

LATE



**Senate Committee on Commerce and Consumer Protection
Thursday, March 14, 2013 at 9:30 a.m.
Conference Room 229**

Chair Rosalyn Baker
Chair, Committee on Commerce and Consumer Protection
Hawaii State Senate
Honolulu, HI 96813

RE: HB791 HD1 - Relating to Nonprofit Corporations

Dear Chair Baker and members of the Senate Commerce and Consumer Protection Committee:

The Hawai'i Alliance of Nonprofit Organizations is a statewide, sector-wide professional association for nonprofits. HANO member nonprofits provide essential services to every community in the state. Our mission is to unite and strengthen the nonprofit sector as a collective force to improve the quality of life in Hawai'i.

HANO supports HB791 HD1, which adds a new section to HRS 414D, the Nonprofit Corporations Act, that gives expressly board directors of nonprofit corporations the ability to request copies of financial records if the purpose is reasonably related to the performance of the director of the corporation and as long as it does not violate any duty to the corporation or law.

We recognize there are provisions in common law that already give directors of corporations the right to access corporation financial records, but it is not specified in Hawaii's nonprofit law. While the existing HRS 414D, Section 302 gives nonprofit corporation members access to records, nothing references the specific rights of directors to access records, although we might assume that all directors are members of the corporation in most cases. Never the less, we understand this bill's intent is to specify the right of directors of nonprofit corporations to access records.

Ultimately, we support the basic tenets of transparency and information sharing to support best practices in nonprofit management and governance and thus support this clarification. Thank you for the opportunity to provide written testimony.

Mahalo,

Lisa T. Maruyama
President and CEO