

Guide To 4-H Club Charters and Tax Exempt Status





Clarification of 4-H Tax Exempt Status:

- Our current ruling dates back to the 1970's and was based on a 1946 ruling that referenced the Internal Revenue Code of 1939, much of which is no longer current law, regulations, or records.
- The IRS is working to clarify the actual tax exempt status for 4-H, and to identify ways to coordinate the list of 4-H entities more efficiently and effectively in the future.

Step 1: Apply for Your 4-H Club Charter – Why?

- To use the 4-H name and emblem
- Authorized to carry out 4-H youth programs and activities
- Eligible to open a bank account
- Be included in tax-exempt status





Requirements For Charter...

- The local club has five members (from at least two families) with completed enrollments.
- The club is organized with youth officers/leadership roles.
- There are one or more appointed and trained club leaders.
- An initial meeting place is secured for at least several consecutive months.
- An official non-discriminatory club name is chosen.
- Club rules, which may be in the form of by-laws, are established.
- At least six or more regular meetings plus project meetings are scheduled.
- A written educational plan for the club program and activities is presented to the county 4-H office (draft is okay).



NEW 4-H CLUB CHARTER APPLICATION
(to be completed by Club Secretary)

Name of 4-H Group _____

Type of 4-H Group _____
(4-H Project Club, 4-H Special Interest Group, General 4-H Club)

Community/School _____ County _____

Number enrolled _____ Total Number of Projects _____

Purpose of Club _____

Name of Club Leader _____

Date organized _____

President: Name _____

Address _____

Vice President: Name _____

Address _____

Secretary: Name _____

Address _____

Signed by:

President _____

Club Organizational Volunteer(s) _____

Date of Application _____

Attachments: _____ Club Program Plan
_____ Roster of Club Members
_____ Signed *Charter Request Form*

Submit to your County 4-H Youth Development Office

Completing your Charter Application

- The Charter should be completed by the club secretary, and signed by the club president.
- Each year the club will submit an “Annual Request for Charter” to the 4-H Office.

Step 2: Obtain an EIN Number for the Club Account

- Request an EIN Number by filing form SS-4 with the IRS
- Banks require this number when opening a 4-H Club Account
- Any club or affiliated group that seeks funds or in-kind gifts from businesses or donors must first obtain an EIN number



Application for Employer Identification Number

(For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.)

▶ See separate instructions for each line. ▶ Keep a copy for your records.

