

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

**SESSION LAW 2012-169
HOUSE BILL 572**

**AN ACT TO PROVIDE GREATER ACCOUNTABILITY FOR NONPROFIT ENTITIES
THAT RECEIVE PUBLIC FUNDING.**

The General Assembly of North Carolina enacts:

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

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

(a) Notwithstanding any provisions in the articles of incorporation or bylaws, a corporation that receives over five thousand dollars (\$5,000) of public funding within a fiscal year, including the amount of grants or loans and the value of any in-kind donations, from a local government, the State, or the federal government shall provide its latest annual financial statements upon written demand from any member of the public. The statements shall be substantively similar to those required under G.S. 55A-16-20 but shall contain additional details about the amount of public funds received and how those funds were used. Additionally, a corporation that receives public funding shall provide, upon written demand from any member of the public, a copy of its most recently completed and filed Internal Revenue Service Form 990 or Form 990-EZ, except of any information not required for public disclosure pursuant to 26 U.S.C. § 6104(d)(3), or a copy of the message confirming the corporation's submission of Internal Revenue Service Form 990-N. A corporation may comply with the provisions of this section by maintaining on its public Web site a financial report as described in this section and a copy of its most recent Internal Revenue Service Form 990, Form 990-EZ, or Form 990-N submission confirmation or by having such materials posted, as part of a database of similar documents of other tax-exempt organization, on a Web site established and maintained by another entity, provided that the entity does not charge a fee to access the information and provided that the corporation provides a link on its public Web site to the Web site maintained by the other entity.

(b) Exceptions. – The following corporations already required to report information shall not be subject to subsection (a) of this section, but shall provide information on their public Web site to whom the corporation reports its information and how to access that information:

- (1) A corporation required to report to the North Carolina Medical Care Commission of the Department of Health and Human Services.
- (2) A corporation required to report to the Local Government Commission of the Department of State Treasurer.
- (3) A private college that meets the definition of "institution" under G.S. 116-22 and is required to report to the State under G.S. 143C-6-23."



SECTION 2. This act becomes effective October 1, 2012, and applies to nonprofit corporations receiving public funding in the form of grants or loans on or after that date.
In the General Assembly read three times and ratified this the 2nd day of July, 2012.

s/ Walter H. Dalton
President of the Senate

s/ Thom Tillis
Speaker of the House of Representatives

s/ Beverly E. Perdue
Governor

Approved 4:38 p.m. this 12th day of July, 2012