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

ELGEE REHFELD MERTZ, LLC

CERTIFIED PUBLIC ACCOUNTANTS

9309 Glacier Highway, Suite B-200 • Juneau, Alaska 99801
907.789.3178 • FAX 907.789.7128 • www.ermcpa.com

February 6, 2013

Rep. Paul Seaton
State Capitol Room 102
Juneau AK, 99801

Dear Representative Seaton,

Our firm is in support of the changes proposed in HB75. We feel that the cost of the audit often outweighs the benefit in participating in the 'pick, click, give' program for smaller not-for-profit organizations (NPO). In fact, we typically recommend that organizations with no external audit requirement not have an audit. The amount of time required to document our adherence to the professional standards for an audit make even our lowest audit fees exceed what many small non-profits can afford. We can offer other levels of service that meet their internal needs better than an audit, such as agreed upon procedures, compilations or reviews. With these types of engagements we can provide a more focused review of areas that the board or management has concerns about. As far as the use of an audit in a decision of whether to donate or not to an NPO, with the form 990 available online for almost all NPO's, regardless of size, donors have the ability to review financial data prior to making their donation. We feel that the form 990 would provide an good basis for evaluation of smaller NPOs that aren't required to have an audit for any other reason than to submit their 'pick, click, give' application.

Many NPOs, through federal and state award spending, are required to have an audit performed on an annual basis. Both the Federal and State of Alaska single audit threshold, for determining whether a single audit is required, is $500,000 of respective award dollars expended. For those NPOs that have a single audit it is reasonable that it be submitted with their application but to require an audit only for participation in the 'pick, click, give' program for smaller NPOs does not make fiscal sense.

Please contact us if you have any questions.

Sincerely,

Karen J. Tarver, CPA
Partner

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 tel 907.424.3334 web www.copperriver.org

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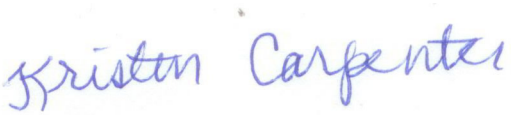
Attached is the letter we received from the State's Permanent Fund Division in response to our application for the Pick.Click.Give. program in 2011.

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 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

Board of Directors 2013

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Dana Paperman

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

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

KODIAK ISLAND FOOD BANK

1944 EAST REZANOF DRIVE
KODIAK, ALASKA 99615
(907) 486-4126 FAX 486-5567

January 24, 2014

Dear Representative Seaton,

I am writing in support of HB 75 on behalf of the Kodiak Island Food Bank and the Kodiak Baptist Mission. Once again people will not have the opportunity to support Kodiak's Food Bank through the Pick Click Give Campaign. As you are aware non-profit organizations with receipts over $250K are required to have a financial Audit to participate in this program. While we subject ourselves to a financial review to assure management and our donors that funds are being handled according to GAAP accounting principles, we have determined that an audit is an excessive assurance of this and an irresponsible use of donor funds.

Intentional or not, the present policy implemented by the State picks de facto winners and losers. Through Pick Click Give, the State is effectively endorsing (with tax dollars) some nonprofits over others because of a measure (the audit) that really isn't necessarily a good indicator of an organizations worthiness to be supported.

At the point that an organization has navigated the IRS approval process to be endorsed as a 501 © 3 it is fully qualified by the IRS to be a publicly supported organization. Further, to maintain that qualification it must file public documents such as the 990 offering significant insight into the workings of an organization. This raises the question who does it serve to have the State of Alaska add burdensome additions to this existent process?

We support your efforts as represented in HB 75 and encourage you to make every effort to see it through. We ask the State to end its practice of limiting donations to selective nonprofits and let the generous people of this State pick the causes they want to support.

Sincerely,

Trevor Jones
Executive Director

Juneau Community Foundation

January 25, 2013

Representative Bob Lynn
State Affairs and Finance Committee
Alaska State Legislature
State Capitol, Room 108
Juneau, Alaska 99801-1182

Re: HB75; Contribution from PFD; Audits; University

Dear Chairman Lynn:

I am the president of the Juneau Community Foundation and I am writing to you regarding the above-referenced bill, which affects the Pick.Click.Give program. Although this program has been highly successful and is much appreciated, HB75, which is now before your committee, could make it even better. On behalf of the Juneau Community Foundation, I would therefore urge your committee to review and pass HB75.

