

88 accountant with a reasonable basis for expressing limited assurance that there are no material
89 modifications that should be made to the financial statements for them to be in conformity with
90 generally accepted accounting principles.

91 (8) "State entity" means a department, commission, board, council, agency, institution,
92 officer, corporation, fund, division, office, committee, authority, laboratory, library, unit,
93 bureau, panel, or other administrative unit of the state.

94 Section 2. Section **51-2a-204** is enacted to read:

95 **51-2a-204. Grants to nonprofit corporations -- Reporting to the state auditor.**

96 (1) A state entity that grants money to a nonprofit corporation shall enter into a written
97 agreement with the nonprofit corporation that requires the nonprofit corporation to:

98 (a) disclose whether:

99 (i) it met or exceeded the requirements listed in Subsection [51-2a-102\(6\)\(f\)](#) in the
100 previous fiscal year of the nonprofit corporation; and

101 (ii) it anticipates meeting or exceeding the requirements listed in Subsection
102 [51-2a-102\(6\)\(f\)](#) in the fiscal year the grant is issued; and

103 (b) comply with the requirements of Title 63J, Chapter 9, Nonprofit Entity Receipt of
104 State Money Act.

105 (2) If the nonprofit corporation discloses to the state entity that it meets or exceeds the
106 requirements listed in Subsection [51-2a-102\(6\)\(f\)](#) as described in Subsection (1), the state
107 entity shall notify the state auditor.

108 Section 3. Section **63J-9-101** is enacted to read:

109 **CHAPTER 9. NONPROFIT ENTITY RECEIPT OF STATE MONEY ACT**

110 **Part 1. General Provisions**

111 **63J-9-101. Title.**

112 This chapter is known as the "Nonprofit Entity Receipt of State Money Act."

113 Section 4. Section **63J-9-102** is enacted to read:

114 **63J-9-102. Definitions.**

115 As used in this chapter:

116 (1) "Bylaws" means the one or more codes of rules, other than the articles of
117 incorporation, adopted for the regulation or management of the affairs of a nonprofit entity
118 irrespective of the one or more names by which the codes of rules are designated.

118a **§→ (2)(a) "Grant" means the furnishing by a state entity of state money to a nonprofit entity.**

118b **(b) "Grant" does not include a contract between a state entity and a nonprofit entity to**
118c **purchase goods or services from the nonprofit entity that was subject to the state**
118d **procurement process provided in Title 63G, Chapter 6a, Utah Procurement Code. ←§**

119 ~~§~~→ ~~[(2)] (3)~~ ←~~§~~ "Nonprofit entity" means an entity that:

120 (a) is operated primarily for a scientific purpose, educational purpose, religious
 121 purpose, charitable purpose, or similar purpose in the public interest;

122 (b) is not organized primarily for profit; and

123 (c) no part of the net earnings of which inures to the benefit of any private shareholder
 124 or individual holding an interest in the entity.

125 ~~§~~→ ~~[(3)] (4)~~ ←~~§~~ "State entity" means a department, commission, board, council, agency,
 125a institution,

126 officer, corporation, fund, division, office, committee, authority, laboratory, library, unit,
 127 bureau, panel, or other administrative unit of the state.

128 ~~§~~→ ~~[(4)] (5)(a)~~ ←~~§~~ "State money" means money that is owned, held, or administered by a
 128a state entity

129 and derived from state fee or tax revenues.

129a ~~§~~→ **(b) "State money" does not include contributions or donations received by a state**
 129b **entity.** ←~~§~~

130 Section 5. Section **63J-9-201** is enacted to read:

131 **Part 2. Provision of State Money**

132 **63J-9-201. Conditions for providing state grant money to a nonprofit entity.**

133 A state entity may not provide a nonprofit entity state money through a grant, including
 134 a pass-through funding grant, unless:

135 (1) the state entity enters into a written agreement with the nonprofit entity;

136 (2) the written agreement described in Subsection (1) requires the nonprofit entity to
 137 provide the state entity an itemized report at least annually detailing the expenditure of the state
 138 money; and

139 (3) at the time of receipt of the state money the nonprofit entity has:

140 (a) bylaws that provide for:

141 (i) the financial oversight of the state money; and

142 (ii) compliance with state laws related to the state money;

143 (b) procedures for the governing board of the nonprofit entity to designate an
 144 administrator who manages the state money; ~~§~~→ ~~§~~→ [[] and [[]] ←~~§~~ ←~~§~~

145 (c) procedures for the governing board to dismiss the administrator described by
 146 Subsection (3)(b) ~~§~~→ ~~§~~→ [[] . [[]] [~~and~~

146a **(d) procedures for compliance with Title 34A, Chapter 5, Utah Antidiscrimination Act, if the**
 146b **nonprofit entity is subject to Title 34A, Chapter 5, Utah Antidiscrimination Act.** ←~~§~~] ←~~§~~

147 Section 6. Section **63J-9-202** is enacted to read:

148 **63J-9-202. Nonprofit entity's return of state money.**

149 The state entity that provides a nonprofit entity state money in accordance with Section