



2022-2023 Audit Committee

Annual Report to the National Board

June 10, 2023



2022-2023 Audit Committee Report



- New Challenges Added in 2022-23 and Outcomes
 - Transition to a new independent public accountant for preparation of 2021-2022 audited financial statements and tax informational filings - as anticipated, but generally smooth.
 - Monitoring submission of annual compliance filings by the Chapters – still in process
 - Monitoring and evaluating insurance policies owned by National and provided by ASG for the benefit of National – National-owned policies (general liability, directors & officers liability, and crime/fraud) are in place, but with increased annual premiums; assessment of ASG policy is in process

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- **Future Challenges in 2023-2024**

- California statute regarding registration and reporting by “Charity Fund Raising Platforms” such as Go Fund Me. became effective on January 1, 2023
 - This statute applies to all entities that engage in solicitation of donations on behalf of nonprofit entities.
 - This statute requires registration with the California Attorney General by the charity fund raising platform and reporting of the nonprofits for which solicitations were made and which received donations via the charity fund raising platform.
 - Proposed regulations are being drafted by the Office of the California Attorney General and slated to become effective on Jan 1, 2024 - but final regulations have not been issued.

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- Future Challenges in 2023-2024 (cont'd)
 - Based on the statute and the proposed regulations, if National maintains its current practice of soliciting and receiving donations to forward to a Chapter in accordance with a donor's stated directions, National would likely be
 - Deemed to be a charity fund raising platform;
 - Required to register and to report on its solicitation collection and payment practices; and
 - Prevented from paying collected donations to a nonprofit that is not registered with the California Attorney General's Registry of Charitable Trust; i.e., all 11 non-California Chapters.
 - Thus, an evaluation is underway of the revamping of National's donation page with the goal of January 1, 2024.