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## FISCAL IMPACT REPORT

SPONSOR SCONC ORIGINAL DATE 3/10/15  
LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_  
SHORT TITLE Private Foundation Audit Exemptions SB 698/SCONCS  
ANALYST Jorgensen

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	NFI	NFI	NFI	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office (AGO)

Responses Not Received From

State Auditor's Office – as of 8:00 AM March 11, 2015

### SUMMARY

#### Synopsis of Bill

The Senate Conservation Committee substitute for Senate Bill 698 exempts charitable organizations that are private grant-making and which generally do not solicit public support from the requirement to be audited if the organization received revenue in excess of \$500 thousand.

### FISCAL IMPLICATIONS

There are no fiscal implications associated with enactment of the provisions of SB 698CS.

### SIGNIFICANT ISSUES

The AGO notes that private foundations would no longer be required to expend the resources necessary to perform an audit and those funds could then be passed on to the charitable purpose. However, without an audit, private foundations and their boards may not receive the preventative, educational and self-policing opportunities provided by an external examination.

**CONFLICT**

Conflicts with SB 132 which changes audit requirement thresholds based on the use of professional fundraisers.

CJ/je/bb