OMB No. 1545-0003

EIN

Type or print clearly.	1 Legal name of entity (or individual) for whom the EIN is being requested		
	2 Trade name of business (if different from name on line 1)	3 Executor, administrator, trustee, "care of" name	
	4a Mailing address (room, apt., suite no. and street, or P.O. box)	5a Street address (if different) (Do not enter a P.O. box.)	
	4b City, state, and ZIP code	5b City, state, and ZIP code	
	6 County and state where principal business is located		
	7a Name of principal officer, general partner, grantor, owner, or trustor	7b SSN, ITIN, or EIN	
	8a Type of entity (check only one box)		
<input type="checkbox"/> Sole proprietor (SSN) _____ <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation (enter form number to be filed) ▶ _____ <input type="checkbox"/> Personal service corporation <input type="checkbox"/> Church or church-controlled organization <input type="checkbox"/> Other nonprofit organization (specify) ▶ _____ <input type="checkbox"/> Other (specify) ▶ _____			
<input type="checkbox"/> Estate (SSN of decedent) _____ <input type="checkbox"/> Plan administrator (SSN) _____ <input type="checkbox"/> Trust (SSN of grantor) _____ <input type="checkbox"/> National Guard <input type="checkbox"/> State/local government <input type="checkbox"/> Farmers' cooperative <input type="checkbox"/> Federal government/military <input type="checkbox"/> REMIC <input type="checkbox"/> Indian tribal governments/enterprises Group Exemption Number (GEN) ▶ _____			
8b If a corporation, name the state or foreign country (if applicable) where incorporated	State	Foreign country	
9 Reason for applying (check only one box)			
<input type="checkbox"/> Started new business (specify type) ▶ _____ <input type="checkbox"/> Hired employees (Check the box and see line 12.) <input type="checkbox"/> Compliance with IRS withholding regulations <input type="checkbox"/> Other (specify) ▶ _____			
<input type="checkbox"/> Banking purpose (specify purpose) ▶ _____ <input type="checkbox"/> Changed type of organization (specify new type) ▶ _____ <input type="checkbox"/> Purchased going business <input type="checkbox"/> Created a trust (specify type) ▶ _____ <input type="checkbox"/> Created a pension plan (specify type) ▶ _____			
10 Date business started or acquired (month, day, year). See instructions.	11 Closing month of accounting year		
12 First date wages or annuities were paid (month, day, year). Note. If applicant is a withholding agent, enter date income will first be paid to nonresident alien. (month, day, year) ▶			
13 Highest number of employees expected in the next 12 months (enter -0- if none).	Agricultural	Household	Other
Do you expect to have \$1,000 or less in employment tax liability for the calendar year? <input type="checkbox"/> Yes <input type="checkbox"/> No. (If you expect to pay \$4,000 or less in wages, you can mark yes.)			
14 Check one box that best describes the principal activity of your business.			
<input type="checkbox"/> Construction <input type="checkbox"/> Rental & leasing <input type="checkbox"/> Transportation & warehousing <input type="checkbox"/> Health care & social assistance <input type="checkbox"/> Wholesale-agent/broker <input type="checkbox"/> Real estate <input type="checkbox"/> Manufacturing <input type="checkbox"/> Finance & insurance <input type="checkbox"/> Accommodation & food service <input type="checkbox"/> Wholesale-other <input type="checkbox"/> Retail <input type="checkbox"/> Other (specify) _____			
15 Indicate principal line of merchandise sold, specific construction work done, products produced, or services provided.			
16a Has the applicant ever applied for an employer identification number for this or any other business? <input type="checkbox"/> Yes <input type="checkbox"/> No Note. If "Yes," please complete lines 16b and 16c.			
16b If you checked "Yes" on line 16a, give applicant's legal name and trade name shown on prior application if different from line 1 or 2 above.			
Legal name ▶		Trade name ▶	
16c Approximate date when, and city and state where, the application was filed. Enter previous employer identification number if known.			
Approximate date when filed (mo., day, year)		City and state where filed	Previous EIN
Third Party Designee	Complete this section only if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of this form.		
	Designee's name		Designee's telephone number (include area code) ()
	Address and ZIP code		Designee's fax number (include area code) ()
Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.			Applicant's telephone number (include area code) ()
Name and title (type or print clearly) ▶			Applicant's fax number (include area code) ()
Signature ▶			Date ▶

Completing the SS-4

- To request an EIN for banking purposes; you are required to complete lines 1-5b, 7a-b (if applicable), 8a, 8b-c (if applicable), 9a, 9b (if applicable) 10, and 18.



Step 3: Requesting Inclusion under Gen 2704

- With the EIN Number a club may then apply for Federal Tax-Exempt status under the National 4-H Group Tax Identification Number (Gen 2704).
- This Federal Tax Identification Number is assigned to the National 4-H Headquarters and acts as the “parent” entity for 4-H Clubs.
- This is not an exemption from “Florida Sales Tax”

Internal Revenue Service
Ogden, Utah 84201

SUBJECT: Requesting inclusion under GEN 2704

The (Club name and address) requests inclusion under the IRS ruling for 4-H Clubs and 4-H Affiliated Organizations for Group Exemption Number 2704. The EIN Number for the (Club Name) is (insert EIN#). The contact person is: (leader name and phone number). The effective date requested for inclusion is September 2008.

The (Club Name) has been approved to use the 4H Name and Emblem by the Sarasota County Extension Service office, University of Florida Institute of Food Agricultural Sciences.

If any questions please call, Marcia Morris 4H Agent 941-861-9814

Sincerely,

Marcia Morris

Extension Agent 4H II

Completing “Letter of Inclusion”

- The 4-H Office can send you a copy of this letter.
- Fill in the blanks with your clubs information and return it – we will sign and submit your request to the Internal Revenue.



