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REPRESENTATIVE Paul Seaton

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HB 302 Repealing Pick.Click.Give Audit Requirement

HB 302 allows greater participation in the Pick.Click.Give program by small non-profits that meet all of the eligibility requirements for the program, but cannot participate due to the cost prohibitive audit requirement.

The creation of the popular Pick.Click.Give program by the 25th Alaska State Legislature gave Alaskans a simple and convenient option to donate to charities and non-profits of their choice. These organizations, which provide important services to our communities, rely on donations to function.

One criterion that must be met by organizations wishing to participate often stops smaller Alaskan charities and non-profits from applying. This is the required financial audit for organizations with a total budget of \$250,000 or greater. The cost of the required financial audit for groups with \$250,000 annual budget is much greater than the donations received by these groups through the Pick.Click.Give program. This makes participation in the program impractical for organizations of this size. Not only does this mean that these smaller groups will not receive donations through the program, some groups have found that exclusion from the program gives their supporters the mistaken impression that they are no longer certified non-profits.

This bill eases the financial burden on these organizations and allows Alaskans a more complete choice of organizations by eliminating the financial audit requirement. This does not remove financial accountability. All Pick.Click.Give. donation recipients must be 501(c)(3) tax-exempt organizations, which are required to file the form 990 annually with the IRS. Organizations are also required to have an audit if they expend \$500,000 or more in federal awards. Entities that expend less than \$500,000 in federal funds still must still make their records available for review by the federal government.

This bill further requires the University of Alaska to pay the \$250 application fee to participate in the program, just as all other eligible organizations do.

The Pick.Click.Give program encourages Alaskans to give back to their community by bringing the many worthy state programs right to their doorstep. It is the smaller non-profits which nourish Alaskan communities on a personal level, which open pathways for budding artistic talents and provide the educational opportunities that fit just right with community needs. These organizations deserve the chance to connect through Pick.Click.Give to the Alaskans they serve.

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