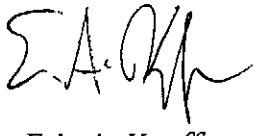
One of the important provisions of the bill is a modification of the audit requirement presently contained in the law. Right now, the statute requires that any organization with a total budget greater than $250,000.00 provide a full audit to the state as a precondition to participating in the Pick.Click.Give program. As defined in the statute, the term "budget" includes not just the operating budget but also all funds contributed to the affected charitable organization. This is a hardship for small organizations such as the Juneau Community Foundation, which has a small operating budget (about $60,000 per year), and yet is subject to the audit requirement because of the generosity of our donors who make significant contributions.

350 North Franklin Street, Suite 4 | Juneau, Alaska 99801
tel: 907.523.5450 | email: info@juneaucf.org | web: www.juneaucf.org

We understand and appreciate the need for charities in the Pick.Click.Give program to be responsible and accountable. Nonetheless, we believe that the audit requirement is unnecessary and discourages worthwhile organizations from participating in this worthwhile program. Even without an audit, there are still a number of standards that a charity must meet in order to be qualified. Our Form 990 is filed every year with the IRS and is available for public review. In addition, the IRS has expanded reporting requirements in recent years to provide greater transparency.

For all of these reasons, we believe that there are adequate controls in place even without the requirement of an expensive and burdensome audit. Accordingly, we ask that you consider and approve of the changes proposed in HB75. Please let me know if you have any questions about our support for this bill. I would be glad to testify in front of the committee about the experience of our foundation if you believe that would be helpful.

Sincerely,



Eric A. Kueffner
President

C: Rep. Paul Seaton

Greater Ketchikan Chamber of Commerce
2417 Tongass Ave., Ste. 223A
Ketchikan, AK 99901

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Tongass Federal Credit Union

Mary Wanzer
Vice President
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Len Laurance
Inter-Island Ferry Authority

February 10, 2014

Kathleen Light, Executive Director
Ketchikan Area Arts & Humanities Council
330 Main St., Ketchikan, AK 99901

Dear Ms. Light:

It is with enthusiasm that we write this letter to express the Greater Ketchikan Chamber of Commerce's support for the efforts being made by your organization and many others to have repealed certain audit requirements for non-profits participating in PICK. CLICK. GIVE. through the passage of HB 75.

The value to our community of non-profit organizations such as yours cannot be overstated, and it is essential that they receive the funding necessary to function. Participation in PICK. CLICK. GIVE. provides these bodies with an incredible fundraising opportunity, and audit requirements should not be so prohibitive as to make this option unviable. Citizen support for and private donations to organizations such as yours are integral to the functioning of a healthy economy. Allowing organizations access to this revenue is consistent with both the Chamber's mission of promoting a "healthy business climate" and its vision for "a quality of life which is attractive" to prospective citizens and investors.

We, along with the Chamber's Board of Directors, fully support the efforts of the Ketchikan Area Arts & Humanities Council as they encourage the Alaska State Legislature and Administration to alter the PICK. CLICK. GIVE. audit requirements through the passage of HB 75.

Sincerely,

Chelsea J. Goucher
Executive Director

Nancy Christian
President of the Board

Greater Ketchikan Chamber of Commerce
O: (907) 225-3184
C: (907) 220-2133
E: chelsea@ketchikanchamber.com

From: Mark Wohlgemuth [mailto:mwcpa@gci.net]
Sent: Saturday, January 25, 2014 1:02 PM
To: Heather Beggs
Cc: michelangelo@anchorageballet.org; 'Shane Mitchell'
Subject: Audit requirement for Pick Click and Give

As a CPA in Alaska that has 30 years of experience working with nonprofits, preparing 990 tax returns, and serving on board of directors, I wish to add my name to those wanting a review of the audit requirement.

