

LEGISLATIVE DIGEST

[Administrative Code – Nonprofit Annual Income Statement]

Ordinance amending the San Francisco Administrative Code by revising Section 10.1 to allow Nonprofits receiving City funding to provide and update information directly to City Departments as an alternative to filing annual income statements with the City Administrator.

Existing Law

Under existing law, every nonprofit organization that receives City grants must file an “annual income statement” with the City Administrator by April 1st that identifies its chief executive officer, members of its board of directors, its expenditures during the prior year and its budget for the upcoming year.

Amendments to Current Law

This amendment waives the requirement that nonprofits file an annual income statement with the City Administrator where a nonprofit submits, and keep current, the information with a contract-awarding City Department. This amendment DOES NOT change the nature or extent of disclosures that nonprofits receiving City funding must make to the City or alter the disclosures that nonprofits receiving at least \$250,000 in City grants must make directly to the public upon request.

Background Information

This Ordinance is intended to avoid needless duplication of paperwork. The requirement that each nonprofit submit an “annual income statement” was enacted in 1998, in an era of limited public access to information about nonprofits. The City Administrator's annual income statement files provided a single point of information for members of the public seeking a “snapshot” view of grant recipients' governing Boards of Directors, financial capacity and accountability.

Today, the information required by the annual income statement is readily available both in the grant award and monitoring records of City departments and in public databases.

The Controller's fiscal and compliance monitoring standards require grant awarding departments to collect the same information as is required by the “annual income statement” during the grant approval and annually as part of grant monitoring processes. Staff at grant awarding departments are available to assist any member of the public in locating records pertaining to specific grant recipients. The City Administrator's Office is also available to

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ensure that any requestor obtains all information, including that previously collected on the "annual income statements," in a timely manner.

Information about nonprofit awardees' governance, budgetary and other financial matters is also widely available through the Internet: on nonprofits' own websites, on their Federal Tax Form 990s (posted at California Attorney General's Charity Registry for California nonprofits, or more generally at www.guidestar.com), and other public websites.