



Not-for-Profit Client Alert

August 2010

New Massachusetts Public Charity Law



Kristin E. La Bonté, CPA
KPM Senior Tax Manager

On July 19, 2010, Governor Deval Patrick signed into law Senate Bill 2117 (Chapter 165 of the Acts of 2010) "An Act Further Regulating Public Charities". This new law, which will be effective January 1, 2011, will further regulate public charities engaging in charitable work or soliciting funds in the Commonwealth.

Some of the main changes, as a result of this new legislation, are as follows:

Initial Registration Fee

All public charities must register with the Massachusetts Attorney General's office prior to engaging in charitable work or soliciting funds in the Commonwealth. As part of this new law, there is also a one-time initial registration fee of \$100.

Increased Filing Fees for Form PC

Prior to this new law taking effect, the filing fees for the Form PC are as follows: organizations with gross support and revenue of less than \$100,000 - \$35; gross support and revenue of \$100,001 to \$250,000 - \$70; gross support and revenue of \$250,001 to \$500,000 - \$125; and gross support and revenue of more than \$500,000 - \$250.

With the passing of this law, three additional filing fee tiers have been added. Organizations with gross support and revenue between \$500,001 and \$1,000,000 would pay \$250. Organizations with gross support and revenue between \$1,000,001 and \$10,000,000, the filing fee will be \$500. Organizations with gross support and revenue of more than \$10,000,000, but not more than \$100,000,000, the filing fee will be \$1,000, and for those organizations with gross support and revenue over \$100,000,000, the filing fee will be \$2,000. These

increased filing fees are effective for years ended on or after December 31, 2010.

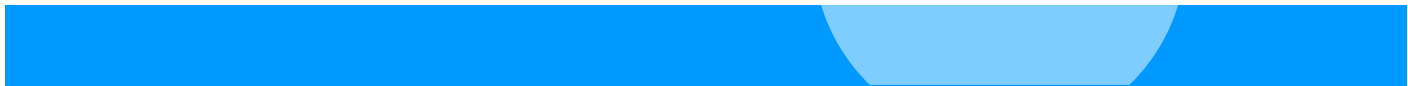
Increased Penalties for Failure to File

Failure to comply with the filing requirements for the Form PC or registration requirements will result in a notice being received by the delinquent organization. The organization will have 30 days from the date that the notice is mailed to come into compliance. If the organization does not bring itself into compliance within that 30-day period, without reasonable cause, civil penalties may be imposed in an amount up to \$50 per day for each day subsequent to the 30-day period up to a maximum penalty of \$10,000.

In addition, this penalty may be assessed against a responsible officer or agent of the public charity, if it is found that the responsible party had the authority to bring the

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"Public charities operating in Massachusetts may be facing additional fees due to the passage of the new law."





Kevin P. Martin & Associates, P.C.

Phone: 781.380.3520 Fax: 781.380.7836

E-mail: kpmnewsletter@kpmonline.com

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organization into compliance, but neglected or refused to do so.

Changes related to Professional Solicitors

The new law also made some changes to the requirements for professional

solicitors, professional fundraising counsel, and commercial co-venturers. Some of these changes include increased registration fees and an increase to the bond required to be held from \$10,000 to \$25,000.

Guidance on Voluntary Dissolution

The new law provides guidance on the procedures necessary for an organization to voluntarily dissolve including separate provisions for organizations that have no remaining assets vs. those which do have remaining assets.

KPM Affordable Housing Program

KPM is a proud Level A sponsor of the 17th Annual NASLEF (National Association of Equity Funds) Conference presented in Boston at the Omni Parker House, September 22-24, 2010.

For this year only, KPM has decided not to hold its Boston affordable housing program since it would have occurred during the same general period of time at the same hotel with the same topics. We are pleased to

support the Boston NASLEF Conference and play a significant role at the event and during the program. We have arranged for our non-member clients to attend this year's event.

This year's conference theme, *Expanding Horizons*, will provide tremendous learning and networking opportunities. Topics will include advanced credit issues, green housing, TCAP, Year 15 issues, cutting edge

compliance, underwriting in the new world, preservation, and a whole lot more.

We look forward to seeing you at this very special event in Boston in September. Registration materials may be downloaded at www.naslef.org under "conferences." For more information, contact Kevin P. Martin, Jr. at kmartinjr@kpmonline.com.

For further information or questions regarding any topics in this alert, email:

kpmnewsletter@kpmonline.com

Business Ideas at Work

10 Forbes Road, Braintree, MA 02184

100 Conifer Hill Park, Suite 303, Danvers, MA 01923

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