

WAC 230-07-020 Making "significant progress." Charitable or nonprofit licensees must make "significant progress" toward their stated purpose. They have made "significant progress" when they have:

(1) Complied with all requirements set forth in their bylaws and articles of incorporation; and

(2) Actively engaged in providing services to the public or their members during the fiscal year under review, and the services directly relate to the stated purposes of the organization; and

(3) Held elections to select officers at least once in the previous two years; and

(4) Held a general membership meeting to conduct the business of the organization at least once in the previous two years; and

(5) Used a substantial portion of the licensees' "available resources" for providing program services during the fiscal year under review. For purposes of this section, "available resources":

(a) Include the income generated by or from:

(i) The net of all activities used to raise funds, including net gambling income; and

(ii) Grants, gifts, and contributions from private sources; and

(iii) Public support.

(b) Does not include:

(i) Funds generated in periods other than the fiscal year under review; or

(ii) Funds that are raised or contributed from outside the organization for purposes of purchasing land or capital assets or to endow future operations when those funds are specifically identified by the board or contributors as restricted and separately recorded in the organization's records; or

(iii) Net income from the sale of assets; or

(iv) Fees paid by members or the public to receive services or to participate in specific activities. (Example: Fees to attend a swimming lesson or event.) These fees must be classified as a reduction to both program service and supporting service expenses on a pro rata basis and as a reduction to resources available for providing services in the fiscal year. (Example: In the chart below, licensee X has revenue of five thousand dollars. They must calculate the pro rata reduction by adjusting the total by the percentages of support services, program services expenses, and functional expenses.)

(6) This rule will be effective for fiscal years ending on or after December 31, 2009.

Revenue					
Fees paid by public					\$5,000
Calculation:					
Expenses	Unadjusted Amount	% of Total	Pro Rata Reduction Fees Paid by Public (\$5,000)	% of Total	Adjusted Amount
Support Service Expense	\$35,000	32%	(\$1,591)	32%	\$33,409
Program Service Expense	\$75,000	68%	(\$3,409)	68%	\$71,591
Functional Expenses	\$110,000	100%	(\$5,000)	100%	\$105,000

[Statutory Authority: RCW 9.46.070. WSR 09-19-080 (Order 661), § 230-07-020, filed 9/17/09, effective 10/18/09; WSR 07-10-032 (Order 609), § 230-07-020, filed 4/24/07, effective 1/1/08.]