The Hauser Center
for Nonprofit Organizations

**Is it Time to Address Selective Disclosure**
**for Nonprofit Organizations?**

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## Abstract

Over the past two decades, there have been several highly publicized nonprofit scandals that have eroded the public's confidence in the sector (Aviv 2004). Significant changes in nonprofit regulation have been implemented to address these concerns that have expanded the financial information available to the public. Interestingly, the calls for more nonprofit accountability have not focused on an important concern, that of selective disclosure. This is a practice under which an organization provides material information to some constituents while withholding it from others. This paper argues that practice is frequently observed in the nonprofit sector. As the New Era Philanthropy scandal highlighted, this practice can pose substantial risks to the nonprofit sector by facilitating fraud and harming the public's trust. The paper describes the existing nonprofit reporting requirements and potential shortcomings. It examines two alternative disclosure environments, the Freedom of Information Act (FOIA) in the federal government and corporate securities regulation, particularly Regulation Fair Disclosure, and their limitations. It will then discuss what measures could be taken to address selective disclosure in the nonprofit sector.

## I. Introduction

Over the past two decades, there have been several highly publicized nonprofit scandals[1] that have eroded the public's confidence in the sector (Aviv 2004). Significant changes in nonprofit regulation have been implemented to address these concerns with more legislation currently under consideration by the Senate Finance Committee. Two important changes have expanded the financial information available to the public: In 1999, IRS regulations required that 501(c)3 charities (except private foundations) make their latest three IRS annual Form 990 filings available to anyone requesting them in person or by mail. The Pension Reform Act of 2006 requires public disclosure of the Form 990-T (unrelated business income tax) by nonprofits.[2] In addition, the Senate Finance Committee has considered whether to require nonprofits to disclose performance indicators.

Interestingly, the calls for more nonprofit accountability have not focused on an important concern, that of selective disclosure. This is a practice under which an organization provides material information to some constituents while withholding it from others. This paper will argue that practice is frequently observed in the nonprofit sector. As the New Era Philanthropy scandal highlighted, this practice can pose

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[1] Major scandals include embezzlement by the president of the United Way of America (Murawski 1995), investment fraud by the Foundation for New Era Philanthropy (Stecklow 1997), and theft by leaders of the Episcopal and Baptist churches (Greene 1999; Fletcher 1999). There have also been ethical lapses of many kinds, including the improper use of funds by the head of the National Association for the Advancement of Colored People (Greene 1995) and an excessively generous compensation package for the president of Adelphi University (Thornburg 1997). Telemarketing Associates, Inc. was charged (unsuccessfully) with fraud by the State of Illinois in a case that went to the US Supreme Court in 2003. More recent concerns include use of donor funds and program management by the Red Cross after 9/11 and again after Hurricane Katrina (New York Times 2005), questionable valuations of assets given to The Nature Conservancy (Stephens and Ottaway 2003) and the New Jersey Symphony (Pearce 2004) and the use of nonprofits to lobby inappropriately and evade taxes (US Senate Committee on Indian Affairs 2006).

[2] Several states (such as New York) are considering legislation that mirrors the Sarbanes-Oxley Act that reformed corporate governance in 2002, while California has passed an act requiring audits for larger nonprofits. The Pension Reform Act of 2006 also includes measures to deter individuals who would use charitable organizations for personal benefit and to ensure that donations are used for charitable purposes. The Senate Finance Committee is considering further pieces of legislation.

substantial risks to the nonprofit sector by facilitating fraud and harming the public's trust. The paper describes the existing nonprofit reporting requirements and potential shortcomings. It will examine two alternative disclosure environments, the Freedom of Information Act (FOIA) in the federal government and corporate securities regulation, particularly Regulation Fair Disclosure, and their limitations. It will then discuss what measures could be taken to address selective disclosure in the nonprofit sector.

## II. Current Nonprofit Financial Disclosure Practices

The nonprofit sector has relatively few public reporting requirements. Historically, nonprofits (other than churches) with over $25,000 in annual revenues have been required to file an annual Form 990 with the Internal Revenue Service. IRS regulations adopted in 1999 require that nonprofits provide the last three years of these filings to the public on request. The public interest in these disclosures is impressive as measured by the 700,000 registered users, 11 million searches, and 3.4 million Form 990s viewed at the Guidestar web service.