For smaller entities, I don't believe an audit is necessary, cost effective, or beneficial. IRS Form 990 requirements and CPA ethic and professional due diligence requirements are actually probably more important for accurate understanding and useful information than to have audited financials (with the associated cost). My understanding, is that currently the average nonprofit pays about $15,000 minimum for an audit. I believe this is an undue burden on smaller entities, just to have access to the PICK Click program.

Additionally, Form 990 returns are readily available to users on such sites as Guidestar, whereas audits are not publicly available. This makes the tax return much more useful for donors than to incur an audit.

From my experience, I do believe that self prepared 990's are not as accurate or useful as those prepared by a CPA, and therefore may be misleading to donors. May I suggest that a more useful rule (rather than an audit) is to have the 990 prepared and signed by a CPA with a current license in Alaska.

Regards

Mark Wohlgemuth

Certified Public Accountant

907-243-6116

907-243-6117 (fax)

mwcpa@gci.net

Gandhi "At the root of all conflict is an untruth"

PO Box 210948

Anchorage Ak 99521

4100 McLean Place

ANCHORAGE CONCERT CHORUS

Founded in 1947

PHONE 907-274-7464
FAX 563-5980

ARTISTIC DIRECTOR/
CONDUCTOR
Grant Cochran, D.M.A.

EXECUTIVE DIRECTOR
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PRESIDENT
Melissa Schmidt

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TREASURER
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Paul McGee
Lora Nordstrom
Lana Ramos
Megan Sandone
Anna Seitz
Pat Smith
Teena Woscek

January 22, 2014

Rep Paul Seaton
State Capital Room 102
Juneau, AK 99801

RE: Audit Requirements for Contributions from Pick, Click, Give

Dear Representative Seaton:

On behalf of myself, the membership of the Anchorage Concert Chorus (ACC), and other small not-for-profit organizations I'd like to thank you for your sponsorship of HB75 and encourage your fellow legislators to endorse it.

The Anchorage Concert Chorus is a membership organization with each member, not on scholarship, paying $425 per year to rehearse and perform under the baton of conductor, Grant Cochran. The PCG program offers our members an opportunity to pay their fees and, at the same time, be encouraged to make additional donations to the Chorus and other organizations. We have obtained new donors through the program and appreciate that opportunity.

We have participated for three years and been unable to do so for at least one other year due to the audit requirement. We will be in that same situation for the 2015 year.

The Chorus receives a financial review every year but cannot justify the $10,000 per year for an audit. I know there are many other organizations in our same situation. While I realize organizations need to be accountable, a full-blown audit seems excessive.

Thank you again for your efforts in bringing HB75 to the legislature. I hope the bill becomes law in time for us to participate in the 2015 program.

Sincerely,

Sandra Adams
Executive Director

CITY OF SEWARD
P.O. Box 167
410 Adams Street
Seward, Alaska 99664-0167

- Main Office (907) 224-4050
- Police (907) 224-3338
- Harbor (907) 224-3138
- Fire (907) 224-3445
- City Clerk (907) 224-4046
- Community Development (907) 224-4049
- Utilities (907) 224-4050
- Fax (907) 224-4038

March 11, 2013

Honorable Representatives Seaton, Kawasaki and Thompson, and Members of the Finance Committee,

2013 is shaping up to be a record year for the Pick-Click-Give program. Nearly 20,000 Alaskans have contributed almost $2 million for food and shelter for fellow Alaskans, aided families affected by domestic violence, rescued animals and many other causes. The program truly does make small gifts large, yet some small organizations that can provide meaningful local services are at present ineligible.

Currently, organizations with a total budget of $250,000 or more are required to file an audited financial statement to be eligible, which in many cases would cost more than the donations they might receive through the Pick-Click-Give program.

Accountability can be maintained, and a broader choice of organizations to support can be presented to Permanent Fund recipients by adopting HB-75. This bill would allow smaller organizations: those with more than $250,000 total budget but receiving less than $500,000 in Federal finding, to substitute the already required IRS Form-990 for the audit requirement. This is a form anyone can access to determine if the organization meets not only the Federal requirements for non-profits, but their own personal standards as well.

