



LITERACY COUNCIL of ALASKA

517 Gaffney Road, Fairbanks, AK 99701 • Phone (907)456-6212 • Fax (907)456-4302 • lca@literacycouncilofalaska.org

January 27, 2012

Re: Contributions from Dividends, "Pick.Click.Give."

To Whom It May Concern:

The Literacy Council of Alaska (LCA) has had an annual budget ranging from \$500,000 to \$650,000 since the creation of Pick.Click.Give. LCA is not required to have our financial statements audited by any local, state, or federal agency. However, under current Alaska Statute, LCA is required to get an audit to qualify for Pick.Click.Give.

As a good management practice, for good standing with the local United Way, and to ensure that no material modifications are necessary within our financial statements, LCA has an independent Certified Public Accountant (CPA) perform a review on our financial statements annually. To have a CPA review of our financials might cost \$4,000. To have a CPA perform an audit might cost \$10,000.

The Literacy Council of Alaska is not able to justifying paying the cost of an audit for the sole purpose of participating in Pick.Click.Give. Within current Alaska Statute, the audit requirement creates a financial prohibition which prevents equitable program participation. In addition to the Literacy Council of Alaska, there are other equally historical and reputable nonprofits in the Interior that do not participate for the same reason.

The Literacy Council of Alaska would like to participate in Pick.Click.Give. We applaud the great efforts of legislators and all those who have actively created this great program. The results are wonderful and philanthropy has increased! The Literacy Council of Alaska is supportive of legislative efforts to increase equitable participation in Pick.Click.Give. by modifying Sec. 43.23.062 Contributions from Dividends. Please do not hesitate contacting the Literacy Council of Alaska Executive Director with further questions regarding Pick.Click.Give.

Sincerely,

Mike Kolasa
Executive Director



Engaging and Connecting our Community with the Arts

355 W Pioneer Ave, Homer AK 99603 | hcoa@homerart.org | fax: 907.235.4308 | tel: 907.235.4288

Representative Paul Seaton
State Capitol Room 102
Juneau, AK 99801

Representative Seaton –

On behalf of the Board of Directors of Homer Council on the Arts (HCOA), thank you for your efforts to change the requirements for participation in the Alaska Pick.Click.Give. program to include all the non-profit organizations in our State.

Currently, due to the requirement of an annual audit of organizations with budgets of over \$250,000, there are non-profits who are not eligible to participate. These non-profits serve our communities and would certainly benefit from the program. And our communities want to support them.

The cost of an annual audit, or even a financial review would typically exceed what would even be donated through Pick.Click.Give.

Not only is it unfortunate not to be able to participate, but it sets an organization apart from the other non-profits in the community by not listing them all together as the non profits of the community. We have been educating our constituents about the benefits and ease of donating through Pick.Click.Give. Now efforts need to be made to explain why some non-profits are eligible and some are not. That is very contradictory to the intention of the program.

HCOA strongly requests that the audit requirement be removed. All non-profits who apply and are accepted to participate in Pick.Click.Give are already fiscally responsible to the IRS under federal regulations.

Thank you for your action on this matter. All non-profits who are serving our communities should have the opportunity to participate in this excellent program. And the people of Alaska should have the opportunity to donate to any non-profit of their choosing.

Gail Edgerly
Executive Director

Juneau Arts & Humanities Council, the official arts agency of the City & Borough of Juneau, which has been in existence since 1973, is ineligible to participate in the Pick Click Give program because our annual budget exceeds \$250,000 and therefore to participate we need to have an annual audit. Anticipated contributions through the program would most likely fail to cover the upwards of \$8000 annual expense that the audit would cost.

Not only does being unable to accept donations through this very popular and worthy effort to encourage philanthropy in Alaska cost us some potential donations, but it also casts a shadow of doubt over our organization: Potential donors, not understanding the eligibility requirements, wonder if there is something spurious or doubtful about our organization that they should be concerned about.

This effort to make it possible for more of the mid-sized groups to participate has our full support.

Thank you for working to do include not just our organization but many of arts councils around the state that fall into this same mid-size range.

