

BILL ANALYSIS

H.B. 2252
By: Ashby
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current procedures, charities in Texas with budgets over \$100,000 must undergo an official audit in order to qualify to receive contributions from the state employee charitable campaign. Some parties contend that a reasonable alternative for smaller organizations with budgets just over \$100,000 would be an annual review by a certified public accountant as opposed to an official audit. These parties estimate that such a review could save a smaller charity thousands of dollars per year, allowing the organization to dedicate more dollars directly to its programs. Interested parties further assert that it is not uncommon for a smaller charitable organization to have such a review instead of an audit. H.B. 2252 seeks to ease the financial burden of an official audit for smaller charitable organizations wishing to participate in a state employee charitable campaign by raising the annual budget threshold above which an official audit is required as a condition of eligibility for such participation.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2252 amends the Government Code to increase from \$100,000 to \$250,000 the threshold below which a charitable organization, to be eligible to participate in a state employee charitable campaign, must provide a completed IRS Form 990 and an accountant's review that offers full and open disclosure of the organization's internal operation. The bill increases from \$100,000 to \$250,000 the annual budget threshold above which a charitable organization, to be eligible to participate in a state employee charitable campaign, must be audited annually in accordance with generally accepted auditing standards.

EFFECTIVE DATE

September 1, 2013.