The other major financial report, the audited financial statements, is available to the public on a more limited basis. Some states require larger nonprofits, exceeding a certain size, to file audited financial statements with the state charity office (SCO), and in certain states, the public may obtain the audited financial statements and/or other required filings from the SCO by request or from the SCO website. In addition, the public has access to the audit opinion and audit findings from Single Audit Act (A-133) audits (known as Form SF-SAC), which are required for exempt organizations receiving sufficient federal funds.[3] However, the audits themselves are not available online. Nonprofits subject to the

[3] An A-133 audit consists of a traditional audit conducted by a licensed certified public accountant (CPA), an assessment of the internal control structure, and procedures that assess the use of federal funds and compliance with certain laws and regulations. (The internal control assessment for an A-133 audit is more

Single Audit Act (about 36,000 for FY 2004, the last full year of filings) are required to make their audits available for public inspection. Compliance with this regulation appears to be low (Khumwala and Neeley 2005).[4]

The public as well as major donors rely on material information beyond the Form 990 and the audited financial statements to make their giving decisions. To assess the range of material information consistently sought by potential donors, I conducted an internet search for "common grant applications" used by associations of funders in May 2005 and identified sixteen.[5]

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**Place Table 1 Here**

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As Table 1 indicates, donors require a substantial number of documents above and beyond the Form 990 and audited financial statements to conduct their due diligence. Nonprofits voluntarily provide this material nonpublic information to them at the time of application and frequently are required to provide interim and/or final reports that include written text and budget-to-actual comparisons and may also include performance reporting. If this survey reflects overall donor due diligence needs, then it is likely a high percentage of nonprofits regularly prepare the more commonly requested documents. Is it in the public interest to allow charities to selectively disclose material items to some donors while withholding this information from others?

modest than one based on Section 404 of the Sarbanes-Oxley Act.) The Single Audit Database is located at: http://harvester.census.gov/sac/.

[4] Khumwala and Neeley report requesting audited financial statements from a sample of 138 human service entities with filings in the Single Audit Database. Only one provided the audit, while one organization replied "with a threatening e-mail refusing our request and incredulous to our purpose." A second attempt using students and phone and written requests raised the response rate to 57%.

[5] Guidestar allows nonprofits to voluntarily submit "EDocs" that can be downloaded for free by users. The EDocs that Guidestar recommends posting are: audited or reviewed financial statements, IRS letter of determination or advance ruling, annual report, brochures, program budgets, and any pdf document (including recent Form 990s not yet available from the IRS).

## III. Recent Cases Highlight the Issues with Selective Disclosure

*A. New Era Philanthropy*

The potential ramifications of selective disclosure are, perhaps, best highlighted by the fraud perpetrated by the Foundation for New Era Philanthropy.[6] This organization derived its name from offering a new approach to fundraising, with a heavy emphasis on matching grants from "anonymous benefactors." In the early 1990s, hundreds of individuals as well as religious, educational, cultural, and charitable organizations invested funds with New Era, believing that these funds would be doubled in six months by guaranteed monies that the founder, Jack Bennett, had secured from several very wealthy benefactors.

Due to the lack of disclosure requirements, Bennett could suggest that very wealthy individuals were providing these matching funds, and the potential participants were not able to verify this claim. In fact, there were no anonymous benefactors, and New Era was operating a Ponzi, or pyramid, scheme, in which money from later investors is used to pay earlier investors.

Some nonprofits invested after having done little due diligence, rather they based their decision on the information that many wealthy individuals and nonprofits had participated successfully. Others participated after being misled by fraudulent trust agreements, a "New Concepts Manual" circulated by Bennett, phony escrow account statements from an investment banker, a false list of New Era board members, and statements that Bennett was not paid for his work. These misrepresentations were made possible through bribery and poor internal controls at Prudential Securities Inc., the investment bank that held most of the donors' funds.

[6] Bird (1996) and Securities and Exchange Commission (2001).

In total, 255 donors and charities placed cash in New Era.[7] The fraud was uncovered by Albert Meyer, then an accounting professor at a Michigan college that had invested in New Era. After substantial personal effort, he became suspicious of fraud. He determined that New Era was not registered as a foundation with the IRS and eventually obtained the Form 990s (which were not required to be disclosed at that time), in which New Era reported no liabilities. If nonprofits were required to publicly disclose material financial information, beyond the Form 990, then New Era's activities would have been more transparent as disclosures from New Era and the nonprofit participants could have been compared. Meyer may not have been able to obtain the information he did from the IRS had it not been for the Freedom of Information Act, the dominant regulation guiding public disclosures by the federal government.

