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Written Testimony of

**Priya Morganstern, Esq., Director, Hartford Program
Pro Bono Partnership, Inc.**

**In Support of Senate Bill No. 780
An Act Concerning the Solicitation of Charitable Funds Act**

**Respectfully Submitted to the General Law Committee
February 13, 2009**

I appreciate the opportunity to submit testimony to the General Law Committee in favor of Senate Bill 780, An Act Concerning the Solicitation of Charitable Funds Act.

My name is Priya Morganstern. I direct the Hartford Program of the Pro Bono Partnership, Inc., a tax-exempt public charity that provides free business legal services to eligible nonprofit community-based organizations in Connecticut, New Jersey and Westchester County, NY. We provide these services through the volunteer efforts of local business law attorneys. To be eligible for our services, an organization must be (1) a nonprofit, community-service organization working with the poor and disadvantaged or otherwise providing important social services, as well as arts organizations, civic organizations, and environmental organizations, and (2) unable to pay for legal services without significantly impairing resources for programs.

Since its inception a decade ago, the Partnership has provided legal assistance to 1,500 nonprofit organizations on approximately 5,000 legal matters, providing advice on more than 650 new matters each year. In Connecticut alone, we have provided free legal assistance to almost 400 nonprofits.

My position brings me into contact with a broad spectrum of nonprofit organizations. Every day I and our volunteer attorneys work with Connecticut charities that are struggling to do more with less, working to keep their heads above water so they can continue delivering services and achieving their missions. For these organizations, every dollar is precious, and every dollar spent on an administrative requirement is one dollar less that can be used to provide important community services.

Imagine if the state could reduce the burden on some these nonprofits by giving them a well-deserved financial break – at no cost to the state. Senate Bill 780 does just that. Currently, any organization engaged in fundraising, with gross revenues in excess of \$200,000, must submit an audited financial report to the Department of

Consumer protection. But audits are extremely expensive, often costing up to \$8,000 or more, and particularly for small organizations that amount can represent a significant annual diversion of money from the organization's mission. By raising the audit trigger amount to over \$500,000, SB 780 permits the small organizations to use their revenues for charitable activities rather than for administrative functions.

The Department of Consumer Protection estimates that this change would re-direct approximately \$3 million away from accountants' fees and other administrative costs to the charitable activities that are so important to the citizens of this state. Among the Pro Bono Partnership's clients, this change would benefit a wide variety of organizations, including organizations that provide:

- neighborhood-based social services,
- training to child care providers,
- reading services to assist the hearing impaired,
- transportation services for the elderly and sight-impaired,
- arts and cultural activities,
- environmental and preservation services, and
- financial literacy training, to just a few.

When we help these organizations we are really helping the people they serve. In recognition of this, SB 780 is supported by every conceivable stakeholder, as you have seen today: the state's accountants, as represented by the Connecticut Society of CPAs; the funding community, represented by the Connecticut Council for Philanthropy; the Department of Consumer Protection; the Attorney General; and the state's nonprofit community, represented by the Pro Bono Partnership, the Connecticut Association of Nonprofits, and the other individual nonprofit organizations present today. I think we would be hard-pressed to find many other proposals with such across-the-board support.

Once again, thank you for the opportunity to express my support of SB 780, An Act Concerning the Solicitation of Charitable Funds Act. Please feel free to contact me at (860) 541-4951 or at pmorganstern@probonopartner.org.