

P.L. 2021, CHAPTER 381, *approved January 18, 2022*
Senate Committee Substitute (*First Reprint*) for
Senate, Nos. 844 and 2533

1 AN ACT concerning reporting requirements of charitable
2 organizations and non-profit corporations and amending
3 P.L.1994, c.16 and N.J.S.15A:4-5.

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

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8 1. Section 7 of P.L.1994, c.16 (C.45:17A-24) is amended to
9 read as follows:

10 7. a. Every charitable organization operating or soliciting
11 within this State, except for those provided for in section 8 of this
12 act or exempt pursuant to section 9 of this act, shall file a long form
13 registration statement with the Attorney General.

14 b. The long form shall contain the following:

15 (1) The name of the organization and any other name or names
16 under which it intends to solicit contributions and the purposes for
17 which it was organized;

18 (2) The name, street address and telephone number of each
19 officer, director and trustee and each principal salaried executive
20 staff employee and whether the person has been adjudged liable in
21 an administrative or civil action, or convicted in a criminal action,
22 involving theft, fraud or deceptive business practices. For the
23 purposes of this paragraph:

24 (a) a plea of guilty, non vult, nolo contendere or any similar
25 disposition of alleged criminal activity shall be deemed a
26 conviction;

27 (b) "each principal salaried executive staff employee" shall be
28 limited to no more than the five most highly compensated
29 employees in the organization; and

30 (c) a judgment of liability in an administrative or civil action
31 shall include, but not be limited to, any finding or admission that
32 the officer, director, trustee or principal salaried executive staff
33 employee engaged in an unlawful practice or practices related to the
34 solicitation of contributions or the administration of charitable
35 assets, regardless of whether that finding was made in the context of
36 an injunction, a proceeding resulting in the denial, suspension or
37 revocation of an organization's registration, consented to in an
38 assurance of voluntary compliance or any similar order or legal
39 agreement with any state or federal agency.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AFI committee amendments adopted December 13, 2021.

- 1 (3) A copy of the most recent Internal Revenue Service Form
2 990 and Schedule A (990) for every registrant if the organization
3 filed these forms;
- 4 (4) A clear description of the specific programs and charitable
5 purpose for which contributions will be used and a statement
6 whether such programs are planned or are in existence;
- 7 (5) A statement disclosing pertinent information concerning
8 whether any of the organization's officers, directors, trustees or
9 principal salaried executive staff employees as defined in
10 subparagraph (b) of paragraph (2) of subsection b. of this section:
 - 11 (a) Are related by blood, marriage or adoption to each other or
12 to any officers, agents or employees of any fund raising counsel or
13 independent paid fund raiser under contract to the organization, or
14 are related by blood, marriage or adoption to any chief executive
15 employee, any other employee of the organization with a direct
16 financial interest in the transaction, or any partner, proprietor,
17 director, officer, trustee, or to any shareholder of the organization
18 with more than a two percent interest of any supplier or vendor
19 providing goods or services to the organization and, if so, the name
20 and business and home address and telephone number of each
21 related party; or
 - 22 (b) Have a financial interest in any activity engaged in by a fund
23 raising counsel or independent paid fund raiser under contract to the
24 organization or any supplier or vendor providing goods or services
25 to the organization and, if so, the name and business address and
26 telephone number of each interested party.
- 27 (6) The amount of any grant or financial assistance from any
28 agency of government in its preceding fiscal year;
- 29 (7) A statement setting forth the place where and the date when
30 the organization was legally established and the form of the
31 organization;
- 32 (8) The principal street address and telephone number of the
33 organization and the address and telephone number of each office in
34 this State. If the organization does not maintain an office in this
35 State, the name and address of the individual having custody of its
36 financial records pertaining to operations or solicitations in this
37 State shall be disclosed;
- 38 (9) The name, street address and telephone number of each
39 affiliate which shares in the contributions or other revenue raised in
40 this State;
- 41 (10) The date when the organization's fiscal year ends;
- 42 (11) A statement whether:
 - 43 (a) The organization is authorized by any other state to solicit
44 contributions and, if so, a listing of the states in which authorization
45 has been obtained;
 - 46 (b) The organization is or has ever been enjoined in any
47 jurisdiction from soliciting contributions or has been found to have

