



LITERACY COUNCIL of ALASKA

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

January 22, 2013

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 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 \$5,000. 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 to contact the Literacy Council of Alaska Executive Director with further questions regarding Pick.Click.Give.

Sincerely,

Mike Kolasa
Executive Director



KETCHIKAN AREA ARTS & HUMANITIES COUNCIL

A not-for-profit organization

January 23, 2013

Dear Representative Seaton,

On behalf of the Board of Directors of the Ketchikan Area Arts and Humanities Council, I strongly support HB 75 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 Council will not be able to participate in the program as it would be irresponsible of our organization to spend \$12,000 - \$15,000 annually on an audit, in order to receive \$2,000 - \$3,000 in donations. Additionally, exclusion in the Pick.Click.Give. listing of statewide non-profits adversely affects our organization as donors assume there is something wrong with the organization because it is not listed.

In other words, not only are we unable to participate in Pick.Click.Give. because of the cost of an annual audit, the Arts Council is perceived as an unworthy organization because it is not included in the listing of non-profits.

It is crucially important that the barrier of an annual audit requirement for participation be removed from the Pick.Click.Give. program to allow all Alaskan non-profits to participate or at least to not be adversely affected by the program.

Thank you so much for your efforts to make Pick.Click.Give. effective for all Alaskan non-profits and the people we serve.

Sincerely,
Kathleen Light
Executive Director

*Our mission is to create
and promote opportunities
for all community members
to experience the arts*

330 Main Street
Ketchikan, Alaska 99901
Ph. 907-225-2211
Fax. 907-225-4330
www.ketchikanarts.org



COPPER RIVER WATERSHED PROJECT

© *Voices for a wild salmon economy* ©

January 8, 2013

The Honorable Gary Stevens
Alaska State Legislature
120 4th Street, State Capitol, Room 111
Juneau, AK 99801-1182

Dear Senator Stevens,

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 or supporting 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.

P.O. Box 1560, Cordova, AK 99574

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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,



Kristin Carpenter
Executive Director

cc: Laurie Wolf, Vice President, The Foraker Group

January 26, 2013

To: Representative Paul Seaton

RE: Support of HB75

Rep. Seaton and Other Esteemed Members of the Alaska House of Representatives:

I write in support of HB75. This is a far more critical issue than you might imagine to the many non-profit organizations and agencies in Alaska that provide the vast majority of social services to Alaskans in need. The "Pick. Click. Give" Program has become a very important source of funding for non-profits in general, and for the agency I work with here in Seward in particular: the Seward Senior Center. Unlike some of the larger communities of Alaska, many of the senior citizens who live in Seward rely on the Senior Center not only for *socialization activities* which keep them alert, active, contributing citizens, *health-related information* that encourages healthy living, but also for *healthy, balanced meals* (which they are less-likely to eat on their own), as well as *meals brought to them* when they are not physically able to get out. People in larger communities may have other options, but the Senior Center supplies most of these needs for our senior citizens. NOT being able to participate in the "Pick. Click. Give" Program because of the present onerous audit requirements for smaller non-profits seriously limits our ability to continue to provide these services. I trust you will take the needs of these Alaskan citizens to heart, and support HB75, which costs the state nothing but helps to ensure the continuation of these valuable programs.

Sincerely,

Rev. Ronald Nitz

Rev. Ronald Nitz,
Seward Senior Center Board Member

**STERLING AREA SENIOR CITIZENS**

34453 Sterling Hwy., Sterling, Alaska 99672 (907) 262-6808 / Fax (907) 262-3883

January 22, 2013

Alaska State Representative Paul Seaton
345-Sterling Hwy
Homer, AK 99603

Dear Representative Seaton,

We at Sterling Area Senior Citizens, Inc. have just been informed of HB75 which would enable our Senior Center to apply for the Pick-Click-Give program that is so vigorously advertised across the state. We are presently in the same situation as the Seward Senior Center since we have just over a \$250,000 budget for the last couple of years and are now required to have a full audit at a cost of \$7-9000 which is prohibitive for our non-profit organization. It's a shame to punish those non-profits who are struggling to meet our operating expenses by putting an extra burden on them in order to be included in the PFD program.

Please accept this letter as our support for the HB75 bill you are sponsoring. Feel free to share our opinion with other representatives as necessary while attempting to eliminate this audit requirement from 501 (c) 3 non-profit organizations.

Regards,

A handwritten signature in black ink, appearing to read "Mike McKinley", is written over a horizontal line.

Mike McKinley
Director
Sterling Senior Center
sterlingseniorcenter@alaska.net
907-262-6826

Cc: Senator Cathy Giessel





BIGGEST LITTLE SENIOR CENTER on the PENINSULA

NINILCHIK SENIOR CITIZENS, INC.
Phone: 907-567-3988

PO BOX 39422
seniors@ptialaska.net

Ninilchik, AK 99639-0422
Fax: 907-567-3988

January 22, 2013

Representative Paul Seaton
270 W. Pioneer Ave, Suite 102B
Homer, AK 99603

Dear Rep Seaton,

Last year we were unable to participate in the Pick. Click. Give program because our total operating budget was just over \$250,000. That meant we would need an expensive audit that would never be recouped by donations from the program. If the limit could be raised to \$500,000 many more charities could participate. Some people ask us why we were not participating. Their notions vary from poor management to us not needing the money. Those who ask are surprised we do not meet the state's criteria. Bad press all the way around.

Thank you for your efforts to remedy this problem through HB 75.

Sincerely,

Kathryn Kennedy
Director

January 24, 2013



Honorable Representative Paul Seaton
State of Alaska

RE: Support for HB75

Dear Representative Paul Seaton and Finance Committee:

It is a valuable addition to the non-profit section to have the ability to diversify fundraising efforts, especially at a time of escalating prices at the gas pumps, grocery stores, and utility bills that burden social services across this great state.

It was a blessing to witness the evolution of the Pick. Click. Give. Program five years ago, creating another avenue for non profits to become less dependent on government subsidies and grants, allowing the Alaska state resident to choose non-profits as recipients of their financial contributions through the Permanent Fund Dividend, Pick. Click. Give. program, providing the Alaska resident a terrific and simple way to contribute to agencies that they have positively witnessed or accessed services at one time or another.

By removing the audit requirement through HB75, it will allow our agency as well as many others who don't have the financial ability or income to fund an annual audit that can cost anywhere from \$7-10K.

Your support of HB75 will provide the Seward Senior Center another opportunity to become one of the hundreds of recipients of the Pick. Click. Give. program, especially at a time when we struggle to meet the nutritional, transportation and social needs of our aging community in Seward.

Thank you for your consideration of HB75 and the positive impact it will have on the mid-size non-profit agency in Alaska.

Sincerely,

DANA B. PAPERMAN

Dana Paperman

Seward Senior Citizens, Inc., PO Box 1195 ~ Seward, AK 99664, (907) 224-5604
ssc@seward.net/www.sewardsenior.org

"Serving senior citizens for 35 years"

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Our Mission Statement

*To insure honor, dignity,
security, and independence
for older Alaskans;
assistance in maintaining
meaningful and quality lives.*

*A non-profit agency
TAX ID: 92-0072425*