You Need To Know

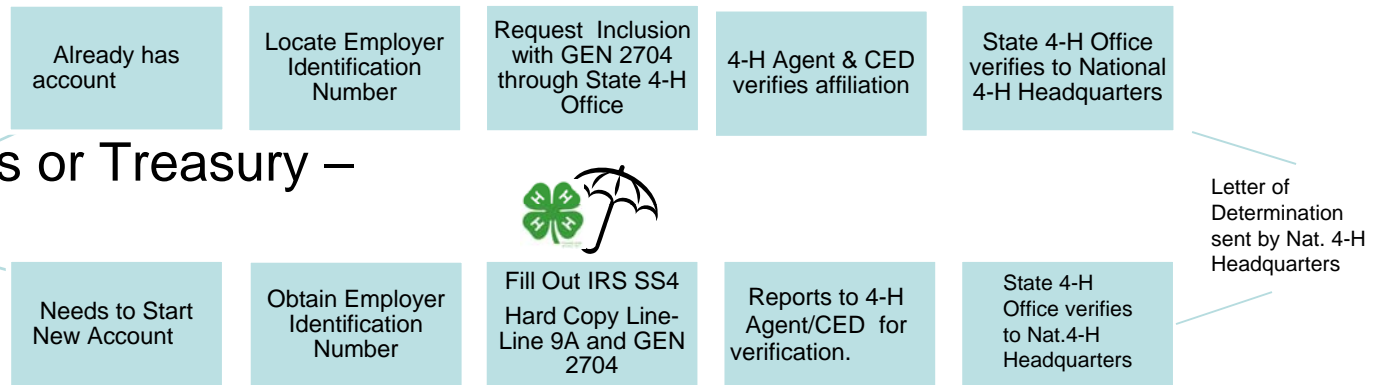
- Beginning in 2008, small tax-exempt 4-H organizations will be required to file an annual electronic notice called an e-Postcard (Form 990-N)
- 4-H Clubs and Affiliated Groups who have been registered with the State 4-H Office under the General Exemption Number 2704 (National 4-H), are classified as “exempt” from Federal Income Tax. BUT, they still must file a Federal Income Tax form 990. If 4-H clubs used September 2008-August 2009 as their program/fiscal year, their Federal Income Tax form 990 is due by the 15th day of the fifth month following the close of their program year – January 15th.
- Organizations that do not file the notice will lose their tax-exempt status.
- **National 4-H has negotiated with the IRS that there will be no penalties for 4-H subsidiaries earning less than \$25,000 who do not electronically file for the remainder of 2008.**

Federal Tax Exemption/EIN Process

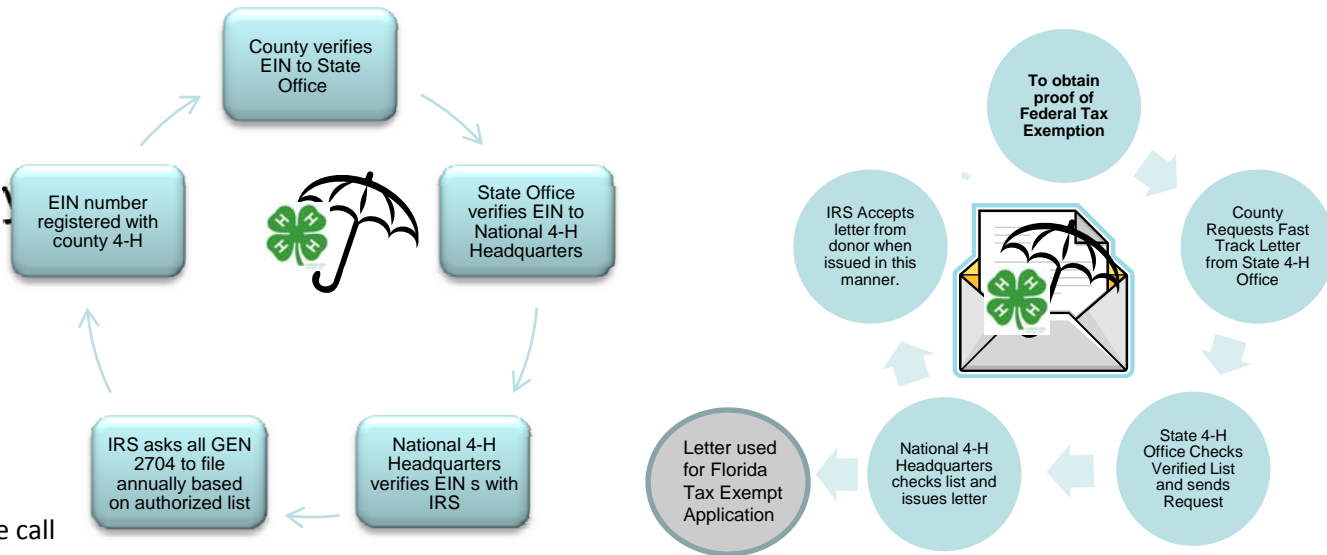
Chartered 4-H Club or Affiliate Group
 No Treasury – No action necessary



Fundraising Plans or Treasury –



IRS Accountability



Federal Tax Exemption does not apply to state & local taxes. Please call the State 4-H Office with questions.

