



Received by
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Secretary of State

October 16, 2012

Suzanne Staiert
Deputy Secretary of State
State of Colorado
1700 Broadway, Suite 200
Denver, CO 80290

Suzanne Staiert:

RE: Notice of Proposed Rulemaking

Rules for the Administration of the Colorado Charitable Solicitations Act

The Lupus Foundation of Colorado Board of Directors and Staff are submitting written comments on the proposed amendments published September 13, 2012. Specifically Amendments to Rule 4 – (Page 6 of 19) 4.8 & 4.9

The Lupus Foundation of Colorado retains professional accounting services specializing in nonprofit accounting to conduct an annual audit and to prepare the I.R. S. Form 990. And, as a matter of information, sends its current Form 990 to the Secretary of State's office.

4.9 as stated, would allow the Secretary of State representative to interpret I.R.S. rules and make a determination directing the nonprofit organization and its accounting firm to file an amended I.R.S. Form 990. The proposed rule does not contain language describing the accounting proficiency of the Secretary of State's office to make the determination, nor any process for rebuttal on behalf of the nonprofit organization.

4.9 as proposed, supersedes both the professional accounting expertise employed to prepare the Form 990 and the Federal I.R.S. acceptance in its scope. The proposed amendment would determine that all organizations, including the I.R.S., are wrong regardless of the respective professional expertise, experience and competence of the organization(s).

The financial impact of 4.9 is serious for nonprofit organizations operating on small budgets. The nonprofit incurs the initial expense of an audit and professional 990 preparation and submission. Then, based on the Secretary of State determination, the organization must once again retain the accounting

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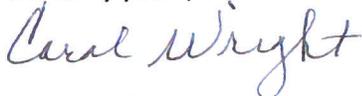
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firm to make the arbitrary changes and amend its 990. The nonprofit incurs a second expense as a result of the Secretary of State's determination.

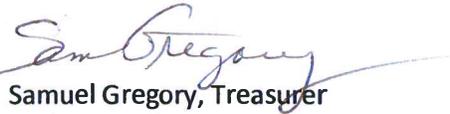
Furthermore, the process of overriding the accounting firm's professional preparation to meet the demands of a state office damages the integrity of both the accounting firm and the nonprofit and questions the I.R. S. competence.

The concept of a state office overriding the Federal I.R. S. acceptance is a bit of an over reach. In conclusion, the Lupus Foundation of Colorado opposes the 4.9 proposed rule.

Sincerely yours,



Carol Wright, Chairman
Board of Directors



Samuel Gregory, Treasurer
Board of Directors