

Spring Branch Independent School District

Parent Organizations Financial Management Handbook

Prepared by Financial Services Department

January 2017

General Information

Spring Branch ISD Parent Organizations

This Financial Management Handbook for parent organizations is designed to provide parent organizations, booster clubs, principals and sponsors with financial procedures that are mandated by state law, the Internal Revenue Service (IRS), Board policy, administrative directives and/or good business practices. **The term “Parent Organization” refers to both PTA’s and Booster Clubs.**

RELATIONS WITH PARENT ORGANIZATIONS

In accordance with Spring Branch Independent School District Board Policy GE (LEGAL) [http://pol.tasb.org/Policy/Download/599?filename=GE\(LEGAL\).pdf](http://pol.tasb.org/Policy/Download/599?filename=GE(LEGAL).pdf) the Board shall cooperate in the establishment of ongoing operations of at least one parent-teacher organization at each school in the District to promote parental involvement in school activities. Education Code 26.001(e)

In addition, GE (LOCAL) Policy

[http://pol.tasb.org/Policy/Download/599?filename=GE\(LOCAL\).pdf](http://pol.tasb.org/Policy/Download/599?filename=GE(LOCAL).pdf)

states that district-affiliated school-support or booster organizations shall organize and function in a way that is consistent with the District’s philosophy and objectives, within adopted Board policies, in accordance with applicable UIL guidelines and financial and audit regulations.

District-affiliated school-support or booster organizations may use District facilities with prior approval of the appropriate administrator. Other parent groups may use district facilities in accordance with policy GKD.

[http://http://pol.tasb.org/Policy/Download/599?filename=GKD\(REGULATION\).pdf](http://http://pol.tasb.org/Policy/Download/599?filename=GKD(REGULATION).pdf)

[http://pol.tasb.org/Policy/Download/599?filename=GKD\(LEGAL\).pdf](http://pol.tasb.org/Policy/Download/599?filename=GKD(LEGAL).pdf)

Before parent groups or other groups working with the school purchase equipment for the schools, including computer hardware and software, they shall notify the principal of their plans. In consultation with the Superintendent or designee, the principal shall determine the type or brand of equipment to buy to ensure compatibility with current District equipment.

Spring Branch Independent School District (SBISD) encourages the participation and involvement of parents in the education of their children. Parent support organizations may be formed to promote the school program or to compliment a particular student group or activity. Students learning opportunities are expanded when they participate in school activities and programs. The district greatly appreciates the time and support that these organizations provide our students.

A booster club is formed to enrich the school's participation in extracurricular activities and normally involves an individual student group (band, football, after prom, etc.).

A PTA is formed to promote the general welfare of the entire student body at a particular school.

The principal must approve the formation of all parent organizations. He/She is responsible for all money raising activities carried on in his/her school or sponsored in any manner by or on behalf of his/her school. Parent/teacher committees or faculty/student committees should work in full cooperation with the principal under his/her supervision in planning special programs and activities or in conducting any activity which involves the raising of money.

The Parent Organization works through the sponsor to provide assistance for the planned activities of the student group.

The Parent Organization decides the type and amount of assistance they will provide; however they do not have the authority to decide the activities or trips in which the student group will participate.

The sponsor of a student group serves as the liaison between the Parent Organization and the District, under the supervision of the Principal. The sponsor is responsible for determining the various activities and trips in which the student group will participate with the approval of the Principal. The sponsor does not have the authority to control the amount of support a Parent Organization provides.

The Principal is responsible for approving the activities of the student group and some activities of the related Parent Organization. In addition, the Principal should approve the constitution and bylaws of the Parent Organization.

Parent organizations operate autonomously of the school district as separate parent organizations even though they generally exist solely to support school activities.

The responsibility for accounting, safeguarding, and disbursement of funds rests with the parent organization officers. The principal may act in an advisory capacity only.

Sections of this handbook will provide general, not specific and/or all inclusive tax information as it relates to parent organizations. It is each parent organization's sole responsibility to seek competent professional tax assistance for its own tax reporting requirements.

Parent organizations should strive to remain in good standing with all federal and state agencies. This includes paying all taxes and other debts incurred by the organization.

Each parent organization shall operate under bylaws and shall submit a copy to the school principal.

A parent organization may not represent the District nor bind the District or any of its employees to a third party with which the organization may conduct business.

All meetings of parent organizations must be public meetings. Minutes of all parent organization meetings should be kept in writing in the permanent records of the organization.

All parent organizations must obtain a unique tax identification number/Employer Identification Number (EIN). Parent organizations are not permitted to use the District's EIN or its Texas Sales Tax Permit Number.

Principals should inform sponsors so that they are aware of the guidelines that may pertain to their particular area.

Links to District Policies

GE (Legal) Policy - Relations with Parent Organizations

[http://pol.tasb.org/Policy/Download/599?filename=GE\(LEGAL\).pdf](http://pol.tasb.org/Policy/Download/599?filename=GE(LEGAL).pdf)

GE (Local) Policy - Relations with Parent Organizations

[http://pol.tasb.org/Policy/Download/599?filename=GE\(LOCAL\).pdf](http://pol.tasb.org/Policy/Download/599?filename=GE(LOCAL).pdf)

GF (Legal) Policy - Public Complaints

[http://pol.tasb.org/Policy/Download/599?filename=GF\(LEGAL\).pdf](http://pol.tasb.org/Policy/Download/599?filename=GF(LEGAL).pdf)

GF (Local) Policy - Public Complaints

[http://pol.tasb.org/Policy/Download/599?filename=GF\(LOCAL\).pdf](http://pol.tasb.org/Policy/Download/599?filename=GF(LOCAL).pdf)

GKD (Regulation) - Community Relations, Nonschool Use of School Facilities

[http://http://pol.tasb.org/Policy/Download/599?filename=GKD\(REGULATION\).pdf](http://http://pol.tasb.org/Policy/Download/599?filename=GKD(REGULATION).pdf)
[N\).pdf](http://pol.tasb.org/Policy/Download/599?filename=GKD(LOCAL).pdf)

GKD (Legal) - Community Relations, Nonschool Use of School Facilities

[http://pol.tasb.org/Policy/Download/599?filename=GKD\(LEGAL\).pdf](http://pol.tasb.org/Policy/Download/599?filename=GKD(LEGAL).pdf)

GKD (Local) - Community Relations, Nonschool Use of School Facilities

[http://pol.tasb.org/Policy/Download/599?filename=GKD\(LOCAL\).pdf](http://pol.tasb.org/Policy/Download/599?filename=GKD(LOCAL).pdf)

GKD (Exhibit) - Community Relations, Nonschool Use of School Facilities

[http://pol.tasb.org/Policy/Download/599?filename=GKD\(XHIBIT\).pdf](http://pol.tasb.org/Policy/Download/599?filename=GKD(XHIBIT).pdf)

Current Resources


Texas PTA website - <http://www.txpta.org/>

Texas PTA Story - <http://www.txpta.org/our-story>

Texas PTA Mission - <http://www.txpta.org/our-mission>
<http://www.txpta.org/back-the-future>

Request for a new PTA - Form to be completed and send to TX PTA

<https://www.formsite.com/txpta/form581/index.html>



**I want to help
back the future**

Starting a PTA in your community is an important step in supporting the success of every student and family that you hope to serve. Texas PTA is excited to answer any questions you may have, and we look forward to supporting you along each step of the way!

After completing the items below, a representative from Texas PTA will contact you within 48 hours. Thank you for joining our work to **back the future** of our kids!

First Name * **Last Name ***

Email * **Phone ***

School District (no abbreviations)
Example: Dallas ISD, Hays CISD, Public Charter School * **Name of School (no abbreviations)**
Example: Ada Mae Faubion Elementary *

School District (no abbreviations)
Example: Dallas ISD, Hays CISD, Public Charter School * **Name of School (no abbreviations)**
Example: Ada Mae Faubion Elementary *

Has there been a PTA on this campus previously? *
☐ Yes
☐ No
☐ I'm not sure

Describe your primary role on this campus. *
☐ Parent
☐ Teacher
☐ Administrator

Upon successful submission of your request, you will be redirected to the Texas PTA website.

SUBMIT

UIL website - <https://www.uil texas.org/files/booster-guide.pdf>

Booster Guide - <https://www.uil texas.org/files/booster-guide.pdf>

Secretary of State: - https://www.sos.state.tx.us/corp/nonprofit_org.shtml

- Tax Issues for Nonprofits
- Texas Nonprofit Resources

OPERATING PROCEDURES

Record Keeping Practices

When forming a new Parent Organization, submit a request to the campus principal for approval. A copy of the registration and approval form is on page # 58.

The proper collection, reporting, disbursement, and safeguarding of all money and other Parent Organization assets rests solely with each Parent Organization's officers, jointly and severally, not with the school district or with any of the District's employees. The principal may act in an advisory capacity only. No principal or teacher/coach should be a signatory on a private sponsored organization's bank account.

A Parent Organization does not have the authority to commit or to represent in any way the Spring Branch Independent School District or any of its campus locations. A Parent Organization is responsible for any obligation incurred by the Parent Organization whether the commitment is financial or otherwise. The school district is not liable or responsible for any contracts or expenditures made by a Parent Organization. **The District strongly encourages any Parent Organization to obtain legal assistance before authorizing or signing any agreement or contract in the Parent Organization's name.**

Minutes of all Parent Organization meetings should be kept in writing in the permanent records of the club.

Parent Organizations should seek competent tax and legal advice on their own and at their own expense on an as-needed basis to assist and advise them on legal and tax matters.

District personnel will assist in whatever manner is feasible to facilitate Parent Organization needs.

All Parent Organization records should be maintained in a manner to facilitate the transfer of duties to new officers each year. Copies of financial records should be maintained for a period of five years in the permanent records of the organization. Many of these filings become public record upon the granting of exempt status and must be maintained for public inspection.

Parent Organizations should obtain a post office box or use a member's home or business address for all its correspondence, a post office box would provide the greatest amount of flexibility for the club. Schools are not equipped nor funded to receive, sort, safeguard, or distribute mail for the District's Parent Organizations. **Note: Parent Organization information is subject to "open records" therefore, as a safety precaution, it is strongly recommended that a post office box is utilized.**

To open a bank account, the Parent Organization must first obtain an Employer Identification Number from the IRS. See page 79 - Federal Regulatory Information for more information on obtaining an E.I.N. **The District's tax number may not be used by any parent organization.**

Parent Organizations should not use the school's name on its checks or on its literature. The use of the school name might imply that the school or the District is responsible for any obligations entered into by the Organization. A proper name on accounts and literature would be "High School X Choir Booster Club" as an example.

Commingling of Parent Organization funds and school activity funds is prohibited. Each Parent Organization must have its own separate bank account and its own tax identification number and tax exempt status.

All funds received should be receipted and deposited within 24 hours of receipt.

It is suggested that at least two club officers sign each disbursement. School district employees may not be the signature on Parent Organization bank accounts or serve in a capacity over the organization's financial affairs, including the actual receipting, depositing, or accounting for funds of the organization. Any exceptions must be approved by the District's Chief Financial Officer (CFO).

Capital equipment purchased with Parent Organization funds become the property of the school district and must be used exclusively at the school.

School employees may not accept loans of funds from parents and student organizations.

Each organization must have an audit committee perform an annual audit. See Page 99 for Suggested Audit Program.

Payment from Parent Organization funds may not be made to employees for any service rendered to a school district program unless the transaction is processed through the Spring Branch ISD Finance Office.

The employment of clinicians by the school district may not be a substitute position or an alternative for a sponsor. A clinician is defined as a professional who is not an employee of SBISD whose services are contracted on an intermittent basis to give suggestions and/or help a performing group with routines/numbers that have been initially taught by SBISD employees. The use of a clinician requires the approval of the campus principal and the appropriate extracurricular administrator(s).

Spring Branch Independent School District

Parent Organization

Registration & Approval Form

To: _____ **Location:** _____

(Principal's or Administrator's Name)

(School's or Department's Name)

Name of Organization: _____

Purpose of Organization: _____

Student Group to be Supported: _____

Faculty Sponsor for Club: (if applicable) _____

Current Number of Parent Supporters: _____

I agree with the following statements:

Y I have spoken with the faculty member who will serve as the Sponsor of the Parent Organization and have received their permission to submit this registration form.

Y I have obtained a copy of the *Financial Management Handbook for Parent Organizations*.

Y I have read the *Financial Management Handbook for Parent Organizations*

thoroughly and agree to abide by the rules and guidelines it contains.

Y I understand that non-compliance with any District policy or criteria may result in the disbanding of the Parent Organization by the Principal or the Administrator.

Y I have included a current list of officers or representatives with names, titles, mailing addresses, and phone numbers with this registration form.

Y Articles of Association or Bylaws have been established for the Parent Organization.

Submitted by:

_____/____/____
(President/Representative #1) Date

_____/____/____
(Vice-President/Representative #2) Date

_____/____/____
(Treasurer/Representative #3) Date

_____/____/____
Date

For District Use Only

Received by: _____ Date Received: _____/____/____

**Spring Branch Independent School District
Parent Organization
Registration & Approval Form**

APPROVAL OF ORGANIZATION: I, _____,

(Principal's or Administrator's Name)

_____ at _____
(Position) (School's or Department's Name)

authorize _____ to conduct student and
(Parent Organization Name)

organizational related activities for the benefit of _____
(Student Group)

This registration approval is effective for the school year beginning _____ and
(School Year)

will continue until such time as the Parent Organization no longer exists.

Principal's or Administrator's Signature

Date

DISAPPROVAL OF ORGANIZATION: I, _____,

(Principal's or Administrator's Name)

_____ at _____
(Position) (School's or Department's Name)

do not authorize _____ to become a
(Parent Organization Name)

Principal or Administrator's Signature

Date

Y The original form should be sent to a representative of the Parent Organization shown on the front of this form.

Y Please make copies of BOTH PAGES of this form for:

- The Principal
- The Sponsor
- Chief Financial Officer

Parent Organization Checklist

The following checklist serves as a guide to help ensure that your Parent Organization has complied with the District's Board Policies and guidelines and federal and state regulations governing Parent Organizations. In addition, information you document here will help future officers continue your compliance efforts.

General

- ☐ Provide the School Principal with a list of officer changes. The list should include:

Y Name

Y Office Held

Y Mailing Address

Y Home Phone Number Y Work

Phone Number Y Cell Phone

Number Y E-mail Address

- ☐ Provide the School Principal with the Parent Organization's constitution, bylaws, and operating procedures when they are originated.

In addition, provide updated copies as changes are made.

- ☐ The Parent Organization's official mailing address is:

Official Name _____

P O Box/Street _____

City, State and Zip Code _____

Insurance

- ☐ The Parent Organization should consider purchasing a general liability policy, event liability, and/or fidelity (bond) insurance coverage policies.

Fund-Raisers

- ☐ For the fund-raisers planned for the current school year, submit the Permission Request Form (see page 179) to the Sponsor and the Principal (or designee) for approval by July 31.
- ☐ In addition, provide the Sponsor with detailed fund-raising information at least 30 days prior to the fund-raising event, if not already provided on the Permission Request.

The detailed fund-raising information should include:

- Y Purpose of the fund-raiser
- Y Type of fund-raising activity (i.e., candy sale, carnival)
- Y Date(s), time(s), and place(s) of the activity
- Y Name of the sponsoring organization
- Y Name and phone number of organization's representative
- Y Name and phone number of person(s) in charge of the fund-raiser
- Y Name and phone number of person(s) who will be handling the money for the fund-raiser.

☐ If your Parent Organization has received a tax-exemption from the Texas Comptroller's Office, your organization is entitled to two (2)

"one-day, tax-free" sales/auction days per calendar year.

If you are entitled to the two "one-day, tax-free" sales days, indicate the "one-day, tax-free" sales/auction days that have been used or that are planned:

Calendar Year _____

Date / Fund-raiser _____

Date / Fund-raiser _____

Calendar Year _____

Date / Fund-raiser _____

Date / Fund-raiser _____

☐ The Parent Organization cannot require members or students to fund-raise or raise a certain amount. For example, a student's ability to attend a trip cannot be based on raising a certain amount of money. If your Club is currently requiring fund-raising, you need to discontinue this requirement.

The Parent Organization cannot use individual accounts to credit an individual for funds raised. If your Club is using individual accounts currently, you need to discontinue this practice.

Fund-raising is an opportunity to generate revenue for the Parent Organization as a group, not individuals. Therefore, revenues should be recorded in a group account where all members or students have the same opportunity to benefit equally from the revenues.

One member or student should not receive a larger benefit from fund- raising than another. In addition, if a member or student chooses not to participate in the fund-raiser, that person still **receives an equal benefit** from the revenues generated.

Financial Matters

General

- ☐ The bank accounts used by the Parent Organization include: Bank Name

Account Number

_____	_____
_____	_____
_____	_____
_____	_____

- ☐ Determine the identification number used for the bank accounts. The Parent Organization's Employee Identification Number (EIN) should be used. Do not use an individual's social security number and **do**

not use the District's EIN.

The identification number used for the bank accounts is as follows:

- ☐ Update the authorized signers on your bank account as officers change.

The current authorized signers include the following Parent Organization Officers:

Name of Person		Officer Position Held/ District Employee? (Yes/No)	
Example:	Jane Doe	President	No
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____

IMPORTANT

District employees may serve parent organizations as a general member or as a member of its executive board, except for the position of President or Treasurer. District employees shall not serve in a capacity over the organization's financial affairs, including an authorized signer on the bank account.

A District substitute or temporary worker may be a Treasurer or authorized signer on the bank account of a parent organization with written approval from the principal or supervisor where the organization is located and the Chief Financial Officer.

This approval must be requested and received each school year.

- ☐ Determine whether your organization is in good standing with the Texas Comptroller's Office by calling their office.
- ☐ Determine whether your organization is in good standing with the IRS by calling the Exempt Organization Section of the IRS.
- ☐ Present a written Treasurer's Report at every meeting that includes the general membership.
- ☐ File the Parent Organization's Texas Sales Tax Reports as required.

The Texas Comptroller's Office determines how often the report needs to be filed and is subject to change.

The Parent Organization files its Texas Sales Tax Report: Monthly

Quarterly

Seasonal (Semi-Annually) (Not available for new Parent Organizations)

☐ Annually

- ☐ Provide a copy of the written Parent Organization Financial Report for the applicable school year to the Sponsor, the School Principal and to the Associate Superintendent of Administration by July 31st of each year.

For example, a report for the 2010-11 school year should be submitted by July 31, 2011.

- ☐ Provide a copy of the Parent Organization Audit Report that indicates the

results of the audit of the organization's financial information, including the Financial Report, to the Sponsor, School Principal, and to the Associate Superintendent of Administration by September 15th of each year.

- ☐ Provide a copy of the financial report and audit report at a meeting that includes the Parent Organization's general membership by October 31st of each year.
- ☐ Issue 1099 forms to applicable individuals or businesses by January 31st of each year. If 1099 forms are issued, send information to the IRS by February 28th of each year.

Note: Request a W-9 form from the individual or business before issuing them a check.

- ☐ File the IRS Form 990, 990-EZ, or 990-N, Return of Organization Exempt from Income Tax, each year.

The return is due by the 15th day of the 5th month after the organizations accounting period ends (due 4 ½ months after your official year-end).

Official Year-end: _____/_____/_____ *Due Date for Return:* _____/_____/_____

State Regulatory Information

The following items need to be done only once.

- ☐ Determine whether your organization has obtained a Texas Sales Tax Permit.

The Parent Organization's sales tax permit number is _____

- ☐ Determine whether your organization has obtained a tax-exemption from the Texas comptroller's Office.

The Parent Organization has received a tax-exemption from the Texas Comptroller's Office.

- ☐ Yes
- ☐ No

Reminder: Only those organizations with a tax-exemption permit from the Texas Comptroller's Office are entitled to the two (2) "one-day, tax-free" sales/auction days.

- ☐ If the Parent Organization is incorporated, determine whether your organization has obtained an exemption from Texas franchise tax from the Texas Comptroller's Office.

☐ Yes
☐ No

Federal Regulatory Information

The following items need to be done only once.

- ☐ Obtain an Employer Identification Number (EIN) from the Internal Revenue Service (IRS).