Nancy DeCherney

Juneau Arts and Humanities Council

Juneau Arts and Culture Center

350 Whittier St. Suite 101

Juneau, AK 99801

(907) 586-ARTS (2787)

Dear Senator Stedman,

As the Executive Director of the Ketchikan Area Arts and Humanities Council, I strongly support HB 302 and the removal of the audit requirement for non-profit organizations to participate in the Pick.Click.Give. program. If the audit requirement remains, the Ketchikan Area Arts and Humanities will not participate in the program as it would be irresponsible of our organization to spend between \$12,000 - \$15,000 annually to receive \$2,000 - \$3,000 in donations.

Thank you for your efforts to this requirement for participation in Pick.Click.Give. and allowing more non-profits to reap the benefits of the program.

Sincerely,

Kathleen Light

Kathleen Light
Executive Director
Ketchikan Area Arts and Humanities Council
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COPPER RIVER WATERSHED PROJECT

©Voices for a wild salmon economy©

January 16, 2012

The Honorable Bill Thomas
Representative
State Capitol, Room 505
Juneau, AK 99801-1182

Dear Representative Thomas,

I am writing to you about the Pick.Click.Give. program offered through Alaska's Permanent Fund Division. As you know, the Pick.Click.Give. program was initiated to offer Alaskan recipients of a Permanent Fund Dividend check an opportunity to practice philanthropy with their favorite charitable organizations.

The Pick.Click.Give. regulations require organizations who want to be recipients of such charitable donations to have had an audit conducted in the prior fiscal year if their budget exceeds \$250,000. However, *federal* regulations require an audit only if an organization's expenditures of federal funds exceeds \$500,000 in a fiscal year. Our organization falls into a gap, then, between these two requirements because our budget generally exceeds \$250,000 but doesn't go over \$500,000. In this case, we are not required to conduct an audit, but if we were to pay for one it would cost a minimum of \$8,000. (Participation in the Pick.Click.Give. program our first year generated \$600.) If our budget goes over \$500,000 in a given year, which it did in 2010 and 2011, then we have sufficient grant funds to pay for a federal single audit. Those two years were unusual, however, and we don't expect our budget to exceed \$500,000 in future years.

Organizations with budgets under \$250,000 are small enough to avoid the audit requirement, and large non-profits across the state can generally afford an audit because their administrative expense revenues can absorb the cost, but those organizations caught in the middle of these dollar thresholds are effectively left out of the Pick.Click.Give. program.

Would you consider drafting legislation that would modify the Pick.Click.Give. program audit requirements to be consistent with federal audit requirements? Another solution might be to require a less detailed accounting review, such as a compilation, for mid-size non-profits rather than a full-scale audit.

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Attached is the letter we received from the State's Permanent Fund Division in response to our application for the Pick.Click.Give. program in 2011.

I look forward to working with your office on this issue, which almost certainly affects many other non-profits in Alaska.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Kristin Carpenter". The ink is dark and the handwriting is fluid.

Kristin Carpenter
Executive Director

cc: Laurie Wolf, Vice President, The Foraker Group

Representative Seaton:

I am writing in support of the above House Bill. Our agency is a non-profit organization that relies largely on donations to fund our efforts to support and maintain Alaskan families that are struggling with issues involving parenting, divorce, abuse, etc. Our work would not be possible without such donations. House Bill 302 would certainly assist our efforts by eliminating the cost and man-hours required to submit an audit before qualifying for funds. Thank you for your efforts to eliminate restrictive requirements for organizations, like ours, that are desperately trying to help families throughout the Alaska Interior.

Respectfully,

Mark D Payne

Family Services Specialist

Fairbanks Counseling and Adoption

912 Barnette Street

Fairbanks, AK 99707

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Office Hours: 9:00am-6:00pm Mon-Fri

Dear Representative Seaton,

On behalf of Juneau Dance Unlimited, I'm writing in support of House Bill 302.

As a non profit, trying to carry out our mission of bringing professional dance instruction, fostering an appreciation of the art of dance, and developing artistic creativity through our annual Fine Arts Camp in Juneau, we've worked very hard to raise funds to make up the difference between what our families can pay in tuition and what it costs to operate our program. Tuition covers about 60% of our costs.

We've been unable to use the Pick, Click, Give program because of the full audit requirement and would be so grateful if HB 302 would enable us to benefit from this wonderful program.

Thank you for your work on this bill.

Sincerely,

Charlotte Truitt,

Juneau Dance Unlimited Board President

Dear Taneeka Hansen,

I am writing in support of Representative Paul Seaton's HB 302.

