
A BILL FOR AN ACT

RELATING TO MANDATORY REPORTING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to ensure that
2 entities that receive funds from the department of health or
3 department of human services use those funds responsibly.

4 SECTION 2. Chapter 103F, Hawaii Revised Statutes, is
5 amended by adding a new section to part I to be appropriately
6 designated and to read as follows:

7 "§103F- Annual financial reports. (a) Every provider
8 shall annually file with the department to which the purchasing
9 agency is attached a report for its most recently completed
10 fiscal year as follows:

11 (1) If the provider files a Form 990, 990-EZ, or 990-PF
12 with the Internal Revenue Service, the annual report
13 shall be a copy of that Form 990, 990-EZ, or 990-PF;
14 and

15 (2) If a provider files a Form 990N or is not required to
16 file a Form 990, 990-EZ, or 990-PF with the Internal
17 Revenue Service, the annual report shall contain all



1 information prescribed by the department to which the
2 purchasing agency is attached; provided that if the
3 provider is required to file a Form 990-T with the
4 Internal Revenue Service, the provider's annual report
5 shall also include a copy of that Form 990-T.

6 (b) The annual report for a provider that files a
7 Form 990, 990-EZ, or 990-PF shall be electronically submitted to
8 the department to which the purchasing agency is attached within
9 ten business days of the date that the provider files the form
10 with the Internal Revenue Service. No later than the fifteenth
11 day of the fifth month following the close of its fiscal year,
12 the annual report for a provider that files a Form 990-N or that
13 is not required to file a Form 990, 990-EZ, or 990-PF shall be
14 electronically submitted to the department to which the
15 purchasing agency is attached.

16 (c) An authorized officer or agent of the provider shall
17 sign the annual report and shall certify that the statements
18 therein are true and correct to the best of the officer's or
19 agent's knowledge, subject to penalties imposed by
20 section 710-1063.



1 (d) A provider that has obtained an extension of time to
2 file a Form 990, 990-EZ, or 990-PF from the Internal Revenue
3 Service shall provide a copy to the department to which the
4 purchasing agency is attached within twenty days after the copy
5 is requested by that department.

6 (e) The department to which the purchasing agency is
7 attached shall accept, under conditions prescribed by that
8 department, a copy or duplicate original of financial
9 statements, reports, or returns filed by the provider with the
10 Internal Revenue Service or another state having requirements
11 similar to the provisions of this section; provided that the
12 department may prescribe the form of the annual financial report
13 for charitable organizations that file the Form 990-N with the
14 Internal Revenue Service, or that are not required to file a
15 Form 990, 990-EZ, or 990-PF with the Internal Revenue Service.

16 (f) A provider required to obtain an audit report by a
17 governmental authority or a third party shall include with its
18 annual report an audit report, prepared by a certified public
19 accountant in accordance with generally accepted accounting
20 principles.



1 (g) If an annual report required under this section is not
2 filed, taking into account any extension of time for filing,
3 unless the failure is shown to be due to reasonable cause, a
4 late filing fee of \$20 shall be imposed for each day the
5 violation continues; provided that the total amount imposed
6 under this subsection shall not exceed \$1,000.

7 (h) Every provider subject to this section shall keep true
8 fiscal records that shall be available for inspection upon
9 request. The provider shall retain the records for no less than
10 three years after the end of the fiscal year to which the
11 records relate.

12 (i) The department to which the purchasing agency is
13 attached may require that any documents required by this section
14 be electronically submitted and include electronic signatures.

15 (j) All documents submitted pursuant to this section shall
16 be shared with the department of taxation for the purpose of
17 ensuring compliance with state tax requirements.

18 (k) The requirements of this section shall not apply to
19 contracts with provisions required by federal law or regulation,
20 or by conditions of a federal cooperative agreement or grant,
21 relating to annual financial reports."



1 SECTION 3. This Act does not affect rights and duties that
2 matured, penalties that were incurred, and proceedings that were
3 begun before its effective date.

4 SECTION 4. New statutory material is underscored.

5 SECTION 5. This Act shall take effect on July 1, 2060.



Report Title:

Department of Human Services; Department of Health; Department of Taxation; Providers; Procurement; Annual Reports

Description:

Requires that providers of health or human services that receive state funds file annual financial reports and that the reports be disclosed to the department of taxation. Exempts certain contracts with existing reporting requirements. Effective 7/1/2060. (HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