The EIN for the Parent Organization is: _____

- ☐ Determine whether the Parent Organization has received tax-exempt status as a public 501(c)(3) organization from the IRS. If the IRS has approved the Organization's tax-exempt status, a Determination Letter would have been received from the IRS.

The Parent Organization received its tax-exempt status as a public 501(c)(3) organization from the IRS:

☐ Yes
☐ No

If you have not applied for the tax-exempt status, complete the IRS Form 1023, Application for Recognition of Exemption, and Form 8718, User Fee for Tax-Exempt Organization Determination Letter Request. Submit these forms and applicable fee to the IRS.

If you have applied for the tax-exempt status but you have not received your Determination Letter, you should receive an Acknowledgement of Your Request. Call the IRS to determine the status of your application.

- ☐ As your Parent Organization President or Treasurer changes give the *Financial Management Handbook* to the new officer(s).

If you have any questions concerning the above items, please refer to the applicable sections of this handbook.

Authoritative Guidelines Overview

Parent Organizations are governed by various entities. The School District has Board Policies and guidelines that **must be followed** by Parent Organizations, as well as guidelines that the School Principal or Administrator may implement. Also, the Parent Organizations must follow the guidelines of the University Interscholastic League (UIL); the State of Texas; and the federal government, through the Internal Revenue Service (IRS). Some state regulations relate to state sales tax while other regulations involve becoming incorporated or involve the holding of a raffle.

The UIL Booster Club Guidelines do not necessarily include all rules that may apply to your organization. For specific questions, you should contact the UIL directly.

The state and federal regulatory information included in this manual does not include all laws or rules that may apply to your particular situation. This information is provided by the District's Financial Services Department; however, Financial Services is not an authority on specific accounting situations or tax-related issues concerning individual Parent Organizations. Therefore, Parent Organizations should obtain competent independent counsel, such as a Certified Public Accountant (CPA) or an attorney, to address accounting and tax matters related to their specific circumstances. The cost of these services would be the Parent Organization's responsibility. In addition, the IRS and the Texas State Comptroller's Office may be contacted for questions related to your organization's specific situation.

IMPORTANT

Parent Organization officers are solely responsible for ensuring that their Parent Organization is in compliance with District policies and guidelines, UIL guidelines, and state and federal regulations.

Therefore, the District, including any District employee, is not responsible for a Parent Organization not complying with the various policies, guidelines, and regulations.

Creating Your Own Identity Overview

This section provides detailed information related to applying for permits and exemptions you will need. As a supplement to these pages, the following short summary lists the necessary steps in the order in which they should be completed. Some blank forms and examples of completed forms and other information are included in the Appendix to assist you in completing the steps.

1. Decide if your Parent Organization will be an association or a corporation and prepare the necessary organizing document.

An association will prepare and sign an “Articles of Association” as an organizing document; however, this document **will not be filed** with the Texas Secretary of State. The date the final document is signed by at least two officers or board members is considered the beginning date of the organization.

A corporation will prepare and sign an “Articles of Incorporation” as an organizing document **to be filed** with the Texas Secretary of State. The date the Articles of Incorporation is filed by the state is considered the beginning date of the organization. You should receive a copy of your Articles of Incorporation from the Texas Secretary of State showing the state’s “filed” stamp and/or you will receive a Certificate of Filing.

Both the IRS and State of Texas require that each Parent Organization have an organizing document to establish the official formation of the organization. You will submit this document along with the appropriate forms when applying for federal tax exemption as a public 501(c)(3) organization and when applying for state sales, use, and franchise tax exemptions.

Benefits of Incorporation:

Y Formalize organization and provide standardized operating procedures through Articles of Incorporation and Bylaws.

Y Helps shield the individuals governing and operating the nonprofit organization from liabilities incurred by the organization, unless the individuals are negligent in their duties.

2. If Association, skip to Step 4. If Corporation, go to Step 3.
3. For a Corporation, file for incorporation with the Texas Secretary of State before Proceeding with Step 4. (*See the Certificate of Formation Page 181*)
4. Apply for an Employer Identification Number (EIN) with the IRS.

Creating Your Own Identity Overview (Cont.)

Apply for a Sales Tax Permit with the Texas State Comptroller's Office.

5. Apply for federal tax-exemption as a **public 501(c)(3)**
6. Receive a Letter of Acknowledgement from the IRS indicating receipt of your application and payment.
7. May correspond with the IRS if your bylaws need to be modified or if the IRS needs additional information to complete your approval process.
8. Receive a Determination Letter (approximately 2 – 4 months later) stating you are a public 501(c)(3) tax-exempt organization.
9. Send a copy of the Determination Letter to the School Principal.
10. Apply for a limited exemption from Texas sales, excise and use tax with the Texas State Comptroller's Office.
11. If you are incorporated, file for franchise tax-exemption with the Texas State Comptroller's Office.
12. Put all of the documents related to these steps in a "Permanent File" in a safe place to be forwarded to the new officers each year.
13. **Pat yourself on the back for a job well done!**

State Regulatory Information

State and federal regulatory agencies such as the Texas State Comptroller's Office, the Texas Secretary of State, and the Internal Revenue Service (IRS) also govern Parent Organizations. New and existing Parent Organizations must abide by the regulations and guidelines set by these agencies. Parent Organizations should also maintain a current level of knowledge regarding law changes that affect them.

This section has been prepared to provide general, not specific or all-inclusive, information to Parent Organizations regarding state tax regulations. Steps have been documented to aid a Parent Organization in abiding by the regulations; however, these steps are only general guidelines and do **not** ensure that a Parent Organization will remain in compliance with all state tax regulations. It is the Parent Organization's responsibility to remain updated on any recent law changes.

Each Parent Organization should strive to remain in good standing with all state agencies.

Therefore, each Parent Organization is responsible for obtaining its own competent independent counsel on accounting and tax matters related to its specific circumstances.

This counsel may include a Certified Public Accountant (CPA) or an attorney. The cost of these services will be the Parent Organization's responsibility.

In addition to the information listed below, the Appendix contains important and helpful information downloaded from the Texas Secretary of State, the Texas State Comptroller's Office, and the IRS. Please review this information in detail in addition to the next section for a more complete coverage of the various issues related to 501(c)(3) organizations and parent organizations in general.

General State Regulatory Information

Parent Organization officers are solely responsible for ensuring that their Parent Organization is in compliance with all state regulations. Therefore, the District, including any District employee, is not responsible for a Parent Organization not being in good standing with all state agencies. However, the District has provided the following information that includes detailed steps Parent Organizations should take to comply with state tax regulations.

This information is organized as follows:

- Obtaining an Employer Identification Number

- Obtaining a Texas Sales Tax Permit

- Qualifying for Exemption from Texas Limited Sales, Excise, and Use Tax.

 - Parent Organizations with the Limited Exemption.

 - Parent Organizations with No Exemption

Obtaining an Employer Identification Number

To sell any taxable items within the State of Texas, a company, organization, or person must apply for a Sales Tax Permit. **Before obtaining a Sales Tax Permit, a Parent Organization must first obtain an Employer Identification Number (EIN) from the Internal Revenue Service (IRS) to establish its identity as an organization. (See the Federal Regulatory Information for these instructions pg 80.)**

Obtaining a Texas Sales Tax Permit

Parent Organizations should obtain a Texas Sales Tax Permit if you intend to sell goods or taxable services in Texas. The sale of goods **does include** fund-raisers, such as catalog sales, candy sales, and sales of other items. In addition, some Parent Organizations sell services that may be taxable.

Parent Organizations may obtain a Texas Sales Tax Permit by submitting the completed applications to the Texas State Comptroller's Office.

Note: A blank Texas Application for Sales Tax Permit is included in the Appendix for your convenience. However, you can fill out the application on line at <http://www.window.state.tx.us/taxpermit/>

A Texas Sales Tax Permit will be issued to the Parent Organization along with a Sales Tax Permit Number. The Texas Sales Tax Permit Number has 11 digits and begins with a 1, 2, or 3. The permit numbers beginning with a "1" are based on an entity's EIN. Those permit numbers beginning with a "2" are based on a person's social security number. The permit numbers beginning with a "3" are assigned by the Texas State Comptroller's Office.

Parent Organizations cannot use the District's Sales Tax Permit Number.

Qualifying for Exemption from Texas Limited Sales, Excise, and Use Tax

The Texas limited sales, excise, and use tax exemption allows approved organizations an exemption from sales tax when purchasing items to further the organization's exempt purpose. Therefore, this limited exemption allows the approved Parent Organization to make sales tax-exempt purchases of items intended for resale for a fund-raiser. **This exemption process is separate and in addition to applying for federal tax-exemption from the IRS.**

Only those Parent Organizations that have obtained tax-exempt status from the IRS may apply for the state exemption from Texas limited sales, excise, and use tax.

IMPORTANT

If the IRS considers a Parent Organization a **taxable organization**, the Parent Organization **CANNOT** receive an exemption from the Texas limited sales, excise, and use tax.

Parent Organizations may request exemption from the Texas limited sales, excise, and use tax by submitting the following to the Texas State Comptroller's Office:

- Cover letter with the organization's name, mailing address, and Sales Tax Permit Number. Specifically request an exemption from "sales and use tax." Include the name and daytime phone number of the organization's contact person in case the Texas State Comptroller's Office has any questions.
- Written statement detailing the nature of the activities conducted or to be conducted.
- Copy of the bylaws.
- Copy of the Articles of Incorporation, if the Parent Organization is incorporated.
- Copy of the Determination Letter from the IRS granting the Parent Organization tax-exempt status.
- Copy of the Parent Organization's constitution or any applicable trust agreement.

The Texas State Comptroller's Office may require a Parent Organization to furnish additional information including, but not limited to, documentation showing

1. all services performed by the organization and
2. all income, assets, and liabilities of the organization.

Note: No fee is required to apply for this exemption. In addition, exemption from franchise tax may be requested within this letter.

The information should be mailed to:
Exempt Organizations
PO Box 13528
Austin, TX 78711

IMPORTANT

Do not use "Texas State Comptroller's Office" in this address, per their

After a review of the information, the Texas State Comptroller's Office will notify the Parent Organization in writing if the organization qualifies for the exemption. This review process may take about 2 to 3 weeks.

IMPORTANT

If a Parent Organization loses its federal tax-exempt status, the IRS notifies the Texas State Comptroller's Office. Upon notification, the Texas State Comptroller's Office will immediately revoke the exemption from the Texas limited sales, excise, and use tax.

Therefore, all subsequent purchases by the Parent Organization would be taxable. In addition, the Parent Organization must notify its vendors of the loss of exempt status concerning the Texas limited sales, excise, and use tax.

Parent Organizations with the Limited Exemption

The exemption from the Texas limited sales, excise, and use tax (limited exemption) allows the approved Parent Organizations to make tax-exempt purchases of items intended for resale for a fund-raiser. The Parent Organization must present the vendor with a Texas Resale Certificate in order to purchase the items for resale tax-free. In addition, the certificate must state the Parent Organization's Sales Tax Permit Number to be valid.

Parent Organizations may request the Texas Resale Certificate from the Texas State Comptroller's Office.

VERY IMPORTANT – Please Note:

The Parent Organizations with the limited exemption are entitled to two (2) "one-day, tax-free" sales or auctions per calendar year. A fund-raiser qualifies for the "one-day, tax-free" sale/auction if all items are to be delivered on one day. Each "one-day" sale/auction may not exceed 24 consecutive hours.

Remember: You must be granted the limited exemption first to be entitled to the two(2) "one-day, tax-free" sales or auctions per calendar year.

Sales of items such as T-shirts, candles, cups, etc. are subject to sales tax when sold on days other than the two (2) “one-day, tax-free” sale/auction days.

Parent Organizations with No Exemption

Parent Organizations that are taxable organizations or Parent Organizations that have not received approval for the limited exemption from the Texas State Comptroller’s Office must pay sales tax on all applicable purchases and must collect sales taxes on all taxable items sold.

Parent Organizations that do not have an exemption are not entitled to any "one-day, tax-free" sales/auctions.

“Tax-exempt” Organizations

Some organizations may be extended a "tax-exempt" status by the Texas State Comptroller’s Office. The organizations receiving this status may buy, lease, or rent taxable items without paying sales and use tax if those items are necessary to their function as a tax-exempt organization.

Historically, the Texas State Comptroller’s Office has not extended "tax-exempt" status to Parent Organizations.

<h3>Reporting Requirements</h3>
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The Texas State Comptroller’s Office requires that Parent Organizations file at least one sales tax report per calendar year. The frequency of filing the sales tax report is determined by the Texas State Comptroller’s Office. The amount of anticipated sales tax payments affects the frequency of reporting as follows:

Y If projected yearly sales tax payments are \$1,000 or less, sales tax reports are filed annually.

Y If projected yearly sales tax payments are more than \$1,000, sales tax reports are usually filed quarterly.

Since sales tax payments may vary from year to year, the frequency of reporting can also change. The Texas State Comptroller's Office will generally communicate changes in filing requirements to the Parent Organizations in writing. In addition, the Texas State Comptroller's Office will generally mail the required reporting form and information to organizations that have obtained a Sales Tax Permit.

Franchise Tax

The franchise tax serves as Texas' primary business tax. The tax is levied on corporations, including bank corporations, and limited liability companies that are chartered in Texas for the privilege of doing business in Texas. Non-corporate organizations, such as partnerships, associations, and proprietorships are excluded from the tax. **Therefore, if a Parent Organization is incorporated, they are subject to franchise tax.**

However, Parent Organizations that have received their Determination Letter from the IRS granting 501(c)(3) tax exemption may also request exemption from the Texas franchise tax through the Texas State Comptroller's Office.

Although a nonprofit corporation that is exempt from federal income tax under Internal Revenue Code 501(c)(3) is exempt from franchise tax, the exemption is **not automatically granted**. Parent Organizations must write to the Texas State Comptroller's Office requesting franchise tax exemption by submitting the following:

1. Cover letter with the organization's name, mailing address, and Sales Tax Permit Number. Specifically request an exemption from "franchise tax." Include the name and daytime phone number of the organization's contact person in case the Texas State Comptroller's Office has any questions.
2. Written statement detailing the nature of the activities conducted or to be conducted.
3. Copy of the bylaws.
4. Copy of the Articles of Incorporation, if the Parent Organization is incorporated.
5. Copy of the Determination Letter from the IRS granting the Parent Organization tax-exempt status.
6. Copy of the Parent Organization's constitution or any applicable trust agreement.

The Texas State Comptroller's Office may require a Parent Organization to furnish additional information including, but not limited to, documentation showing

1. All services performed by the organization and
2. All income, assets, and liabilities of the organization.

Note: No fee is required to apply for this exemption. In addition, exemption from sales and use tax can be requested within the same letter.

See Appendix for additional information from Texas State Comptroller's Office.

The information should be mailed to:
Exempt Organizations
PO Box 13528
Austin, TX 78711

IMPORTANT

Do not use "Texas State Comptroller's Office" in this address, per their instructions,

Change in Address

If the mailing address for the Parent Organization changes, immediately notify the Texas State Comptroller's Office. Failure to do so may result in important correspondence being lost. To avoid frequent mailing address changes, the Texas State Comptroller's Office recommends that each Parent Organization obtain its own post office box (PO Box) or private mailing box (PMB) to be used for official Parent Organization mail. In addition, the post office box address and keys can be given easily to the new officers at the beginning of each new year. The District's campus mailing address cannot be used by the Parent Organizations.

Further Questions?

If you have additional questions regarding the information discussed, you may contact:

Texas State Comptroller's Office

Houston Office	713-426-8200
Austin Office	1-800-252-5555 (toll-free) Exempt Organizations Department 1-800-531-5441 ext. 34142

Website addresses

Texas State Comptroller's Office	<i>www.window.state.tx.us</i>
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Sales Tax Information	<u>www.window.state.tx.us/taxinfo/salestax.html</u>
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Federal Regulatory Information

This section has been prepared to provide general, not specific or all-inclusive, information to Parent Organizations regarding federal tax regulations. Steps have been documented to aid a Parent Organization in abiding by the regulations; however, these steps are only general guidelines and do **not** ensure that a Parent Organization will remain in compliance with all federal tax regulations.

Each Parent Organization should strive to remain in good standing with all federal agencies, including the Internal Revenue Service (IRS). **Therefore, each Parent Organization is responsible for obtaining its own competent independent counsel on accounting and tax matters related to its specific circumstances.** This counsel may include a Certified Public Accountant (CPA) or an attorney. The cost of these services would be the Parent Organization's responsibility.

General Federal Regulatory Information

Parent Organization officers are solely responsible for ensuring that their Parent Organization is in compliance with all federal regulations. Therefore, the District, including any District employee, is not responsible for a Parent Organization not being in good standing with all federal agencies. However, the District has provided the following information that includes detailed steps Parent Organizations should take to comply with federal tax regulations.

This information is organized as follows:

- Employer Identification Number

 - Why Do I Want To Be Tax-exempt?

 - Why Do I Want To Be a Public 501(c)(3)

 - Becoming a Public 501(c)(3) Tax-exempt Organization

 - Applying for Public 501(c)(3) Tax-exempt Status.

 - Obtaining Tax-exemption through National Affiliation.

 - Elimination of the Advanced Ruling Period.

 - Filing Requirements for Tax-exempt Organizations

 - Taxable Organizations

 - Change in Address

 - Further Questions?

Federal Regulatory Information (Cont.)

Obtaining an Employer Identification Number

The IRS requires that **all organizations** obtain a unique Employer Identification Number (EIN) for identifying itself as a unique entity. The IRS prohibits Parent Organizations from using their central organization's EIN; therefore, **Parent Organizations should not use the District's EIN.**

IMPORTANT

An organization is **not** automatically considered tax-exempt by acquiring an EIN. All organizations must first apply for an EIN to be recognized as a unique entity and then apply for tax-exempt status. Likewise, the mere fact that an entity is organized as a non-profit organization does **not** indicate that it is exempt from federal tax. “Nonprofit” is a state law concept and is **not** recognized by the IRS.

Parent Organizations may obtain an EIN by:

Completing IRS Form SS-4 (Application for Employer Identification Number) The online application can be located at:

<http://www.irs.gov/pub/irs-pdf/fss4.pdf>

Note: No fee is required for obtaining an EIN.

After receiving your EIN, you may use it to then open a bank account and obtain a State Sales Tax Permit. **Parent Organizations should not use an individual's social security number to conduct the business of the organization. Doing so may create a personal tax liability.**

Copies of the completed SS-4 form and the IRS response documenting the assigned EIN number should be kept in the Parent Organization's permanent records from year to year.

Why Do I Want To Be Tax-exempt?

The IRS Tax Code provides for special treatment of certain organizations identified as "tax-exempt." Some benefits to becoming tax-exempt as a public 501(c)(3) organizations include:

1. Taxes are not paid to the IRS for revenues raised,
2. Contributions to certain tax-exempt organizations [501(c)(3)] are tax-deductible by the contributor, and

However, the following are restrictions placed on tax-exempt organizations that Parent Organizations **must follow** to receive tax-exempt status and to retain that status:

- Y **Tax-exempt organizations must benefit a group as a whole instead of benefiting individual members of a group.** Since Parent Organizations usually assist student groups, all members of the student group sponsored are to be treated equally and receive the same opportunity to benefit from the Parent Organization's assistance. Therefore, one student cannot receive a greater benefit than another unless the criteria for financial need discussed below is met.

In some instances, individuals may not be able to afford to pay the amount owed to participate in a particular event. The IRS has indicated that a group or club may establish criteria that could be used to determine if a person is in financial need. If the criteria are met, the group or club could provide the necessary funds to allow the individual to participate. The criteria should be established in writing prior to a particular situation arising. In addition, the criteria should be used consistently for all people, and the criteria should not change every year.

- Y **Tax-exempt organizations cannot use individual accounts.** "Individual accounts" are those accounts used to credit *an individual* with revenues raised. The Parent Organizations have used these accounts to benefit the individual by offsetting that individual's expenses with the amount credited to that individual from the revenues raised. (Please note that individual accounts do not refer to bank accounts.)

The purpose of a tax-exempt organization is to benefit an entity as a whole instead of benefiting individuals. **Therefore, the use of individual accounts could result in denial of the application for tax-exempt status by the IRS or the loss of existing tax-exempt status.** In addition, the individual benefits received by people would result in taxable income to them.

