

SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE, Nos. 844 and 2533**

---

**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

---

ADOPTED MARCH 11, 2021

**Sponsored by:**

**Senator NELLIE POU**

**District 35 (Bergen and Passaic)**

**Senator LINDA R. GREENSTEIN**

**District 14 (Mercer and Middlesex)**

**Co-Sponsored by:**

**Senator A.M.Bucco**

**SYNOPSIS**

Revises reporting requirements for charitable organizations and non-profit corporations.

**CURRENT VERSION OF TEXT**

Substitute as adopted by the Senate Commerce Committee.



**(Sponsorship Updated As Of: 3/15/2021)**

1 AN ACT concerning reporting requirements of charitable  
2 organizations and non-profit corporations and amending  
3 P.L.1994, c.16 and N.J.S.15A:4-5.  
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:  
7

8 1. Section 7 of P.L.1994, c.16 (C.45:17A-24) is amended to  
9 read as follows:

10 7. a. Every charitable organization operating or soliciting  
11 within this State, except for those provided for in section 8 of this  
12 act or exempt pursuant to section 9 of this act, shall file a long form  
13 registration statement with the Attorney General.

14 b. The long form shall contain the following:

15 (1) The name of the organization and any other name or names  
16 under which it intends to solicit contributions and the purposes for  
17 which it was organized;

18 (2) The name, street address and telephone number of each  
19 officer, director and trustee and each principal salaried executive  
20 staff employee and whether the person has been adjudged liable in  
21 an administrative or civil action, or convicted in a criminal action,  
22 involving theft, fraud or deceptive business practices. For the  
23 purposes of this paragraph:

24 (a) a plea of guilty, non vult, nolo contendere or any similar  
25 disposition of alleged criminal activity shall be deemed a  
26 conviction;

27 (b) "each principal salaried executive staff employee" shall be  
28 limited to no more than the five most highly compensated  
29 employees in the organization; and

30 (c) a judgment of liability in an administrative or civil action  
31 shall include, but not be limited to, any finding or admission that  
32 the officer, director, trustee or principal salaried executive staff  
33 employee engaged in an unlawful practice or practices related to the  
34 solicitation of contributions or the administration of charitable  
35 assets, regardless of whether that finding was made in the context of  
36 an injunction, a proceeding resulting in the denial, suspension or  
37 revocation of an organization's registration, consented to in an  
38 assurance of voluntary compliance or any similar order or legal  
39 agreement with any state or federal agency.

40 (3) A copy of the most recent Internal Revenue Service Form  
41 990 and Schedule A (990) for every registrant if the organization  
42 filed these forms;

43 (4) A clear description of the specific programs and charitable  
44 purpose for which contributions will be used and a statement  
45 whether such programs are planned or are in existence;

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is  
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

- 1 (5) A statement disclosing pertinent information concerning  
2 whether any of the organization's officers, directors, trustees or  
3 principal salaried executive staff employees as defined in  
4 subparagraph (b) of paragraph (2) of subsection b. of this section:
- 5 (a) Are related by blood, marriage or adoption to each other or  
6 to any officers, agents or employees of any fund raising counsel or  
7 independent paid fund raiser under contract to the organization, or  
8 are related by blood, marriage or adoption to any chief executive  
9 employee, any other employee of the organization with a direct  
10 financial interest in the transaction, or any partner, proprietor,  
11 director, officer, trustee, or to any shareholder of the organization  
12 with more than a two percent interest of any supplier or vendor  
13 providing goods or services to the organization and, if so, the name  
14 and business and home address and telephone number of each  
15 related party; or
- 16 (b) Have a financial interest in any activity engaged in by a fund  
17 raising counsel or independent paid fund raiser under contract to the  
18 organization or any supplier or vendor providing goods or services  
19 to the organization and, if so, the name and business address and  
20 telephone number of each interested party.
- 21 (6) The amount of any grant or financial assistance from any  
22 agency of government in its preceding fiscal year;
- 23 (7) A statement setting forth the place where and the date when  
24 the organization was legally established and the form of the  
25 organization;
- 26 (8) The principal street address and telephone number of the  
27 organization and the address and telephone number of each office in  
28 this State. If the organization does not maintain an office in this  
29 State, the name and address of the individual having custody of its  
30 financial records pertaining to operations or solicitations in this  
31 State shall be disclosed;
- 32 (9) The name, street address and telephone number of each  
33 affiliate which shares in the contributions or other revenue raised in  
34 this State;
- 35 (10) The date when the organization's fiscal year ends;
- 36 (11) A statement whether:
- 37 (a) The organization is authorized by any other state to solicit  
38 contributions and, if so, a listing of the states in which authorization  
39 has been obtained;
- 40 (b) The organization is or has ever been enjoined in any  
41 jurisdiction from soliciting contributions or has been found to have  
42 engaged in unlawful practices in the solicitation of contributions or  
43 the administration of charitable assets;
- 44 (c) The organization's registration has been denied, suspended  
45 or revoked by any jurisdiction, together with the reasons for that  
46 denial, suspension or revocation; and