The City of Seward supports the goal of enabling the Pick-Click-Give program to allow smaller deserving organizations providing important services at the local level to participate. We appreciate your bringing this bill forward, believe it to be in the best interests of the State, and urge adoption by the Legislature.

Sincerely,

David Seaward,
Mayor

CITY OF KETCHIKAN, ALASKA

RESOLUTION NO. 14-2540

A RESOLUTION OF THE CITY OF KETCHIKAN, ALASKA SUPPORTING HOUSE BILL 75, IN PART AN ACT REPEALING CERTAIN AUDIT REQUIREMENTS FOR ENTITIES RECEIVING CONTRIBUTIONS FROM PERMANENT FUND DIVIDENDS; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, Alaska Statute 43.23.062 allows for applicants from who file for the permanent fund dividend to direct donations that would be subtracted from the dividend payment and contributed to one or more of the organizations that appear on the contribution list contained in the application; and

WHEREAS, Alaska Statute 43.23.062(d)(8) requires such organizations to complete and provide a full annual audit with an unqualified opinion conducted by an independent certified public accountant; and

WHEREAS, small organizations are prohibited from participating in the permanent fund dividend contribution program due to the onerous financial burden of complying with the full annual audit provision; and

WHEREAS, the cost of such audits may well exceed the anticipated donations received through the permanent fund dividend contribution program.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Ketchikan, Alaska as follows:

Section 1: The Council of the City of Ketchikan, Alaska supports House Bill 75, specifically relative to repealing certain audit requirements for entities receiving contributions from permanent fund dividends.

Section 2: This resolution shall become effective immediately upon adoption.

PASSED AND APPROVED by a duly constituted quorum of the City Council for the City of Ketchikan on this 20th day of February, 2014.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter, City Clerk

Ketchikan Area Arts & Humanities Council

Creating and Promoting Opportunities for All Community Members to Experience the Arts

January 21, 2014

Representative Seaton –

On behalf of the Board of Directors of the Ketchikan Area Arts and Humanities Council (KAAHC), thank you for your efforts to correct the requirements for participation in the Pick.Click.Give. program, allowing all non-profit organizations in our State the ability to benefit.

Currently KAAHC is unable to participate in P.C.G. due to the financially onerous annual audit requirement of organizations with operating budgets of over $250,000. The budget of KAAHC is $350,000, and therefore we are not eligible for the program without a full, annual CPA prepared audit. In the Ketchikan area a full audit costs from $12,000 to $15,000. The cost of an annual audit exceeds anticipated donations received by P.C.G. and therefore does not merit an expenditure of as much as 4% of our budget.

Unfortunately in addition to being unable to receive donations from constituents through the P.C.G. program, there has been significant negative backlash not being included on the P.C.G. approved non-profit list. And the backlash is becoming more pronounce every year we are absent from the participant list. Many of our constituents have asked me questions such as, "Why aren't you in Pick.Click.Give.? Isn't the Arts Council a non-profit? What is wrong with the Arts Council that it can't participate?" Even though we have spent quite a bit of effort and time trying to educate our members, they still do not understand that our organization is restricted from participating due to the current onerous financial requirements of the annual audit requirement. It is difficult for our small organization to combat radio and TV ads stating all non-profits benefits from P.C.G., when in fact we can not afford to.

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

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

Kathleen Light
Executive Director

STERLING AREA SENIOR CITIZENS
34453 Sterling Hwy., Sterling, Alaska 99672 (907) 262-6806 / 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,

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. PO BOX 39422 Ninilchik, AK 99639-0422
Phone: 907-567-3988 seniors@ptialaska.net 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 22, 2014
Rep. Paul Seaton
State Capitol Room 102
Juneau, AK 99801

Re: HB 75 and Repeal of the Audit Requirements for Organizations to participate in Pick.Click.Give.