Withdrawing the requirement of a full audit to qualify for the Pick, Click, Give programme would allow many worthy organization to become eligible.

Having severed on the Board of Directors of many non-profits it is hard to justify the cost of an audit to the membership when every dollar counts to continue the work of the organization.

If the concern is that the audit is necessary in order to make sure the organization is fiscally sound and is following accounting best practices, then I can address that from my personal experiences.

I have served as Treasurer for a number of non-profits and the checks and balances in place makes it very difficult for malfeasance to occur. Also the accounting firms that review their year-end financial report and fiscal practices are quick to made recommendations. In addition the Foraker Group has been very active in helping non-profits manage their finances and follow prudent systems to ensure transparency in their financial reporting.

In closing, I strongly feel that removing the audit requirement to qualify for the Pick, Click, Give programme will benefit many worthy organization that are presently excluded.

Please thank Representative Seaton for sponsoring the bill.

Sincerely

John P. McConnochie



I want to thank you for your sponsorship of HB 302, to repeal the audit requirement for groups that participate in the Pick.Click.Give program. As a strong supporter of the Juneau Arts and Humanities Council, I am saluting your effort to make it easier to donate to worthwhile charities by removing the expensive audit requirement.

Respectfully,

Jef Morgan

APEA-AFT Board Member

Southeast Chapter Chair, Alaska State Supervisors, Local 4900, APEA-AFT

APEA-AFT EPIC Board Member

AFL-CIO Vice President

Juneau Central Labor Council

Dear Ms Hansen... I am delighted to hear that the legislature may be taking steps that will allow The Carol H. Brice Family Center (located in Fairbanks) to continue to participate in the Pick, Click, Give program. We had pretty much written it off this year. We recently crossed the \$250,000 threshold requiring an audit. We received \$950 dollars from PCG this last cycle, so there is no way we can pay thousands of dollars for an audit. For those who are getting audits anyway for grant administration, etc., it's great. Everyone else is pretty much eliminated, which I'm sure was not the original intent of the program. We will be watching this with great interest!

Karl Greer, Director

The Carol H. Brice Family center

Dear Ms. Hansen -

Thank you for this information. As an attorney that has represented many small nonprofit organizations, I certainly endorse the proposal of Representative Seaton. This would help reduce administrative costs for such organizations in Alaska, allowing more of their funds to be used in directly carrying out their non-profit purposes and helping the needy in Alaskan communities.

Thank you.

Best wishes.

Renard J. Kolasa

Couzens, Lansky, Fealk, Ellis, Roeder and Lazar, P.C.

39395 W. 12 Mile Road, Suite #200

Farmington Hills, MI 48331

248-489-8600x317

248-489-4156

email: renard.kolasa@couzens.com

Dear Representative Seaton,

Alaska Trails supports passage of HB302.

We received nearly \$5,000 from the 2011 "Pick. Click. Give." program and consider it an extremely valuable funding source. Unfortunately, Alaska Trails will not be part of the "Pick. Click. Give." this year. The program requires an expensive, complicated audit for organizations that exceed \$250,000 in revenue, which includes restricted "pass-through" projects and activities. More than 80 percent of our revenue goes toward services and "pass-through" activities.

Another alternative would be raising the audit threshold to \$500,000, so it matches the existing state and federal single audit requirements.

Sincerely,

Geoffrey Orth

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Geoffrey Orth, Board President

Alaska Trails www.alaska-trails.org

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geoffrey.orth@alaska-trails.org

Dear Representative Seaton,

Thank you for introducing HB302, a valuable contribution to the Pick.Click.Give. program. I was amazed to see you get right on it and make a move within 6 months of our request. You are a ROCK STAR! Now I just hope the finance committee will see the value in the amendment and also support your efforts in behalf of all non profits across this great state of Alaska.

Thanks again for empowering your constituents, adding value to our voices.

I still look forward to giving you and Tina a personal tour of the newly remodeled senior center. We even received a thank you card from the CEO of the Alaska Railroad, since we chose to use our railroad prints as the theme of the new remodel.

I was hoping to see you in two weeks with AgeNet lobbying efforts, but I have a new office assistant who is still in the probationary period, so I am grounded this session. All the best in Juneau!

Warm regards,

Dana Paperman

Seward Senior Center