

HB

302

<TARGET><BILL>HB 302</BILL><SUBJECT>HB
302</SUBJECT><COMM>HFIN27</COMM></TARGET>

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB 302
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB302-DOR-PFD-02-17-12 Dept. Affected Revenue
 Title Repeal Pick-Click-Give Audit Requirement Appropriation Taxation & Treasury
 Allocation Permanent Fund Dividend Division
 Sponsor Seaton, Kawasaki, Austerman, Thomas, Munoz
 Requester (H) FIN OMB Component Number 981

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							
---------------------------	--	--	--	--	--	--	--

Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial fiscal note.

Prepared by Debbie Bitney, Director
 Division Permanent Fund Dividend
 Approved by Alicia Egan, Legislative Liaison
Department of Revenue

Phone 907-465-4785
 Date/Time 2/17/12 4:09 PM
 Date 2/17/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. HB 302

Analysis

This bill negates the requirement of audits of the process that determines the eligibility of non-profits receiving donations through the Pick Click Give process. There is no fiscal impact to the Permanent Fund Dividend Division.

CS FOR HOUSE BILL NO. 302(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES SEATON, Kawasaki, Austerman, Thomas, Muñoz

A BILL

FOR AN ACT ENTITLED

1 **"An Act requiring each campus or program of the University of Alaska to apply to be**
2 **included on the contribution list for contributions from permanent fund dividends;**
3 **requiring a university to pay an application fee for each program or campus separately**
4 **listed on the contribution list for contributions from permanent fund dividends; and**
5 **repealing certain audit requirements for entities receiving contributions from**
6 **permanent fund dividends."**

7 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

8 *** Section 1.** AS 43.23.062(f) is amended to read:

9 (f) The department shall charge an application fee of \$250 for each
10 educational organization, community foundation, [OR] charitable organization,
11 university program, or university campus that files an application under (d) or (m)
12 of this section. The application fees shall be separately accounted for under
13 AS 37.05.142. The annual estimated balance in the account maintained under

1 AS 37.05.142 for application fees collected under this subsection may be appropriated
2 for costs of administering this section.

3 * **Sec. 2.** AS 43.23.062 is amended by adding a new subsection to read:

4 (m) The University of Alaska must apply separately for each campus or
5 program to be listed on the contribution list for the current dividend year in the manner
6 prescribed by the department.

7 * **Sec. 3.** AS 43.23.062(d)(8) is repealed.

Adopted
2/27/12

27-LS1264I
Kirsch
2/23/12

CS FOR HOUSE BILL NO. 302(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVES SEATON, Kawasaki, Austerman, Thomas, Muñoz

A BILL

FOR AN ACT ENTITLED

1 **"An Act requiring each campus or program of the University of Alaska to apply to be**
2 **included on the contribution list for contributions from permanent fund dividends;**
3 **requiring a university to pay an application fee for each program or campus separately**
4 **listed on the contribution list for contributions from permanent fund dividends; and**
5 **repealing certain audit requirements for entities receiving contributions from**
6 **permanent fund dividends."**

7 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

8 *** Section 1.** AS 43.23.062(f) is amended to read:

9 (f) The department shall charge an application fee of \$250 for each
10 educational organization, community foundation, [OR] charitable organization,
11 university program, or university campus that files an application under (d) or (m)
12 of this section. The application fees shall be separately accounted for under
13 AS 37.05.142. The annual estimated balance in the account maintained under

1 AS 37.05.142 for application fees collected under this subsection may be appropriated
2 for costs of administering this section.

3 * **Sec. 2.** AS 43.23.062 is amended by adding a new subsection to read:

4 (m) The University of Alaska must apply separately for each campus or
5 program to be listed on the contribution list for the current dividend year in the manner
6 prescribed by the department.

7 * **Sec. 3.** AS 43.23.062(d)(8) is repealed.

Helen Phillips

From: Heather Beggs
Sent: Wednesday, February 22, 2012 12:12 PM
To: House Finance Legislation
Subject: RE: HB 302 committee packet

Callers off-net for HB302 today are:

Kathleen Light from Ketchikan Area Arts and Humanities Council

Jordan Marshall, Rasmuson Foundation

Mike Walsh, Foraker Group

Mike Kolasa, Literacy Council of Alaska (Fairbanks)

In-person testimony = Nancy DeCherney, Juneau Arts and Humanities Council

Thanks,
Heather

Heather Beggs

Staff, Representative Paul Seaton

Heather_Beggs@legis.state.ak.us

(907) 465-2028

From: House Finance Legislation
Sent: Tuesday, February 21, 2012 4:44 PM
To: Heather Beggs
Subject: RE: HB 302 committee packet

Just in case you didn't hear from Joe:

855-463-5009

Helen

*Helen A. Phillips
Committee Assistant
House Finance Committee
Capitol, Room #519
465-6258*

From: Heather Beggs
Sent: Tuesday, February 21, 2012 2:54 PM
To: House Finance Legislation
Subject: RE: HB 302 committee packet

Hi Joe –

Can you provide me with the off-net number for testimony at tomorrow's House Finance Committee? We have Kathleen Light from Ketchikan Area Arts and Humanities Council and a Fairbanks caller as well (TBD).