Y Tax-exempt organizations cannot require a person to participate in fund- raising activities. Normally, Parent Organizations raise funds for a student group through the efforts of the Parent Organizations members; however, sometimes the students of the group being assisted participate in the fundraising activities. A Parent Organization cannot require its members or the students in the related student group to participate in a fund-raiser. Furthermore, members of the student group who do not participate in fund-raising activities would receive the same opportunity to benefit as those members of the student group who participated.

Y Tax-exempt organizations cannot require that a certain amount be raised or sold per person. For example, a Parent Organization cannot require that each Parent Organization member or student of the assisted group sell \$20 worth of candy or sell 10 candy bars in a fund-raiser.

The following is an illustration of the above concepts:

A dance team is attending a summer dance camp that costs \$2,000 for its 10 members (\$200 each). The Dance Team Booster Club decides to have a catalog fund-raiser to help defray some of the cost of the summer dance camp. The catalog sale generates a total of \$200 of revenue. Of the 10 total members of the dance team, only 2 participate in the catalog sale that generates the \$200, which is deposited into the Dance Team Booster Club's bank account.

*Since revenues from the catalog sale were to be used to defray some of the dance camp expense, the tax-exempt Dance Team Booster Club must give all 10 dance team members an equal opportunity to benefit from the catalog sale, even though only 2 members participated. This means that **each member's cost** would be reduced by \$20 ($\$200 / 10$ members). Therefore, each member's cost for attending the summer camp would be \$180 ($\200 cost - $\$20$ fund-raiser benefit).*

Why Do I Want To Be a Public 501(c)(3)?

When applying for tax-exempt status with the IRS, Parent Organizations should apply for the **public 501(c)(3) tax-exemption**. This type of exemption means that the organization is tax-exempt; the majority of its income is from the public; and all donations, subject to certain individual restrictions, are deductible on the contributor's tax return. In addition, 501(c)(3) organizations are eligible for state tax benefits (*See the State Regulatory Information.*) and reduced postal rates.

The IRS has several other tax-exempt categories; however, the 501(c)(3) status is the **ONLY** category that allows any donations to be deductible on the contributor's tax return. All other categories allow for tax-exemption, but do not allow for deductible donations under any circumstances.

With a 501(c)(3) tax-exempt status, an organization may be public or private. A private 501(c)(3) organization has additional requirements and constraints that a public 501(c)(3) organization does not have.

Therefore, all Parent Organizations should apply for tax-exempt status as a public 501(c)(3) organization.

Becoming a Public 501(c)(3) Tax-exempt Organization

Tax-exempt status is not automatic once an EIN has been issued; **organizations must apply for tax-exempt status.** According to the IRS, an organization is either a taxable organization or a tax-exempt organization. Furthermore, organizations may **not** represent themselves as tax-exempt until they have obtained notification from the IRS stating they are a tax-exempt entity.

The Parent Organization officers should take the necessary steps to ensure they follow the regulations regarding this type of entity.

Applying for Public 501(c)(3) Tax-exempt Status

- Complete IRS Package 1023 (Application for Recognition of Exemption) seeking tax-exempt status as a **public 501(c)(3)** organization.
(<http://www.irs.gov/pub/irs-pdf/f1023.pdf>)
- Complete IRS Form 8718 (User Fee for Tax-exempt Organization Determination Letter Request) and pay the required fee of \$400 or \$850.
<http://www.irs.gov/pub/irs-pdf/f8718.pdf>
- Mail Package 1023, Form 8718, and a check for the filing fee to:

Internal Revenue Service
PO Box 192
Covington, KY 41012-0192

The filing fee is \$400 if your annual gross receipts averaged **no more than**

\$10,000 during the last 4 years or if you are a new organization that does not anticipate annual gross receipts exceeding \$10,000 during your first 4 years.

The filing fee is \$850 if your annual gross receipts averaged **more than \$10,000**

During the last 4 years or if you are a new organization that anticipates annual gross receipts exceeding \$10,000 during your first 4 years.

Annual gross receipts: The total amount of revenue collected by an organization during its reporting year from any source. Sources may include, but are not limited to, membership fees, donations, fund-raising revenues, amounts collected for the payment of expenses (e.g., uniforms, trips), and any other amounts received.

To determine annual gross receipts:

1. **Add** all deposits made to the Parent Organization's bank account(s),
2. **Add** cash on hand that was not deposited by the end of its reporting year,
3. **Less** transfers from one bank account to another, and
4. **Add** expenses paid with money collected that was not deposited in the Parent Organization's bank account(s).

When completing the IRS Package 1023, Parent Organizations will establish their fiscal year-end (*also known as the accounting period year-end or official year-end*). Once this date is established, the IRS does not easily allow an organization to change it. Changes are usually only allowed for extreme circumstances. The date established will determine when the Parent Organization has to file their informational return (Form 990) to the IRS. The return is due 4 ½ months after the end of a fiscal year (*the 15th day of the 5th month after the organization's accounting period ends*).

When considering a fiscal year-end date, you may wish to align your year-end with the school's year-end date of June 30. This way, the financial activity of the Organization can relate easily to a given school year. Second, the current officers can prepare the annual Financial Report and have it audited before the new school year begins.

The IRS approval process for tax-exempt status usually takes several months.

The IRS will send the organization an Acknowledgement of Your Request letter that indicates your application and fee were received and are being processed.

Upon approval by the IRS of the tax-exempt status, the organization will receive a Determination Letter stating that the organization is considered to be tax-exempt as of a certain date. Only then can the organization represent itself as a federally tax-exempt organization.

Likewise, donations to the organization are only deductible on the contributor's tax return as of the effective date on the Determination Letter received by the Parent Organization granting 501(c)(3) tax-exempt status and within set guidelines that apply to 501(c)(3) organizations.

Therefore, if the Parent Organization receives tax exemption under any other code [i.e., 501(c)(4), 501(c)(7)], donations received are **not deductible on the contributor's tax return**. Furthermore, Parent Organizations should clearly state in all advertisements that donations to the organization are **"not tax-deductible"** so that a contributor is not misled and does not incur penalties levied by the IRS for taking the deduction erroneously.

If the IRS does not grant tax-exempt status, the organization will receive a Letter of Denial stating the organization is not considered tax-exempt.

Send a copy of the Acknowledgement of Your Request and a copy of the Determination Letter to the School Principal when each is received.

Obtaining Tax-Exemption through National Affiliation

Some organizations may become affiliated with a national organization that has already received tax-exempt status as a public 501(c)(3) organization from the IRS (e.g., PTAs). The national organization may have a Group Exemption Number (GEN) assigned to it by the IRS. The GEN may be used by local affiliates to avoid having to file their own Form 1023.

Each local affiliate, however, must obtain an Employer Identification Number (EIN).

Advance Ruling Period – As of September 2008, the Advance Ruling Period was eliminated. See the next page for more information.

Elimination of the Advance Ruling Process

On September 9, 2008, the IRS issued [temporary Income Tax Regulations](#), which eliminate the advance ruling process for a section

501(c)(3) organization. Under the new regulations, a new 501(c)(3) organization will be classified as a [publicly supported charity](#), and not a private foundation, if it can show that it reasonably can be expected to be publicly supported when it applies for tax-exempt status.

Under the old regulations, an organization that wanted to be recognized by the IRS as a publicly supported charity instead of a private foundation had to go through an extended two-step process. First, the organization had to declare that it expected to be publicly supported on an on-going basis. Then, after five years, it had to file [Form 8734, Support Schedule for Advance Ruling Period](#), showing the IRS that it actually met the public support test. If it didn't meet the test, it was designated a tax exempt private foundation and would be [subject to stricter rules](#).

The new rules no longer require the organization to file Form 8734 after completing its first five tax years. Moreover, the organization retains its public charity status for its first five years regardless of the public support actually received during that time. Instead, beginning with the organization's sixth taxable year, it must establish that it meets the public support test by showing that it is publicly supported on its [Schedule A to Form 990, Return of Organization Exempt From Income Tax](#). [Transition rules](#) apply to organizations that have previously received advance rulings.

Filing Requirements for Tax-exempt Organizations

The IRS requires that either Form 990 (Return of Organization Exempt from Income Tax) or Form 990-EZ (Short Form of Return of Organization Exempt from Income Tax) **be filed annually** for public organizations recognized as tax-exempt with gross receipts of more than \$25,000. *(See definition of “annual gross receipts” in this section.)*

Contact the IRS at 1-800-829-3676 to order forms.

The return is due by the 15th day of the 5th month after the accounting period ends (due 4½ months after the Parent Organization's official or fiscal year-end). Please refer to your Determination Letter for confirmation of your accounting period year-end.

Note Update to Federal Filing: Parent Organizations must use Form 990-N (an electronic notice) if their gross receipts are less than \$25,000.

Parent Organizations must use Form 990-EZ if:

1. Gross receipts are more than \$25,000 but less than \$100,000 **AND**
2. Total assets are less than \$250,000 at year-end.

Parent Organizations must use Form 990 if:

1. Gross receipts are \$100,000 or more **OR**
2. Total assets are \$250,000 or more at year-end.

Failure to file for three consecutive years will result in the organization's loss of 501(c)(3) status.

Taxable Organizations

If a Parent Organization has not obtained tax-exempt status from the IRS, that Parent Organization is a taxable entity. Taxable organizations operate under different guidelines than tax-exempt organizations and are required to submit Form 1120 (U.S. Corporation Tax Return) annually. Form 1120 must be filed each year no matter the amount of the gross receipts.

Since the District Parent Organization should be public 501(c)(3) organizations, the IRS guidelines concerning taxable organizations are not included in this handbook.

Taxable organizations should obtain their own competent independent counsel, such as a CPA, on accounting and tax matters related to their specific circumstances. The cost of the counsel would be the Parent Organization's responsibility.

Change in Address

Immediately notify the IRS if the Parent Organization's mailing address changes. Failure to do so may result in important correspondence being lost. To avoid frequent mailing address changes, the IRS recommends that each Parent Organization obtain its own post office box (PO Box) or private mailing box (PMB) to be used for official Parent Organization mail. In addition, this address and box keys can be given easily to the new officers at the beginning of each new year. The District does not allow campus addresses to be used by a Parent Organization.

Further Questions?

If you have additional questions regarding the information discussed above, you may contact:

Internal Revenue Service

Main Number 1-800-829-1040 (toll-free) Tax-exempt Organizations 1-877-829-5500 (toll-free) Tax Forms & Publications 1-800-829-3676 (toll-free)

Website addresses

IRS Home Page	www.irs.gov
Tax-exempt Information	www.irs.gov/charities/index.html
Tax Forms & Publications	www.irs.gov/formspubs/index.html

Taking Care of Business Overview

Parent Organizations have many responsibilities to the federal government, the state, the District, and to the students they support. Part of this responsibility is to keep accurate and updated records so that the organization may complete the necessary filing requirements with the state and the IRS. In addition, these records will help you prepare your annual Financial Report and Audit Committee Report due to the Sponsor, School Principal, and the Associate Superintendent for Administration by September 15th of each year.

With this in mind, this section has been prepared to assist you in establishing a general recordkeeping system, a general system of internal controls, and to guide you in preparing the Financial Report and related Review Committee Report. Establishing a good record-keeping system is an essential step in creating a successful organization.

Most of the reporting requirements of a Parent Organization are dependent on the financial records kept; therefore, the office of Parent Organization Treasurer is an extremely important and vital position that should not be taken lightly. Even though the Treasurer may assign certain duties to another person (i.e., Fund-raiser Chairperson – Catalog Sales), the Treasurer is ultimately responsible for assuring that all financial records are maintained accurately for the Parent Organization.

Parent Organization officers also have day-to-day responsibilities to the club, as well as the students they support. Some of these responsibilities include:

- Y Setting up a bank account properly,
- Y Accounting properly for fund-raiser income and expenses,
- Y Analyzing the outcome of each fund-raiser to determine its financial success/failure,
- Y Establishing and maintaining money handling procedures, and
- Y Becoming knowledgeable of District policies concerning using District buildings.

In addition, Parent Organizations should submit certain information to the School Principal as soon as the information changes. This information is included on the following **Parent Organization Information Sheet pg 89**.

Parent Organization Tax-exempt Status For the
_____ School Year

Send an updated copy of this form to Principal by September 1 of each year or as information changes.

Federal Tax-exempt Status:

☐ *Determination Letter* from IRS granting 501(c)(3) status is already on file with the Principal.

☐ Received *Determination Letter* from IRS granting 501(c)(3) status.

(Send a copy of the Determination Letter to the Principal with this form.)

☐ Received *Acknowledgement of Your Request* from IRS stating approval in progress.

(Send a copy of the Acknowledgement of Your Request to the Principal with this form.)

☐ Mailed completed Form 1023 & payment to IRS on_____/_____/_____, but have not received any documentation from them yet.

☐ Currently completing Form 1023 and will mail to IRS by_____/_____/_____.

Contact person for further information on status is:

Printed Name: _____

Phone Number: _____

☐ Have not started the federal tax-exempt process.

Submitted by:

Printed Name

Officer Title

Signature

_____/_____/_____
Date

Send an updated copy of this form to your School Principal as new officers are elected or as information changes.

- **Official Parent Organization**

Name: _____

- **School Name:** _____

- **Employer Identification Number (EIN):** _____

- **Official Mailing Address:**

PO Box / Street Address: _____

City, State, Zip: _____

- **Date of Change:** ____/____/____

- **Current Parent Organization Officers for the _____ School Year:**

Office Held: _____

Printed Name: _____

Mailing Address: _____

Phone Numbers: Home: _____ Work: ____

E-mail Address: _____

Office Held: _____

Printed Name: _____

Mailing Address: _____

Phone Numbers: Home: _____ Work: ____

E-mail Address: _____

--



By law, information on this page is public information and must be released to the public at such requests.

6. Current Parent Organization Officers (Continued)

Office Held:	_____
Printed Name:	_____
Mailing Address:	_____
Phone Numbers:	Home:_____Work:_____
E-mail Address:	_____
Office Held:	_____
Printed Name:	_____
Mailing Address:	_____
Phone Numbers:	Home:_____Work:_____
E-mail Address:	_____
Office Held:	_____
Printed Name:	_____
Mailing Address:	_____
Phone Numbers:	Home:_____Work:_____
E-mail Address:	_____

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By law, information on this page is public information and must be released to the public at such requests.

6. Current Parent Organization Officers (Continued)

Office Held: _____
Printed Name: _____
Mailing Address: _____
Phone Numbers: Home: _____ Work: _____
E-mail Address: _____

Office Held: _____
Printed Name: _____
Mailing Address: _____
Phone Numbers: Home: _____ Work: _____
E-mail Address: _____

Office Held: _____
Printed Name: _____
Mailing Address: _____
Phone Numbers: Home: _____ Work: _____
E-mail Address: _____

Each year Parent Organizations are required to submit a written report of actual revenues and expenditures (Financial Report) for that school year to the School Principal by September 1st of the following year.

The Treasurer of the Parent Organization should prepare the Financial Report and should ensure that the Financial Report includes:

Y Name of school, name of Parent Organization, and the time period covered in the report.

Y Actual revenues and expenditures for the applicable school year. The current year report should start at the point in time where the prior year report ended. For example, if the 2010-11 report ended on June 30, 2011, then the 2011-12 report will begin as of July 1, 2011.

Since clubs may start their new year at various times, the time period used for reporting actual revenues and expenditures may vary from club to club; however, the individual Parent Organizations should try to be consistent in the time period they use from year to year.

Y Name, title, and signature of person who prepared the report.

Y Date the report was prepared.

The Parent Organization may want the time period used for reporting purposes to coincide with the election of new officers. If new officers normally come into office May 1, of each year, the time period for the Financial Report may be from May 1, to April 30, of the following year.

The following examples of Financial Reports are included in this handbook:

Y **Type 1** - This example is a cash basis financial report that includes the beginning and

ending cash balances for the year. Money received is usually shown as income and money paid is usually shown as an expense.

The beginning cash balance for the current year should agree to the ending cash balance from the prior year.

***** Type 1 report format is the simplest to prepare.**

Y **Type 2** - This example is an accrual basis financial report that includes assets, liabilities,

equity, income, and expenses. This report would include the cash transactions, but would also show amounts to be received or amounts to be paid in which money has not yet been exchanged, prepayments of expenses that have not yet been incurred, or receipt of amounts in which income is not yet recognized.

The retained earnings amount should agree to the total equity amount from the prior year.

XYZ High School Spirit Booster Club CASH BASIS
FINANCIAL REPORT
From July 1, 2010 through June 30, 2011

Beginning Cash Balance as of July 1, 2010	\$5,235.46
---	------------

INCOME

Concession Stand Sales	\$3,569.50
Fall Dance	\$2,875.00
Membership Dues (225 members)	\$5,625.00
Program Ad Sales	\$9,502.25
Uniform Income (212 new uniforms ordered)	<u>\$9,540.00</u>
Total Income	\$31,111.75

EXPENSES

Competition Trip Expense	\$8,320.03	
Concession Stand Supplies	\$1,355.77	
Fall Dance Expense	\$2,589.10	
Miscellaneous Supplies	\$ 650.77	
Postage	\$ 236.29	
Program Ad Expenses	\$1,242.88	
Donations made - Cash	\$4,328.00	
Donations made - Property	<u>\$9,540.00</u>	
Total Expenses		\$28,262.84

Net Income (Loss) for Current Year	\$2,848.91
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Ending Cash Balance as of June 30, 2011 **\$8,084.37**

Cash Basis Financial Report prepared by:

Printed Name _____

Title

Signature

Date

As of June 30, 2011

ASSETS

BankOne Checking Account	\$2,154.25
BankOne Savings Account	\$5,112.77
Accounts Receivable	\$3,458.00
Prepaid Storage Rent	<u>\$ 300.00</u>

TOTAL ASSETS		\$11,025.02
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LIABILITIES & EQUITY

Liabilities

Accounts Payable	\$3,524.75
Deferred Membership Income	\$ 500.00
Scholarship Payable	<u>\$1,000.00</u>

Total Liabilities		\$ 5,024.75
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Equity

Retained Earnings	\$3,151.36
Net Income (Loss) From Current Year	<u>\$2,848.91</u>

Total Equity		\$ 6,000.27
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TOTAL LIABILITIES & EQUITY		<u>\$11,025.02</u>
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Balance Sheet and Income Statement prepared by:

Printed Name

Title

Signature

____/____/_____
Date

For the Period of July 1, 2010 through June 30, 2011

INCOME

Catalog Sales	\$9,129.18	
Donations	\$2,300.00	
Interest Income	\$ 38.00	
Membership Dues (100 members)	\$2,000.00	
Uniform Income (22 new uniforms ordered)	<u>\$ 770.00</u>	
Total Income		\$14,237.18

EXPENSES

Banquet	\$1,388.13	
Catalog Sale Expense	\$3,752.68	
Postage	\$ 32.66	
Scholarships	\$2,500.00	
Storage Rental	\$ 600.00	
Donations – Cash	\$ 328.56	
Donations - Property	<u>\$ 770.00</u>	
Total Expenses		<u>\$ 9,372.03</u>

Net Income (Loss) For Current Year	<u>\$ 4,865.15</u>
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Audit Committee Report Information & Formats

Each Parent Organization is required to have an organizational committee conduct an annual audit of the organization's Financial Report and the related financial activity for the school year. The audit committee may be two types: internal or external. An internal audit committee includes officers and club members; however, the committee should have at least one non-officer member review the information. A CPA or other legal counsel may perform an external audit at the Organization's expense. The organizational audit committee, whether internal or external, must prepare a written Review Committee Report that communicates the results of the audit to the organization.

IMPORTANT

The Treasurer(s) [and Assistant Treasurer(s), if applicable] **should not** be on the Audit Committee. **Since they are *reviewees*, they can not also be the *reviewers*.** However, they may meet with the committee or external reviewer to explain their records or answer questions.

The Sponsor, Sponsor's spouse, or Officer's spouse can not be the designated "non-officer" member of the Audit Committee. They may be part of the Audit

Committee; however they would not be considered non-officers for the purpose of

An internal Audit Committee should use the examples of Audit Committee Reports included on the next few pages. However, an external party should show the results of the audit in their own report format with their signature and date included. Although the examples included show space for four (4) members, the Organization may have more or fewer committee members. However, the same information must be documented for **each committee member** (*as opposed to the group as a whole*), regardless of the size of the committee.

