

PROMOTION OF THE PUBLIC HEALTH OR SOCIAL WELFARE, AND WHICH RECEIVES FUNDS FROM THE STATE AS A GRANT OR UNDER CONTRACT IN ORDER TO PERFORM THESE HEALTH OR SOCIAL WELFARE SERVICES. AN ORGANIZATION SHALL BE INCLUDED WITHIN THE MEANING OF A "HEALTH OR SOCIAL WELFARE ORGANIZATION" IF IT HAS TAX EXEMPT STATUS UNDER SECTION 501(C) OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED FROM TIME TO TIME, BUT FAILURE TO MEET THIS STATUS DOES NOT EXCLUDE AN ORGANIZATION FROM THIS DEFINITION IF IT IS NEVERTHELESS OPERATED FOR THE BENEFIT OF THE PUBLIC HEALTH OR SOCIAL WELFARE.

(3) "UNIFORM ACCOUNTING STANDARDS" MEANS THOSE ACCOUNTING STANDARDS AND PROCEDURES AS ESTABLISHED OR ADOPTED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FOR VOLUNTARY HEALTH AND WELFARE ORGANIZATIONS, OR ANY CONSISTENTLY APPLIED UNIFORM STANDARDS OF AN EQUIVALENT NATURE WHICH CONFORM TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ~~AND ARE ACCEPTABLE TO THE LEGISLATIVE AUDITOR.~~

(4) "RECORDS" MEANS THE GENERALLY ACCEPTED JOURNALS, LEDGERS, AND REPORTS OF EXPENSES AND REVENUE, BUDGETS, AND ALL OTHER FINANCIAL DOCUMENTATION WHICH MAY BE REQUIRED OF THE PRIVATE HEALTH OR SOCIAL WELFARE ORGANIZATIONS OR INDIVIDUALS AS A CONDITION OF RECEIVING STATE FUNDS.

(B) (1) ANY STATE AGENCY WHICH GRANTS FUNDS TO A PRIVATE HEALTH OR SOCIAL WELFARE ORGANIZATION SHALL REQUIRE THAT ORGANIZATION TO MAINTAIN FINANCIAL RECORDS ACCORDING TO UNIFORM ACCOUNTING STANDARDS ~~ESTABLISHED BY THE LEGISLATIVE AUDITOR.~~

(2) THE CHIEF ACCOUNTANT OF EACH STATE AGENCY (OR OF EACH DEPARTMENT IN WHICH THAT AGENCY IS LOCATED) MAY UNDERTAKE AN EXAMINATION OF THE ACCOUNTS AND RECORDS OF ANY HEALTH OR WELFARE ORGANIZATION RECEIVING GRANTS FROM THAT AGENCY FOLLOWING A THIRTY DAY NOTICE PRIOR TO THE EXAMINATION DATE TO THE FUNDED ORGANIZATION OR INDIVIDUAL, AND SHALL DENY GRANTS TO ANY ORGANIZATION WHICH FAILS TO COMPLY WITH ~~THESE~~ UNIFORM ACCOUNTING STANDARDS.

(C) (1) IF AN INDIVIDUAL OR PRIVATE HEALTH OR SOCIAL WELFARE ORGANIZATION IS INCORPORATED UNDER THE LAWS OF MARYLAND, ANY STATE AGENCY WHICH CONTRACTS WITH THAT INDIVIDUAL OR ORGANIZATION TO PROVIDE VARIOUS HEALTH OR SOCIAL WELFARE SERVICES SHALL REQUIRE THAT INDIVIDUAL OR ORGANIZATION TO MAINTAIN FINANCIAL RECORDS ACCORDING TO UNIFORM ACCOUNTING STANDARDS ~~ESTABLISHED BY THE LEGISLATIVE AUDITOR.~~

(2) AN INDIVIDUAL OR PRIVATE ORGANIZATION THAT IS NOT INCORPORATED UNDER THE LAWS OF MARYLAND MAY BE REQUIRED BY THE STATE AGENCY TO MAINTAIN FINANCIAL RECORDS ACCORDING TO ~~THESE~~ UNIFORM ACCOUNTING STANDARDS WHEN THAT AGENCY IS CONTRACTING WITH THAT INDIVIDUAL OR ORGANIZATION FOR VARIOUS HEALTH OR SOCIAL WELFARE SERVICES.