

TOP 5 VIOLATIONS FOUND IN CHARITY EXAMINATIONS (2019 - 2020)

VIOLATIONS	NUMBER OF OCCURENCES	DESCRIPTION OF VIOLATIONS
§ 79-11-525 Fiduciary responsibility.	89	Every person who solicits, collects or expends contributions on behalf of a charitable organization or for a charitable purpose, or who conducts a charitable sales promotion, and every officer, director, trustee or employee of that person who is concerned with the solicitation is considered a fiduciary.
§ 79-11-518 Records of solicitation activities.	62	Every charitable organization shall keep true and correct books and records of solicitation activities. The books and records shall be open to inspection at all reasonable times by the Secretary of State.
§ 79-11-509(1)(d) Contributions not applied to charitable purpose.	33	The Secretary of State shall deny, suspend or revoke a registration or an exemption for the following reasons: (d) The charitable contributions have not been or are not being applied for the purpose or puposes stated in the document filed with The Secretary of State.
§ 79-11-519(4) Violations by a charitable organization.	27	Covers many findings to include engaging in financial transactions not related to the program service, spending unreasonable amount on management, using a confusingly similar name, represent the charity as being affiliated with another organizaiton without the permission of the organization, to use unregistered fund-raisers, to have any person convicted of a felony or misdemeanor involving money having control or access to charitable funds, To employ as an officer, director, partner, employee, volunteer or agent any person who has been convicted under federal or state law of any criminal offense involving acts against children, where such position will bring the person into close contact with children, apply the charitable organization’s funds or assets for private inurement or excess benefits which exceed the fair market value of the property or services received in return from directors, officers, or those persons who are deemed disqualified persons or insiders under applicable federal law for tax-exempt organizations.
§ 79-11-509(1)(c) False or misleading information filed with the Sec. of State.	25	A document filed with the Secretary of State contains one or more false or misleading statements or omits material facts, the charitable contributions have not been or are not being applied for the purpose or purposes stated in the documents filed with the Secretary of State.

