

# House Research Act Summary

**CHAPTER:** 25

**SESSION:** 2011 Regular Session

**TOPIC:** Financial statements for charitable organizations

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## Section

- 1** **Financial statement requirements.** Current law requires charitable organizations to file annual reports with the Attorney General. Under the current law, these annual reports must include financial statements with specified information, including a list of the five highest paid directors, officers, and employees of the organization whose total compensation exceeds \$50,000, with the total compensation paid to each. Under current law, total compensation includes salary as well as fringe benefits and deferred compensation paid by the employer. This bill increases the \$50,000 threshold to \$100,000.

This bill also changes the definition of "compensation" for purposes of the reporting requirement. Under the proposal, "compensation" is defined by reference to the amount reported on the W-2 or 1099-MISC form the organization issues to the individual. The bill provides that the value of fringe benefits and employer-paid deferred compensation will be reported as a separate item.