

New Financial Reporting Requirement for Not-for-Profit Organizations

May 2021

On January 1, 2021, changes to Executive Law 172-b took effect requiring certain not-for-profit organizations to file documents with and provide disclosures to the New York State Department of State (DOS). The DOS **financial reporting requirements** are applicable to the following not-for-profit organizations:

- Those registered with the New York State Charities Bureau under Article 7-A, which governs the solicitation of contributions (including grants) from New York State sources (including without limitation residents, foundations, corporations and government agencies)
- Those currently filing Form CHAR 500 with the New York State Charities Bureau
- Those in receipt of more than \$250,000 in gross revenue and support

Under this law, organizations are required to file the same information with the DOS that they currently file with the Charities Bureau:

- Completed form CHAR 500
- Completed form 990 as filed with the Internal Revenue Service
- Audited or reviewed financial statements

This reporting is due the 15th day of the fifth month after the close of an organization's fiscal year (May 15 for calendar year filers), which is the same due date as the Form 990. There is currently no process in place for requesting an extension of time to file these reports with the DOS and it is unclear if the DOS will adopt the same extension request as Form 990.

In order to file these reports with the DOS, an organization must create an account with NY.gov [website](#). The filing fee is \$25.

Currently, this law does not authorize the DOS to impose penalties for noncompliance with this filing requirement.

There is a bill pending in the New York State Senate, which, if passed, would help organizations avoid this dual filing requirement. There is also a petition circulating to eliminate this filing requirement entirely.

We will continue to follow this matter and keep you updated. Please contact Karen Costa, CPA at kcosta@dopkins.com or William Craven, CPA at wcraven@dopkins.com for discussion.

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