Dear Representative Seaton,

Several months ago, I was contacted by Sherri Burkhart Reddick of the Anchorage Symphony Orchestra (ASO), requesting a quote for a financial statement audit. When I talk to prospective clients, I try to take the time to understand why they are requesting services of me and the firm I work for, and what they hope to get out of the process. It was at this time that I became aware of the State of Alaska audit requirement surrounding the Pick.Click.Give program.

My discussion with Sherri indicated that the ASO is a well-run and financially conservative organization that supports a vital mission within Anchorage and Alaska in general. She shared with me some basic numbers about the size of the ASO and the cost involved with running it. Like many nonprofits, the ASO must make tough decisions that balance out the services offered to offer to the community with the costs associated to provide it. I get the impression that the ASO doesn't spend money where it shouldn't. Sherri then let me know how much money that organizations of similar size to the ASO have been receiving through the Pick.Click.Give program. I think the average was about $7,500 a year. As you may have seen in other letters sent to your office, the quoted price for delivering a financial statement audit for an organization is easily as much as twice this amount. I ended up giving Sherri a quote that was similar to this, while simultaneously recommending that she not accept it.

While I understand that the state does not wish to risk having PFD money being channeled to poorly run organizations, it is clear that the requirement is unfairly burdensome on small organizations where the cost does not outweigh the benefit of receiving an audit. Further, the budget threshold requirement of $250,000 is substantially lower than any other private, local, state, or Federal audit requirement that I am aware of. Common sense dictates that it would be imprudent and fiscally irresponsible to incur these additional costs so that the ASO or other organizations like it could participate in Pick.Click.Give. knowing that donations received through the program would likely fall short of covering the additional expenditure resulting in a net loss to the ASO.

As a practicing CPA, I support House Bill 75 and the repeal of the audit requirement for non-profits with budgets over $250,000 to participate in the Pick. Click. Give. program.

Thank you for sponsoring HB 75 and for your efforts to make more of the services and programs of Alaska non-profits eligible to receive donations through Pick. Click. Give.

Sincerely,

Michael Fink, CPA
Anchorage, AK

January 22, 2014

Rep. Paul Seaton
State Capitol Room 102
Juneau, AK 99801

Re: HB 75 and Repeal of the Audit Requirements for Organizations to participate in Pick.Click.Give.

Dear Representative Seaton,

The Anchorage Symphony Orchestra strongly supports House Bill 75 and the repeal of the audit requirement for non-profits with budgets over $250,000 to participate in the Pick. Click. Give. program.

The Anchorage Symphony has not participated in Pick.Click.Give. since 2009 because we do not have annual audits. While we are not required to have audits by any local, state or federal agency, or any corporate or foundation donor, we do believe that it is good practice to have an independent CPA perform an annual review of our financial statements. The annual review and preparation of our 990 IRS report exceeds $8,500; an annual audit would more than double that cost. We believe it would be imprudent and fiscally irresponsible to incur these additional costs so that we could participate in Pick.Click.Give. knowing that donations received through the program would likely fall short of covering the additional expenditure resulting in a net loss to our organization.

We understand that when Pick.Click.Give. was created it was thought that the audit requirement would provide for accountability, yet financial accountability is still maintained through the requirement of all Pick.Click.Give. recipients to annually file IRS Form 990.

Pick.Click.Give. is a meaningful program that encourages all Alaskans to be philanthropic and supports a variety of worthwhile causes throughout Alaska. It is becoming a "generosity movement" that is gaining in recognition, popularity and success. While this rise in public awareness is happening, some non-profits, who are not eligible to participate, find themselves excluded, adversely affected by community members and supporters assuming that the excluded non-profit is somehow "not in good standing."

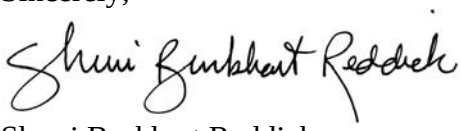
Non-profits are also encouraged to advocate for Pick.Click.Give. and publicize the program on web pages, etc. While most if not all non-profits support the program, it is not rational to publicize and advocate for a program from which you are excluded. For those of us who are excluded, we are in the awkward position of appearing unsupportive.