Alaska State Legislature

State Capitol, Room 102
Juneau, AK 99802
Phone: 465-2689
Fax: 465-3472
Toll Free (800) 665-2689
Representative_Paul_Seaton@legis.state.ak.us



345 W. Sterling Highway
Suite 102B
Homer, AK 99603
Phone: 235-2921
Fax: 235-4008

REPRESENTATIVE Paul Seaton

District 35

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. Current federal regulations require a non-profit 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. Alaskan non-profits which meet all other qualifications for the Pick.Click.Give program are fiscally responsible to the IRS and are subject to such audit requirements as fit their budget level.

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.

Staff Contact: Heather Beggs, 465-2028

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.

P.O. Box 1560, Cordova, AK 99574

tel 907.424.3334

web www.copperriver.org

Board of Directors

Denny Patnode, Gakona
Brad Reynolds, Cordova
Tamara Hamby, Treasurer, Glennallen

Beth Poole, Secretary, Cordova
Gloria Stickwan, Tazlina
C.D. McCurry, Kenny Lake

Pamela Moe, Cordova
Molly Mulvaney, Cordova

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

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

(907) 456-4729 Ext. 121

(907) 456-4623 FAX

(907) 978-8508 Cell

mpayne@fcaalaska.org

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

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 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

--

Geoffrey Orth, Board President
Alaska Trails www.alaska-trails.org
P.O. Box 100627
Anchorage, AK 99510-0627
Anch: 907.334-8049 Fbks: 907.479.0014
geoffrey.orth@alaska-trails.org

Pick.Click.Give:

The program was created by the 25th Alaska State Legislature as House Bill 166. The program allows Alaskans who file online to donate all or part of their PFD to campuses of the University of Alaska, community foundations, and eligible charitable and educational organizations.

Donations through the program are unrestricted gifts which are sent in their entirety to the specified organizations.

The three year pilot program was funded by the Rasmuson Foundation. Pick.Click.Give is now a permanent part of the PFD program.

Starting in 2012, administration of the program will be funded by an eligibility application fee paid by applying organizations.

-Information compiled by staff Taneeka Hansen, based on the 2008 HB 166 and

<http://www.pickclickgive.org/index.cfm/about-the-program>

Alaska Statute 43.23.062

Sec. 43.23.062 Contributions from dividends.

(a) Notwithstanding AS 43.23.069, the Department of Revenue shall prepare the electronic Alaska permanent fund dividend application to allow an applicant who files electronically to direct that money be subtracted from the dividend payment and contributed to one or more of the educational organizations, community foundations, or charitable organizations that appear on the contribution list contained in the application. A contribution to an organization may be \$25, \$50, \$75, \$100, or more, in increments of \$50, up to the total amount of the permanent fund dividend that the applicant is entitled to receive. If the total amount of contributions elected by an applicant exceeds the amount of the permanent fund dividend that the applicant is entitled to receive, contributions shall be deducted from the dividend in the order of priority elected by the applicant on the application until the entire amount of the dividend that the applicant is entitled to receive is allocated for contribution. The electronic dividend application form must include notice that no money contributed will be used for administrative costs incurred in implementing this section, and money from the dividend fund will not be used for that purpose.

(b) The department shall list each campus of the University of Alaska and shall list each other educational organization, community foundation, or charitable organization eligible under (c) and (d) of this section on the contribution list. The department shall maintain an electronic database for the contribution list that is accessible to the public and that permits searches by organization name, geographic location, and type. The department shall provide a statement of the contributions made by an individual that is suitable for federal income tax purposes to each individual who elects to contribute under (a) of this section.

(c) The department may not include a charitable organization, other than a community foundation, on the contribution list for a dividend year unless the purpose of the charitable organization is to provide services for youth development, workforce development, arts and culture, aid and services to the elderly, low-income individuals, individuals in emergency situations, victims of crime, disabled individuals, individuals with mental illness, primary, vocational, and higher education, health and dental care, recreational facilities, child abuse and neglect, economic development, food assistance, libraries, public broadcasting, recycling of waste, animal rescue, and zoos. The department may not include on the contribution list an educational organization, community foundation, or charitable organization that is the affiliate of a group. For purposes of this subsection,

(1) "affiliate" means an organization or foundation that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with, a group;

(2) "group" has the meaning given in AS 15.13.400(8)(B).