*B. The Central Artery Project*

Like nonprofit organizations, state and municipal governments are not subject to Regulation Fair Disclosure or the federal Freedom of Information Act. Therefore, these state and local entities are presently permitted to have material that is undisclosed or only selectively disclosed to key constituents, such as bondholders or employees. Two recent governmental examples reveal important concerns about the current selective disclosure environment in which both nonprofit organizations and municipal governments operate.

In 1999, the SEC became concerned over the lack of information disclosed by the Massachusetts Turnpike Authority about the Central Artery Project, better known as "The Big Dig." The SEC found that the cost increases for the Big Dig should have been

[7] These included financiers such as Laurence Rockefeller, a Goldman Sachs partner, and former Treasury Secretary William Simon, and institutions such as the University of Pennsylvania, American Red Cross, and Nature Conservancy. New Era was liquidated. Bennett transferred most of his assets to the bankruptcy estate. Most individuals and nonprofits returned their gain to the bankruptcy court. Overall, the nonprofits and charities received back about 85 percent of their initial contributions, while the individual investors lost their entire funds.

disclosed, because there was “a substantial likelihood that a reasonable investor would consider it important in making his or her investment decision.” The SEC addressed the selective disclosure issue by pursuing a negligence case. It ultimately found the Authority and then-chairman James J. Kerasiotes negligent in not disclosing the projected cost overruns in bond documents. But, the SEC did not impose fines and other penalties on the Authority or Kerasiotes (SEC 2003).

*C. The State of Maryland*

In April 2006, the State of Maryland undertook an actuarial valuation to determine for the first time the extent of its unfunded other post-employment benefits (OPEB), which was being required by a new accounting standard issued by the Governmental Accounting Standards Board (GASB). Although the State had already received the valuation of $23 billion it decided to withhold the information from a concurrent bond offering statement. Martha Mahan Haines, chief of the SEC’s Office of Municipal Securities, in a speech to the National Association of Bond Lawyers referred to the State’s bond offering document and stated “issuers should include material information about OPEB liabilities in disclosure documents as soon as they are known, even if the final numbers are not yet available. GASB’s effective dates for inclusion in financial statements do not justify withholding information from investors” (Ackerman 2006). Cecillia Januszkiewicz, Maryland’s secretary of budget and management, justified the State’s actions by suggesting that relevant parties were informed. She stated: “[E]verybody knew the state had an OPEB liability and had already started putting money aside to pay for it…. We have a triple-A bond rating from each of the bond rating houses, we discussed with them these liabilities, we discussed what we were doing about them, and we got the triple-A rating…. They reaffirmed our triple-A rating, so I mean what more can we say?" (Ackerman 2006).

These cases demonstrate the potential for fraud and financial gain by certain "inside" parties from the current selective disclosure regime. In the nonprofit arena, both donors and nonprofits could benefit from a more open and transparent fundraising process. The question remains how to shift from the current regulatory environment to one that is based on fair and ample disclosure of material information.

## IV. Freedom of Information Act

In 1966, Congress addressed the issue of disclosure by the federal government by passing the Freedom of Information Act, which mandated that the records of US federal agencies are available to the public with some limited exceptions, such as national security.[8] The Act's intent was to "ensure an informed citizenry, vital to the functioning of a democratic society, needed to check against corruption, and to hold the governors accountable to the governed."  Initially, the federal agencies were opposed to the bill due to the high cost and risk of disclosure. The exceptions were modified. When the bill passed the House (307 to 0), only one agency, Health, Education & Welfare, still recommended a veto (National Security Archive 2006).

Prior to FOIA, access to government records was governed by Section 3 of the Administrative Procedure Act, and agencies interpreted it as allowing considerable discretion to withhold such records. FOIA has been amended six times. Post-Watergate, the amendments imposed greater agency compliance, while the 1996 changes (known as e-FOIA) addressed the public's ability to submit requests and obtain information online

[8] 5 USC § 552 (2000 & Supp. III 2003). The Congress and judiciary branch are not covered by FOIA.

as well as ensuring the public's access to electronic governmental communications. Post 9/11, several national security measures have narrowed the scope of FOIA.

After forty years, the FOIA is viewed by many an as important element of a democratic government as it ensures the public's right to know and holds the government accountable. Two significant issues presently affect FOIA. First, the public still cannot be assured of timely access. A GAO study (2006) indicates the process can be prolonged, ranging from 10 to 100 days. One reason may be the 2.6 million FOIA requests (excluding those posed to the Social Security Administration) in 2005, up 27 percent since 2002. The agencies have not been able to keep pace with the increased requests, so 200,000 requests were still pending at fiscal year end 2005, up 43 percent from 2002.

