

To: House Committee on Corporations

Date: March 4, 2025

Re: Testimony in Support of House bill 5562 titled AN ACT RELATING TO BUSINESSES AND PROFESSIONS -- SOLICITATION BY CHARITABLE ORGANIZATIONS

Dear Chairperson Solomon and members of the House Corporations Committee:

I am Christine Cannata, from Cranston.

I am a CPA, and I work with nonprofits in Rhode Island. I support House bill 5562, titled AN ACT RELATING TO BUSINESSES AND PROFESSIONS -- SOLICITATION BY CHARITABLE ORGANIZATIONS.

Nonprofits provide essential services in every community in Rhode Island, and smaller nonprofits are often challenged to find the financial resources necessary to provide the services their communities depend on. This challenge has been exacerbated by inflation, as the cost of providing services has risen, and individual donations have declined. We also anticipate cuts on the state and federal level this year that will make it even more difficult for local nonprofits.

House bill 5562 would be an important support to mid-size nonprofits by freeing up an additional \$10,000-\$15,000 a year, which can be used to help provide important programs and services to our community. We also know that it can be difficult for smaller nonprofits to find an accountant to do an audit because of the shortage of financial professionals in the state.

I have worked in the Rhode Island nonprofit sector for almost 30 years and sincerely believe that increasing the audit threshold will benefit many small to mid-size nonprofits that struggle to meet their mission every day. These nonprofits can direct the funds currently spent on an annual audit directly back to their mission.

We know that House bill 5562 will ensure that nonprofits still provide 990 forms to the Department of Business Regulation, so that the Department has access to financial information for oversight purposes. We also encourage smaller organizations to consider getting a financial review.

In this challenging time for nonprofits, House bill 5562 is a tangible way that the General Assembly can support the important work of nonprofits by freeing up additional resources for our community programs, without adding to the state budget.

For all of these reasons, I urge you to vote in favor of bill 5562. Thank you for your consideration, and I am happy to answer any questions you may have.

Sincerely,

Christine Cannata, CPA
145 Birchwood Drive
Cranston, RI 02920