
SENATE BILL 6612

State of Washington

66th Legislature

2020 Regular Session

By Senator Braun

1 AN ACT Relating to audit requirements for charitable
2 organizations that provide services to homeless persons; and amending
3 RCW 19.09.541.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 19.09.541 and 2011 c 199 s 9 are each amended to
6 read as follows:

7 The secretary is authorized to adopt rules, in accordance with
8 chapter 34.05 RCW, that establish a set of tiered financial reporting
9 requirements for charitable organizations required to register with
10 the secretary pursuant to this chapter. Rules adopted under this
11 section must include, but not be limited to, substantially the
12 following:

13 (1) Tier one. Charitable organizations with one million dollars
14 or less in annual gross revenue averaged over the three preceding,
15 completed accounting years must meet the financial reporting
16 requirements specified in RCW 19.09.075.

17 (2) Tier two. Charitable organizations with more than one million
18 dollars and up to three million dollars in annual gross revenue
19 averaged over the three preceding, completed accounting years must,
20 in addition to the reporting requirements in RCW 19.09.075, make one

1 of the following financial reporting requirements available to the
2 public upon request, or accessible to the public on the internet:

3 (a) The federal financial reporting form (990, 990PF, 990EZ,
4 990T) the organization normally files with the ((IRS)) internal
5 revenue service which must be prepared by a certified public
6 accountant or other professional who normally prepares such forms in
7 the ordinary course of their business; or

8 (b) An audited financial statement prepared by an independent
9 certified public accountant for the preceding accounting year.

10 (3) Tier three. Charitable organizations with more than three
11 million dollars in annual gross revenue averaged over the three
12 preceding, completed accounting years and charitable organizations
13 with more than one million dollars in gross revenue with the primary
14 purpose of providing services to homeless persons as defined in RCW
15 43.185C.010 must, in addition to the reporting requirements in RCW
16 19.09.075, obtain an independent, third-party audit of its financial
17 records for the preceding accounting year. This audit report must be
18 made available in paper form to the public upon request or accessible
19 to the public on the internet. Audit reports of charitable
20 organizations with the primary purpose of providing services to
21 homeless persons as defined in RCW 43.185C.010 must be submitted to
22 the county legislative authority with jurisdiction over the
23 charitable organization as designated by the organization's most
24 current address shown in the secretary's files.

25 (4) The secretary may waive a tiered reporting requirement as
26 prescribed in rule.

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