

Quick Reference: Club Chartering, E.I.N, Federal Tax Exemption, Florida Sales Tax Exemption

4-H Club or Affiliate Unit Chartering

1. Clubs and Affiliates must be authorized to use the 4-H Name & Emblem
2. Committees, councils, boards must have a MOU (memorandum of understanding) that recognizes the group affiliation with 4-H and must be authorized to use the 4-H Name and Emblem along with fiscal resource guidelines and management

Step 1:

Club/Unit completes either a *New Club Charter* or *Annual Club Charter Request Form* and submits to County 4-H Agent. Clubs may form at any time during the year.

The image shows two forms side-by-side. The left form is titled 'NEW 4-H CLUB CHARTER APPLICATION (to be completed by Club Secretary)'. It includes fields for Name of Club, Type of 4-H Club, Community School, Location, Purpose of Club, Name of Club Leader, State registration, President Name, Vice President Name, Secretary Name, and Club President. It also has a section for Club Organization Information and a list of checkboxes for membership status and program participation. The right form is titled 'ANNUAL REQUEST FOR CLUB CHARTER'. It includes fields for Name of Club, Type of Program, Name of Club Leader, Purpose of Club, and a section for Club Officers (President, Vice President, Secretary, Treasurer, and Club Leader). It also has a section for Club Organization Information and a list of checkboxes for membership status and program participation.

New Club Charter Form Annual Club Charter Request Form

Step 2:

County 4-H Agent forwards to State 4-H Office a copy of “New Club Charter Form” and keep the original in your county files; the “Annual Club Charter Request Form” is kept in your county office and is not needed to be forwarded.

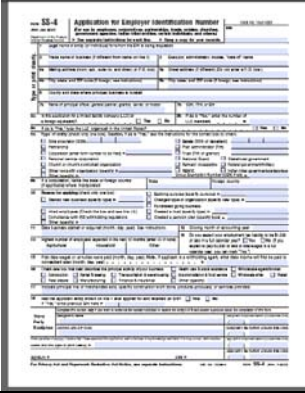
Step 3:

State 4-H Office approves and sends Charter Certificate to county in reply to the “New Club Charter Form”

Step 4:

County 4-H Agent sends a letter with charter certificate to Club president /leaders authorizing use of name and emblem (send document on use of); advise club to begin process to apply for EIN# using the National 4-H GEN2704.

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Employee Identification Number (E.I.N.)			
<p>If the 4-H Club or Affiliate Group has a treasury, it may be included in the National 4-H Group Exemption Number (GEN2704) when it applies for a new bank account, or it registers the existing account with the State 4-H Office (through the county Extension Office) for inclusion in the master list.</p>			
Employer Identification Number	Who Needs E.I.N.	Apply with IRS	Register EIN # with State 4-H
<p>An Employer Identification Number (EIN) is also known as a Federal Tax Identification Number, and is used to identify a business entity.</p>	<p>4-H Clubs & Affiliate Groups: Opens a bank account <u>or</u> plans to fundraise <u>or</u> submit for exemption from Florida State sales tax</p>	<p>Register with IRS – Form SS-4 www.irs.gov The processing timeframe for an EIN application received by mail is four (4) weeks. Ensure that the Form SS-4 (PDF) contains all of the required information. If it is determined that the entity needs a new EIN, one will be assigned using the appropriate procedures for the entity type and mailed to the taxpayer.</p> <ul style="list-style-type: none"> Line 9A indicate 4-H & Affiliate Group and GEN 2704 <p>Recommended to submit application as hard copy and <u>not</u> an e-copy. E-copy requires a person's social security number, paper form does not.</p>	<p>Annually, December 1 – all new E.I.N.should be emailed top the State 4-H Events office.</p>
<p>Closing an Account Once an EIN has been assigned to a business entity, it becomes the permanent Federal taxpayer identification number for that entity. Regardless of whether the EIN is ever used to file Federal tax returns, the EIN is never reused or reassigned to another business entity. There is NO need to close with IRS. There is a form on-line if closure is desired.</p>			<p>NO need to close with 4-H.</p>

