

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, Nos. 844 and 2533

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 13, 2021

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments the Senate Committee Substitute for Senate Bill Nos. 844 and 2533.

This bill amends the New Jersey “Charitable Registration and Investigation Act” by revising the thresholds of gross revenue amounts received by charitable organizations that determine their annual financial reporting requirements with the Attorney General’s office and excluding certain non-monetary donations from gross revenue. The bill also extends certain annual reporting and filing.

The bill provides that a charitable organization operating or soliciting within the State which receives annual gross revenue in excess of \$1,000,000 in monetary donations must file with its annual disclosure report a financial statement which has been audited by an independent certified public accountant. The threshold for this audited financial statement requirement under current law is \$250,000 of gross revenue, including in-kind donations, or any greater amount that the Attorney General may prescribe by regulation.

In addition, the bill makes a corresponding adjustment by providing that organizations that have annual gross revenues in excess of \$25,000 but less than \$1,000,000 must file an annual financial report that is certified by the organization’s president or other authorized officer.

The bill also excludes non-monetary in-kind donations directly related to the mission of the charitable organization from gross revenue for the purpose of requiring annual disclosure reports to include a financial statement which has been audited by an independent certified public accountant. In-kind donations would include food for food pantries or food shelters, supplies for shelter, and any other in-kind contributions the Attorney General permits.

Additionally, the bill requires the State Treasurer to allow any annual report for a nonprofit corporation that is designated to be filed while Executive Order 103 of 2020 remains in effect, or up to

180 days after its conclusion, to be filed up to 180 days after the conclusion of that executive order, without requiring the corporation to pay any penalty or additional fee other than the annual filing fee. Pursuant to the bill, the State Treasurer may not require any corporation to pay its filing fee in advance of the date the annual report is filed.

Lastly, the bill requires the Attorney General to allow any annual filing of a renewal statement and financial report for a charitable organization that is scheduled to be filed while Executive Order 103 of 2020 remains in effect, or up to 180 days after its conclusion, to be filed up to 180 days after the conclusion of that executive order, without requiring the organization to pay any penalty or additional fee other than the annual filing fee. The bill also provides that the Attorney General may not require any organization to pay a filing fee in advance of the date the renewal statement and financial report are filed.

As amended and reported, this bill is identical to the Assembly Committee Substitute for Assembly Bill No. 4635 as adopted and reported by the committee.

COMMITTEE AMENDMENTS:

The committee amended the bill to stipulate that the annual gross revenue threshold after which a charitable organization operating or soliciting within the State is required to file a financial statement with its annual disclosure report is \$1,000,000 in monetary donations rather than \$250,000 as in current law.