

LATE
SB1233

Hawaii's Better Business Bureau (BBB) supports the passage of SB 1233 as it is designed to clarify 467B by a number of fixes to include:

- allowing the AG to investigate alleged violations by mainland domiciled charities and professional fundraisers
- use of the 990 to serve as the financial report to include reporting timelines
- reduced fees assessed for filing in three instances (although BBB recommends reductions be applied to fees of \$100, \$150 and \$200 as well).

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TO: Committees on Commerce and Consumer Protection and Committee on
Judiciary and Labor

HEARING

DATE: Tuesday, February 8, 2011, 9:15 a.m.

RE: SB 1233 Relating to Solicitation of Funds from the Public

Aloha Chairs Baker and Hee, Vice Chairs Taniguchi and Shimabukuro and
Members of the Committees,

This bill makes changes to the charity registration law that went into effect the
beginning of 2009.

According to page 5, lines 5 and 6 of the bill, a charitable organization is allowed to
request an extension of time to file by submitting "a copy of the IRS's approved
extension of time to file." It is unclear what is meant by "approved extension." If
this refers to the form used by organizations to make a request for extension, please
consider revising the wording to indicate that the IRS's Form 8868 is acceptable.

If the intention is for the organization to submit a copy of IRS Notice CP211A,
Application for Extension of Time to File an Exempt Organization Return, it is
important to note it may not be possible for the organization to comply with this
mandate in a timely manner. In my experience, it takes weeks and sometimes a
couple of months for the IRS to send out these notices. In the time that it takes the
IRS to send the letter, an organization may have already completed their Form 990
or 990EZ. If this is the intention, please consider revising the requirements to allow
organizations to submit the Form 8868 in lieu of the IRS approval letter.