

## State to warn Morris Twp. charity

Group that raises funds at carnival accused of not renewing registration

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The group that runs the annual Morris Township Day carnival and funds scholarships for township youths will be warned this week that it is delinquent in its charity registration status, according to state officials.

Morris Township Day Inc. will have 10 days to respond once it receives the letter that was to be sent Friday, said Tamisha Hallman, a spokeswoman for the Division of Consumer Affairs, which oversees charities.

The group registered as a charity for the 1999 and 2000 fiscal years, but since then it has failed to renew its status as required, she said.

If the group is found to have violated the state Charitable Registration and Investigation Act, it could face fines up to \$10,000 and possible suspension or revocation, Hallman said.

Also, the group is not registered as a tax-exempt organization, according to state and federal tax officials.

Township officials said they hope questions about the group's financial records don't interfere with its ability to run an annual carnival for local families and to help students pay for college.

"We believe this is a positive thing for the community, but we would encourage them to go for ward and get their paperwork filed," Mayor Robert Nace said.

He added, "I would hate for them to walk away from the carnival."

Morris Township Day Inc. has donated \$127,000 to the County College of Morris for scholarships for township students and \$76,000 for those at the College of St. Elizabeth, according to the two colleges.

It was unclear how much money the group has raised since the carnival started in 1990.

According to the two registration statements on file at the Division of Consumer Affairs, the group listed its gross receipts as nearly \$76,000 in 1999 and more than \$92,000 the following year.

The company that runs the carnival charges roughly \$40,000 to \$60,000, plus Morris Township Day Inc. must pay for police at the township's Ginty Field, among other expenses, said Joseph Calvanelli, the group's treasurer for the past three years. Calvanelli said he did not have immediate access to detailed financial records.

The group's chairman, Peter Mancuso, said he also did not have immediate access to its financial records. Peg Adams, the township recreation director, could not be reached for comment.

However, Mancuso said he believes the group is a registered not-for-profit group. He estimated the group has raised between \$150,000 and \$250,000 since 1990, and he said its expenses have been minimal.

"All of it goes to college scholarships for local kids," said Mancuso, a former mayor.

Plus, he said, a dozen local civic groups run booths where they raise as much as \$3,000.

He called skepticism about his group's finances "obviously political. ... Why would someone attack something that's obviously so good?" he said.

Questions about the annual carnival were first raised by Beth Sparacino, a township resident who has filed requests for public information about the group's finances.

Local officials "are allowing groups to raise money without accountability or oversight, on public property and using taxpayer resources," said Sparacino, a former social studies teacher and mother of two.

Sparacino said she has posted signs and held a coffee gathering for Jeffrey Grayzel, the Democrat who narrowly beat Calvanelli, a Republican, for a seat on the township committee this month. A ballot recount is scheduled for tomorrow.

Sparacino said her questions were motivated not by party politics, but by her desire to see community funds spent properly.

The carnivals began in 1990 as a celebration of the township's 250th anniversary, Mancuso said. The event features rides and attractions provided by an outside contractor, with local volunteers helping out, he said. (There was also a Morris Township Day back in 1980, but that was a comparatively small community gathering that did not become an annual event, Mancuso said.)

Morris Township Day Inc. also runs annual golf tournaments, which Mancuso said break even and do not generate scholarship funds.

According to the state Department of the Treasury, the group registered as a nonprofit corporation in 1980 but its status was revoked in 1987 after it failed to file annual reports two years in a row.

Having its nonprofit status revoked means the group owes state taxes, said Mark Perkiss, a department spokesman.

The Internal Revenue Service has no current record of the group as a tax-exempt organization, according to an IRS spokesman.

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