400 D Street, Ste 230 Anchorage, AK 99501 | 907-274-8668
Fax: 907-272-7916 | ASO@YourASO.org | AnchorageSymphony.org

The Anchorage Symphony wants to participate in Pick.Click.Give. We want to advocate for the program and help raise awareness of it within our community. Alaskans are encouraged to be philanthropic through the program and organizations statewide are benefiting. Through HB 75 more Alaskans will be served by the missions and endeavors of the non-profit sector as more non-profit organizations are eligible to participate in Pick. Click. Give.

Thank you for sponsoring HB 75 and for your efforts to make more of the services and programs of Alaska non-profits eligible to receive donations through Pick. Click. Give.

Sincerely,



Sherri Burkhart Reddick
Executive Director

cc:
Rep. Dan Saddler
Rep. Gabrielle LeDoux
Rep. Max Gruenberg
Rep. Andrew Josephson
Rep. Harriet Drummond
Rep. Geran Tarr
Rep. Les Gara
Rep. Lindsey Holmes
Rep. Mia Costello
Rep. Craig Johnson
Rep. Chris Tuck
Rep. Bob Lynn
Rep. Charisse Millett
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Sen. Bill Wielechowski
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Sen. Hollis French
Sen. Lesil McGuire
Sen. Kevin Meyer
Sen. Anna Fairclough
Sen. Cathy Giessel
Sen. Fred Dyson

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25th Anniversary Honorary Chair

John Tracy,
25th Anniversary Chair

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ALASKA CENTER FOR THE PERFORMING ARTS
www.myalaskacenter.com/25

621 W. 6th Avenue
Anchorage, AK 99501
Phone: (907) 263-2900

January 22, 2014

Rep. Paul Seaton
State Capital Room 102
Juneau, AK 99801

RE: Audit Requirements for Contributions from Pick, Click, Give

Dear Representative Seaton,

Pick, Click, Give (PCG) was conceived and initiated as a program to encourage Alaskans to make contributions to their favorite charitable organizations through their Permanent Fund Dividends. Over the short life of this program, its success is obvious. Unfortunately, many of our favorite charitable organizations are unable to benefit from access to these potential donors because of the onerous audit requirements. Organizations with smaller budgets just cannot afford to spend in excess of $10,000 for this purpose alone.

The long-term success of PCG will come if all of our charitable organizations have access to the program. I strongly support HB75 and the removal of the audit requirement for non-profit organizations to participate in PCG.

Thank you for your efforts in bringing HB75 to the legislature. I look forward to the bill becoming law soon.

Sincerely,

NANCY HARBOUR
President

Note: The Alaska Center for the Performing Arts, Inc. is a non-profit, 501(c)3 organization with a budget of $2.5M. We are required by our contractual obligation to the Municipality of Anchorage as the managers of the facility to have an annual audit which last year cost nearly $18K. We participate in the PCG program and have received contributions since its inception.

ANCHORAGE OPERA
The Schuyler Opera Center
1507 Spar Avenue • Anchorage, AK 99501
907-279-2557 • AnchorageOpera.org

22 January 2014

Rep. Paul Seaton
State Capital Room 102
Juneau, AK 99801

Re: Audit Requirements for Contributions from Pick, Click, Give

Dear Representative Seaton,

On behalf of the Board of Directors of the Anchorage Opera, 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, Anchorage Opera will not be able to participate in the program as it would be irresponsible of our organization to spend up to $10,000 annually on an audit, in order to receive $2,000 - $3,000 in donations. Additionally, exclusion from the Pick, Click, Give listing of statewide non-profits adversely affects our organization as donors assume there is something wrong with the organization because Anchorage Opera is not listed.

It is important to the long-term success of Pick, Click, Give that the all nonprofit organizations participate on a level playing field. HB 75 levels the field and does so while still allowing for all nonprofit organizations to be accountable.

Thank you for your efforts in bringing HB75 to the legislature. We look forward to the bill becoming law soon.

Sincerely,

Kevin Patterson
Executive Director