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Federal Tax Exemption					
<p>A 4-H Club or Affiliate Groups authorized under the National 4-H GEN 2704 becomes “like” a 501 c3, in that it is exempt from Federal Income Tax due to its affiliation with National 4-H.</p>					
<p>A Foundation that has filed Articles of Incorporation with the State of Florida AND filed for non-profit status with the U. S. Department of Treasury as a 501 c3 is Federal Tax Exempt on its own.</p>					
<p>Both 4-H Clubs/Affiliate Groups and Foundations must file an annual Income Tax Form 990 (for income over \$25,000) or Form 990EZ (for income less than \$25,000). Be sure to keep track of successful and unsuccessful filing attempts.</p>					
	Who	Validation of Exemption	Application	Register with	Accountable to
501 (c) 3 Incorporated ¹	Large Foundations and Fair file for 501 c3 status as INCORPORATED (Inc.)	One “Letter of Determination” issued upon status being granted from IRS <i>Important document you should copy and file.</i>	Two forms currently required by the IRS are <u>1)Form 1023</u> Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code, Requires a USER FEE ¹ <u>2)Form 1024</u> Application for Recognition of Exemption Under Section 501(a).	Florida State Division of Corporations AND the U.S. Department of the Treasury	Board of Directors
501 (c) 3 Unincorporated ²	Boards and most organizations seeking recognition of exemption from federal income tax file as UNICORPORATED				
4-H Clubs and Affiliate Groups Under National 4-H Headquarters GEN 2704	4-H Clubs and Affiliate Groups registered with County Extension Offices and authorized to use the 4-H Name and Emblem.	Verifying Letter from National 4-H Headquarters <i>Important document you should copy and file.</i>	Requests for” Letter of Inclusion” will be accepted by State 4-H Office. Annual deadline is December 1. State 4-H will send one annual request to National 4-H.	National 4-H Headquarters coordinates with IRS	Cooperative Extension Service

User Fee:

If your average annual gross receipts have exceeded or will exceed \$10,000 annually over a 4-year period, you must submit payment of **\$750**.

If your gross receipts have not exceeded or will not exceed \$10,000 annually over a 4-year period, the required user fee payment is **\$300**.

See instructions for Part XI, for a definition of **gross receipts** over a 4-year period. *User fees are subject to change. Check the website at www.irs.gov and type “User Fee” in the keyword box, or call Customer Account Services at 1-877-829-5500 for current information.*¹

¹Incorporated protects board members personal assets from company liabilities such as creditors or lawsuits.

²Unincorporated members can be held directly liable if someone were to sue the association

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Florida Sales Tax Exemption Section 212.08, Florida Statutes

A Florida nonprofit, such as a 4-H Club or affiliate, may qualify for sales tax on things *purchased* that further the mission of the nonprofit. This exemption is *not* automatically granted just because a group is exempt from federal income tax. Current Florida Sales Tax is 6%. (12/2008)

Who	Application	Requires	Document Received	Reporting
4-H Clubs and Affiliates	Form DR-5 Obtain from Florida Department of Revenue http://dor.myflorida.com/dpr/forms Same form used for renewal	No fee Copy of Letter of Determination or Fast Track letter; <i>also known as 'letter of inclusion' under the umbrella of National 4-H Headquarters GEN2704</i>	Consumer's Certificate of Exemption <ul style="list-style-type: none"> Valid for 5 years 	Not required.

Application for Consumer's Certificate of Exemption
DR-5
R. 11/05

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

<input type="checkbox"/> 501(c)(3) Charitable	<input type="checkbox"/> Charitable	<input type="checkbox"/> Public Official
<input type="checkbox"/> Charitable Cemetery	<input type="checkbox"/> Nonprofit Cooperative Housing Society	<input type="checkbox"/> Public Official's spouse of
<input type="checkbox"/> Church	<input type="checkbox"/> Nonprofit Water System	<input type="checkbox"/> Public Official's dependent
<input type="checkbox"/> Fair Association	<input type="checkbox"/> Cooperative Housing System	<input type="checkbox"/> Public Official's dependent
<input type="checkbox"/> Florida Professional Emergency Services Association	<input type="checkbox"/> Public Official's dependent	<input type="checkbox"/> Public Official's dependent
<input type="checkbox"/> Florida Retail Education Association	<input type="checkbox"/> Public Official's dependent	<input type="checkbox"/> Public Official's dependent
<input type="checkbox"/> Public Official's dependent	<input type="checkbox"/> Public Official's dependent	<input type="checkbox"/> Public Official's dependent

