

**WAC 434-120-107 Audited financial report—Tiered reporting requirements.** (1) If a charitable organization has been in existence for less than three years, the organization shall calculate its average gross revenue based on the number of years the organization has been in existence to determine which tier, per RCW 19.09.541, is applicable.

(2) For purposes of these regulations, the charities program may waive the requirement to obtain an audited financial statement prepared by an independent certified public accountant for organizations with more than three million dollars in gross revenue averaged over the last three accounting years that meet one of the following:

(a) Directly or indirectly receives five hundred thousand dollars or less in cash averaged over the last three accounting years. Organizations with five hundred thousand dollars or less in cash averaged over the last three accounting years must meet tier two reporting requirements in RCW 19.09.541(2). For purposes of meeting the financial requirements in this section, "cash" includes currency, checks, credit card payments, donor advised funds, and electronic fund transfers received from all sources including, but not limited to, solicitations, investment income and tuition. "Cash" does not include gifts of tangible, real, or personal property or in-kind services;

(b) Organizations that can demonstrate that they have reached a three-year average of more than three million dollars in gross revenue through unusual or nonrecurring revenue received in a single year without which they would not have met the three-year annual gross average threshold; or

(c) If the tier three audited financial statement has been waived by the charities program, then the tier two reporting requirements shall apply as replacement to the waived audited financial statement.

[Statutory Authority: RCW 29A.04.611. WSR 21-04-056, § 434-120-107, filed 1/27/21, effective 2/27/21. Statutory Authority: Chapters 11.110, 19.09, and 43.07 RCW. WSR 14-17-025, § 434-120-107, filed 8/12/14, effective 9/12/14. Statutory Authority: RCW 19.09.075, [19.09.]079, [19.09.]097, and [19.09.]520. WSR 12-14-114, § 434-120-107, filed 7/5/12, effective 8/5/12. Statutory Authority: RCW 19.09.540 and 43.07.125. WSR 10-22-048, § 434-120-107, filed 10/28/10, effective 11/28/10. Statutory Authority: RCW 19.09.315, 19.09.540, and 43.07.125. WSR 09-22-056, § 434-120-107, filed 10/30/09, effective 11/30/09. Statutory Authority: RCW 19.09.097, [19.09.]315, [19.09.]540, 43.07.125. WSR 09-01-106, § 434-120-107, filed 12/17/08, effective 1/17/09.]