

103^D CONGRESS
1ST SESSION

H. R. 733

To amend title 39, United States Code, to require the disclosure of certain information in connection with the solicitation of charitable contributions by mail, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 1993

Mr. OWENS introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To amend title 39, United States Code, to require the disclosure of certain information in connection with the solicitation of charitable contributions by mail, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Charitable Solicitation
5 Disclosure Act of 1993”.

1 **SEC. 2. DISCLOSURE REQUIREMENT.**

2 (a) REQUIREMENT.—Chapter 30 of title 39, United
3 States Code, is amended by adding at the end the follow-
4 ing:

5 **“§ 3015. Soliciting charitable contributions by mail**

6 “(a) Any charitable organization which solicits, in
7 any manner or through any means, the remittance of a
8 contribution by mail, shall include with such solicitation
9 the following information:

10 “(1) The legal name and the principal business
11 address of the charitable organization making the
12 solicitation.

13 “(2) Whether the organization is exempt from
14 taxation under section 501(a) of the Internal Reve-
15 nue Code of 1986, specifying whether or not the
16 contributions solicited will qualify as charitable con-
17 tributions under section 170(c) of such Code.

18 “(3) The purpose of the solicitation and the in-
19 tended use of the contribution being solicited, speci-
20 fying whether the program or activities for which the
21 contribution will be used are in existence or planned.

22 “(4) The obligation of the charitable organiza-
23 tion to furnish information in accordance with sub-
24 section (c).

1 “(b) The information required under subsection (a)
2 to be included with any solicitation for contributions by
3 mail shall—

4 “(1) in the case of a solicitation made in writ-
5 ing—

6 “(A) be presented in language which is
7 readily understandable by persons receiving the
8 solicitation;

9 “(B) be located in a conspicuous place on
10 the solicitation; and

11 “(C) appear in conspicuous and legible
12 type in contrast by typography, layout, or color
13 with other printed matter on the solicitation;

14 “(2) in the case of a solicitation made through
15 audio communication, be clearly audible and in lan-
16 guage readily understandable by persons to whom
17 the solicitation is directed; and

18 “(3) in the case of a solicitation made through
19 visual communication—

20 “(A) appear in lettering of sufficient size
21 to be easily read by the viewer;

22 “(B) be shown against a background which
23 does not impair the legibility of the communica-
24 tion; and

1 “(C) remain in view for a period sufficient
2 to enable the viewer to read the communication.

3 “(c) Any charitable organization which makes a solic-
4 itation of contributions which is subject to subsection (a)
5 shall, no later than 30 days after the receipt of a request
6 from any person receiving such solicitation, furnish to
7 such person a financial report for the most recent com-
8 plete fiscal year of the organization, prepared in accord-
9 ance with generally accepted accounting principles, which
10 includes—

11 “(1) a statement which clearly sets forth the
12 gross income and revenues received by the organiza-
13 tion, the total expenses for program services, fund
14 raising activities, management and general activities,
15 and any other disbursements made during the fiscal
16 year;

17 “(2) a statement of functional expenses during
18 the fiscal year which discloses the nature and
19 amount of these expenses for its program services,
20 fund raising activities, and management and general
21 activities;

22 “(3) a balance sheet which discloses the organi-
23 zation’s assets, liabilities, and net worth at the be-
24 ginning and at the close of the fiscal year;

1 “(4) a statement which relates each of the ac-
2 tivities comprising the organization’s program serv-
3 ices in both qualitative and quantitative form and
4 sets forth the amounts expended for each such activ-
5 ity during the fiscal year; and

6 “(5) in the case of an organization which re-
7 ceived total revenue and support in excess of
8 \$50,000 during the fiscal year, the opinion of an
9 independent certified or licensed public accountant,
10 based on an examination made in accordance with
11 generally accepted auditing standards, that the
12 statements in the financial report present fairly the
13 financial position of the organization and the results
14 of its operations during the fiscal year.

15 “(d) Any charitable organization which makes a solici-
16 tation of contributions which is subject to subsection (a)
17 shall, upon request by the Postal Service, furnish to the
18 Postal Service in accordance with its request such audit
19 reports, accounts, or other information as the Postal Serv-
20 ice may require to establish or verify such organization’s
21 compliance with this section.

22 “(e) Subsection (a) shall not apply to—

23 “(1) any bona fide membership organization
24 with respect to any solicitation for contributions

1 made by such organization exclusively to the mem-
2 bers of such organization;

3 “(2) any school, college, or university with re-
4 spect to any solicitation for contributions made by
5 such organization exclusively to its students, alumni,
6 faculty, members of governing boards and appointed
7 committees, or a member of the family of any such
8 individuals;

9 “(3) any charitable organization which is au-
10 thorized by, and exclusively makes expenditures to
11 or for the benefit of, a school, college, or university
12 with respect to any solicitation for contributions
13 made by such organization exclusively to individuals
14 referred to in paragraph (2);

15 “(4) any solicitation of contributions made for
16 the relief, and with the written consent, of any indi-
17 vidual specified by name at the time of the solicita-
18 tion, if all of the contributions collected without any
19 deductions whatsoever are turned over to the indi-
20 vidual;

21 “(5) any solicitation of contributions made by a
22 charitable organization which received not more than
23 \$10,000 in total revenue and support during the
24 previous fiscal year and all of whose fund raising

1 functions are performed by persons who do not re-
2 ceive compensation for such performance; and

3 “(6) any solicitation which is made through the
4 use of audio or visual communication and which
5 does not exceed 60 seconds in duration.

6 “(f) For the purposes of this section—

7 “(1) the term ‘charitable organization’ means
8 any person (including any individual, organization,
9 partnership, association, trust, society, foundation,
10 group, or corporation, or any combination of them)
11 which is organized, or which claims to be organized,
12 for any charitable, benevolent, philanthropic, hu-
13 mane, patriotic, scientific, literary, medical, reli-
14 gious, or educational purpose, for the prevention of
15 cruelty to children or animals, or for any other elee-
16 mosynary purpose;

17 “(2) the term ‘contribution’ means the promise,
18 grant, gift, or pledge of any money or property of
19 any kind for any charitable, benevolent, philan-
20 thropic, humane, patriotic, scientific, literary, medi-
21 cal, religious, or educational purpose, or for the pre-
22 ventions of cruelty to children or animals, or for any
23 other eleemosynary purpose;

1 “(3) the term ‘program services’ includes any
2 activity carried on by a charitable organization in
3 the performance of its purposes;

4 “(4) the term ‘fund raising activities’ includes
5 any activity that constitutes or is an integral and in-
6 separable part of an appeal for contributions;

7 “(5) the term ‘management and general activi-
8 ties’ includes any activity which relates to the overall
9 direction of the organization, but not its program
10 services or fund raising activities; and

11 “(6) the term ‘membership’ does not include
12 any case in which an organization confers a mem-
13 bership on any person solely as a consideration for
14 making a contribution.”.

15 (b) ISSUANCE OF ORDER BY POSTAL SERVICE.—Sec-
16 tion 3005(a) of title 39, United States Code, is amended
17 by inserting immediately after “means of false representa-
18 tions” the following: “or for a charitable purpose without
19 complying with section 3012”.

20 **SEC. 3. CONFORMING AMENDMENTS.**

21 The table of sections at the beginning of chapter 30
22 of title 39, United States Code, is amended by inserting
23 after the item relating to section 3014 the following:

“3015. Soliciting charitable contributions by mail.”.

1 **SEC. 4. EFFECTIVE DATE.**

2 This Act shall take effect one year after the date of
3 the enactment of this Act.

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