1 engaged in unlawful practices in the solicitation of contributions or
2 the administration of charitable assets;

3 (c) The organization's registration has been denied, suspended
4 or revoked by any jurisdiction, together with the reasons for that
5 denial, suspension or revocation; and

6 (d) The organization has voluntarily entered into an assurance of
7 voluntary compliance agreement or any similar order or legal
8 agreement with any jurisdiction or federal agency or officer;

9 (12) Whether the organization intends to solicit contributions
10 from the general public; and

11 (13) Any other information as may be prescribed by rules
12 adopted by the Attorney General. In prescribing the requirements
13 of the long form, the Attorney General shall permit a charitable
14 organization to incorporate by reference any information reported
15 by the organization on its Service Form 990 and Schedule A (990).

16 c. With initial registration only, every charitable organization
17 required to file a long form registration shall also file a copy of the
18 organization's charter, articles of organization, agreement of
19 association, instrument of trust, constitution or other organizational
20 instrument and bylaws, and a statement setting forth the
21 organization's tax exempt status with copies of federal or state tax
22 exemption determination or exemption ruling letters; provided that
23 any changes in the accuracy of this information shall be reported to
24 the Attorney General pursuant to subsection e. of section 14 of this
25 act.

26 d. (1) Every charitable organization required to file a long
27 form registration shall file an annual financial report with the
28 Attorney General. The annual financial report shall include: a
29 balance sheet; a statement of support revenue, expenses and
30 changes in fund balance; a statement of functional expenses at least
31 divided into program, management, general, and fund raising; and
32 such other information as the Attorney General shall by rule
33 require.

34 (2) The annual financial report of every charitable organization
35 which received gross revenue in excess of ~~[\$250,000]~~ ¹~~[\$500,000]~~
36 \$1,000,000¹ in monetary donations, or any greater amount that the
37 Attorney General may prescribe by regulation, during its most
38 recently completed fiscal year shall be accompanied by: (a) a
39 financial statement prepared in accordance with generally accepted
40 accounting principles or other comprehensive basis of accounting
41 approved for use by the Attorney General by regulation which has
42 been audited in accordance with generally accepted auditing
43 standards by an independent certified public accountant; and (b) any
44 management letters prepared by the auditor in connection with the
45 audit commenting on the internal accounting controls or
46 management practices of the organization.

47 The annual financial reports of all organizations receiving more
48 than \$25,000 but less than ~~[\$250,000]~~ ¹~~[\$500,000]~~ \$1,000,000¹ in

1 monetary donations, or any greater amount that the Attorney
2 General may prescribe by regulation, shall be certified by the
3 organization's president or other authorized officer of the
4 organization's governing board and at the request of the Attorney
5 General, the organization shall submit: (a) a financial statement
6 prepared in accordance with generally accepted accounting
7 principles or other comprehensive basis of accounting approved for
8 use by the Attorney General by regulation which has been audited
9 in accordance with generally accepted auditing standards by an
10 independent certified public accountant; and (b) any management
11 letters prepared by the auditor in connection with the audit
12 commenting on the internal accounting controls or management
13 practices of the organization.

14 Notwithstanding any other provision of law to the contrary, non-
15 monetary donations in the form of in-kind contributions directly
16 related to any stated purpose or mission of the charitable
17 organization, including food for food pantries or food banks,
18 supplies for shelters, and such other forms of in-kind contributions
19 as may be permitted by the Attorney General, shall not constitute
20 gross revenue with respect to the requirement of an annual financial
21 report with a financial statement audited by an independent certified
22 public accountant under this subsection. In addition to any other
23 requirement under this subsection, annual financial reports and
24 statements shall include a summary of all non-monetary in-kind
25 contributions and the value attributed to those contributions.

