

Massachusetts Form PC: Notice of Increase in Minimum Threshold for Reviewed Financial Statements

December 31, 2008

Most public charities organized, operating or soliciting funds in Massachusetts are required to file Form PC with the Massachusetts Attorney General's Non-Profit Organizations/Public Charities Division within four and one-half months of the end of each fiscal year. The Form PC requires several attachments, including financial statements for public charities having minimum amounts of gross support and revenue. The Massachusetts legislature increased the minimum threshold for filing such statements from \$100,000 to \$200,000.

A public charity with gross support and revenue of more than \$500,000 must conduct an annual audit and provide a copy of the audited financial statements as an attachment to its Form PC. Audited financial statements must be prepared in accordance with generally accepted accounting principles and reporting practices and must be examined by an independent certified public accountant in accordance with the generally accepted auditing standards for the purpose of expressing an opinion thereon. As a result of a recent change in the law, public charities with gross support and revenue between \$200,000 and \$500,000 may submit, in lieu of audited financial statements, financial statements accompanied by an independent certified public accountant's review report (as defined by the American Institute of Certified Public Accountants). **The increased minimum threshold is effective for fiscal years ending on or after January 1, 2008.**

Note that for prior fiscal years, the minimum threshold requirements relating to financial statements remain unchanged. Public charities that have not yet submitted Forms PC for prior years and that had gross support and revenue of at least \$100,000 (and not more than \$500,000) for fiscal years ending on or before December 31, 2007, will still be required to submit reviewed financial statements.

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