

CHAPTER 309

SOCIAL AND CHARITABLE ORGANIZATIONS

309.53 Annual report.

309.555 Limitations on charitable expenditures.

309.53 ANNUAL REPORT.*[For text of subds 1 to 2, see M.S.1980]*

Subd. 3. The financial statement shall include a balance sheet, statement of income and expense, and statement of functional expenses, shall be consistent with forms furnished by the department, and shall be prepared in accordance with generally accepted accounting principles so as to make a full disclosure of the following, including necessary allocations between each item and the basis of such allocations:

- (a) Total receipts and total income from all sources;
- (b) Cost of management and general;
- (c) Cost of fund raising;
- (d) Cost of public education;
- (e) Funds or properties transferred out of state, with explanation as to recipient and purpose;
- (f) Total net amount disbursed or dedicated within this state, broken down into total amounts disbursed or dedicated for each major purpose, charitable or otherwise;
- (g) Names of professional fund raisers used during the accounting year and the financial compensation or profit resulting to each professional fund raiser. Unless otherwise required by this subdivision, the financial statement need not be certified.

A financial statement of a charitable organization which has solicited from the public within or outside this state total contributions in excess of \$50,000 for the 12 months of operation covered by the statement shall be accompanied by an opinion signed by a certified public accountant that such statement fairly represents the financial operations of the charitable organization in sufficient detail to permit public evaluation of its operations. In giving such opinion the certified public accountant shall take into consideration capital, endowment or other reserve funds, if any, controlled by the charitable organization. The opinion need not conform to the wording of the opinion form of the annual report forms provided by the department.

*[For text of subd 4, see M.S.1980]***History:** 1981 c 148 s 1**309.555 LIMITATIONS ON CHARITABLE EXPENDITURES.***[For text of subds 1a and 1b, see M.S.1980]*

Subd. 2. In the event that goods or services are provided to the public in connection with charitable solicitation, no charitable organization or professional fund raiser shall expend or agree to expend an unreasonable amount for management and general costs and fund raising costs, which is presumed to be an amount

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in excess of 30 percent of the difference between the cost to the charitable organization of all goods and services sold and the amount for which said goods and services are sold. The cost of goods or services shall not include the costs of selling, advertising, or promoting the goods or services.

[For text of subds 3 to 5, see M.S.1980]

History: 1981 c 148 s 2