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

CERTIFICATION

I hereby affirm that I am authorized to sign on behalf of the applicant organization described above. I further affirm that, if granted, the Consumer's Certificate of Exemption will only be used for the purposes authorized for this organization under Fla. Statutes, (F.S. 212.08), (F.S. 212.13), 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: _____ Title: _____
Print name: _____ Date: _____

Form DR – 5 Completion Tips

1. Exemption Category: 501c 3
2. Need a copy of your
 - a. Letter of determination OR Fast Track letter
3. Complete DR-5 form in **BLUE or BLACK** ink only
4. E.I.N number
5. If a question is not appropriate then place N/A, do not leave blank

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F.A.Q.

What is the difference between non-profit and tax-exempt status?

Non-profit status is a state law concept. Non-profit status may make an organization eligible for certain benefits, such as state sales, property, and income tax exemptions. Although most federal tax-exempt organizations are non-profit organizations, organizing as a non-profit organization at the state level does not automatically grant the organization exemption from federal income tax. To qualify as exempt from federal income taxes, an organization must meet requirements set forth in the Internal Revenue Code. See [Types of Tax-Exempt Organizations](#) or [Publication 557](#) for more information.

<http://www.irs.gov/charities/article/0,,id=136195,00.html>

I don't know if our county has a tax-exemption status. Is there a way to check?

Yes, go to this section of the www.irs.gov website and do a search – read the directions on how to search.

<http://www.irs.gov/charities/article/0,,id=96136,00.html>

BIBLIOGRAPHY

¹ <http://www.irs.gov/pub/irs-pdf/f1023.pdf> page 12

<http://www.rurdev.usda.gov/rbs/ezec/toolbox/501c3factsheet.html>

<http://www.irs.gov/pub/irs-pdf/p4220.pdf>

<http://dor.myflorida.com/dpr/forms>

An Extension Agent's Guide to Florida 4-H Club/Group Charters and Requirements for Tax Exempt Status. October 2005.

www.florida4h.org

- Select Faculty/Staff
- http://florida4h.org/staff/program_handbook/index.shtml
 - Chapter 5 Resource Development and Fiscal Management
- <http://florida4h.org/clubs/resources.shtml>
 - 4-H Club Resources
 - Organizing and Chartering a 4-H Club**
 - [Guide to Starting and Maintaining a 4-H Club](#) [pdf]
 - [New Club Charter Application for Club Secretary](#)
 - [Annual Club Charter Request Form](#)
 - [Chartering Requirements for Tax Exempt Status](#)
 - [Sample SS-4 Form](#)
 - [Blank SS-4 Form](#)
 - [Where to send your SS-4 Form](#)
 - [Club Organization Form](#)

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- [Sample Bylaws](#)
- **Financial Management Fact Sheets**
 - [4-H Financial Management](#)
 - [Guidelines for Creating Accounts](#)
 - [Rights and Responsibilities](#)
 - [Audits](#)
 - [Establishing and Maintaining a County 4-H Foundation](#)
 - [Tax Related Procedures for 4-H Clubs](#)
 - [Duties of the 4-H Unit Treasurer](#)
- **Training Resources and Fact Sheets**
 - [Chartering 4-H Clubs & Affiliate Groups](#)
 - [Granting Authorization to use Name and Emblem](#)
 - [Using the Name and Emblem](#)
 - [Tax Exempt Status](#)
 - [Know the Basics about 4-H Clubs](#)
 - [Selecting a Name for a 4-H Club](#)
 - [4-H MOU](#)
 - [4-H FAQs](#)
- **Club Support Publications**
 - [Florida 4-H Treasurer's Book](#) [pdf]

Georgene Bender, South Central Regional Specialized 4-H Agent II; William Heltemes, North East Regional Specialized 4-H Agent IV; Germaine Pointer, South District Regional Specialized 4-H Agent II; Butterfield, Judith, Central District, Regional Specialized 4-H Agent IV, Heather Kent, North West Regionalized 4-H Agent II; Marilyn Norman, Associate Professor, 4-H/Family, Youth and Community Sciences, University of Florida/IFAS, Gainesville, FL, January, 2009.