Step 4: Florida Sales Tax Exemption

- A 4-H Club may apply to the FL Department of Revenue to receive a certificate of exemption from sales tax on things purchased that further the mission of the nonprofit using form DR-5.
- When a 4-H club or affiliated group decides to sell specific items to others, they must collect sales tax on the sold items. This sales tax then needs to be transferred to the State of Florida.





Application for Consumer's Certificate of Exemption

DR-5
R. 11/03

Sales and Use Tax [pursuant to ss. 212.08(6), (7), and 213.12(2), Florida Statutes]
* NO FEE REQUIRED *



CHECK ONE:
 New Renewal
 Certificate No. _____

MAIL TO:
 CENTRAL REGISTRATION/EXEMPTIONS
 FLORIDA DEPARTMENT OF REVENUE
 PO BOX 6480
 TALLAHASSEE FL 32314-6480

Exemption category for which you are applying (check only one):

- | | | |
|-------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------------|
| <input type="checkbox"/> 501 (c)(3) Organization | <input type="checkbox"/> Library Cooperative | <input type="checkbox"/> Religious - physical place of worship |
| <input type="checkbox"/> Community Cemetery | <input type="checkbox"/> Nonprofit Cooperative Hospital Laundry | <input type="checkbox"/> Religious - governing/administrative |
| <input type="checkbox"/> Credit Union | <input type="checkbox"/> Nonprofit Water System | <input type="checkbox"/> Religious - transportation provider |
| <input type="checkbox"/> Fair Association | <input type="checkbox"/> Organization Benefiting Minors | <input type="checkbox"/> School, College or University |
| <input type="checkbox"/> Florida Fire and Emergency Services Foundation | <input type="checkbox"/> Parent-Teacher Organization/Association | <input type="checkbox"/> Veterans' Organization |
| <input type="checkbox"/> Florida Retired Educators Association | <input type="checkbox"/> Political Subdivision | <input type="checkbox"/> Volunteer Fire Department |

Office Use Only

BP _____

CO _____

RS _____ N ___ R ___

PM Date _____

Date Rec'd _____

Organization Name			
Street Address		Business Phone ()	
City/State/ZIP		County, if located in Florida	
Federal Employer Identification Number (FEIN)	Is Organization incorporated? Yes <input type="checkbox"/> No <input type="checkbox"/>	Date of Incorporation	Does organization hold IRS exempt status? Yes <input type="checkbox"/> No <input type="checkbox"/>
Mailing Address (If different than above)		Alternate Phone ()	
City/State/ZIP		County, if located in Florida	
Does the organization receive income from the sale or lease of tangible personal property, the lease of real property or the sale of taxable services? Yes <input type="checkbox"/> No <input type="checkbox"/>			
If yes, provide the organization's sales and use tax certificate of registration number: _____			

ALL DOCUMENTS SUBMITTED WILL BE RETAINED AS PART OF THIS APPLICATION.

CERTIFICATION

I hereby attest that I am authorized to sign on behalf of the applicant organization described above. I further attest that, if granted, the *Consumer's Certificate of Exemption* will only be used in the manner authorized for this organization under ss. 212.08(6), (7), or 213.12(2), Florida Statutes.

I declare that I have read the information provided on this application, including the attached documentation, and that the facts stated herein are true.

 Signature

 Print name

 Title

 Date



Completing The Consumer's Certificate of Exemption

- Check New application
- Check 501 (c) 3 organization
- Complete: Name, Address....
- FEIN : GEN2704
- Incorporation: NO
- Does organization hold IRS exempt status: YES
- Does organization receive income from the sale or lease of tangible personal property: NO.
- Sign, Date and send to address on form.
- Your certificate is good for 5 years - then you must resubmit form again - this time marking "RENEWAL" and indicating your certificate #.

Club information must be reported to the local 4-H Office.

- Bank Accounts, and authorized signatures
- EIN numbers
- Letter of Inclusion
- Certificate of Exemption
- 501 (3) c status

We will keep these records at the 4-H Office and submit copies to the State 4-H Office



We are here to help...

This power point presentation was designed to help our leaders understand county, state, and IRS requirements. As always please contact the 4-H Office with any questions you may have.

Thanks again to all our volunteers!