The Parent Organization Audit Committee Report examples include:

Y Option A - Audit was performed with no exceptions noted; therefore, the

Financial Report appears proper and correct.

Y Option B - Audit was performed with immaterial exception(s) being noted. The

Financial Report was either corrected or exceptions did not have a material effect. Except for these minor exceptions, the Financial Report appears proper and correct.

Y Option C - Audit was performed with material exception(s) being noted.

Because of the material exception(s), the Financial Report is not proper and correct.

In some instances, due to material exception(s), the committee may not be able to determine whether the Financial Report is proper and correct. When this situation occurs, the committee may state that the status of the Financial Report could not be determined because of material exception(s).

The Audit Committee Report along with the Financial Report should be submitted to the School Principal and to the Associate Superintendent for Administration by September 15th of each year.

Suggested Audit Committee Guidelines

The following suggested guidelines are designed to assist the Parent Organization Audit Committee in conducting a thorough review of the Parent Organization's Financial Report and the financial activity for the applicable school year.

Y Have the Treasurer prepare the written report of revenues and expenditures

(Financial Report) for your Parent Organization. The report should include information for the **full applicable year**.

Y The audit must cover the period beginning with the reconciled cash balance from the

previous written Financial Report and ending with the reconciled cash balance from the last day of the time period reported by the Parent Organization. If the Organization is using a retained earnings account, then the beginning retained earnings should equal the prior year's ending retained earnings balance plus/(minus) net income/(loss).

Y Review the reconciled bank statements and canceled checks to determine that:

- a) Disbursements have been properly documented with an invoice or receipt,
- b) Disbursements have been properly approved,
- c) Checks have been properly signed,
- d) Checks have been deposited or cashed by the payee indicated and that no information on the face of the check has been altered, and
- e) Checks have been accounted for in the proper sequence (no missing checks).

Y Check addition and subtraction on cash receipts and deposits.

Y Compare cash receipts and deposits to the bank statement.

Y Verify that receipts and disbursements were recorded to the correct account category.

Y Review the Treasurer's monthly reports and check them for accuracy. Review the

beginning and ending balances on reports to verify that correct ending balances were carried forward as beginning balances on subsequent reports.

Y Determine that only applicable Parent Organization officers are authorized signers

on the bank account(s). Former officers should not remain on the account(s) as authorized signers. **The faculty Sponsor, the Principal, the Principal's Secretary, or the Financial Secretary can not be an authorized signer on the Parent Organization's bank account(s). In addition, other District employees can not be authorized signers on the Parent Organization's bank account(s) unless approved by the District Chief Financial Officer.**

Y Determine that the coaches and directors of UIL academics, athletics, and fine arts were not

given more than \$300 in money, product(s), or service(s) in recognition for coaching, directing, or sponsoring UIL activities during a calendar year.

Y Obtain proof that all applicable sales tax reports were submitted to the Texas State Comptroller's Office and that the related taxes were paid.

Y Determine which two fund-raisers were chosen to be the "one-day, tax-free"

sales/auctions, if applicable. **Only Parent Organizations that have received a limited exemption from the Texas State Comptroller's Office are allowed two (2) "one-day, tax-free" sales/auctions per calendar year.**

Y Review the tax-exempt status of the Parent Organization to determine that the Organization

has received and maintained its federal tax-exempt status as a public 501(c)(3) charitable organization or other tax-exempt status deemed by the IRS.

Y Determine that either

a) Form 990-N (for parent organizations with gross receipts of less than \$25,000), Form 990, or 990-EZ has been filed properly with the IRS for the prior school year if the Organization is a tax-exempt charitable organization with at least \$25,000 in gross revenues, or

b) Form 1120 has been filed properly with the IRS for the prior school year if the Organization is not tax-exempt.

Y Determine that a tax-exempt Parent Organization has not used individual accounts, which credit funds raised to individual students or parents.

Y Verify that 1099s were issued, if applicable. In general, you may have to issue a 1099-

MISC (Miscellaneous Income) for each person to whom you have paid at least \$600 in rents, services, prizes & awards, attorney fees, and other similar situations **within a calendar year**.

Example: *High-Kick Drill Team Booster Club hires a consultant during the Spring of the 2005-06 school year for a \$300 fee. The consultant is hired again in the Fall of 2006-07 for a \$300 fee. The Parent Organization should issue a 1099-MISC form to this person since the total paid within the 2006 calendar year is \$600.*

After the review is complete, prepare the applicable Review Committee Report (**only one** report type may be used per review):

Option A	No Exceptions (i.e., errors, irregularities)	Financial Report appears proper and correct
Option B	Immaterial Exceptions	Financial Report appears proper and correct, except for some immaterial exceptions
Option C	Material Exceptions	Financial Report does not appear proper and correct because of material exception(s) or Financial Report status can not be determined because of material exception(s)

Y If exceptions are noted during the review, consult with the organization's Treasurer and President (if necessary) to resolve the exception(s). The Treasurer is responsible for making any corrections to the records, checkbook, and Financial Report.

Y If material exceptions have been noted, prepare recommendations to prevent the future occurrence of these exceptions.

Y The organization's Treasurer and President are responsible for acting upon the recommendations made by the Parent Organization Review Committee.

Y Retain the **original** written Parent Organization Financial Report and the **original** Parent

Organization Review Committee Report on file with the Treasurer of the Parent Organization.

Y Submit one copy of your Parent Organization Financial Report along with the Audit

Committee Report to the School Principal and another copy of these items to the Associate Superintendent for Administration.

Option A
Page 1 of 1

(proper & correct with no exceptions)

XYZ High School Spirit Booster Club AUDIT
COMMITTEE REPORT FOR THE TIME PERIOD
July 1, 2010 through June 30, 2011

The Audit Committee members named below have reviewed the attached Financial Report and related financial activity for the time period of July 1, 2010 through June 30, 2011 in detail. These members agree that the Financial Report and the related financial activity are proper and correct to the best of their knowledge. **No exceptions were noted during the review.**

_____ Printed Name	_____ Officer Title/Member	_____ Signature	____/____/____ Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	____/____/____ Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	____/____/____ Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	____/____/____ Date

Note: If a reviewer is a non-officer, their title (second column) should be "Member".

(proper & correct with immaterial exceptions)

XYZ High School Spirit Booster Club AUDIT
COMMITTEE REPORT FOR THE TIME PERIOD
July 1, 2010 through June 30, 2011

The Audit Committee members named below have reviewed the attached Financial Report and the related financial activity for the time period of July 1, 2010 through June 30, 2011 in detail. These members agree that the Financial Report and the related financial activity are proper and correct, except for the following exceptions:

Y Check #12586 cleared the bank for \$25.20 instead of \$2.52.

Y Check #12688 did not have 2 authorized signatures as required by the Parent Organization bylaws. The check only contained 1 authorized signature.

Y The Program Ad Expense account contains six expenses that did not have the related invoices as documentation for the expense. The undocumented expenses totaled \$42.87.

_____ Printed Name	_____ Officer Title/Member	_____ Signature	____/____/____ Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	____/____/____ Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	____/____/____ Date
_____ Printed Name	_____ Officer Title/Member	_____ Signature	____/____/____ Date

Note: If a reviewer is a non-officer, their title (second column) should be "Member".

(not proper or correct due to material exceptions)

XYZ High School Spirit Booster Club AUDIT
COMMITTEE REPORT FOR THE TIME PERIOD
July 1, 2010 through June 30, 2011

The Audit Committee members named below have reviewed the attached Financial Report and related financial activity for the time period of July 1, 2010 through June 30, 2011 in detail. These members agree that the Financial Report and the related financial activity are not proper and correct, due to the following material exceptions:

- Y No documentation of cost existed for the 100 new uniforms purchased.
- Y Checking and savings accounts were not reconciled during the year.
- Y Only one (1) authorized signature appeared on all checks written instead of the two (2) required authorized signatures as indicated in the Parent Organization bylaws.
- Y No documentation exists showing sales for the Christmas Cards sold to determine whether the amount recorded in the Financial Report is correct.

To prevent the above exceptions from occurring in the future, the following steps should be taken:

- Y Documentation of all expenses, such as an invoice, should be received prior to payment of expense. Documentation should be kept with the other Parent Organization records.
- Y All bank accounts should be reconciled on a monthly basis.
- Y All checks issued should be signed by at least two authorized officers.
- Y For all fund-raisers, a record should be kept of the sales and the money deposited.

Option C
Page 2 of 2

(not proper or correct due to material exceptions)

_____ Printed Name	_____ Officer Title/Member	_____ Signature	____/____/____ Date
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_____ Printed Name	_____ Officer Title/Member	_____ Signature	____/____/____ Date
-----------------------	-------------------------------	--------------------	------------------------

_____ Printed Name	_____ Officer Title/Member	_____ Signature	____/____/____ Date
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_____ Printed Name	_____ Officer Title/Member	_____ Signature	____/____/____ Date
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Note: If a reviewer is a non-officer, their title (second column) should be "Member".

Day-to-Day Responsibilities

So far, we've covered various aspects of the major decisions that Parent Organizations have to make regarding incorporation, tax-exemption, financial reporting, and other District requirements. Therefore, this section is dedicated to the many day-to-day issues that face a Parent Organization such as fund-raising, money-handling, and internal controls. These topics are covered alphabetically as follows:

1. Accounting Procedures
2. Bank Accounts
3. Building Use
4. Contributions
 - Received
 - Quid Pro Quo Contributions Received
 - Given
5. Financial Aid Guidelines
6. Child Nutrition
7. Fund-raising
 - Board Policy
 - IRS Regulations
 - Analysis of Fund-Raiser
8. Mailing Address
9. Membership Dues
10. Money-Handling Procedures
 - Receiving Money
 - Recording and Depositing Money
 - Disbursing Money
 - Safeguarding Money

- Carry-over Money

11. Raffles

12. Scholarships

13. Record Retention

14. Student Fines and Fees List

Accounting Procedures

Y Parent Organizations should include written instructions on the recording of accounting transactions in their bylaws, such as accounting method (cash vs. accrual), number of authorized signers on the bank account(s) and number of authorized signatures required for each check.

Y All transactions should be recorded in the Parent Organization's financial records. Y The Parent Organization books and bank accounts should be reconciled monthly. Y Parent Organizations may provide support to their student group in two manners:

- a) Parent Organization members raise funds for a student group. Funds are deposited into the Club's bank account. The Club writes a check to the school where the student group is located. The school deposits the funds into the student group's activity fund. The funds then belong to the members of the student group, to be spent at their discretion (under the supervision of the Sponsor). All accounting and safeguarding of the funds is the responsibility of the school, once the school has received the funds.

The IRS prefers that 501(c)(3) organizations use this method, since it provides the "cleanest" procedure to track how the Parent Organization spends its revenues. Using this method, the Parent Organization's Financial Report would show a clear path of revenues generated and expended exclusively for its purpose, to support a student group. In addition, this method reduces the amount of paperwork and responsibility for the Parent Organization related to the accounting for the revenues and expenses of the student group.

- b) Parent Organization members raise funds for a student group. Funds are deposited into the Organization's bank account. The Organization writes checks to the individual vendors for the expenses related to the student group through their bank account. This may include collecting funds for events/competitions/trips in which the student group participates. However, keep in mind that the Parent Organization **may not** use individual accounts to credit an individual for funds raised. All students must benefit equally from all funds raised. All accounting and safeguarding of the funds is the responsibility of the Parent Organization.

Bank Accounts

- Y Parent Organizations should set up a bank account with the Parent Organization's EIN number only. A person's social security number or the District's EIN number should not be used to set up a bank account.

See the Federal Regulatory Information section for further information.
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- Y No district employee can be an authorized signer for the bank account(s) of parent organizations.
- Y The District recommends that at least two authorized signatures be required for each check written to assist in establishing good internal controls over check disbursements. If a Parent Organization requires two signatures for check disbursements, the bank account(s) should have at least three authorized signers to allow at least one back-up signer if one of the regular signers is not available.
- Y Bank account(s) should be reconciled monthly.

Building Use

According to Board Policy GKD (Local), Parent Organizations should contact the Building & Grounds Department (or Athletic Department if athletic related facility) to make arrangements to use the school facilities. Parent Organizations must provide a copy of their Determination Letter to prove their tax-exempt status, proof of insurance of not less that

See Board Policy GKD Local (Pg 18) and GKD Exhibit (Pg 33)

\$1,000,000, and a roster of personnel, with addresses, in the organization to verify eligibility before approval for use of any school facilities is granted.

Contributions/Donations

1. Received

Parent Organizations may receive monetary or non-monetary contributions from individuals or businesses. In addition, those Parent Organizations that have received a Determination Letter from the IRS granting **501(c)(3)** tax exemption are allowed to receive **tax-deductible contributions** in accordance with IRS Regulation 170.

To allow the individuals or businesses to deduct these contributions on their tax returns, the Parent Organization must send them a copy of the Club's Determination Letter indicating that the Parent Organization is a 501(c)(3) organization.

If your Parent Organization is not a 501(c)(3) organization, contributions or donations are not tax-deductible. In addition, you must inform the individual or business that the contributions or donations are not tax-deductible.

REMEMBER

501(c)(3) is the only IRS tax-exempt category that allows contributions to be tax-

For contributions received, the Parent Organization may want to send a thank you note along with a copy of the Determination Letter. The thank you note may indicate what was contributed or donated. If the gift is monetary, you may indicate the dollar amount. If the gift is **not** monetary, the estimated value should not be included in the thank you note. It is the responsibility of the individual or business that provided the gift to determine the value that they would report on their tax return.

Even though contributions or donations received will ultimately support the student group at a school, the gift is still considered to be a gift to the Parent Organization and not to the school or to the District.

2. Quid Pro Quo Contributions Received

According to the IRS, a charitable organization, such as a Parent Organization that is a 501(c)(3) organization, must provide a written disclosure statement to donors who make a payment, described as a “quid pro quo contribution,” in excess of \$75.

A quid pro quo contribution is a payment made partly as a contribution and partly for goods or services provided to the donor by the charitable organization. An example of a quid pro quo contribution is where the donor gives a Parent Organization \$100 in consideration for a concert ticket valued at \$40. In this example, \$60 would be deductible. Because the donor’s payment (quid pro quo contribution) exceeds \$75, the disclosure statement must be furnished, even though the deductible amount does not exceed \$75.

Separate payments of \$75 or less made at different times of the year for separate fund-raising events should not be aggregated for the purposes of the \$75 threshold.

The required written disclosure statement must:

- a. inform the donor that the amount of the contribution that is deductible for federal income tax purposes is limited to the excess of any money (and the value of any property other than money) contributed by the donor over the value of goods or services provided by the charitable organization, and
- b. provide the donor with a good-faith estimate of the value of the goods or services that the donor received.

The charitable organization (Parent Organization) must furnish the statement in connection with either the solicitation or the receipt of the quid pro quo contribution. If the disclosure statement is furnished in connection with a particular solicitation, it is not necessary for the organization to provide another statement when the associated contribution is actually received.

A penalty is imposed on charitable organizations that do not meet the disclosure requirements. For failure to make the required disclosure in connection with a quid pro quo contribution of more than \$75, there is a penalty of \$10 per contribution, not to exceed \$5,000 per fund-raising event or mailing.

3. Given

When the Parent Organization contributes directly to the student group, the Organization should receive a Tax-exempt Status/Donation Acknowledgment Form from either the school or the District. A District employee should complete the form and give the original copy to the Parent Organization for their records.

Example: Yippee Booster Club is funding a portion of a student group's trip for a competition. The trip costs \$50,000, and the Booster Club has agreed to pay \$35,000 of the expense. Therefore, the students must pay the remaining \$15,000. The \$35,000 that the Booster Club donated is considered a contribution to that particular District student group and should be documented on the Tax-exempt Status/Donation Acknowledgment Form.

The school may request that a Parent Organization provide a list of contributions made to the student group or school. The Tax-exempt Status/Donation Acknowledgment Form may reference this list; thus, eliminating the need to have a form completed for each contribution.

The Tax-exempt Status/Donation Acknowledgment Form should be kept with the Parent Organization's financial records. The form can be used as substantiation to the IRS that the Parent Organization is using the funds raised in the manner approved by the IRS as a 501(c)(3) organization.

The District tracks contributions received from individuals and entities such as Parent Organizations. This information may assist the District in receiving a more favorable bond rating and in receiving grants. Public support of the District is very important in these areas.

For more information on contributions, see the IRS information in the Appendix.
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Financial Aid Guidelines

Tax-exempt organizations must benefit a group as a whole instead of benefiting individual members of a group. Since Parent Organizations usually assist student groups, all members of the student group sponsored are to be treated equally and receive the same opportunity to benefit from the Parent Organization's assistance.

Therefore, one student cannot receive a greater benefit than another unless the criteria for financial need discussed below is met.

In some instances, individuals may not be able to afford to pay the amount owed to participate in a particular event. The IRS has indicated that a group or club may establish criteria that could be used to determine if a person is in financial need. If the criteria are met, the group or club could provide the necessary funds to allow the individual to participate. The criteria should be established in writing prior to a particular situation arising. In addition, the criteria should be used consistently for all people, and the criteria should not change every year.

An example of Financial Aid Guidelines is included in the Appendix.

Child Nutrition

High Schools may not provide access to Foods of Minimal Nutritional Value during meal periods in areas where school meals are served and consumed. Middle Schools may not provide access to Foods of Minimal Nutritional Value until after the last lunch period. Elementary Schools may not provide Foods of Minimal Nutritional Value to students at any time during the school day. For more information see the appendix under “Texas Public School Nutrition Policy.”

Fund-Raising

Before any fund-raising activity occurs, Parent Organizations should decide whether a fund-raiser is a Parent Organization fund-raiser (money is deposited directly into the *Parent Organization's* bank account) **or** whether it is a school fund-raiser (money is deposited directly into the *District's student activity fund account* for that student group). If the activity is a Parent Organization fundraiser, the Parent Organization is responsible for handling any and all money from the fund-raiser. Likewise, if the activity is a school fund-raiser, the school is responsible for all money collected and deposited from the fund- raiser.

a.) Board Policy

Y Parent Organizations should carefully consider limiting the number of major fund-raising activities involving students. Fund raising activities shall primarily be the responsibility of the parents and should not rely solely on solicitations or sales by the students. **All such fund raising activities require approval of the School Principal.**

Y Parent Organizations should submit the following information to the Principal or

designee 30 days prior to the event and **at least Semi Annually (See pages 179 for form)**:

- Purpose of the fund-raiser,
- Type of fund-raising activity (i.e., candy sale, carnival),
- Date(s), time(s) and place(s) of the activity,
- Name of the sponsoring organization,
- Name and phone number of the organization's representative,
- Name and phone number of the person(s) in charge of the fund- raiser, and
- Name and phone number of the person(s) who will be handling the money for the fund-raiser.

8.

a) IRS Regulations

Y The IRS prohibits tax-exempt organizations from **requiring** people to participate in fund-

raisers. Likewise, Parent Organizations **may not** require an amount be “donated” in lieu of participating in the fundraiser. People **may choose** whether or not to participate in a fund-raiser and may choose whether or not to donate to the Parent Organization. Furthermore, if a person decides not to participate, that person cannot be excluded from having the opportunity to benefit from the fund-raiser and cannot be penalized for choosing not to participate in the fund-raiser.

Furthermore, benefits given by a tax-exempt organization **cannot** be based on participation in a fund-raiser or based on revenues raised individually. Therefore, regardless if a person participates in a fund-raiser and regardless of the amount of revenue raised, that person cannot be denied the opportunity to receive an equal benefit.

Example: *High Spirit Booster Club is having a car wash fund-raiser to help reduce the cost of a trip to Florida for a competition. The cost of the trip is \$20,000 for 20 people. Therefore, each person's cost for the trip before the fund- raiser is \$1,000.*

Of the 20 people participating in the trip, only 10 people participate in the fund-raiser and raise a total of \$600.

The \$600 must be split equally among the 20 people going on the trip, even though only 10 people participated in the fund-raiser. Therefore, each person receives a benefit of \$30 (\$600/20). Now, each person's cost for the trip is \$970 (\$1000 - \$30).

Y The IRS prohibits the use of individual accounts by Parent Organizations. Parent Organizations must benefit the group as a whole, not its individual members. (*See example above.*)

"Individual accounts" are accounts that credit *an individual* with funds raised and only that individual benefits from the funds. Tax-Exempt Parent Organizations are prohibited from keeping individual accounts

b) Analysis of Fund-raiser

Parent Organizations should use the Fund-raising Activity Report (*See page 179 & 180*) to determine the anticipated amount to be raised by a fundraiser and then to determine if the fund-raiser was a success or failure. This type of analysis will help a Parent Organization decide whether or not to repeat a particular fund-raiser.