26 (3) The Attorney General may accept a copy of a current
27 financial report previously prepared by a charitable organization for
28 another state agency or officer in compliance with the laws of that
29 state, provided that the report filed with the other state agency or
30 officer shall be substantially similar in content to the report required
31 by this subsection.

32 (4) An independent member agency of a federated fund raising
33 organization shall independently comply with the provisions of this
34 subsection.

35 e. In order to register its qualified local units pursuant to
36 subsection d. of section 9 of this act, a parent organization
37 registered pursuant to this section shall include with its initial
38 registration and annual renewal statement a separate statement that
39 provides the following:

40 (1) The name, principal street address, and phone number of all
41 local units within this State that it is registering;

42 (2) The amount of gross contributions received by each such
43 unit and the purpose or purposes for which these funds were raised
44 in the preceding fiscal year; and

45 (3) A statement asserting that each such local unit has provided
46 the parent organization with a written statement reporting the
47 information included on its behalf and asserting that the local unit

1 meets all of the requirements of subsection d. of section 9 of this
2 act.

3 f. Any management letters prepared by the auditor in
4 connection with the audit commenting on the internal accounting
5 controls or management practices of the organization submitted
6 pursuant to paragraph (2) of subsection d. of this section shall not
7 be considered a public record under P.L.1963, c.73 (C.47:1A-
8 1 et seq.) or P.L.2001, c.404 (C.47:1A-5 et al.), shall not be made
9 available for public inspection nor used for a purpose inconsistent
10 with P.L.1994, c.16 (C.45:17A-18 et seq.), and shall be removed
11 from the record in the custody of the Attorney General at such time
12 that such information is no longer necessary for the enforcement of
13 that act. The records required pursuant to this section shall be
14 maintained for a period of at least three years after the end of the
15 period of time to which they relate.

16 (cf: P.L.2005, c.283, s.3)

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18 2. N.J.S.15A:4-5 is amended to read as follows:

19 15A:4-5. a. Every domestic corporation and every foreign
20 corporation authorized to conduct activities in this State shall file in
21 the office of the State Treasurer, within the time prescribed by this
22 section, an annual report, executed on behalf of the corporation,
23 setting forth:

24 (1) the name of the corporation and, in the case of a foreign
25 corporation, the jurisdiction of its incorporation;

26 (2) the address, including the actual location as well as postal
27 designation, if different, of the registered office of the corporation
28 in this State, and the name of its registered agent in this State at that
29 address, and, if a foreign corporation, the address of its main or
30 headquarters office; and

31 (3) the names and addresses of the trustees and the officers of
32 the corporation, which addresses shall be either the residence
33 address of that person or other address where that person regularly
34 receives mail and which is not the address of the corporation.

35 b. The State Treasurer shall designate a date for filing annual
36 reports for each corporation required to submit a report pursuant to
37 this section and shall annually notify the corporation of the date so
38 designated not less than 60 days prior to that date. The corporation
39 shall file the report within 30 days before or within 30 days after the
40 date so designated. If the date so designated is not more than six
41 months after the date on which an annual report pursuant to the
42 provisions of prior law was filed or on which the certificate of
43 incorporation became effective, the corporation shall not be
44 required to file an annual report until one year after the first
45 occurrence of the date so designated.

