

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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HOUSE DRH30206-ME-46 (03/01)

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

Sponsors: Representatives Justice, Sager, Stevens, and West (Primary Sponsors).

Referred to:

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.



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