Mailing Address

If the mailing address for the Parent Organization changes, immediately notify the District, the Texas Secretary of State, the Texas State Comptroller's Office, and the IRS. To avoid frequent mailing address changes, the IRS and the Texas State Comptroller's Office recommend that each Parent Organization obtain its own post office box (PO Box) or private mailing box (PMB) to be used for official Parent Organization mail. This address and box keys can be given easily to the new officers at the beginning of the year.

Please understand the importance of maintaining a consistent mailing address for the Parent Organization. First, you will save time since you will not have to update your address each year to the District, the Texas Secretary of State, the Texas State Comptroller's Office, the IRS, and your bank as you would if you used someone's home address. The District does not allow the use of campus addresses for parent organizations.

Second, Parent Organizations receive several important documents from these agencies throughout the year, and if the address changes frequently, some of these documents could be lost or misplaced. If the related school's address is used as the Parent Organization's official address, the Parent Organization should be aware that it may not receive mail in a timely manner when the school is closed (i.e., summer vacation and some holidays). The IRS mails forms and other correspondence to Parent Organizations periodically. If these forms are not completed and returned to the IRS within a specific time period,

a Parent Organization could lose their tax-exempt status, thereby also losing their limited tax-exemption with the State of Texas and possibly face fines and penalties. The District does not recommend using a home address since officers change frequently.

For your convenience, IRS Form 8822 for change of address can be located at

Membership Dues

Parent Organizations may charge dues to their members (the parents); however, parents **do not** have to be members of the Parent Organization for their child(ren) to participate in the student group that receives benefits from Parent Organization activities. **Membership dues are separate from the expenses incurred by sponsoring a student group (i.e., trip expense, costume expense).** Membership dues are associated with the parents being part of the Parent Organization and are in **no way** associated with the expenses related to that parent's child.

Money-Handling Procedures

Money refers to cash, checks, money orders, or cashier's checks. The following are suggestions related to handling money to assist in ensuring proper accountability.

- **Receiving Money**

Y The person receiving the money **while in the presence of the person turning in the money** should count all money received.

Y The person receiving the money should give a receipt to the person delivering the money (both parties should retain their copy of the receipt).

Y Any checks received should be restrictively endorsed immediately.

Y Post-dated checks **should not be accepted** from any source.

Y Receipts should indicate whether cash, check, money order, or cashier's check was received; date of the receipt; and signature of person receiving the money,

Y Copies or a list of checks, money orders, and cashier's checks received should be made to assist in recovery of money if these items are lost, stolen, or returned due to insufficient funds.

IMPORTANT

If a money order or cashier's check is received, the receipt should indicate the total check amount; brand name of the money order or the issuing bank's name of the cashier's check; and the complete check or money order number.

If a copy of the money order or cashier's check is made the inclusion of this

- **Recording and Depositing Money**

Y Prior to depositing money, at least two people should count the money.

Y All money should be delivered to the Parent Organization Treasurer to deposit funds daily.

Y Receipts should be reconciled with all money turned in and deposited.

Y Money received should only be deposited in the Parent Organization's account(s).

Y Deposit slips should be retained and reconciled monthly to the account.

- **Disbursing Money**

Y Require **two** signatures on each check.

Y Do **NOT** sign blank checks.

- **Safeguarding Money**

Y Have people that handle money bonded. This protects against embezzlement, but not theft.

Y Do not keep any money in an unlocked drawer, unlocked filing cabinet, vehicle, or other unsecured place.

Y Do not store the records of the money received (i.e., receipts, copies of checks) in the same place as the money. If records and money are stored together and a theft occurs, the record of the money may be taken along with the money. Subsequently, determination and recovery of losses would be more difficult.

Y Money received and not yet deposited should not be used for purchases, check cashing, loans, advances, reimbursements, or for any other purpose.

Y All unused checks should be kept safe and secure at all times.

Y "Blank" checks should never be issued and checks should never be pre-signed.

The sequence of check numbers should be accounted for when reconciling the bank statement to the Parent Organization's books.

Y **Issuing checks payable to "Cash" or to the "Sponsor" should be avoided.** The IRS may examine these transactions in more detail than other transactions. If a check must be payable to "Cash" or to the "Sponsor," keep detailed documentation of the expense or use of the funds.

- **Carry-over Money**

Y Any funds not used by the organization in a year merely carry over to begin the next year, however, all efforts should be made so that money fund-raised for students should be used for those students.

Y The carry-over amount should only be enough to "begin business".

Raffles

For information on conducting a legal raffle in Texas go to the online brochure found on the Texas Attorney General's website (www.oag.state.tx.us).

What does the law permit?

The Charitable Raffle Enabling Act, effective September 1999, permits "qualified organizations" to hold up to two raffles per calendar year, with certain specified restrictions.

What is a "qualified organization"?

In general, a qualified organization is:

- a An association organized primarily for religious purposes that has been in existence in Texas for at least 10 years;

- b A volunteer emergency medical service that does not pay its members other than nominal compensation;
- c A volunteer fire department that operates fire fighting equipment and does not pay its members other than nominal compensation; or
- d A nonprofit organization that has existed for at least three preceding years, during which it has had a governing body duly elected by its members and is exempt from federal income tax under Section 501(c), Internal Revenue Code; does not distribute any of its income to its members, officers or governing body; does not devote a substantial part of its activities to attempting to influence legislation; and does not participate in any political campaign.

The language of the law is very technical. If you are considering holding a raffle to benefit an organization, you should check the statute to be sure you qualify.

What prizes may be offered?

An organization may offer any prize except money. If the raffle organizers offer a prize which they have purchased or have given other consideration for, the value of the prize may not exceed \$50,000. There is no value limit on prizes donated to the organization. Texas lottery tickets may be purchased and offered as prizes, even though the tickets' payoff may exceed \$50,000. The organization must have each raffle prize in its possession or must post a bond for the full amount of the value of the prize with the county clerk of the county where the raffle will be held.

Is an organization required to register with the State before conducting a raffle?

No.

What are the restrictions on how the raffle may be conducted?

1. A qualified organization may hold only two raffles per [calendar] year and only one raffle at a time.
2. Raffle tickets may not be advertised state wide or through paid advertisements. Each raffle ticket must state the name or address of the organization holding the raffle, the name of an officer of the organization, the price of the ticket, and a general description of each prize to be awarded that has a value of over \$10.

3. A prize may not be money.
4. Only members of the organization, or student organizations recognized by institutions of higher education selling on behalf of the institution, may sell tickets.
5. No one may be compensated directly or indirectly for organizing or conducting a raffle, or for selling raffle tickets. The organization may not permit a non-member or other unauthorized person to sell or offer to sell raffle tickets.

How may the proceeds from ticket sales be used?

Proceeds from ticket sales must be used only for the charitable purposes of the organization.

Are there any penalties for conducting or participating in an unauthorized raffle?

Yes. Only raffles held according to the terms of the Raffle Enabling Act are authorized raffles. An unauthorized raffle is considered gambling under the Texas Penal Code. Conducting such a raffle is a Class A misdemeanor. Participating in an unauthorized raffle is a Class C misdemeanor.

What law enforcement authorities may stop an unauthorized raffle?

A county attorney, district attorney or the attorney general may bring an action in state court to stop a violation or potential violation of the Charitable Raffle Enabling Act.

Where can I get more information on the requirements for holding a raffle?

The law is Chapter 2002, Occupations Code, Texas Codes Annotated. If you have specific questions about the law, you should consult your attorney.

Consumer Information

For more information, call the Attorney General's Consumer Protection Hotline at 1-800-621-0508, or contact your nearest Attorney General regional office.

Location	Phone Number
Austin	512-463-2070
Dallas	214-969-5310
El Paso	915-542-4800
Houston	713-223-5886
Lubbock	806-747-5238
McAllen	956-682-4547
San Antonio	210-224-1007

All consumer complaints must be made in writing. Please call or write for a complaint form. Write to:

Office of the Attorney General
Consumer Protection Division/010
P.O. Box 12548
Austin, Texas 78711-2548

Complaint forms and additional information can also be found in the consumer affairs section of our website, at www.oag.state.tx.us.

Scholarships

Scholarships must be awarded based on a student's need or merit. The members of the committee selecting the scholarship recipients should not be related to any of the potential recipients. There should be a method of ensuring that the scholarship funds are used for their intended purpose by the recipients (for example, you could give the funds directly to the college or university for the student).

Record Retention

Parent Organizations should establish a record file that is passed to the new officers each year. Some items need to be kept indefinitely while other items only need to be kept for a certain length of time. The record file should contain at least the following items on a permanent basis:

Permanent Records

Internal Records:

- Y Parent Organization Registration & Approval Form
- Y Articles of Incorporation/Articles of Association
- Y Bylaws/Charter/Constitution
- Y Minutes from meetings

State Records

- Y Sales Tax Permit Application

- Y Sales Tax Permit
- Y Certificate of Incorporation from State of Texas (if applicable)
- Y State Sales Tax Exemption Notification
- Y State Franchise Tax Exemption Notification (if incorporated)

Federal Records

- Y Copy of IRS Form SS-4, Application for Employer Identification Number
- Y Copy of IRS Form 1023, Application for Recognition of Exemption, with all attachments
- Y Copy of IRS Form 8718, User Fee for Exempt Organization Determination Letter Request and copy of check sent to IRS with this form
- Y Acknowledgement of Your Request
- Y Determination Letter
- Y Copy of IRS Form 8734, Support Schedule for Advance Ruling Period, and the IRS's notice granting a permanent exempt status to the organization, if applicable

For non-permanent records, the Texas State Comptroller's Office and the IRS have different retention periods. In addition, certain circumstances, such as fraud, would allow the retention period to be extended beyond the normal requirement.

According to the Texas State Comptroller's Office, this office has four (4) years from the date the tax becomes due and payable in which to assess the liability. This statute of limitations may be extended beyond the four (4) years, if an agreement is made in writing between the Texas State Comptroller's Office and the Parent Organization.

In cases of fraud, or **if the sales tax returns have not been filed**, the statute of limitations does not apply and the Texas State Comptroller's office may assess and collect taxes, penalties, and interest at anytime. The statute of limitations does not apply when information contained in the sales tax report contains a gross error and the amount of tax due and payable after the error is corrected is 25% or more than the amount initially reported. In addition, other exceptions to the statute of limitations may apply. According to the IRS, Parent Organizations must keep each annual information return (i.e. Form 990 or Form 990-EZ) for 3 years from the date the form is required to be filed or from the date the form is actually filed, whichever is later. However, if fraud is suspected or if returns have not been filed as applicable, the IRS could request information prior to the 3 year period discussed above.

IMPORTANT

If your Parent Organization has not received a tax-exempt status as a public 501(c)(3) organization, all records of application should be maintained and properly stored until the IRS has granted a permanent public tax-exempt status to

In considering the requirements of the Texas State Comptroller's Office and the IRS, the record file should contain at least the following items for a minimum of the current year and the four (4) previous years:

Non-permanent Records

Internal Records

- Y Financial Reports and Review Committee Reports
- Y All financial backup including checkbook and banks records
- Y Information related to donations received by a Parent Organization from individuals or businesses
- Y Financial Aid Guidelines

State Records

- Y Sales Tax Forms Filed (Quarterly or Annually)
- Y Copy of correspondence with the Texas Secretary of State and the Texas State Comptroller
- Y Copy of correspondence with the Texas Secretary of State and the Texas State Comptroller

Federal Records

- Y Copy of IRS Forms 990 or 990-EZ filed
- Y Copy of correspondence with the IRS

Before discarding any records, confirm with the Texas State Comptroller's Office and the IRS that your organization is in good-standing and that no open items or issues exist related to the time period involving the records that you would like to discard.

IMPORTANT

According to IRS disclosure requirements, if someone requests to view any of your tax applications, forms filed, or returns, you must provide complete copies of the material.

You may charge a nominal fee for copying, not to exceed the current governmental rate of \$1.00 for the first page and \$.15 for each additional page plus postage.

Student Fines and Fees List

Parent Organizations may have students or parents who do not submit money for fund-raisers or expenses, resulting in amounts owed to the Parent Organization. Since these amounts relate to Parent Organization activities, they cannot be placed on the school's Student Fines and Fees List. If a Parent Organization wishes to pursue recovery of these amounts, they must do so independently from the District and school.

Example: High Spirit Booster Club held a catalog fund-raiser and \$400 is still owed to the Booster Club by Trusty Smith, the father of Jane Smith, one of students in the group they support. Trusty received the merchandise, but never paid for it.

The Booster Club may pursue trying to recover the money or merchandise from Trusty. However, they **may not** contact the school to include the \$400 on the school's Student Fines and Fees List as an amount owed by Jane Smith to the school.

UIL Booster Club Guidelines

GENERAL GUIDELINES |

Booster Club Guidelines

The role of competition

Participation teaches that it is a privilege and an honor to represent one's school. Students learn to win without boasting and to lose without bitterness.

Self-motivation and intellectual curiosity are essential to the best academic participants. Artistic commitment and a desire to excel are traits found in music participants. Physical training and good health habits are essential to the best athletes. Interscholastic competition is a fine way to encourage youngsters to enrich their education and expand their horizons.

Leadership and citizenship experiences through school activities help prepare students for a useful and wholesome life. Plus, competition is fun!

Role of the Superintendent

Member schools make UIL rules and determine policies regarding penalties to schools, school district personnel and student participants. The superintendent is solely responsible for the entire UIL program. All school activities, organizations (including the booster club), events and personnel are under the jurisdiction of the superintendent. Booster clubs must recognize this authority and work within a framework prescribed by the school administration.

Role of Booster Clubs

Neighborhood patrons form booster clubs to help enrich the school's participation in extracurricular activities. The fund-raising role of booster clubs is particularly crucial in today's economic climate.

Written Policies

Booster clubs should develop and annually review policies to cover:

- *how to obtain administrative approval before beginning projects;
- *how to plan and publicize meetings;
- *bookkeeping and fund administration including process to obtain superintendent's approval prior to raising or spending funds;
- *election of officers (suggestion: one president; one secretary; one treasurer; and three vice-presidents: one vice

president to oversee fall, winter and spring sports);

- *taking, distributing and filing minutes;

- *public communication;

- *proper interaction with fine arts directors and academic and athletic coaches through the lines of authority as established by the school board;

- *a sportsmanship code governing behavior of booster club members and fans at contests, treatment of officials, guests, judges, etc.; and

- *plans to support the school regardless of success in competition, keeping the educational goals of competition at the forefront of all policies.

Relationship with the school

The superintendent or a designee who does not coach or direct a UIL contest has approval authority over booster clubs and should be invited to all meetings. All meetings should be open to the public.

*Booster clubs do not have authority to direct the duties of a school district employee. The scheduling of contests, rules for participation, methods of earning letters and all other criteria dealing with inter-school programs are under the jurisdiction of the local school administration.

*Minutes should be taken at each meeting and kept on file at the school.

*School administration should apprise booster clubs of all school activities.

*Booster clubs should apprise school administrators of all club activities.

*Periodic financial statements itemizing all receipts and expenditures should be made to the general club membership and kept on file at the school.

| CLUB FINANCES |

Fundraising | Spending | Stipends | Gifts to Coaches

Money given to a school cannot be earmarked for any particular expense. Booster clubs may make recommendations, but cash or other valuable consideration must be given to the school to use at its discretion.

*Fund-raising projects are subject to state law. Nonprofit or tax-exempt status may be obtained from the Internal Revenue Service.

*Community-wide sales campaigns should be coordinated through the school administration to minimize simultaneous sales campaigns.

*Sales campaigns should be planned carefully to insure that the projects provide dollar value for items sold, and that most of the money raised stays at home. Otherwise donations are often more rewarding than letting the major part of the

money go to outside promoters.

*Fund-raising activities should support the educational goals of the school and should not exploit students. Activities and projects should be investigated carefully before committing the school's support.

*Individuals who actively coach or direct a UIL activity should serve in an advisory capacity to the booster club and should not have control or signature authority over booster club funds, including petty cash or miscellaneous discretionary funds.

Coaches wish-lists should have received prior approval from school administration before submission to boosters.

*Coaches and directors of UIL academics, athletics and fine arts may not accept more than \$500 in money, product or service from any source in recognition of or appreciation for coaching, directing or sponsoring UIL activities. The \$500 limit is cumulative for a calendar year and is not specific to any one particular gift.

*The district may pay a stipend, fixed at the beginning of the year, as part of the annual employment contract. The amount of the stipend can't depend on the success of a team or individual. In other words, a coach can't receive more money if a team or individual qualifies to region or state.

*Funds are to be used to support school activities. To provide such funding for non-school activities would violate UIL rules and the public trust through which funds are earned.

| ATHLETIC BOOSTERS |

Club restrictions

Booster clubs cannot give anything to students, including awards. Check with school administrators before giving anything to a student, school sponsor or coach. Schools must give prior approval for any banquet or get-together given for students. All fans, not just members of the booster club, should be aware of this rule. It affects the entire community.

*Unlike music and academic booster clubs, athletic booster club funds shall not be used to support athletic camps, clinics, private instruction or any activity outside of the school.

*Booster groups or individuals may donate money or merchandise to the school with prior approval of the administration. These kinds of donations are often made to cover the cost of commercial transportation and to cover costs for out-of-town meals. It would be a violation for booster groups or individuals to pay for such costs directly.

*Individuals should be informed of the seriousness of violating the athletic amateur rule.

The penalty to a student-athlete is forfeiture of varsity

athletic eligibility in the sport for which the violation occurred for one calendar year from the date of the violation. Student athletes are prohibited from accepting valuable consideration for participation in school athletics - anything that is not given or offered to the entire student body on the same basis that it is given or offered to an athlete. Valuable consideration is defined as tangible or intangible property or service including anything that is usable, wearable, salable or consumable.

Local school districts superintendents have the discretion to allow student athletes to accept, from their fellow students, small 'goodie bags' that contain candy, cookies or other items that have no intrinsic value and are not considered valuable consideration.

*Homemade "spirit signs" made from paper and normal supplies a student purchases for school use may be placed on the students' lockers or in their yards. Trinkets and food items cannot be attached. Yard signs made of commercial quality wood, plastic, etc. if not purchased or made by the individual player's parent, must be returned after the season.

*The school may provide meals for contests held away from the home school. If the school does not pay for meals, the individual parents need to purchase their own child's food. Parents may purchase anything they wish for their own child but may not provide food for their child's teammates unless approved by the school. The school may also provide supplies for games and practices and transportation for school field trips. Students should pay admission fees during school field trips.

*Parties for athletes are governed by the following State Executive Committee interpretation of Section 441 of the UIL Constitution & Contest Rules.

Official Interpretation of the UIL Athletic Amateur Rule,
section 441 of the

UIL Constitution and Contest Rules:

1. VALUABLE CONSIDERATION SCHOOL TEAMS AND ATHLETES MAY ACCEPT:

(b) Pre-Season. School athletic teams may be given pre-season meals, if approved by the school.

(c) Post-Season. School athletic teams may be given post-season meals if approved by the school. Banquet favors or gifts are considered valuable consideration and are subject to the Awards and Amateur Rules if they are given to a student athlete at any time.

(d) Other. If approved by the school, school athletic teams and athletes may be invited to and may attend functions where free admission is offered, or where refreshments and/or meals are served. Athletes or athletic teams may be recognized at these functions, but may not accept anything, other than food

items, that is not given to all other students.

1. ADDITIONAL VALUABLE CONSIDERATION THAT SCHOOL TEAMS AND ATHLETES MAY ACCEPT

Examples of additional items deemed allowable under this interpretation if approved by the school, include but are not limited to:

1. meals, snacks or snack foods during or after practices;
2. parties provided by parents or other students strictly for an athletic team

Local school district superintendents continue to have the discretion to allow student athletes to accept small "goodie bags" that contain candy, cookies or other items that have no intrinsic value and are not considered valuable consideration.

| ACADEMIC BOOSTERS |

The rules for athletics are different than the rules for academics and music. Athletes are restricted by the Athletic Amateur Rule, which states that athletes cannot accept money or valuable consideration for participating in a UIL sport or for allowing their names to be used in promoting a product, plan or service related to a UIL contest. Academics has no amateur rule. Journalism participants may work for a newspaper and be paid. Actors may work summer stock and be paid. Students may win calculators and software for participating in invitational math contests.

