

By: Lindsay

S.B. No. 876

A BILL TO BE ENTITLED

1 AN ACT

2 relating to financial reporting requirements of a nonprofit  
3 corporation.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Article 2.23A, Texas Non-Profit Corporation Act  
6 (Article 1396-2.23A, Vernon's Texas Civil Statutes), is amended by  
7 amending Section B to read as follows:

8 B. Based on these records, the board of directors shall  
9 annually prepare or approve a report of the financial activity of  
10 the corporation for the preceding year. The report must:

11 (1) conform to accounting standards as promulgated by  
12 the American Institute of Certified Public Accountants;

13 (2) [~~and must~~] include a statement of support,  
14 revenue, and expenses and changes in fund balances, a statement of  
15 functional expenses, and balance sheets for all funds; and

16 (3) be completed not later than the 180th day after the  
17 close of each fiscal year.

18 SECTION 2. Section 22.352, Business Organizations Code, is  
19 amended by adding Subsection (c) to read as follows:

20 (c) The financial report of a corporation must be completed  
21 not later than the 180th day after the close of each fiscal year.

22 SECTION 3. (a) Except as provided by Subsection (b) of this  
23 section:

24 (1) this Act takes effect immediately if it receives a

1 vote of two-thirds of all the members elected to each house, as  
2 provided by Section 39, Article III, Texas Constitution; and

3 (2) if this Act does not receive the vote necessary for  
4 immediate effect, this Act takes effect September 1, 2005.

5 (b) Section 2 of this Act takes effect January 1, 2006.