1 (d) The organization has voluntarily entered into an assurance of  
2 voluntary compliance agreement or any similar order or legal  
3 agreement with any jurisdiction or federal agency or officer;

4 (12) Whether the organization intends to solicit contributions  
5 from the general public; and

6 (13) Any other information as may be prescribed by rules  
7 adopted by the Attorney General. In prescribing the requirements  
8 of the long form, the Attorney General shall permit a charitable  
9 organization to incorporate by reference any information reported  
10 by the organization on its Service Form 990 and Schedule A (990).

11 c. With initial registration only, every charitable organization  
12 required to file a long form registration shall also file a copy of the  
13 organization's charter, articles of organization, agreement of  
14 association, instrument of trust, constitution or other organizational  
15 instrument and bylaws, and a statement setting forth the  
16 organization's tax exempt status with copies of federal or state tax  
17 exemption determination or exemption ruling letters; provided that  
18 any changes in the accuracy of this information shall be reported to  
19 the Attorney General pursuant to subsection e. of section 14 of this  
20 act.

21 d. (1) Every charitable organization required to file a long  
22 form registration shall file an annual financial report with the  
23 Attorney General. The annual financial report shall include: a  
24 balance sheet; a statement of support revenue, expenses and  
25 changes in fund balance; a statement of functional expenses at least  
26 divided into program, management, general, and fund raising; and  
27 such other information as the Attorney General shall by rule  
28 require.

29 (2) The annual financial report of every charitable organization  
30 which received gross revenue in excess of ~~[\$250,000]~~ \$500,000 in  
31 monetary donations, or any greater amount that the Attorney  
32 General may prescribe by regulation, during its most recently  
33 completed fiscal year shall be accompanied by: (a) a financial  
34 statement prepared in accordance with generally accepted  
35 accounting principles or other comprehensive basis of accounting  
36 approved for use by the Attorney General by regulation which has  
37 been audited in accordance with generally accepted auditing  
38 standards by an independent certified public accountant; and (b) any  
39 management letters prepared by the auditor in connection with the  
40 audit commenting on the internal accounting controls or  
41 management practices of the organization.

42 The annual financial reports of all organizations receiving more  
43 than \$25,000 but less than ~~[\$250,000]~~ \$500,000 in monetary  
44 donations, or any greater amount that the Attorney General may  
45 prescribe by regulation, shall be certified by the organization's  
46 president or other authorized officer of the organization's governing  
47 board and at the request of the Attorney General, the organization  
48 shall submit: (a) a financial statement prepared in accordance with

1 generally accepted accounting principles or other comprehensive  
2 basis of accounting approved for use by the Attorney General by  
3 regulation which has been audited in accordance with generally  
4 accepted auditing standards by an independent certified public  
5 accountant; and (b) any management letters prepared by the auditor  
6 in connection with the audit commenting on the internal accounting  
7 controls or management practices of the organization.