(d) Except for each campus of the University of Alaska, the department may include an educational organization, community foundation, or charitable organization on the contribution list for a current dividend year only if the organization

(1) before March 31 of the qualifying year, files an application for inclusion on the list for that dividend year on the form required by the department;

(2) is exempt from taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code) as an educational or a charitable organization on the date of application;

(3) was qualified for tax exempt status under 26 U.S.C. 501(c)(3) (Internal Revenue Code) as an educational or a charitable organization during the two calendar years that immediately precede the year the application is filed;

(4) unless exempted under federal law, has a current Internal Revenue Service Form 990 on file with the United States Department of the Treasury, Internal Revenue Service, or, if the Internal Revenue Service has granted a filing extension for the current year, has on file that form for the immediately preceding year;

(5) is directed by a voluntary board of directors or local advisory board, a majority of whose members are residents of the state;

(6) if a community foundation, provided in the state aid during the two calendar years that immediately precede the year the application is filed, or, if an education organization or charitable organization, provided in the state services during the two calendar years that immediately precede the year the application is filed;

(7) receives at least \$100,000 or five percent of its total annual receipts, whichever is less, from contributions;

(8) has completed and provided to the department a financial audit with an unqualified opinion conducted by an independent certified public accountant for the fiscal year to which the Internal Revenue Service Form 990 required under (4) of this subsection applies, or if the organization is exempted from filing Form 990, for the fiscal year of the organization that ended immediately before the current fiscal year; this paragraph applies only to an organization with a total annual budget that exceeds \$250,000 during the fiscal year to which the audit required under this paragraph applies; and

(9) does not make grants or contributions to an organization that is exempt from taxation under 26 U.S.C. 501(c)(4) or (6).

(e) Unless an appropriation specifically directs that the money be used for costs incurred in implementing this section, the department may not use money from the dividend fund for administrative costs incurred in implementing this section, even if it has been appropriated for costs of administering the dividend program. The department may not use money contributed under (a) of this section for administrative costs incurred in implementing this section. Contributions shall be distributed to each organization as soon as practicable.

(f) The department shall charge an application fee of \$250 for each educational organization, community foundation, or charitable organization that files an application under (d)

of this section. The application fees shall be separately accounted for under AS 37.05.142. The annual estimated balance in the account maintained under AS 37.05.142 for application fees collected under this subsection may be appropriated for costs of administering this section.

(g) The department may use an agent or enter into a contract for the implementation and operation of the contribution program under this section. Before executing a contract with a corporation or other organization, the organization must provide a copy of its policies and procedures to the department. A contract entered into under this subsection is exempt from AS 36.30 (State Procurement Code).

(h) A public agency that claims a dividend on behalf of an individual under AS 43.23.015(e) may not elect to make contributions from the dividend under (a) of this section.

(i) The department may adopt regulations under AS 44.62 (Administrative Procedure Act) to carry out the provisions of this section. Notwithstanding this subsection and other provisions of law, a state agency, including the department, may not adopt regulations or otherwise impose requirements or procedures on organizations to implement, interpret, make specific, or otherwise carry out the provisions of this section unless required by the federal government. If an organization disagrees with an action of the department under this section and requests an administrative hearing, the hearing shall be conducted by the office of administrative hearings (AS 44.64.010).

(j) By January 20 of each year, the department shall prepare a report identifying the organizations on the contribution list for the immediately preceding year, together with the amount of contributions made to each of the organizations, and shall notify the legislature that the report is available.

(k) A community foundation may not deposit contributions received under this section into a fund that would be included in the definition of a donor advised fund under 26 U.S.C. 4966(d)(2) (Internal Revenue Code).

(l) In this section, "community foundation" means a nonprofit, autonomous, philanthropic institution that is organized and operated primarily as a permanent collection of endowed funds for the long-term benefit of a defined geographic area within one or more municipalities, that has a long-term goal of increasing its permanent unrestricted charitable endowment to benefit the area served, that primarily provides benefits by making grants and may also provide other forms of charitable services, that makes grants that are not limited to providing one type of benefit or to serving one population segment, and that makes grants to multiple grantees.

Audits:

From the Office of Management and Budget*:

Section .200

(a) Audit required. Non-Federal entities that expend \$300,000(*\$500,000 for fiscal years ending after December 31, 2003*) or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part. Guidance on determining Federal awards expended is provided in §___.205.

(d) Exemption when Federal awards expended are less than \$300,000(*\$500,000 for fiscal years ending after December 31, 2003*). Non-Federal entities that expend less than \$300,000 (*\$500,000 for fiscal years ending after December 31, 2003*) a year in Federal awards are exempt from Federal audit requirements for that year, except as noted in §___.215(a), but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and General Accounting Office (GAO).

Also

Section .230

(a) Allowable costs. Unless prohibited by law, the cost of audits made in accordance with the provisions of this part are allowable charges to Federal awards.

*Information excerpted from the Office of Management and Budget's Circular No. A-133 Revised to show changes published in the Federal Register June 27, 2003 and June 26, 2007 Audits of States, Local Governments, and Non-Profit Organizations: Subpart B- audits



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



LITERACY COUNCIL of ALASKA

517 Gaffney Road, Fairbanks, AK 99701 • Phone (907)456-6212 • Fax (907)456-1302 • 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

_____ A Member Agency of United Way _____



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

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 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
www.KetchikanArts.org
p 907-225-2211
f 907-225-4330

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

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 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 served 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



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