UIL academic students are restricted by the Awards Rule. So, as a general practice, booster clubs should not give gifts or awards to students for their participation in UIL contests that count toward district, region or state standing. School booster clubs may raise money to purchase letter jackets, provided the funds are given to the school without designation to buy jackets for particular students and the school determines criteria for awarding the jackets. Parents may purchase jackets for their own children provided the school designates the student as being qualified to receive the jacket.

Booster Clubs may raise money to provide an annual banquet for academic participants and coaches.

With prior administrative approval, you may also:

*Purchase equipment for programs such as computers or software for yearbook or computer science;

*Organize and chaperone trips and assist with expenses for travel to academic competitions or educational trips such as journalism conventions or speech tournaments. Booster club funds may be used to provide food and refreshments for students on these trips. A purely recreational trip to Six Flags

Over Texas would not meet the definition of an educational field trip and could be considered a violation of the Awards Rule;

*Run tournaments, organize fund-raising efforts, recruit corporate donors, raise money for scholarships and arrange for tutors and professional trainers to work with students;

*Fund academic workshop scholarships provided selection of the recipients is not based solely on their success in interscholastic competition. Selection could be based on grade point average or the student's selection of high school courses. All students meeting the conditions for scholarship assistance should be notified and eligible for financial assistance. Funds should be monitored to ensure that they are expended for camp or workshop purposes.

We wish we had more academic booster clubs, whether they cover UIL academic competition in general or specific programs such as theatre, speech/debate, journalism or math/ science. A great need exists for parental involvement and support.

| MUSIC BOOSTERS |

In addition to the general procedures outlined, the following guidelines apply to Music Booster Club activities.

*Some music booster clubs assist with expenses for travel to various music-related activities such as UIL contests and performances at away athletic events. Such financial support violates no UIL rules provided that it is approved and coordinated by the local school district.

*Many music groups schedule educational field trips with the approval of the local school administration and under local school district policies. For such trips, specific educational components must be included such as performing for a music festival, an adjudicated contest or a concert tour. Marching performances such as the Macy's Thanksgiving Day Parade, the Rose Bowl Parade or other similar ceremonial appearances also qualify. However, educational components need not be limited to performances. Concert attendance, visiting university/conservatory music facilities and other music related, non-performing opportunities would also be appropriate if approved by the local school district.

*A recreational trip, on the other hand, would not meet the definition of an educational field trip as provided in Section 480 of the UIL Constitution and Contest Rules. Students receiving the benefits of a purely recreational trip would likely be in violation of the Awards Rule.

*Booster Clubs may also fund scholarships for private

lessons and summer music camps provided the selection of the recipients is not based on success in interscholastic competition. Funds for such activities should be carefully monitored to ensure that they are expended for educational rather than recreational activities.

*The awarding of patches, T-shirts or other items for achievement in interscholastic competition would be subject to the UIL Awards Rule. In order to protect all music students' eligibility, such awards should be approved and administrated by the local school district in accordance with school district policies.

*Be mindful of the fact that there is no Music Amateur Rule. Therefore, limitations established in athletics intended to ensure compliance with the Athletic Amateur Rule do not apply to music programs and related activities.

What You Can Do:

Parents

Work with the administration

Coaches and Fine Arts directors

Appendix

ARTICLES OF ASSOCIATION

Silent Night Choir Booster Club

Articles of Association of the undersigned, a majority of whom are citizens of the United States, desiring to form a Non-Profit Corporation under the non-profit association do hereby certify:

ARTICLE I

The name of the Association is: Silent Night Choir Booster Club

ARTICLE II

The principal office of the Association is located in the city of Jingle Bells, TX
Street address:

Silent Night Choir Booster Club
PO Box 1225

Jingle Bells, TX 00025

ARTICLE III

The period of its duration is
perpetual.

ARTICLE IV

The purpose of this Association is to assist the directors of the Silent Night Choir in reaching the choir program goals. It shall provide financial support to the choir as deemed necessary by the Choir Director and provide assistance for choir activities as requested by the Choir Director.

These purposes are exclusively charitable and educational with the meaning of section 501 (c)(3) of the Internal Revenue Code of 1986 as now in effect or as it may hereafter be amended. In furtherance of these purposes, the Association is authorized to receive property by gift or bequest and to invest and reinvest the same, and to apply the income and principle thereof as determined by the Board of Directors and Choir Director exclusively for charitable and educational purposes, to engage in any and all lawful activities incidental thereto as restricted herein.

The Activities of the organization shall not conflict with the policies of the Spring Branch Independent School District and shall be sanctioned by school officials.

ARTICLE V

The names and addresses of the persons who shall serve as directors of the Silent Night Choir Booster Club until their successors have been elected and qualified, are as follows:

Joe Soeuff	2009-10 President	1025 Snowlane, Jingle Bells, TX 77359
Fred Frosty	2009-10 Vice President	8857 Freezing Blvd., Jingle Bells, TX 77359
Sann Tababe	2009-10 Treasurer	5589 Reindeer Run, Jingle Bells, TX 77358
Ruddy Rednose	2009-10 Secretary	3978 Manger Way, Jingle Bells, TX 77358

ARTICLE VI

No part of the net earnings of the association shall inure to the benefit of or be distributable to its members, trustees, officers or other private persons, except that the association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article IV hereof. No substantial part of the activities of the association shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the association shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate of public office. Notwithstanding any other provision of these articles; the association shall not carry on any other activities not permitted to be carried on (a) by an association exempt from federal income tax under section 501 (c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by an association, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

ARTICLE VII

These Articles of Association may be amended from time to time as provided by the statute of the bylaws of the association; provided, however, that no amendment shall be made which would alter the purposes for which the association is organized as set forth in Article IV, or would cause any benefit to inure to any officer, director, incorporator, or member.

ARTICLE VIII

In the event of voluntary or involuntary dissolution of this association, the assets, after payment of just debts, shall be distributed exclusively for the purposes set out in Article IV and to organizations organized and operated exclusively for such purposes and which are exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time, or the corresponding provisions of any subsequent revenue law or laws. The distribution shall be made by the Board of Directors, or pursuant to court order. In no event, however, shall such distribution inure to any person who has a personal and private interest in the activities of the association.

IN WITNESS WHEREOF, for the purpose of forming this association under the laws of the State of Texas, we, the undersigned constituting the Executive Board of the Association, have executed these Articles of Association on the 26th day of August, 2009.

Joe Soeuff	2009-10 President	_____
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Fred Frosty	2009-10 Vice President	_____
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Sann Tababe	2009-10 Treasurer	_____
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Ruddy Rednose	2009-10 Secretary	_____
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ARTICLES OF INCORPORATION ABC HIGH SCHOOL BOOSTER CLUB

The undersigned natural person over the age of eighteen (18), acting as an incorporator, adopt the following Articles of Incorporation of ABC High School Booster Club:

ARTICLE ONE, NAME

The name of the corporation is ABC HIGH SCHOOL BOOSTER CLUB.

ARTICLE TWO, NON-PROFIT CORPORATION

The corporation is a non-profit corporation. When it dissolves, all of its assets will be distributed to the State of Texas or an organization exempt from taxes under the Internal Revenue Code Section 501(c)(3) for one or more purposes exempt under the Texas franchise tax.

ARTICLE THREE, DURATION

The duration of the corporation is perpetual.

ARTICLE FOUR, PURPOSES

The purposes for organizing the Corporation are to perform charitable activities within the meaning of Internal Revenue Code Section 501(c)(3) in Texas Tax Code Section 11. 18(c).

ARTICLE FIVE, POWERS

Except as these Articles otherwise provide, the Corporation has all of the powers provided in the Texas Non-Profit Corporation Act. Moreover, the Corporation has all implied powers necessary and proper to carry out its express powers. The Corporation may reasonably compensate directors or officers for services rendered to or for the Corporation in furtherance of one or more of its purposes.

ARTICLE SIX, RESTRICTIONS AND REQUIREMENTS

The Corporation may not pay dividends or other corporate income to its directors or officers, or otherwise accrue distributable profits, or permit the realization of private gain. The Corporation may not take any action prohibited by the Texas Non-Profit Corporation Act.

The Corporation may not take any action that would be inconsistent with the requirements for a tax exemption under Internal Revenue Code Section 501(c)(3), and related regulations, rulings, and procedures. Nor may it take any action that would be inconsistent with the requirements for receiving tax deductible charitable contributions under Internal Revenue Code Section 170(c)(2) and any related regulations, rulings, and procedures.

Regardless of any other provision in these Articles of Incorporation, or state law, the Corporation may not:

- 2 Engage in activities or use its assets in manners that do not further one or more exempt purposes as set forth in these Articles and defined by the Internal Code and related regulations, rulings, and procedures except to an insubstantial degree.

- 3 Serve a private interest other than one clearly incidental to an overriding public interest.
- 4 Devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise, except as provided by the Internal Revenue Code and related regulations, rulings and procedures.
- 5 Participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office. The prohibited activities include publishing or distributing statements and any other direct or indirect campaign activities.
- 6 Have objectives characterizing it as an "action organization" as defined by the Internal Revenue Code and related regulations, rulings, and procedures.
- 7 Distribute its assets on dissolution other than for one or more exempt purposes. On dissolution, the Corporation's assets will be distributed to the state government for a public purpose, or to an organization exempt from taxes under Internal Revenue Code Section 501(c)(3) to be used to accomplish the general purposes for which the Corporation was organized.
- 8 Permit any part of the Corporation's net earnings to inure to the benefit of any private share holder or member of the Corporation or any private individual.
- 9 Carry on an unrelated trade or business, except as a secondary purpose related to the Corporation's primary, exempt purposes.

ARTICLE SEVEN, MEMBERSHIP

The Corporation will have one or more classes of members as provided in the Bylaws.

ARTICLE EIGHT, REGISTERED OFFICE AND AGENT

The street address of the Corporation's initial registered office is 4548 Another Avenue, Houston, Harris County, Texas. The name of the initial registered agent at the office is John Black, 4548 Another Avenue, Houston, Harris County, Texas.

ARTICLE NINE, MANAGING BODY OF CORPORATION

The management of the Corporation is vested in its Board of Directors and such committees that the Board may from time to time, establish. The bylaws provide the qualifications, manner of selection, duties, terms, and other matters relating to the Board of Directors. The initial Board of Directors will consist of three (3) persons:

NAMES

ADDRESSES

Jane Doe 2334 Someplace Road Houston, TX 77777

Katy Smith 557 Overthere Avenue Houston, TX 77888

Joe Jones 100000 Nowhere Road Houston, TX 77999

The number of directors may be increased or decreased by amending the Bylaws. The number of directors may not be decreased to fewer than three.

ARTICLE TEN, LIMITATION ON LIABILITY OF DIRECTORS

A Director is not liable to the Corporation or members for monetary damages for an act or omission in the Director's capacity as Director except as otherwise provided by Texas statute.

ARTICLE ELEVEN, INDEMNIFICATION

The Corporation may indemnify a person who was, is, or is threatened to be made a named defendant or respondent in litigation or other proceedings because the person is or was a Director or other person related to the Corporation as provided by the provisions of the Texas Non-Profit Corporation Act governing indemnification.

As the Bylaws provide, the Board of Directors may define the requirements and limitations for the Corporation to indemnify directors, officers or others related to the Corporation.

ARTICLE TWELVE, CONSTRUCTION

All references in these Articles to statutes, regulations, or other sources of legal authority refer to the authority cited or their successors, as they may be amended from time to time.

ARTICLE THIRTEEN, INCORPORATORS

The name and address of the incorporator is TU EXPENSIVE a licensed attorney in the State of Texas, 999 Richman Road, Sugar Land, TX 79999.

ARTICLE FOURTEEN, ACTION BY WRITTEN CONSENT

Action may be taken by use of signed written consents by the number of members, directors, or committee members whose vote would be necessary to take action at a meeting at which all such persons entitled to vote were present and voted. Each written consent must bear the date of signature of each person signing it. A consent signed by fewer than all of the member, directors, or committee members is not effective to take the intended action unless consents, signed by the required number of persons, are delivered to the Corporation within sixty (60) days after the date of the earliest dated consent delivered to the Corporation. Delivery must be made by hand, or by certified or registered mail, return receipt requested. The delivery may be made to the Corporation's registered office, registered agent, principal place of business, transfer agent, registrar, exchange agent, or an officer or agent having custody of books in which the relevant proceedings are recorded. If

delivery is made to the Corporation's principal place of business, the consent must be addressed to the president or principal executive officer.

The Corporation will give prompt notice of the action taken to persons who do not sign consents. If the action requires documents to be filed with the Secretary of State, the filed documents will state that the written consent procedures have been properly followed. A telegram, telex, cablegram, or similar transmission by a member, or director, or committee member, or photographic, facsimile, or similar reproduction of the signed writing is to be regarded as being signed by the member, director, or committee member.

So Expensive, Incorporator

THE STATE OF TEXAS
COUNTY OF HARRIS

I, a Notary Public for the state of Texas, do hereby certify that on August 31, 2010, personally appeared before me, TU EXPENSIVE, who being by me first duly sworn, declared that he is the person who signed the foregoing document as incorporator, and that the statements contained therein are true.

Notary Public in and for the State of Texas

YEE-HAW BOOSTER CLUB ASSOCIATION BY-LAWS

AMENDED: May 15, 2010

ARTICLE I – NAME

The name of this organization shall be the YEE-HAW BOOSTER CLUB.

ARTICLE II – OBJECTIVES

Sec. 1. This organization is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, trustees, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the paragraph above. No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these by-laws, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from Federal Income tax under section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by an organization, contributions to which are deductible under section 170 (c) (2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

Sec. 2. This organization is organized to support the activities of the drill team members. Upon the dissolution of the organization, the Executive Committee shall, after paying or making provision for the payment of all of the liabilities of the organization, dispose of all of the assets of the organization exclusively for the purposes of the organization in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Executive Committee shall determine. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE III - MEMBERSHIP DUES

Membership becomes automatic upon payment of dues.

ARTICLE IV - OFFICERS AND THEIR ELECTION

Sec. 1. The Executive Board of this club shall consist of the following officers: President, 1st Vice-President, 2nd Vice-President, 3rd Vice-President, Secretary, Treasurer(s) and Parliamentarian.

Sec. 2. No person shall serve in the same office more than one consecutive year unless it is decided and voted upon to determine that it is the best interest of the club. Term of the office herein is defined as the period of May of current year until May of the following year at installation of Booster Club officers.

Sec. 3. Officers shall be elected by voice, unless there are nominations from the floor in which case the vote shall be by ballot. Nominations of officers shall be presented to the membership by a nomination committee at least one month prior to the election of the officers. The nomination committee shall consist of the club President as chairperson; the Yee-Haw Director; the Principal, at his or her discretion; and five other members appointed by the President. Two of the appointed members shall be from the Executive Committee and three from the membership at large, including one sophomore class representative, one junior class representative, and one senior class representative.

Sec. 4. These officers shall be elected annually in April and assume duty at the installation of officers at the May Booster Club meeting.

Sec. 5. Nominations from the floor may be made provided prior consent is obtained from the prospective nominee and these nominations are made at the time the nominating committee presents its slate to the membership.

Sec. 6. A vacancy occurring in an office shall be filled by a vote of the executive board.

Sec. 7. All officers are volunteers, and none are paid any compensation for services performed. As such, no officer shall incur any personal liability as a result of serving on this board.

ARTICLE V - DUTIES OF OFFICERS

Sec. 1. The President shall preside at all meetings of the club, Executive Board, and the Executive Committee and shall be a member ex-officio of all committees and shall perform other duties usually pertaining to the office.

Sec. 2. The 1st Vice-President shall act as aid to the President and shall perform duties of the President in the absence of that officer and serve as chairperson of membership and special events.

Sec. 3. The 2nd Vice-President shall be responsible for procuring chaperones for all football games, contest trips, or other events which take place.

Sec. 4. The 3rd Vice-President shall be responsible for organizing all fund raising projects.

Sec. 5. The Secretary shall keep a record of all meetings of the club and of the Executive Board meetings and shall conduct the general correspondence of the club.

Sec. 6. The Treasurer(s) shall be custodian of all Booster Club funds and all disbursements of these funds under guidelines listed below.

(i) Expenditures in excess of budgeted amounts will not be expended without board approval.

(ii) Receipts and "Request for Funds" forms must be presented to the Treasurer for reimbursement. No cash advances are allowed unless the item has already been budgeted for and funds are available.

(iii) The 3rd Vice-President (fund raising chairperson), the project chairperson, and the Treasurer shall be in charge of tabulating money at the end of each fundraiser. Duplicate receipts will be issued by the Treasurer with the Treasurer retaining the original and a copy given to the 3rd Vice-President.

(iv) The following signatures are to be maintained on the file at the financial institution in which the checking account is located:

- President of the Booster Club; and
- Treasurer(s) of the Booster Club.

All checks are to have these two (2) signatures.

(v) The Treasurer will be required to keep current and accurate ledgers indicating all accounts payable. At the end of his/her term, the Booster Club shall have an organizational committee conduct an annual review of the organization's revenues/expenditures for the prior year. A copy of the report for the prior year will be submitted to the Principal's office, to the Chief Financial Officer and to the Associate Superintendent for Administration by September 1 of each year.

(vi) A financial disposition of Booster Club funds shall be presented monthly, with a financial statement given at the May meeting.

Sec. 7. The Parliamentarian will insure that all meetings are conducted according to Robert's Rules of Order.

ARTICLE VI – MEETINGS

Sec. 1. A regular meeting of the Booster Club shall be held on the second Tuesday night of each school month unless otherwise provided by the club or the Executive Board with a seven-day notice.

Sec. 2. Fifty percent (50%) of the voting membership of the Booster Club, one of whom shall be authorized to open and preside over the meeting, shall constitute a quorum.

ARTICLE VII - EXECUTIVE COMMITTEE

The Executive Committee shall consist of the officers of the club and the Yee-Haw Director. Its duties shall be to transact necessary business between club meetings and such other business as may be referred to it by the club; to approve the plans of work of the standing committee chairpersons; and to present reports at the regular meetings. Special meetings of the Executive Committee may be called by the President or by a majority of the committee's members.

ARTICLE VIII - STANDING COMMITTEES

There shall be such standing committees created by the Executive Committee as may be required to promote the objectives and purposes of the club. The chairpersons of the standing committees shall be appointed or selected by the newly elected Executive Board. Their term of office shall be for one year.

Standing Committees

Scholarship	Mother/Daughter Luncheon
Father/Daughter Social	Parent Socials
Photo Historian	Sunshine (Thank You's)
Props	Costumes/ Sewing
Publicity	Telephone

Standing Committees (continued)

Formal	P.A.C.E.
Spring Show	Banquet
Fundraising (i.e., Car Wash, Jazz Camp, Christmas Wrap, Candy Sales)	

ARTICLE IX - PARLIAMENTARY AUTHORITY

All meetings shall be governed by Robert's Rules of Order in cases where they are applicable and are not inconsistent with these by-laws.

The Booster Club has no authority to direct the Director, an employee of Totally Country High School, in any of her duties. The schedule of contest, rules of participation, method of earning letters, awards offices and all other criteria dealing with interschool programs are under the jurisdiction of the Director and the school administration.

ARTICLE X – AMENDMENTS

These by-laws may be amended at any regular meeting of the organization by two-thirds vote of the designated quorum, provided notice of proposed amendment shall be given at the previous regular meeting.

ARTICLE XI - STANDING RULES

Flowers or memorials shall be sent in case of death of a Yee-Haw member or immediate family member (mother, father, sister, brother). Cards are to be sent in all other instances.

All Booster Club projects must support the philosophy of the school administration.

ARTICLE XII – VOTING

Membership in the Yee-Haw Booster Club is by family with one vote per family.

ARTICLE XIII – AWARDS

Attendance awards shall be given only to the daughters of members who have missed no more than one (1) meeting during the year.

ARTICLE XIV –ACADEMIC

An academic scholarship will be given to needy or deserving Yee-Haws as the funds are available. The scholarship recipient(s) will be decided by the Totally Country Scholarship Committee. The amount to be awarded shall be determined by the Executive Board when creating the annual budget.