Second, national security (a major reason that information can be withheld under FOIA) looms large. Pozen (2005) observes the recent trend to pass legislation that narrows the scope of FOIA and the reliance of federal agencies on "mosaic theory" to justify withholding information. He defines this theory using the Department of the Navy's definition in its Freedom of Information Act (FOIA) regulations. Mosaic theory is "[t]he concept that apparently harmless pieces when assembled together could reveal a damaging picture."[9] Pozen argues that the legislative changes and increased application of the mosaic theory by agencies has significantly reduced the public's access to information and that better judicial review is necessary as a check on federal agencies.

While FOIA may provide an interesting theoretical base for addressing selective disclosure in the nonprofit sector, the expanding request backlog and the increased withholding of sensitive or proprietary information is problematic, suggesting that alternative approaches to implementation and oversight warrant consideration.

[9] 32 CFR § 701.31 (2005).

## V. Corporate Securities Regulation

*A. Pre-Regulation Fair Disclosure*

In the private sector, several acts and regulations promulgated by the Securities and Exchange Commission (SEC) govern disclosure by publicly traded corporations. The 1933 Securities Act mandated regular disclosures of financial and other significant information by firms wishing to sell securities to the public in order to address concerns over deceit, misrepresentations, and other fraud in the sale of securities. To obtain the right to issue securities in the United States, a firm is required to register with the SEC by providing extensive documentation, including a description of the company's properties, business and management, a description of the security for sale, and audited financial statements. These documents are submitted electronically to the SEC's EDGAR system and become available to the public. Most firms must then make annual and quarterly filings to be allowed to have their securities traded on the secondary market.[10]

*B. Regulation Fair Disclosure*

In the late 1990s, SEC Commissioner Arthur Leavitt became concerned that the SEC was not fulfilling its mission to protect investors, to maintain fair, orderly, and efficient markets, and to facilitate capital formation. One of his particular concerns was the practice of selective disclosure by publicly traded firms. Individual investors echoed his concerns, stating in comment letters to the SEC that they viewed selective disclosure as the equivalent of insider trading. The recipients of the nonpublic information could and were using the information for financial gain, disadvantaging other people. Such an unlevel playing field can reduce market participation, making markets less liquid and

[10] Domestic issuers with fewer than 300 shareholders can "go dark" and avoid many of the ongoing public disclosure requirements.

efficient. Selective disclosure can create pressure on research analysts to issue favorable reports and ratings to gain access to this information.

In 2000, the Commission adopted Regulation Fair Disclosure (Reg FD), which was designed to address selective disclosure, defined in this context as the practice of providing material nonpublic information to selected people, such as security analysts or institutional investors, before releasing this information to the public.[11] Reg FD prohibits selective disclosure of material information. As a result, liability under Reg FD hinges on the element of materiality. The Supreme Court defined material as if "there is a substantial likelihood that a reasonable investor would consider it important in deciding how to [act]."[12] The Court determined that materiality is based on facts and circumstances.[13]

Opponents feared that Reg FD would place a chill on disclosures rather than promoting broader dissemination. According to a SEC study (Unger 2001), there was not a clear chilling or improvement in information quality in the initial six months of regulation. Some issuers and investors felt more information was available, while sell-side analysts generally argued that less was available. The interviewees felt that the quality of information was unchanged or slightly worse with less forward-looking information provided.

Academic research has found that Reg FD is associated with different patterns of information disclosure. Zitzewitz (2002) examined the information contained in analysts' forecasts and found that before Reg FD, 65 percent of the information disseminated by analysts, who were the only analysts making new forecasts at that time. Post Reg FD, the

[11] 17 CFR Parts 240, 243, and 249.
[12] *TSC Indus. Inc. v. Northway, Inc.,* 426 U.S. 438, 449 (1976).
[13] *Basic Inc. v. Levinson*, 485 U.S. 224, 236 (1988).

number of solo forecasts fell from 50 to 70 percent overall and only 27 percent of the new information was released. Agrawal, Chadha, and Chen (2005) examine the most post-Reg FD data and find that earnings forecasts by sell-side analysts are less accurate and more dispersed. The results are more pronounced for forecasts immediately following Reg RD than more recently. Mohanram and Sunder (2004) found evidence that analysts from large brokerage houses had greater forecast accuracy pre-FD, but experienced a decline post Reg FD.

