

Effective 5/8/2018

Superseded 5/12/2020

51-2a-201.5 Accounting reports required -- Reporting to state auditor -- Registration as a limited purpose entity.

(1) As used in this section:

(a)

- (i) "Federal pass through money" means federal money received by a nonprofit corporation through a subaward or contract from the state or a political subdivision.
- (ii) "Federal pass through money" does not include federal money received by a nonprofit corporation as payment for goods or services purchased by the state or political subdivision from the nonprofit corporation.

(b)

- (i) "Local money" means money that is owned, held, or administered by a political subdivision of the state that is derived from fee or tax revenues.
- (ii) "Local money" does not include:
 - (A) money received by a nonprofit corporation as payment for goods or services purchased from the nonprofit corporation; or
 - (B) contributions or donations received by the political subdivision.

(c)

- (i) "State money" means money that is owned, held, or administered by a state agency and derived from state fee or tax revenues.
- (ii) "State money" does not include:
 - (A) money received by a nonprofit corporation as payment for goods or services purchased from the nonprofit corporation; or
 - (B) contributions or donations received by the state agency.

(2)

- (a) The governing board of a nonprofit corporation whose revenues or expenditures of federal pass through money, state money, and local money is \$1,000,000 or more shall cause an audit to be made of its accounts by an independent certified public accountant.
- (b) The governing board of a nonprofit corporation whose revenues or expenditures of federal pass through money, state money, and local money is at least \$350,000 but less than \$1,000,000 shall cause a review to be made of its accounts by an independent certified public accountant.
- (c) The governing board of a nonprofit corporation whose revenues or expenditures of federal pass through money, state money, and local money is at least \$100,000 but less than \$350,000 shall cause a compilation to be made of its accounts by an independent certified public accountant.
- (d) The governing board of a nonprofit corporation whose revenues or expenditures of federal pass through money, state money, and local money is less than \$100,000 but greater than \$25,000 shall cause a fiscal report to be made in a format prescribed by the state auditor.

(3) A nonprofit corporation described in Section 51-2a-102 shall provide the state auditor a copy of an accounting report prepared under this section within six months of the end of the nonprofit corporation's fiscal year.

(4)

- (a) A state agency that disburses federal pass through money or state money to a nonprofit corporation shall enter into a written agreement with the nonprofit corporation that requires the nonprofit corporation to annually disclose whether:

- (i) the nonprofit corporation met or exceeded the dollar amounts listed in Subsection (2) in the previous fiscal year of the nonprofit corporation; or
 - (ii) the nonprofit corporation anticipates meeting or exceeding the dollar amounts listed in Subsection (2) in the fiscal year the money is disbursed.
- (b) If the nonprofit corporation discloses to the state agency that the nonprofit corporation meets or exceeds the dollar amounts as described in Subsection (4)(a), the state agency shall notify the state auditor.
- (5) This section does not apply to a nonprofit corporation that is a charter school created under Title 53G, Chapter 5, Charter Schools. A charter school is subject to the requirements of Section 53G-5-404.
- (6) A nonprofit corporation is exempt from Section 51-2a-201.
- (7)
 - (a) Each nonprofit corporation that receives an amount of money requiring an accounting report under this section shall register and maintain the nonprofit corporation's registration as a limited purpose entity, in accordance with Section 67-1a-15.
 - (b) A nonprofit corporation described in Subsection (7)(a) that fails to comply with Subsection (7)(a) or Section 67-1a-15 is subject to enforcement by the state auditor, in accordance with Section 67-3-1.