ARTICLE XV – FUNDRAISING

Sec. 1. All sales campaigns must be cleared through the Yee-Haw Director and the Totally Country Principal.

Sec. 2. All funds raised shall be for the purpose of supporting drill team activities by providing funds to cover costumes, uniforms, leotards, shoes, props, contest fees, contest travel expenses, refreshments, scholarships, or other necessary items required for participation on drill team and not being provided for drill team members by the high school or school district. Social events will be incidental to the purpose of fund raising activities, and drill team members are required to pay for participation in connection with same. Committee chairpersons, board members, and drill team director shall decide on the amount due from drill team members in connection with a social event.

ARTICLE XVI - RETURN CHECK POLICY

Sec. 1. If more than one insufficient funds check is presented to the Booster Club by the same party, no further checks will be accepted, only cashier's check or money order.

Sec. 2. The party issuing an insufficient fund check must reimburse the Booster Club for the amount of the check plus any applicable fees within thirty (30) days of notification of insufficient funds.

ARTICLE VII - DISSOLUTION:

Sec. 1. Upon dissolution, all assets are to be distributed to the school activity fund or another 501 (c) (3) organization. If at the time of dissolution, the named organization of their choice 1. ceases to exist, 2. does not accept the distribution, 3. is not exempt under 501 (c) (3) at the time of the dissolution, the assets shall then be distribution for one or more exempt purposes within the meaning of section 501 (c) (3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or should be distributed to the federal government, or to a state or local government, for public purpose. Any such assets not disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

These bylaws were submitted and approved at the special Officer meeting on May 20, 2010.

Officer _____ Date: _____

Officer _____ Date: _____

BY-LAWS

XYZ HIGH SCHOOL BOOSTER CLUB, INC.

ARTICLE I

- 1.1 **Name.** The name of this corporation is XYZ HIGH SCHOOL BOOSTER CLUB, INC. ("Corporation")

ARTICLE 11

- 3.1 **Purposes.** The Corporation is organized exclusively for educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("Code"). The purpose or purposes for which the Corporation is organized are:

- To sponsor and promote a chemical free prom night for graduating seniors of XYZ High School;
- To educate high school students and the public about the benefits to themselves and others of a chemical free celebration of prom night;
- To solicit and disburse funds to be used to support the above purposes.

ARTICLE III

- **Principal Office.** The principal office of the Corporation shall be located in Houston, Harris County, Texas.
- **Registered Office and Registered Agent.** The Corporation shall have and contiguously maintain in the State of Texas a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be identical with the principal office of the Corporation, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE IV

- 4.1 **Administration.** The Purposes of the Corporation shall be carried out through conferences, committees and projects. The Corporation shall not seek to direct the administrative activities of the school or to control their policies.

- 6 2 **Non-Commercial.** The Corporation shall be non-commercial, non-sectarian and

nonpartisan. No commercial enterprise or any candidates shall be endorsed by it. The name of the Corporation or its officers in their official capacities shall not be used in any connection with a commercial concern or with any partisan interest or for any purpose other than the regular work of the Corporation.

ARTICLE V

- 7.1 **Membership.** The Corporation will have no members. The Corporation may, nevertheless, use the term "Members" to designate those persons having such privileges and status as the Board of Directors may determine. Such "Members" shall have no voting or other legal or equitable rights in the Corporation.

ARTICLE VI

- 8.1 **General Powers.** The affairs of the Corporation shall be managed by its Board of Directors.

- 7.1 **Number and Qualifications.** The Board of Directors shall consist of the individuals who hold the offices of President, Vice President, Treasurer and Secretary of the Corporation. Membership in the Board of Directors shall be held exclusively and indefinitely by the individuals holding such offices. The initial Members of the Board of Directors are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Joe Smith	222 Some Road, Houston, TX 77777
Jane Doe	724 Aroad Avenue, Houston, TX 77777 John
Black	345 Another Avenue, Houston, TX 77777
Mary Jones	889 Deadend Road, Houston, TX 77777

- 7.2 **Duties.** The duties of the Board of Directors shall be to transact necessary business.
- 7.3 **Quorum.** A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the directors are present at the meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.
- 7.4 **Manner of Acting.** The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these by-laws.
- 7.5 **Resolutions.** No resolutions may be adopted except by the Board of Directors.
- 7.6 **Informal Action by Directors.** Any action required by law to be taken at a meeting of the Board of Directors, or any action which may be taken at a meeting of the Board of Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the directors.

ARTICLE VII OFFICERS

- 8.1 **Officers.** The officers of the Corporation shall be a President, Vice President, Secretary and Treasurer. Officers shall take office at the first regular meeting and serve for a term of one year or until their successors are installed.

- 8.2 Designation of Officers.** The officers of the Corporation shall be elected annually at the first regular meeting. Each officer shall hold office until his successor shall have been duly elected and shall have been qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.
- 8.3 Vacancies.** Vacancies occurring during the term of office shall be filled by the Board of Directors.
- 8.4 President.** The President shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. He or she shall preside at all meetings of the Corporation, the Board of Directors, and shall be an exofficio member of all committees. He or she may sign, with the Secretary or any other proper officer of the Corporation authorized by the Board of Directors, any contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-laws or by statute to some other officer or agent of the Corporation; and in general he or she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.
- 8.5 Vice President.** In the absence of the President or in the event of his or her inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall be the Chairman of the Fundraising Committee.
- 8.6 Treasurer.** If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine. He or she shall have charge and custody of and be responsible for all funds and securities of the Corporation; deposit all such moneys in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with these By-laws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors. The Treasurer shall present a statement of account at every meeting of the Corporation and at other times when requested by the Board of Directors and shall make a report at the Spring and Fall meetings. The Treasurer's books shall be subject to audit annually by a committee of three members appointed by the President at the spring meeting. The Treasurer's books shall be closed by July 31 of the fiscal year (end of the fiscal year).
- 8.7 Secretary.** The Secretary shall keep the minutes of the meetings of the members of the Board of Directors in one or more books provided for that purpose; give all notices in accordance with the provisions of these By-laws or as required by law; be custodian of the corporate records; keep a register of the address of each member which shall be furnished to the Secretary by each member; and, in general, perform all duties incident to the office of Secretary and such other duties as from

time to time may be assigned to him or her by the President or by the Board of Directors.

ARTICLE VIII CONTRACTS, CHECKS, DEPOSITS AND FUNDS

- 9.1 Contracts.** The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these By-laws, to enter into contract or execute and deliver any instrument in name of and on behalf of the Corporation. Such authority may be general or confined to specific instances. All expenditures must be approved by the Board of Directors before they are made.
- 9.2 Checks and Drafts.** All Checks, drafts, or orders for the payment of money, notes- or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as provided in these By-laws or as from time to time determined by the Board of Directors.
- 9.3 Deposits.** All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.
- 9.4 Gifts.** The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.
- 9.5 Special Provision.** At the close of the fiscal year in 2010, the Corporation shall remit \$500 to next year's Project Prom. In all succeeding years, at the close of the fiscal year, the Corporation shall remit \$ 1,000 for use for the succeeding Project Prom.

ARTICLE IX MISCELLANEOUS

- 1. Books and Records.** The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Corporation may be inspected by any member or his or her agent or attorney for any proper purpose at any reasonable time.
- 2. Fiscal Year.** The fiscal year of the Corporation shall begin on the first day of September and end on the last day in August.

ARTICLE X
AMENDMENTS

- 10.1 Amendments.** These By-laws may be amended at any regular or special meeting of the Board of Directors by a two-thirds vote of the members present and voting, following notices of the proposed amendment at a previous regular or special meeting of the Board of Directors.

ARTICLE XI - DISSOLUTION:

- Sec. 1. Upon dissolution, all assets are to be distributed to the school activity fund or another 501 (c) (3) organization. If at the time of dissolution, the named organization of their choice 1. ceases to exist, 2. does not accept the distribution, 3. is not exempt under 501 (c) (3) at the time of the dissolution, the assets shall then be distribution for one or more exempt purposes within the meaning of section 501
2. (3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or should be distributed to the federal government, or to a state or local government, for public purpose. Any such assets not disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE XII
RULES OF ORDER

- 11.1 Rules of Order.** Except as provided in these By-laws, the rules contained in Roberts Rules of Order Newly Revised shall govern the Corporation operation.

Adopted

IN WITNESS WHEREOF, we have hereunto set our hands this day and year shown below.

Dated: /_____/_____

Joe Smith

Dated: /_____/_____

Jane Doe

Dated: /_____/_____

Mary Jones

KICKS & SPLITS PARENT CLUB POLICY

GUIDELINE: FINANCIAL AID

DEFINITION

“Financial Aid” refers to financial support provided to individual Kicks & Splits team members from the Kicks & Splits Parent Club general fund.

PURPOSE

As a member of the Kicks & Splits Dance/Drill Team, students incur expenses throughout the year that are offset by the Parent Club through financial contributions from team members and/or their parents/guardians. The purpose of Financial Aid is to reduce those expenses for individual(s) in a situation of financial hardship.

ELIGIBILITY

Award of Financial Aid is determined by a Committee of the Parent Club Executive Board. Proof of financial hardship shall be provided in written form (see Procedure section).

Eligibility is based on the income level test used by Spring Branch ISD for reduced price lunches.

Eligibility is contingent upon good faith participation by the individual and/or parent(s) in the Club’s fundraising activities.

THE COMMITTEE

The Committee shall consist of the Dance/Drill Team Director, the President(s) and the Treasurer(s).

The Committee is responsible for a good faith determination of financial need while respecting the privacy of the individual(s).

Financial Aid decisions may not be made by a Committee member who is related to a sponsorship candidate; in the event of such a conflict, the related Committee member(s) shall be replaced by other member(s) of the Executive board as selected by the President.

PROCEDURE

Requestors should submit a Financial Aid application (see Sheet 3 of this document). Individual Kicks & Splits team members or prospective team members, and/or their parent(s), are encouraged to contact the Dance/Drill Director or the Parent Club President or Treasurer to discuss situations of financial hardship. Privacy of the individual shall be fully respected.

MECHANISM

No funds shall be disbursed directly to any individual.

Financial Aid funds shall be used only to reduce or eliminate the individuals' normal financial contribution to the GDPC.

Disbursement of funds shall be an internal accounting transaction in which funds are transferred from the Financial Aid Fund to the Contributions Account on behalf of the individual(s).

Financial Aid funds shall not be used for purchase of personal supplies on behalf of the individual(s).

SCOPE

The total amount of funds available for individual sponsorship in any fiscal year shall be limited to \$1,500.00 or 1% of that year's total planned budget, whichever is the lower.

The maximum amount of sponsorship for any individual in any fiscal year shall be \$500.00.

There is no limit on the number of individuals who may be sponsored in any fiscal year.

ADMINISTRATION

This policy shall be administered uniformly from year to year and shall be applied fairly and equitably to all requestors, without regard to talent or ability in any area (with the exception that the individual must be qualified as a team member according to the Kicks & Splits Constitution).

DOCUMENTATION

A case history file shall be maintained in accordance with IRS regulations for tax-exempt organizations.

Adopted_2010

KICKS & SPLITS PARENT CLUB FINANCIAL AID
APPLICATION FORM

- If your total household income is the same or less than the amounts on the chart below, your Kicks & Splits Team Member is eligible for consideration of Financial Aid from the Kicks & Splits Parent Club.

INCOME			
Household Size	Annual	Monthly	Weekly
2	\$20,813	\$1,735	\$401
3	\$26,178	\$2,182	\$504
4	\$31,543	\$2,629	\$607
5	\$36,908	\$3,076	\$710
6	\$42,273	\$3,523	\$813
For each additional member add	+\$5,365	+\$448	+\$104

* Based on 2009-10 income levels for District students to receive reduced price lunches

• **Required Information:**

Name of Kicks & Splits Team Member: ____

HOUSEHOLD MEMBERS AND MONTHLY INCOME				
NAME	Gross Monthly Earnings	Monthly Income from Welfare, Child Support, Alimony	Monthly Income from Pensions, Retirement, Social Security	Any Other Monthly Income

Signature of Adult Household Member: _____

Printed name: _____

Address: _____

Date: ____/____/____

- **Notes:** Award of Financial Aid is subject to availability of GDPC funds and is subject to the provisions contained in the GDPC Financial Aid Policy Guideline.

Go Team Go Booster Club

PO Box 9622
Houston, TX 77024

June 30, 2010

Silver Bank
6577 Mining Road
Tarnished, TX 66978

Re: Account #552113
Go Team Go Booster Club, EIN: 76-9999999 To

Whom It May Concern:

On June 30, 2010 the executive board of Go Team Go Booster Club will resign to coincide with the end of the fiscal year. On July 1, 2010, the newly elected officers will assume responsibility for the organization. Therefore, please make the following changes to this bank account's status and authorized signers as of July 1, 2010:

- Remove the following people from the list of authorized signers on the account:

Mickey Mouse, Vice-President
281-553-7588

Donald Duck, Treasurer
281-552-1255281-552-7755

Peter Pan, President

- Authorize the following three people as signers on the account:

Snow White, 2010-11 President

Ph: 281-459-6633

Minnie Mouse, 2010-11 Vice-President

Ph: 281-552-5570

Daffy Duck, 2010-11 Treasurer

Ph: 281-552-1232

We appreciate your assistance with these transition details. If you have any questions, please contact one of the officers listed below.

Sincerely,

Mickey Mouse, Vice-President

Donald Duck, Treasurer

Peter Pan, President

Go Team Go Booster Club is a 501(c)(3) tax-exempt organization.

Internal Revenue Service
TE/GE Room 4010
PO Box 2508
Cincinnati, OH 45201

Re: Go Team Go Booster Club
EIN: 76-9999999

To Whom It May Concern:

On June 30, 2010 the executive board of Go Team Go Booster Club will resign to coincide with the end of the fiscal year. On July 1, 2010, the newly elected officers will assume responsibility for the organization. Attached is a list of the incoming board members. Our bank has been notified of this change as well. We are furnishing this record in accordance with IRS Letter 1045.

We appreciate your assistance with these transition details. If you have any questions, please contact one of the officers listed below.

Sincerely,

Mickey Mouse
Assistant Treasurer
284-553-7588

Donald Duck
TreasurerPresident
281-552-1255

Peter Pan

281-552-7755

(Attach a list of the new officers including their name and address.)

Exempt Organizations
PO Box 13528
Austin, TX 78711

Re: Go Team Go Booster Club
EIN: 76-9999999

To Whom It May Concern:

On June 30, 2010 the executive board of Go Team Go Booster Club will resign to coincide with the end of the fiscal year. On July 1, 2010, the newly elected officers will assume responsibility for the organization. Attached is a list of the incoming board members for your records. Our bank and the IRS have been notified of this change as well.

We appreciate your assistance with these transition details. If you have any questions, please contact one of the officers listed below.
Sincerely,

Mickey Mouse
Assistant Treasurer
284-553-7588

Donald Duck
TreasurerPresident
281-552-1255

Peter Pan

281-552-7755

(Attach a list of the new officers including their name and address.)

Susan Combs

Texas Comptroller of Public Accounts

The information documented below is subject to change by the Texas State Comptroller's Office.

Therefore, for the most up-to-date version of this information, please go to

http://www.window.state.tx.us/taxinfo/franchise/faq_questions.html

What is franchise tax?

The Texas franchise tax is a privilege tax imposed on corporations, including banking corporations and limited liability companies that are chartered in Texas. The tax is also imposed on non-Texas corporations that do business in Texas.

Do all entities have to file franchise tax reports?

All **taxable** entities must file franchise tax reports.

Where do I go for help with my Texas franchise tax report?

The Comptroller's office maintains a toll-free number to answer your franchise tax questions. Call us at (800) 252-1381, visit the [field office nearest you](#), or email us at tax.help@cpa.state.tx.us. You can also write to us at Comptroller of Public Accounts, 111 E. 17th Street, Austin, Texas, 78774.

Who has to report the Texas franchise tax?

The franchise tax is imposed on each corporation that is chartered in Texas. Non-Texas corporations doing business in Texas are also liable for the tax. See [Franchise Tax Rule 3.546](#) for a list of some activities considered to be "doing business in Texas." For franchise tax purposes, the term "corporation" also includes a bank, state limited banking association, savings and loan association, limited liability company, professional limited liability company, a corporation that elects to be an S corporation for federal income tax purposes, and a professional corporation. However, professional associations and partnerships are not subject to the franchise tax.

How is the franchise tax calculated?

Corporations pay the greater of the tax on net taxable capital or net taxable earned surplus. Taxable capital is a corporation's stated capital (capital stock) plus surplus. Surplus means the net assets of a corporation minus its stated capital. For a limited liability company, surplus means the net assets of the company minus its members' contributions.

For more details on surplus, see [Rule 3.551](#). Taxable capital is apportioned using a single gross receipts factor. Taxable capital for an annual report is based on the end of the corporation's last accounting period in the calendar year prior to the calendar year in which the report is due. The tax rate on taxable capital is 0.25 percent per year of privilege period.

Earned surplus basically includes the corporation's federal net taxable income, plus compensation paid to officers and directors of the corporation. S corporations and corporations with fewer than 36 shareholders are generally exempt from the compensation add-back. For the earned surplus calculation, unitary income is apportioned using a single gross receipts factor. In addition, non-unitary income is allocated to Texas if Texas is the corporation's commercial domicile. For more information on the computation of earned surplus, see [Rule 3.555](#).

Earned surplus for an annual report should be reported beginning with the day after the ending date on the previous franchise tax report and ending with the end of the corporation's last federal accounting period in the calendar year prior to the calendar year in which the report is due. The tax rate on earned surplus is 4.5 percent.

Is there a minimum tax?

No. Corporations that owe less than \$100 do not have to pay any tax, but they must file a report. Also, corporations will not owe any tax if the gross receipts from their entire business for both taxable capital and taxable earned surplus are each less than \$150,000 during the period upon which the tax is based.

What are the franchise tax filing requirements?

A corporation's first (initial) report is due one year and 89 days after the corporation's beginning date. Preprinted report forms are mailed to the corporation's address on file with the Comptroller's Office in the month of the anniversary of the beginning date.

Failure to receive a preprinted report form does not relieve the corporation from the responsibility for filing the report. After the initial report is filed, the corporation will file annual reports each May 15. Preprinted report forms are mailed to the corporation's address on file with the Comptroller's Office at least a month before the report is due.

Who can sign the Texas franchise tax report?

An officer, director, or any other person authorized by the corporation can sign the report.

What is a Public Information Report?

The Public Information Report is a listing of the officers and directors of the corporation, and information about "owned" and "owning" companies related to the reporting entity. Public Information Reports must be filed with the initial and annual franchise tax reports. An officer, director, or other authorized person, must sign the Public Information Report.

How are changes to the officers and directors of a corporation reported to the state? Officer and director information is filed with the Comptroller once a year on the Public Information Report. The Public Information Report is mailed to the corporation with the annual franchise tax report packets. When you are filing the Public Information Report, simply cross out any incorrect preprinted information and enter the correct information. If a person's name is listed on the Public Information Report and that person is not an officer or director of the corporation on the date the report is filed, the person may file a sworn statement with the Comptroller, disclaiming their status as an officer or director as shown on the report. The statement will be made available on request in the same manner as other public information.

Are filing extensions available?

Yes. A corporation filing an annual franchise tax report that is not required to pay franchise tax by electronic funds transfer ([EFT](#)) may request an extension until November 15 to file the report. The extension request must be filed on or before May 15 and must include 90 percent or more of the tax due with the current year's report, or 100 percent of the tax reported as due for the previous calendar year and filed on or before May 14 of the year for which the extension is requested.

For initial reports, a 45-day extension is available. The extension request must be filed on or before the original due date of the report and include 90% or more of the tax that will be due when the report is filed.

We have three filing methods: [WebFile](#), [TeleFile](#) or paper (form [05-110](#), Extension Request for Texas Corporation Franchise Tax Report). However, TeleFile is not an option for taxpayers who must submit a payment with their extension request.

Corporations required to pay the tax via [Electronic Fund Transfer \(EFT\)](#) may request an extension until August 15 to file the annual report. The request must be filed on or before May 15. If you use WebFile to request the extension, we will link you directly to TexNet to make your payment. Payment must be 90 percent or more of the tax that will be due with the current year's report or 100 percent of the tax reported as due for the previous calendar year on the report due in the previous calendar year and filed on or before May 14 of the year for which the extension is requested.