An issuer failing to comply with Reg FD, it is subject to an SEC enforcement action. The comments prior to adoption of Reg FD suggested significant concern that there would be a high level of litigation with firms inadvertently engaging in actions that would trigger an SEC action (Walker 2001). There have, however, been relatively few cases. In November 2002, the SEC announced the settlement of its first three cases and a report of investigation.[14] Several other cases have been settled, but one recent case was taken to court, but the allegations were dismissed.[15]

In sum, Regulation FD has had a significant effect in corporate information practices. It appears it has changed corporate information disclosure practices and seems to have reduced information asymmetries with a relatively low number of enforcement actions.

## VI. Key Elements to Address Selective Disclosure

To create an environment with fair and ample disclosure, a set of legal and financial systems need to be put in place, and the ultimate structure could take on several potential forms. Several possible approaches have already been put forward: Herzlinger (1996)

[14] The settled cases involved Raytheon Company and Franklyn A. Caine, Secure Computing Corporation and John McNulty; and Siebel Systems, Inc. The report of investigation involves Motorola.

[15] The defendants were Siebel Systems, Inc., Kenneth A. Goldman, and Mark D. Hanson. The litigation involved a private meeting with an institutional investor and an invitation-only dinner hosted by an investment firm.

proposes to address a broader range of issues (specifically, ineffectiveness, inefficiency, private inurement, and excessive risk) by imposing four SEC-like pillars of accountability, known as DADS (disclosure, analysis, disseminations, and sanctions). With the exception of analysis, the pillars could be applied to address the more narrow concern of selective disclosure. The disclosure-related recommendations of Keating and Frumkin (2003) overlap heavily with Herzlinger but extend her proposals by advocating electronic filings and the creation of a governmental or nonprofit entity with enforcement capabilities to oversee disclosures.

I consider, in turn, several elements needed to promote a fair disclosure system:

*A. Fair Disclosure Requirements for Nonprofits*

The basis for a new disclosure regime is the legal disclosure standards. While the prior papers advocate additional disclosure, they do not address what legislation and regulation would be necessary to create a more level playing field for nonprofit stakeholders. Without a solid legal foundation, there will be little incentive to shift from what Herzlinger calls the “veil of secrecy” toward an environment based on timely and reliable access to public information for all parties.

This paper has considered two potential legal bases, the FOIA and Reg FD. The FOIA model may seem appealing as it is designed to respond to the needs of the public and could result in the provision of more information, but the Reg FD approach may be more practical. It shifts the nonprofit focus away from its current reactive mode of responding to the individual needs of its key constituents and toward a more pro-active, time-sensitive approach. The work of aggregating, analyzing, and interpreting information becomes the responsibility of the nonprofit rather than the stakeholder. Rather than focusing on whether to take advantage of certain legal exemptions in order to withhold proprietary information, the nonprofit would know it must comply with mandated disclosures, and it could determine what supplemental information it would voluntarily provide.

### *B. Central Electronic Repository*

The current *de facto* electronic repository, Guidestar, has allowed for broad-based dissemination of the Form 990 to the public at relatively low cost. Its 2004 and 2005 annual expenses averaged $6.7 million, roughly $4.50 per nonprofit contained in the database, $2 per downloadable document, or 60¢ per search. Due to the overall cost of the existing site and current foundation funding preferences, Guidestar has sought to keep its cost structure low and move toward a more fee-for-service-reliant business model. To support a timely and fair disclosure environment, a substantially enhanced system would be required, similar to the EDGAR system operated by the Securities and Exchange Commission or the commercial EDGAR-based websites that draw filings out of the EDGAR system and repackage them. The demands of an expanded system would require significantly higher funding than Guidestar is able to raise in customer fees, so it may be that nonprofits should be required to pay an annual filing fee to support the repository.

### *C. Mandatory Filings*

The corporate system of financial disclosure relies upon a set of periodically mandated disclosures that set minimum reporting requirements but also allow the firm to supplement certain documents with selected voluntary information. To be most effective, the central repository should include the full range of documents that are publicly available (Form 990, Form 990-T, IRS determination letter, and the Form SF-SAC Single Audit Act filings). In addition, the legislation or regulations could mandate the disclosure of a nonprofit's state filings and those documents most requested by potential donors (see

Table 1), including organization-wide and program budgets, the board list, a written description of programs, and pending support for individual programs. A management discussion and analysis (MD&A) describing the financial performance of the organization as a whole could be required.[16]

Finally, the mandatory disclosures in the central repository would need to include a form that can be filed when material events or decisions have been made. This document is known as Form 8-K in the corporate setting, and is used when a senior leadership change is announced, a merger is announced, etc. The frequency with which corporations file 8-Ks varies considerably based on the complexity and rate of change in the organization and their interpretation of fully complying with Reg FD. A set of guidelines would need to be drafted to delineate for nonprofits when a Form 8-K-type filing was required.

