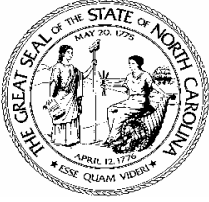


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Most nonprofit groups file required reports after getting notice

RALEIGH _ Nearly 900 nonprofit organizations who were notified in April that they had not filed required reports with the Office of the State Auditor have complied since receiving the notice, State Auditor Leslie Merritt said Monday.

Letters were mailed April 18 to about 1,100 groups which had received State grants for the fiscal year ended June 30, 2004. The letters went to organizations that were required to file reports by March 31, 2005. Of those, 57 groups which received over \$300,000 in State grants had failed to file a required audit report, Another 142 groups receiving more than \$300,000 had failed to file an activities and accomplishments report, which lists what the organization has done in the fiscal year.

Groups that receive between \$15,000 and \$300,000 in State funds are required to file an activities and accomplishments report along with a sworn statement of receipts and expenditures for the year. Letters to 928 groups asked them to promptly file an activities and accomplishment report, while 851 organizations were notified they have not filed a sworn statement of receipts and expenditures.

As of May 20, only 199 organizations had failed to file the required activities and accomplishment report, certified audits or sworn statements of revenues and expenditures. The letters were followed up with phone calls from Office of the State Auditor staff explaining the reporting requirements, which took effect July 1, 2004.

In some cases, the private groups had filed the required reports with the State agency that issued the grants, but not with the State Auditor.

“The response we have gotten confirms what I had thought all along – that the vast majority of nonprofit organizations want to comply with the law, but simply are unaware of the reporting requirements,” Merritt said. “The notification letters, and the follow-up by our staff, has helped tremendously as a first step toward getting these groups into compliance with state law.”



As a result of legislation adopted by the General Assembly in 2004, the Office of the State Auditor, the Office of Management and Budget and the Attorney General's Office have developed even tougher reporting rules that would cover every organization which receives State funds, regardless of the amount. Those rules, if approved by the Rules Review Commission, would take effect July 1.

The database showing which organizations are receiving State funds, and how much they are getting, is available at the web site of the Office of the State Auditor, www.ncauditor.net, under Nonprofits.

