

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 572

Short Title: Accountability for Publicly Funded Nonprofits. (Public)

Sponsors: Representatives Justice, Sager, Stevens, and West (Primary Sponsors).
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Finance.

March 31, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE GREATER ACCOUNTABILITY FOR NONPROFIT ENTITIES
3 THAT RECEIVE PUBLIC FUNDING.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Part 2 of Article 16 of Chapter 55A of the General Statutes is
6 amended by adding a new section to read:

7 "**§ 55A-16-24. Financial statements for the public.**

8 Notwithstanding any provisions in the articles of incorporation or bylaws, a corporation that
9 receives any public funding in the form of grants or loans from a local government, the State,
10 or the federal government shall provide its latest financial statements upon written demand
11 from any member of the public. The statements shall be substantively similar to those required
12 under G.S. 55A-16-20 but shall contain additional details about the amount of public funds
13 received and how those funds were used. Additionally, a corporation that receives public
14 funding shall provide, upon written demand from any member of the public, a copy of its most
15 recently completed and filed Internal Revenue Service Form 990. A corporation may comply
16 with the provisions of this section by maintaining on its public Web site a financial report as
17 described in this section and a copy of its most recent Internal Revenue Service Form 990."

18 **SECTION 2.** This act becomes effective October 1, 2011, and applies to nonprofit
19 corporations receiving public funding in the form of grants or loans on or after that date.