8 Notwithstanding any other provision of law to the contrary, non-  
9 monetary donations in the form of in-kind contributions directly  
10 related to any stated purpose or mission of the charitable  
11 organization, including food for food pantries or food banks,  
12 supplies for shelters, and such other forms of in-kind contributions  
13 as may be permitted by the Attorney General, shall not constitute  
14 gross revenue with respect to the requirement of an annual financial  
15 report with a financial statement audited by an independent certified  
16 public accountant under this subsection. In addition to any other  
17 requirement under this subsection, annual financial reports and  
18 statements shall include a summary of all non-monetary in-kind  
19 contributions and the value attributed to those contributions.

20 (3) The Attorney General may accept a copy of a current  
21 financial report previously prepared by a charitable organization for  
22 another state agency or officer in compliance with the laws of that  
23 state, provided that the report filed with the other state agency or  
24 officer shall be substantially similar in content to the report required  
25 by this subsection.

26 (4) An independent member agency of a federated fund raising  
27 organization shall independently comply with the provisions of this  
28 subsection.

29 e. In order to register its qualified local units pursuant to  
30 subsection d. of section 9 of this act, a parent organization  
31 registered pursuant to this section shall include with its initial  
32 registration and annual renewal statement a separate statement that  
33 provides the following:

34 (1) The name, principal street address, and phone number of all  
35 local units within this State that it is registering;

36 (2) The amount of gross contributions received by each such  
37 unit and the purpose or purposes for which these funds were raised  
38 in the preceding fiscal year; and

39 (3) A statement asserting that each such local unit has provided  
40 the parent organization with a written statement reporting the  
41 information included on its behalf and asserting that the local unit  
42 meets all of the requirements of subsection d. of section 9 of this  
43 act.

44 f. Any management letters prepared by the auditor in  
45 connection with the audit commenting on the internal accounting  
46 controls or management practices of the organization submitted  
47 pursuant to paragraph (2) of subsection d. of this section shall not

1 be considered a public record under P.L.1963, c.73 (C.47:1A-1 et  
2 seq.) or P.L.2001, c.404 (C.47:1A-5 et al.), shall not be made  
3 available for public inspection nor used for a purpose inconsistent  
4 with P.L.1994, c.16 (C.45:17A-18 et seq.), and shall be removed  
5 from the record in the custody of the Attorney General at such time  
6 that such information is no longer necessary for the enforcement of  
7 that act. The records required pursuant to this section shall be  
8 maintained for a period of at least three years after the end of the  
9 period of time to which they relate.

10 (cf: P.L.2005, c.283, s.3)

11  
12 2. N.J.S.15A:4-5 is amended to read as follows:

13 15A:4-5. a. Every domestic corporation and every foreign  
14 corporation authorized to conduct activities in this State shall file in  
15 the office of the State Treasurer, within the time prescribed by this  
16 section, an annual report, executed on behalf of the corporation,  
17 setting forth:

18 (1) the name of the corporation and, in the case of a foreign  
19 corporation, the jurisdiction of its incorporation;

20 (2) the address, including the actual location as well as postal  
21 designation, if different, of the registered office of the corporation  
22 in this State, and the name of its registered agent in this State at that  
23 address, and, if a foreign corporation, the address of its main or  
24 headquarters office; and

25 (3) the names and addresses of the trustees and the officers of  
26 the corporation, which addresses shall be either the residence  
27 address of that person or other address where that person regularly  
28 receives mail and which is not the address of the corporation.

29 b. The State Treasurer shall designate a date for filing annual  
30 reports for each corporation required to submit a report pursuant to  
31 this section and shall annually notify the corporation of the date so  
32 designated not less than 60 days prior to that date. The corporation  
33 shall file the report within 30 days before or within 30 days after the  
34 date so designated. If the date so designated is not more than six  
35 months after the date on which an annual report pursuant to the  
36 provisions of prior law was filed or on which the certificate of  
37 incorporation became effective, the corporation shall not be  
38 required to file an annual report until one year after the first  
39 occurrence of the date so designated.