*D. Voluntary Disclosures*

The survey of affiliated grantmakers suggests a number of items that a nonprofit might want to voluntarily include in an annual filing or report, such as an organization chart, staff qualifications, and prior sources of funding. With the consent of donors, a nonprofit might be able to reduce or replace its detailed and individualized grant reporting with an annual or quarterly report on program performance, a shift that might significantly reduce the cost associated with restricted grant administration and facilitate the development of consistent program performance measures.[17]

*E. Offering Documents*

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[16] MD&As are required in the annual 10-K filings of publicly traded firms and are required for state and local governments issuing comprehensive annual financial reports (CAFRs). Both Herzlinger (2001) and Keating and Frumkin (2003) recommended this document be made mandatory for audited nonprofit organizations.

[17] Note: If Regulation Fair Disclosure standard were imposed on nonprofits, then they might be forced to disclose the restricted grant reports publicly in a Form

A final group of documents that might facilitate a timely and fair disclosure environment could be used to encourage fundraising through an offering-type process. A nonprofit would assemble an offering package that describes a program or set of programs for which it desired funding. It would outline the use of the funds and outline the program reporting that it would agree to provide. This document would help ensure that the material information about the proposed program was available publicly and that many donors had an opportunity to support the program. The nonprofit could benefit by reducing the uncertainty surrounding grant funding, eliminating the need to complete multiple grant applications and report separately on a number of grants. The donors could benefit from having access to a broader range of applications and would not be subject to as much direct pressure from nonprofits to fund particular projects.

*E. Oversight and Monitoring*

One drawback of a Reg-FD-type regulation might be that nonprofits would be granted more discretion to aggregate, analyze, and interpret organizational activities, finances, and outcomes. Donors accustomed to being able to conduct their own form of due diligence and obtain information in a particular form that meets their needs may find the more aggregated or limited information to be less helpful in decision-making. They may feel that there are inherent information asymmetries and become more concerned about the reliability of the data.

These concerns can be mitigated by ensuring compliance through third-party oversight and monitoring. In the for-profit world, these concerns are addressed through a combination of monitors: corporate board members, external auditors, legal counsel, and the Securities and Exchange Commission as well as adequate legislation, regulations and funding to support dissemination of disclosure documents, inspections and, most importantly, enforcement actions.

## VII. Conclusions

Presently, nonprofit organizations operate in an environment dominated by selective disclosure. This paper has outlined several risks associated with selective disclosure and argued for fair disclosure requirements to mitigate these risks. A more compelling argument that is not as developed in this paper is that of efficiency gains. If both nonprofits and funders knew that material information provided by the nonprofit to donors would be available to all donors then some of the present funding-related uncertainty would be reduced, lowering the transaction costs associated with funding and potentially reducing the need for donors to be so restrictive in their grant-giving.

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**Table 1**

| Common Grant Application Form Requirements | Percentage (N=16) |
|---|---|
| **1. PROPOSAL BODY** | |
| Cover Letter Required | **81%** |
| Proposal Text Guidelines Provided | **100%** |
| **2. BUDGETS** | |
| Guidelines or Form for Current Agency Operating Budget Provided | **100%** |
| Additional Requirements for Agency Operating Budget | **44%** |
| Program Budget Form or Guidelines Provided | **100%** |
| List of Pending Support for Program | **75%** |
| **3. ATTACHMENTS** | |
| Board List | **100%** |
| Additional Requirements for Board List | **25%** |
| IRS Determination Letter | **100%** |
| Current Audited Financials | **100%** |
| Previous Year's Audited Financials | **31%** |
| Form 990 | **31%** |
| Form 990 if Audited Financials Not Available | **69%** |
| Annual Report (If Available) | **75%** |
| **4. OTHER REQUIRED ITEMS** | |
| Qualifications of Key Staff | **50%** |
| Organizational Chart | **25%** |
| List of Past Funding Sources for Project or Organization | **25%** |
| Year-to-Date Financial Statements | **19%** |
| Letter of Authorization for Funding | **6%** |
| Previous Support from the Funder in the Past 5 Years | **6%** |
| Proof of State Charitable Registration | **6%** |
| Logic Model | **6%** |
| Statement Verifying Payroll Tax Payments | **6%** |