46 c. If the report is not filed for two consecutive years, the
47 certificate of incorporation of the corporation or the certificate of
48 authority of a foreign corporation shall, after written demand for the

1 reports by the State Treasurer by certified mail addressed to the
2 corporation at the last address appearing of record in the office of
3 the State Treasurer, be revoked for the failure to file reports. No
4 corporation shall be subject to the revocation of its certificate of
5 incorporation or its certificate of authority if it shall, within 60 days
6 after the written demand, file the reports required by law and pay to
7 the State Treasurer the fee provided by law for the filing of each
8 report. Any corporation having its certificate of incorporation or its
9 certificate of authority revoked may cause a reinstatement of the
10 certificate upon payment to the State Treasurer of: the fee then
11 payable upon the filing of the certificate of incorporation; a current
12 annual report fee; and payment of a reinstatement filing assessment
13 as set forth in N.J.S. 15A:15-1. The reinstatement relates back to
14 the date of issuance of the proclamation revoking the certificate of
15 incorporation or the certificate of authority and shall validate all
16 actions taken in the interim. In the event that in the interim the
17 corporate name has become unavailable, the State Treasurer shall
18 issue the certificate upon, in the case of a domestic corporation, the
19 filing of an amendment to its certificate of incorporation to change
20 the corporate name to an available name, and, in the case of a
21 foreign corporation, the filing of an amended certificate of authority
22 adopting an alternate name. The State Treasurer shall provide the
23 forms necessary to effect annual report reinstatements.

24 d. The State Treasurer shall furnish annual report forms, shall
25 keep all the reports and shall prepare an alphabetical index thereof.
26 The reports and index shall be open to public inspection at proper
27 hours.

28 e. The State Treasurer shall allow any annual report that is
29 designated to be filed while Executive Order 103 of 2020 remains
30 in effect, or up to 180 days after its conclusion, to be filed up to 180
31 days after the conclusion of that executive order, without requiring
32 the corporation to pay any penalty or additional fee other than the
33 annual filing fee. The State Treasurer shall not require any
34 corporation to pay its filing fee in advance of the date the annual
35 report is filed pursuant to this subsection.

36 (cf: P.L.2019, c.149, s.4)

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38 3. Section 6 of P.L.1994, c.16 (C.45:17A-23) is amended to
39 read as follows:

40 6. a. A charitable organization, unless exempted from
41 registration requirements pursuant to section 9 of this act, shall file
42 a registration statement with the Attorney General on forms
43 prescribed by the Attorney General.

44 b. It shall be unlawful for any charitable organization to solicit
45 contributions or have contributions solicited in its behalf before the
46 Attorney General has been given the opportunity to review the
47 registration statement pursuant to section 5 of this act. A renewal
48 statement must be filed annually within six months after the close

1 of the charitable organization's fiscal year. For good cause shown,
2 the Attorney General may extend the time for the annual filing of
3 the renewal statement and financial report for a period not to exceed
4 180 days, during which time the previous registration shall remain
5 in effect. The request for an extension shall be in writing and
6 received by the Attorney General before the filing deadline.

7 c. All registration statements shall be signed by two authorized
8 officers, including the chief fiscal officer of the organization, who
9 shall certify that information contained in the registration
10 statements is correct.

11 d. The Attorney General shall prescribe all fees for the filing of
12 all registration statements according to the provisions of this act.
13 The fees for the filing of registration statements by charitable
14 organizations may be graduated based upon the amount of
15 contributions received during the previous fiscal year. A parent
16 organization filing on behalf of one or more local units shall pay a
17 single annual registration fee for itself and a fee for each local unit
18 included in the registration statement.

19 e. The Attorney General shall allow any annual filing of a
20 renewal statement and financial report that is scheduled to be filed
21 while Executive Order 103 of 2020 remains in effect, or up to 180
22 days after its conclusion, to be filed up to 180 days after the
23 conclusion of that executive order, without requiring the
24 organization to pay any penalty or additional fee other than the
25 annual filing fee. The Attorney General shall not require any
26 organization to pay a filing fee in advance of the date the renewal
27 statement and financial report are filed pursuant to this subsection.

28 (cf: P.L.1994, c.16, s.6)

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30 4. This act shall take effect immediately.

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35 Revises reporting requirements for charitable organizations and
36 non-profit corporations.