

**Attorney General Eric Schneiderman  
Charities Bureau  
Guidance Document 2014-1  
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**Guidance on Provisions of the Nonprofit Revitalization Act of 2013  
Revised CPA Review and Audit Thresholds and Annual Filing Fees for 7A or DUAL Filers**

The Nonprofit Revitalization Act of 2013, proposed by Attorney General Eric T. Schneiderman and based on recommendation of the Leadership Committee for Nonprofit Revitalization he formed, becomes effective on July 1, 2014. The Act changed the filing requirements and filing fees mandated by Article 7-A of the Executive Law, exempting smaller organizations from the requirement to file a CPA's audit or review report and financial statements. This change affects certain organizations registered with the Charities Bureau to solicit contributions in New York pursuant to Article 7-A of the Executive Law and required to file either an independent Certified Public Accountant's review or audit with their financial statements because their revenue exceeds the thresholds described in the charts below. Organizations required to register under Article 7-A are categorized by the Charities Bureau as "7A" or "DUAL" organizations. To find the registration category of a particular organization, please consult our searchable Charities Bureau Registry.

7A and DUAL organizations are required to file their annual financial reports and pay an annual filing fee within four and one-half months after the end of their fiscal year unless the filing date has been extended. For example, if an organization's fiscal year ended on December 31, 2013, it must file its annual report by May 15, 2014 unless it has requested an extension of time to file. The Charities Bureau typically will grant an extension of up to six months, in which case an organization whose fiscal year ended on December 31, 2013 will have until November 15, 2014 to file its report. Visit our website [www.CharitiesNYS.com](http://www.CharitiesNYS.com) to review instructions for requesting an extension of time to file and forms and instructions for filing annual reports.

The Act raised the revenue thresholds requiring registered organizations to file either an independent Certified Public Accountant's ("CPA") review or audit report. Those thresholds are based on the organization's gross revenue and support during the reporting year, which includes all income received by the organization from any source, including contributions, grants, fees and other types of revenues.

An audit of financial statements is performed by a CPA to determine whether the organization has appropriately reported its financial activities in accordance with a prescribed method of accounting (e.g., generally accepted accounting principles). An audit includes performing procedures to obtain evidence about the amounts and disclosures in the financial statements, assessing the risks of material misstatements in the financial statements, and considering internal controls relevant to the preparation and fair presentation of the financial statements. Financial statements typically consist of the statement of financial position (balance sheet), statement of activities, statement of functional expenses (if applicable), statement of cash flows, and notes to financial statements.

A review of financial statements performed by a CPA involves the performance of analytical tests to the financial data as well as inquiries of personnel in order to obtain limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with a prescribed method of accounting (e.g., generally accepted accounting principles). It does not include audit procedures such as assessing fraud risk or testing records, and accordingly is a lesser level of assurance than an audit.

The newly enacted thresholds and the annual filing fees are as follows:

Requirements for annual reports with an original or extended filing due date before July 1, 2014 are unchanged:

<b>Gross Revenue and Support</b>	<b>CPA Audit or CPA Review</b>	<b>7A Fee</b>
Up to \$100,000	No Audit or Review Required	\$10
At least \$100,000 but not more than \$250,000	CPA Review	\$10
More than \$250,000	CPA Audit	\$25

Thresholds applicable to annual reports with an original or extended filing due date between July 1, 2014 and June 30, 2017:

<b>Gross Revenue and Support</b>	<b>CPA Audit or CPA Review</b>	<b>7A Fee</b>
Up to \$250,000	No Audit or Review Required	\$25
At least \$250,000 but not more than \$500,000	CPA Review	\$25
More than \$500,000	CPA Audit	\$25

Thresholds applicable to annual reports with an original or extended filing due date between July 1, 2017 and June 30, 2021:

<b>Gross Revenue and Support</b>	<b>CPA Audit or CPA Review</b>	<b>7A Fee</b>
Up to \$250,000	No Audit or Review Required	\$25
At least \$250,000 but not more than \$750,000	CPA Review	\$25
More than \$750,000	CPA Audit	\$25

Thresholds applicable to annual reports with an original or extended filing due date on or after July 1, 2021:

<b>Gross Revenue and Support</b>	<b>CPA Audit or CPA Review</b>	<b>7A Fee</b>
Up to \$250,000	No Audit or Review Required	\$25
At least \$250,000 but not more than \$1,000,000	CPA Review	\$25
More than \$1,000,000	CPA Audit	\$25

### **For More Information**

The Charities Bureau works for New York citizens to prevent fraudulent, deceptive, and unfair practices by charities and to provide information to charities and other nonprofits to assist them in complying with governing law. To file a complaint, use our complaint form or send an email to [charities.complaints@ag.ny.gov](mailto:charities.complaints@ag.ny.gov). To get free information on charities issues, visit [www.CharitiesNYS.com](http://www.CharitiesNYS.com) or send an email to [charities.bureau@ag.ny.gov](mailto:charities.bureau@ag.ny.gov).

### **Your Opportunity to Comment**

The Charities Bureau collects comments from charities, advisors, advocates, and citizens about compliance and enforcement activities. To comment, send an email to [charities.bureau@ag.ny.gov](mailto:charities.bureau@ag.ny.gov) or contact us by mail addressed to:

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