and dissemination of charitable trust information to the public and shall be maintained in a separate fund for such purpose known as the Illinois Charity Bureau Fund.

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

(Source: P.A. 90-469, eff. 8-17-97; 91-444, eff. 8-6-99.)