



Chair Eric Pratt
95 University Avenue West, Room 3219
Saint Paul, MN 55155

April 4, 2022

Dear Chair Pratt and members of the Senate Jobs committee,

The Minnesota Council of Nonprofits asks that you remove the language in Section 10 of the A-2 amendment to SF 4091, the committee's omnibus bill.

This portion of the omnibus bill appears to create more transparency in nonprofits' finances, but will only cause nonprofit to file already-reported information in an additional format. No new information will be gained from these requirements.

The charitable nonprofit sector is the most transparent segment of the U.S. economy because of our public disclosures of revenues, expenses, salaries, and more, through the annual IRS Form 990 that is publicly available online through multiple websites.

The bill language proposes that nonprofit organizations receiving state funds through DEED provide each year the following information:

- (1) "number and compensation for any highly compensated employees of the nonprofit organization"

Every nonprofit employee earning over \$100,000 in annual compensation is listed, with their compensation, on the IRS Form 990.

- (2) "Administrative expenses of the nonprofit organization for the previous three years as evidenced by the nonprofits Internal revenue Service Form 990"

As evidenced by this language, that information is found in the IRS Form 990. The information is additionally found on the website of the Minnesota Office of the Attorney General.

- (3) "Total functional expenses, including the nonprofit's program expenses, administrative expenses, and fundraising expenses, for the previous three years.



Again, this information is all available in the IRS Form 990 which nonprofits submit each year and which are publicly available online.

(4) Revenue for the previous three years.

Once again, this information is easily accessible on IRS Form 990.

At a time when needs are rising, future funding is uncertain, and we face severe volunteer and worker shortages, this is certainly not the time to add additional paperwork for nonprofits. Our sector has partnered with state government to provide vital services and support communities in every corner of this state, notably with fewer resources and more uncertainty during the extreme challenges of the past two years.

We welcome the opportunity to provide information on the transparency of our sector, and are open to conversations how to best gather this information.

For an overview of a nonprofit's financial health, search for it through the [Minnesota Office of the Attorney General's website](#).

For more detailed information, see an organization's IRS Form 990. These are available for free through numerous websites, including, [Economic Research Institute](#), [ProPublica's Nonprofit Explorer](#), and [GuideStar](#) (these links will take you to information about the Minnesota Council of Nonprofits).

Section 10 of this bill would create an entirely unnecessary reporting headache for nonprofits and would provide no additional information to the commissioner or legislators.

Sincerely,

A handwritten signature in cursive script that reads "marie ellis".

Marie Ellis
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The Minnesota Council of Nonprofits is an association of over 2,000 nonprofit members from every part of the state and every area of nonprofit activity.