

A Bill for an Act Relating to Solicitation of Funds from the Public.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 467B-2, Hawaii Revised Statutes, is amended to read:

“§467B-2 Registration of charitable organizations. (a) Every charitable organization, except as otherwise provided in this chapter, which intends to solicit contributions within the State, or have funds solicited on its behalf, shall, prior to any solicitation, file a registration statement with the director upon forms prescribed by the director, which shall be valid for one full year and which shall be refiled in the next and each following year in which the charitable organization is engaged in solicitation activities. It shall be the duty of the president, chairman, or principal officer of the charitable organization to file the statement required under this chapter. The statement shall be sworn to and shall contain the following information:

- (1) The name of the charitable organization and the purpose for which it was organized.
- (2) The principal address of the charitable organization and the addresses of any office in the State. If the charitable organization does not maintain an office, the name and address of the person having custody of its financial records.
- (3) The name and address of any chapter, branch, or affiliate in the State.
- (4) The date and place when the charitable organization was legally established, the form of its organization, and a reference to any determination of its tax-exempt status under the Internal Revenue Code.
- (5) The name and address of all officers, directors, trustees, and the principal salaried executive staff officer.

- (6) A copy of a financial statement (balance sheet and income and expense statement) audited by an independent certified public accountant covering, in a consolidated report, complete information as to all the preceding fiscal year's fund-raising activities of the charitable organization, showing the kind and amount of funds raised, costs and expenses incidental thereto, and allocation or disbursement of funds raised whenever the organization raised or received contributions exceeding \$10,000 during the preceding fiscal year; or a copy of an unaudited financial statement (either a compilation or review) covering all the preceding fiscal year's fund-raising activities of the charitable organization, showing the kind and amount of funds raised, costs and expenses incidental thereto, and allocation or disbursement of funds raised whenever the charitable organization raised or received contributions in excess of \$4,000 but not exceeding \$10,000, during the preceding fiscal year. The statement shall include the salary or other compensation paid to a professional solicitor or professional fund-raising counsel whether expressed in a fixed dollar amount or as a per cent of the total moneys, funds, pledges, or other property raised or received.
- (7) Whether the charitable organization intends to solicit contributions from the public directly or have the solicitation done on its behalf by others.
- (8) Whether the charitable organization is authorized by any other governmental authority to solicit contributions and whether it is or has ever been enjoined by any court from soliciting contributions.
- (9) The general purpose for which the contributions to be solicited shall be used.
- (10) The name under which it intends to solicit contributions.
- (11) The name of the individual or officer of the charitable organization who will have final responsibility for the custody of the contributions.
- (12) The name of the individual or officer of the charitable organization responsible for the final distribution of the contributions.

(b) Each chapter, branch or affiliate, except an independent member agency of a federated fund-raising organization, may separately report the information required by this section, or report the information to its parent organization which shall furnish the information as to its state affiliates, chapters and branches in a consolidated form to the department.

(c) The registration forms and other documents prescribed by the director shall be signed by an authorized officer and by the chief fiscal officer of the charitable organization and shall be verified by oath.

(d) Every charitable organization which submits an independent registration to the department shall pay an annual registration fee of \$10. A parent organization filing on behalf of one or more chapters, branches or affiliates and a federated fund-raising organization filing on behalf of its member agencies shall pay a single annual registration fee for itself and the chapters, branches, affiliates or member agencies included in the registration statement.

(e) In lieu of the filing of the audited financial statement, any charitable

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organization required to file the Internal Revenue Service Form 990 or its successor form may substitute such form for purposes of this section.”

SECTION 2. New material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved April 23, 1982.)