New Mexico Charitable Organization Auditor and Auditor's Report Requirements

Effective 1/1/2024

Charitable Solicitations Act Change

During the New Mexico 2023 Legislative Session, SB240 (TAX EXEMPT ORGANIZATION TAX AUDITS) made changes to Chapter 57 - Trade Practices and Regulations, ARTICLE 22 - Charitable Solicitations, effective 1/1/2024.

SB240 amends the Charitable Solicitations Act (CSA) by changing the threshold from $500 thousand in total revenue to $750 thousand in total expenses for organizations that currently are required to provide an annual audit.

SB240 - TAX EXEMPT ORGANIZATION TAX AUDITS

SB240 (2023) - New Mexico Legislature

Charitable Solicitations Act

Ch. 57, art. 22 NMSA 1978

NM-COROS Update

The New Mexico Charitable Organization Registration Online System (NM-COROS) has been updated to accommodate auditor and auditor report requirement changes.

For any **fiscal period BEGINNING <u>on or after</u> 1/1/2024** with **total annual <u>expenses</u> exceeding seven hundred fifty thousand dollars ($750,000)**, an independent professional auditor entry will be required and the independent auditors report covering the period will be a required upload.

For any **fiscal period BEGINNING <u>prior to</u> 1/1/2024** with **total annual <u>revenue</u> exceeding five hundred thousand dollars ($500,000)**, an independent professional auditor entry will be required and the independent auditors report covering the period will be a required upload.

See definitions and examples included in this document. If you need further assistance with these changes, please contact the Registrar at charity.registrar@nmag.gov or (505) 717-3500.

Definitions

Fiscal Period	**The period between the Fiscal Year Begin and the Fiscal Year End.**
Fiscal Period Begin	The date in which the period begins.
Fiscal Period End	The date in which the period ends.
Fiscal Year XXXX (or XX)	The fiscal year for the organization. Many organizations consider the fiscal year XX as the year when the **fiscal period ends**.
Tax Year	The period as defined by the IRS for reporting on IRS form 990.
Tax Year XXXX	The period to be reported to IRS on 990 or another IRS document. The Tax Year XXXX is determined by when the **fiscal period began** for the organization.
Due Date	The date when a Tax Year registration should be submitted or an extension is requested. The due date is six months after the fiscal period has ended.
Total Revenue	Total Revenue as reported to IRS.
Total Expenses	Total Expenses as reported to IRS.

Examples

Organization A

Organization A has a fiscal year end of 12/31.

Fiscal Period	1/1/2023 – 12/31/2023	1/1/2024 – 12/31/2024
Fiscal Period Begin	1/1/2023	1/1/2024
Fiscal Period End	12/31/2023	12/31/2024
Fiscal Year - FYXX[1]	FY23	FY24
Tax Year XXXX[2]	**Tax Year 2023**	**Tax Year 2024**
Due Date	6/30/2024	6/30/2025
Total Revenue	$600,000	$700,000
Total Expenses	$550,000	$650,000
Auditor and Auditors Report Required	**YES** Fiscal Year Begin prior to 1/1/2024 AND Revenue greater than $500,000.	**NO** Fiscal Year Begin on or after 1/2024 AND Expenses less than $750,000.

Organization B

Organization B has a fiscal year end of 6/30.

Fiscal Period	7/1/2023 – 6/30/2024	7/1/2024 – 6/30/2025
Fiscal Period Begin	7/1/2023	7/1/2024
Fiscal Period End	6/30/2024	6/30/2025
Fiscal Year - FYXX[3]	FY24	FY25
Tax Year XXXX[4]	**Tax Year 2023**	**Tax Year 2024**
Due Date	12/31/2024	12/31/2025
Total Revenue	$450,000	$450,000
Total Expenses	$850,000	$800,000
Auditor and Auditors Report Required	**NO** Fiscal Year Begin prior to 1/1/2024 AND Revenue less than $500,000.	**YES** Fiscal Year Begin on or after 1/1/2024 AND Expenses greater than $750,000.

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[1] FYXX is shown where XX is the year when the **period ends**.
[2] TAX Year XXXX is shown where XXXX is the year when the **period begins**.
[3] FYXX is shown where XX is the year when the **period ends**.
[4] TAX Year XXXX is shown where XXXX is the year when the **period begins**.