40 c. If the report is not filed for two consecutive years, the  
41 certificate of incorporation of the corporation or the certificate of  
42 authority of a foreign corporation shall, after written demand for the  
43 reports by the State Treasurer by certified mail addressed to the  
44 corporation at the last address appearing of record in the office of  
45 the State Treasurer, be revoked for the failure to file reports. No  
46 corporation shall be subject to the revocation of its certificate of  
47 incorporation or its certificate of authority if it shall, within 60 days  
48 after the written demand, file the reports required by law and pay to

1 the State Treasurer the fee provided by law for the filing of each  
2 report. Any corporation having its certificate of incorporation or its  
3 certificate of authority revoked may cause a reinstatement of the  
4 certificate upon payment to the State Treasurer of: the fee then  
5 payable upon the filing of the certificate of incorporation; a current  
6 annual report fee; and payment of a reinstatement filing assessment  
7 as set forth in N.J.S. 15A:15-1. The reinstatement relates back to  
8 the date of issuance of the proclamation revoking the certificate of  
9 incorporation or the certificate of authority and shall validate all  
10 actions taken in the interim. In the event that in the interim the  
11 corporate name has become unavailable, the State Treasurer shall  
12 issue the certificate upon, in the case of a domestic corporation, the  
13 filing of an amendment to its certificate of incorporation to change  
14 the corporate name to an available name, and, in the case of a  
15 foreign corporation, the filing of an amended certificate of authority  
16 adopting an alternate name. The State Treasurer shall provide the  
17 forms necessary to effect annual report reinstatements.

18 d. The State Treasurer shall furnish annual report forms, shall  
19 keep all the reports and shall prepare an alphabetical index thereof.  
20 The reports and index shall be open to public inspection at proper  
21 hours.

22 e. The State Treasurer shall allow any annual report that is  
23 designated to be filed while Executive Order 103 of 2020 remains  
24 in effect, or up to 180 days after its conclusion, to be filed up to 180  
25 days after the conclusion of that executive order, without requiring  
26 the corporation to pay any penalty or additional fee other than the  
27 annual filing fee. The State Treasurer shall not require any  
28 corporation to pay its filing fee in advance of the date the annual  
29 report is filed pursuant to this subsection.

30 (cf: P.L.2019, c.149, s.4)

31  
32 3. Section 6 of P.L.1994, c.16 (C.45:17A-23) is amended to  
33 read as follows:

34 6. a. A charitable organization, unless exempted from  
35 registration requirements pursuant to section 9 of this act, shall file  
36 a registration statement with the Attorney General on forms  
37 prescribed by the Attorney General.

38 b. It shall be unlawful for any charitable organization to solicit  
39 contributions or have contributions solicited in its behalf before the  
40 Attorney General has been given the opportunity to review the  
41 registration statement pursuant to section 5 of this act. A renewal  
42 statement must be filed annually within six months after the close  
43 of the charitable organization's fiscal year. For good cause shown,  
44 the Attorney General may extend the time for the annual filing of  
45 the renewal statement and financial report for a period not to exceed  
46 180 days, during which time the previous registration shall remain  
47 in effect. The request for an extension shall be in writing and  
48 received by the Attorney General before the filing deadline.

1       c. All registration statements shall be signed by two authorized  
2 officers, including the chief fiscal officer of the organization, who  
3 shall certify that information contained in the registration  
4 statements is correct.

5       d. The Attorney General shall prescribe all fees for the filing of  
6 all registration statements according to the provisions of this act.  
7 The fees for the filing of registration statements by charitable  
8 organizations may be graduated based upon the amount of  
9 contributions received during the previous fiscal year. A parent  
10 organization filing on behalf of one or more local units shall pay a  
11 single annual registration fee for itself and a fee for each local unit  
12 included in the registration statement.

13       e. The Attorney General shall allow any annual filing of a  
14 renewal statement and financial report that is scheduled to be filed  
15 while Executive Order 103 of 2020 remains in effect, or up to 180  
16 days after its conclusion, to be filed up to 180 days after the  
17 conclusion of that executive order, without requiring the  
18 organization to pay any penalty or additional fee other than the  
19 annual filing fee. The Attorney General shall not require any  
20 organization to pay a filing fee in advance of the date the renewal  
21 statement and financial report are filed pursuant to this subsection.

22 (cf: P.L.1994, c.16, s.6)

23

24       4. This act shall take effect immediately.