These corporations may request a second extension until November 15 to file the annual report. This request must be filed on or before August 15. The balance of the amount of tax that will be reported on the franchise tax report for the current year must be sent electronically on or before August 15.

The TeleFile number is 1-888-434-5464.

Because the franchise tax is a privilege tax, what privilege periods are covered by these reports?

The privilege period for the initial report extends from the corporation's beginning date through the day before the corporation's first anniversary date (first privilege period); and from the anniversary date through December 31 of that calendar year (second privilege period). Corporations with a beginning date of October 4 through December 31 pay the first annual privilege period (i.e., the calendar year following the second privilege period) as part of their initial report.

The privilege period for the annual report is the calendar year in which the report is due.

How do you compute the accounting year ending date for the initial return?

To determine the "ending date" for the taxable capital component (Schedule A), enter the last accounting period ending date that is at least 6 months after the beginning date and at least 60 days before the original due date of the initial report. If your normal accounting period ending date does not fall between 6 months after the beginning date and at least 60 days before the original due date, enter the end of the month closest to the first anniversary of the beginning date. To determine the "ending date" for the earned surplus component (Schedule B), enter the last accounting period ending date used for federal income tax purposes that is at least 60 days before the original due date of the initial report.

What is a Final Franchise Tax Report?

A corporation that for any reason (e.g., dissolution, merger, withdrawal) becomes no longer subject to the earned surplus component of the tax must file a final franchise tax report. The final report must be filed within 60 days of the date the corporation is no longer subject to the earned surplus component. This requirement also applies to a non-Texas corporation that is no longer subject to the earned surplus component of the tax. For more information about the final report, see [Sec. 171.0011](#) of the Texas Tax Code.

Do non-profit entities have to file?

Tax Code Chapter 171, Subchapter B, provides for certain exemptions from the franchise tax. Non-profit entities who have requested and been granted an exemption from the Comptroller's office do not have to file franchise tax reports, including the Public Information Report or Ownership Information Report. If the entity has not requested or been granted an exemption, the entity must file all reports.

How do we maintain the corporate charter for a corporation with no activity?

To keep the corporation active and in good standing, the corporation must file a franchise tax report and a signed Public Information Report annually. If the corporation has no activity, it can file a [Franchise No Tax Due Information Report \(Form 05-141\)](#).

How do we "dissolve" a corporation?

The corporation must be current in all franchise tax requirements, including the final franchise tax report. The corporation must also have closed all its accounts for all taxes administered by the Comptroller under Title 2 of the Tax Code.

Corporations chartered in Texas must file Articles of Dissolution with the Texas Secretary of State to end the corporation's legal existence. A Certificate of Account Status must be filed with Articles of Dissolution.

To get a Certificate of Account Status, file [Form 05-359](#), or visit one of our field offices, or write to the Account Maintenance Division. There is no charge for the Certificate. The Comptroller does not maintain Secretary of State forms such as Articles of Dissolution. Secretary of State dissolution forms can be downloaded from their website at [<http://www.sos.state.tx.us>](http://www.sos.state.tx.us).

Because Articles of Dissolution are filed with the Secretary of State, questions about the actual filing requirements and fees should be addressed to them. See their website or call (512) 463-5555.

How do non-Texas corporations legally terminate their existence in Texas?

If the corporation has dissolved or merged out of existence in its home state, the corporation simply needs to send a copy of the document filed in the home state to the Texas Secretary of State. The Secretary of State's office will notify the Comptroller and we will close out the franchise tax account as of the date of termination. If the corporation does not have a Certificate of Authority, send a copy of the document filed in the home state to the Comptroller's Office.

If the corporation wants to withdraw its Certificate of Authority in Texas, Applications for Withdrawal must be filed with the Texas Secretary of State. The corporation must be current in the payment of all taxes administered by the Comptroller under Title 2 of the Tax Code. Otherwise, the withdrawal will not be approved. A Certificate of Account Status must be filed with Applications for Withdrawal.

To get a Certificate of Account Status, file [Form 05-359](#), or visit one of our field offices, or write to the Account Maintenance Division. There is no charge for the Certificate. Because Terminations and Applications for Withdrawal are filed with the Secretary of State, questions about the filing requirements and fees should be addressed to them. See their website at [<http://www.sos.state.tx.us>](http://www.sos.state.tx.us) or call (512) 463-5555.

How does a corporation in charter or Certificate of Authority forfeiture status reinstate the charter or Certificate of Authority?

If the forfeiture was caused by failure to satisfy franchise tax requirements, the corporation must bring its franchise tax account into current status before filing an Application for Reinstatement with the Texas Secretary of State.

Once the franchise tax requirements have been met, the corporation must obtain a Certificate of Tax Clearance from the Comptroller's office. This is a statement that must be filed along with the Application for Reinstatement with the Secretary of State's office. A Certificate of Account Status (certificate of good standing) cannot be obtained until the reinstatement has been approved by the Secretary of State.

Because Applications for Reinstatement are filed with the Secretary of State, questions about the filing requirements, non-tax forfeitures, and fees should be addressed to them. See their website at <http://www.sos.state.tx.us> or call (512) 463-5555.

How is a change to the registered agent or registered office of a corporation reported to the state?

Registered agent and registered office information is maintained at the Secretary of State's office, and changes must be filed with them. You can download the forms you need from their website, <http://www.sos.state.tx.us>. Once the changes have been filed, the Secretary of State will notify the Comptroller of the corrected information. Changing the registered agent's address does not necessarily change the corporation's mailing address that the Comptroller's Office uses to mail forms and other information to the corporation. Notify the Comptroller's Office separately if you are trying to change the master mailing address for the corporation by calling (800) 252-5555.

Susan Combs

Texas Comptroller of Public Accounts

The information documented below is subject to change by the Texas State Comptroller's Office. Therefore, for the most up-to-date version of this information, please go to

www.cpa.state.tx.us/taxinfo/sales/faq_permit.html

- **Who is required to hold a Texas sales and use tax permit?**

You must obtain a Texas sales and use tax permit if you are engaged in business in Texas and you:

- sell tangible personal property in Texas;
- lease tangible personal property in Texas; or
- sell taxable services in Texas.

Please see [Rule 3.286](#) and publication [96-259 Taxable Services](#) for more information. The requirement to obtain a Texas sales and use tax permit applies to individuals as well as corporations, firms, partnerships, and all other legal entities.

- **What is tangible personal property?**

The statutory definition for "tangible personal property" is "personal property that can be seen, weighed, measured, felt, or touched or that is perceptible to the senses." See [Sec. 151.009](#).

- **What is engaged in business?**

A person or a retailer is engaged in business in Texas if any of the following criteria are met:

- (A) maintains, occupies, or uses an office, place of distribution, sales or sample room, warehouse or storage place, or other place of business;
- (B) has any representative, agent, salesperson, canvasser, or solicitor who operates in this state under the authority of the seller to sell, deliver, or take orders for any taxable items;
- (C) promotes a flea market, trade day, or other event that involves sales of taxable items;
- (D) uses independent salespersons in direct sales of taxable items;

- (E) derives receipts from a rental or lease of tangible personal property that is located in this state;
- (F) allows a franchisee or licensee to operate under its trade name if the franchisee or licensee is required to collect Texas sales or use tax; or
- (G) conducts business in this state through employees, agents, or independent contractors.

See [Rule 3.286](#).

- **How do I get a permit?**

Apply for a sales tax permit using our [Texas Online Sales Tax Registration System](#). An application can also be downloaded from our [Tax Forms Online](#) page. Applicants must complete [AP-201](#). You can also obtain an application by calling (800) 252-5555 or by visiting one of our [enforcement field offices](#).

- **Is there a fee charged for a Texas sales and use tax permit?**

There is no fee for the Texas Sales and Use tax permit. However, based on your application, you could be required to post a security bond. For more information on security bonds, please refer to [Rule 3.327](#) or contact your [local enforcement field office](#).

- **If my business doesn't have a federal identification number yet, can I still apply for the sales and use tax permit?**

Yes. If a business applies for a sales tax permit prior to obtaining a federal employer's identification number, we will issue a permit under a temporary number. When the federal employer's identification number is provided to the Comptroller's office, we will then issue a new permit, based on the federal number.

- **Do I need more than one permit?**

Each seller must have a tax permit for each active place of business. A place of business is an established outlet, office, or location that the seller, or the seller's agent, or employee operates for the purpose of receipt of orders for taxable items. A warehouse, storage yard, or manufacturing plant is not a "place of business of the seller" for tax permit requirement purposes unless the seller receives three or more orders in a calendar year at the warehouse, storage yard, or manufacturing plant. If you have multiple places of business you will receive separate permits for each business location displaying the same taxpayer identification number, but with separate outlet or sequence numbers.

- **Can I use the sales tax permit number from my old business or from an existing business that I purchased?**

No. A permit is valid only for the person to whom it was issued and only for the business at the address shown on the permit. It cannot be transferred from one owner to another. See [Buying, Selling, or Discontinuing a Business](#)

- **If the ownership of my business changes, is a new permit needed?**

Yes. The new owner must obtain a permit if there are any changes in ownership of your business. Incorporating a business or forming a partnership or limited liability company is considered a change of ownership and must be reported. For example, if you operate a business as a sole proprietor, but decide to incorporate, the corporation will have to obtain a new permit for the business, even though you may operate the business as an officer of the corporation.

- **If I am no longer in business, can I keep my sales tax permit?**

Your permit is valid only as long as you are actively engaged in business as a seller. If you are no longer conducting business, you should return your permit to the Comptroller for cancellation. Likewise, the Comptroller may cancel your permit if it finds that you are no longer engaged in business as a seller.

- **Should I notify the Comptroller's office if I change my business address or mailing address?**

Yes. We need to update our records to ensure that your tax returns are mailed to the correct address. You can make the changes in these ways:

- Use "[webchange](#)"
- Use the address change block on your Texas sales and use tax return.
- Call us at (800) 224-1844.
- Email us at tax.help@cpa.state.tx.us.

- **Why did I get a new taxpayer number?**

The Comptroller's office is concerned about protecting the privacy of all Texans. One particular issue of concern is the traditional practice of using social security numbers as a part of the taxpayer identification number. To better protect the privacy of Texas taxpayers, this agency is in the process of changing the current numbering system to ensure the protection of taxpayer social security numbers.

- **Am I required to register to pay other taxes?**

When you apply for a sales and use tax permit, we may be able to inform you of other taxes, licenses, or fees that your business might be responsible for, but you have the obligation to determine what taxes, licenses, or fees (federal, state or local) your business is responsible for reporting and/or paying.

- **Are my business records subject to audit?**

Yes. Your records may be audited to determine whether you have paid the correct amount of tax. The audit may determine that you owe tax, that you are entitled to a refund, or that you have paid the correct amount. In general, you may be audited in four years intervals; thus, you are required to keep records for a minimum of four years. See [Keeping Records](#).

- **Once I have obtained a Texas sales and use tax permit, what are my obligations as a permit holder?**

As a permit holder, you are required to

- Post your permit at your place of business;
- Collect sales tax on all taxable sales;
- Pay sales and use tax on all taxable purchases;
- Timely report and pay sales and use taxes; and
- Keep adequate records.

Susan Combs

Texas Comptroller of Public Accounts

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Comptroller's Office. Therefore, for the most up-to-date version of this information, please go to www.cpa.state.tx.us/taxinfo/taxpubs/tx96_122.html

Applying for Exempt Status

Various types of organizations are exempt from paying sales tax, state hotel occupancy tax and, if incorporated, franchise tax. The exemptions vary, depending upon the type of organization.

An organization can apply for exemption by using the appropriate application form as shown below. Our [Guidelines to Texas Tax Exemptions \(96-1045\)](#) gives more details on the categories and the application process.

Charitable -- form [AP-205](#)

Educational -- form [AP-207](#)

Religious -- form [AP-209](#)

To apply as any other exemption type, use form [AP-204](#).

****Please note:** Homeowners' Associations can apply for a franchise tax exemption by completing [AP-206](#). However, to qualify for exemption from sales tax, a homeowners' association must also be a qualifying 501(c)(3) organization.*

What can an exempt organization buy tax-free?

Sales and Use Tax

Organizations that have applied for and received a letter of exemption from sales tax don't have to pay sales and use tax when they buy, lease or rent taxable items that are necessary to the organization's exempt function. An authorized agent or employee can make a tax-free purchase for an exempt organization by giving the vendor a completed exemption certificate. No item purchased tax-free by an exempt organization can be used for the personal benefit of a private party or other individual.

When buying an item to be donated to an exempt organization, an individual can give the seller an exemption certificate in lieu of paying tax. If the individual uses the item before donating it, however, the exemption is lost and tax is due.

An employee of an exempt organization cannot claim an exemption when buying taxable items of a personal nature, even if the organization gives an allowance or reimbursement

for such items. For example, meals, toiletries, clothing and laundry services are for personal use and are taxable.

Anyone traveling on official business for an exempt organization must pay sales tax on taxable purchases whether reimbursed per diem or for actual expenses incurred.

A sales tax exemption does not include taxes on the purchase, rental or use of motor vehicles.

A completed exemption certificate must be on the proper Comptroller form, a copy of which is included in this brochure. Exemption certificates are also available online at our Window on State Government Web site at <http://www.window.state.tx.us> or call the Comptroller's office toll free at 1-800-252-5555 and ask for a copy of form [01-339](#).

The retailer must either collect tax or accept, in good faith, a completed exemption certificate.

A government entity's purchase voucher is sufficient proof of exempt status. Foreign governments and most states are not exempt from Texas sales tax.

Motor Vehicle Sales and Use Tax

There are very limited exemptions from motor vehicle sales tax. Certain nonprofit emergency medical service providers and volunteer fire departments can buy fire trucks and emergency medical response vehicles tax-free, and churches do not have to pay tax when they purchase vans and buses used to take persons to and from services. A qualifying organization can claim the exemption when applying for the vehicle's title and registration. Motor vehicle purchases by other nonprofit organizations are taxable.

Hotel Occupancy Tax

Organizations that have received a letter of exemption from the Comptroller as a charitable, religious or educational organization are exempt from the state hotel occupancy tax. These organizations must still pay any applicable local hotel taxes. To claim this exemption, present a Texas Hotel Occupancy Tax Exemption Certificate to the hotel at the time of registration. Effective October 1, 2003, the hotel may require a copy of your exemption letter or verification, such as a printout from the Comptroller's Web site, showing the organization is exempt from hotel tax. A hotel exemption certificate form can be found online at our Window on State Government Web site at <http://www.window.state.tx.us> or call the Comptroller's office toll free at 1-800-252-5555 and ask for a copy of form [12-302](#).

Should an exempt organization making sales collect sales tax?

Generally, an exempt organization must get a sales tax permit and collect and remit sales tax on all items it sells. The exemptions provided to exempt organizations are for their purchases, not on their sales, but there are some exceptions.

Tax-Free Sales

Meals and Food Products

An exempt organization does not have to collect sales tax on meals and food products (including candy and soft drinks) if:

1. sold by churches or at church functions conducted under authority of a particular church;
2. sold or served by a public or private school, school district, student organization or parent-teacher association in an elementary or secondary school during the regular school day by agreement with proper school authorities; or
3. sold by a member or a volunteer of a nonprofit organization devoted exclusively to education or to physical or religious training, or by a group associated with private or public elementary and secondary schools as part of an organization's fund-raising drive, when all net proceeds from the sale go to the organization for its exclusive use.

Note: Alcoholic beverages are not food products and are taxable. Sales of alcoholic beverages made by the holder of a mixed beverage permit are subject to the 14 percent mixed beverage gross receipts tax. Sales of beer and wine made by the holder of a beer and wine only permit are subject to sales tax.

Annual Banquets and Suppers

All volunteer, nonprofit organizations can hold a tax-free annual banquet or other food sale provided the affair is not professionally catered; not held in a restaurant, hotel or similar place of business; not in competition with a retailer required to collect tax; and the food is prepared, served and sold by members of the organization. The exemption does not apply to the sale of alcoholic beverages.

Auctions, Rummage Sales and Other Fund Raisers

Each chapter of an organization qualifying for sales tax exemption under the religious, educational or charitable category, as well as organizations exempted from sales tax based on their IRS Section 501 (c)(3), (4), (8), (10) or (19) status, can hold two one-day, tax-free sales or auctions each calendar year. During each one-day sale, the organization does not need to collect sales tax. For purposes of the exemption, one day is counted as

24 consecutive hours. The exemption does not apply to items sold for more than \$5,000 unless the item is manufactured by the organization, or the item is donated to the organization and not sold back to the donor.

Youth athletic organizations, volunteer fire departments and chambers of commerce cannot hold tax-free sales.

College or university student organizations affiliated with an institution of higher education can hold a one-day, tax-free sale each month. The organization must have a primary purpose other than engaging in business or performing an activity designed to make a profit, and the purpose of the sale must be to raise funds for the organization. The exemption does not apply to items sold for more than \$5,000 unless the item is manufactured by the organization, or the item is donated to the organization and not sold back to the donor.

Senior Citizens Groups

Nonprofit senior citizens groups (persons aged 65 years and older) do not have to collect or remit sales tax on the items they make and sell, provided they do not have more than four sales per year lasting a total of no more than 20 days.

Amusement Services

Nonprofit organizations (other than IRS 501(c)(7) organizations) do not have to collect sales tax when they provide amusements, so long as the proceeds do not go to the benefit of an individual except as part of a purely public charity. See subsection (g) of [Rule 3.298, Amusement Services](#).

Membership Dues and Fees

Nonprofit groups' membership dues and fees are tax-exempt. The exemption does not apply to nonprofit country clubs and similar organizations that provide amusement services.

Publications

Periodicals and writings are tax exempt if published and distributed by a religious, philanthropic, charitable, historical, scientific or IRS 501(c)(3) organization. The exemption does not extend to materials published by educational organizations.

Texas Application

- Sales Tax Permit • Use Tax Permit • 9-1-1 Emergency Communications
- Prepaid Wireless 9-1-1 Emergency Service Fee • Fireworks Tax
- Off-Road, Heavy Duty Diesel Powered Equipment Surcharge

If you are a sole proprietor, start on the next page, Item 10 –

- Business Organization Type

Profit Corporation (CT, CF)

General Partnership (PB, PI)

Business Trust (TF)

Nonprofit Corporation (CN, CM)

Professional Association (AP, AF)

Trust (TR) Please submit a copy of the trust agreement with this application.

Limited Liability Company (CL, CI)

Business Association (AB, AC)

Real Estate Investment Trust (TH, TI)

Limited Partnership (PL, PF)

Joint Venture (PV, PW)

Joint Stock Company (ST, SF)

Professional Corporation (CP, CU)

Holding Company (HF)

Estate (ES)

Other (explain) _____

- Legal name of corporation, partnership, limited liability company, association or other legal entity

- Federal Employer Identification Number (FEIN).....

- Check here if you DO NOT have an FEIN.

(assigned by the Internal Revenue Service for reporting federal income taxes)

3

- Please list any current or past 11-digit Texas Taxpayer Number for reporting

any taxes or fees to the Texas Comptroller of Public Accounts.

- Have you ever received a Texas vendor or payee number

(Texas Identification Number/TIN)? YES NO If "YES," enter number ...
Month Day Year
State/country

- Enter the home state or country where this entity was formed and the formation date.....

File number

Enter the home state registration/file number.....

File number

Non-Texas entities: enter the file number if registered with the Texas Secretary of State.....

- If the business is a corporation, has it been

involved in a merger within the last seven years? YES NO If "YES," attach a detailed explanation. (See instructions.)

- Please list all general partners, officers or managing members (Attach additional sheets, if necessary.)

Name

Phone (Area code and number)

()

Home address

City

State

ZIP code

SSN

FEIN

Percent of
114
ownership

County (or country, if outside the U.S.)

%

Position held: General Partner Officer/Director Managing Member Other _____

Name _____ Phone (Area code and number) _____

Home address _____ City _____ State _____ ZIP code _____

SSN _____ FEIN _____ Percent of ownership _____ County (or country, if outside the U.S.) _____ %

Position held: General Partner Officer/Director Managing Member Other _____

Proceed to Item 15 if you are not a sole proprietor –



Sales Tax Permit and/or Use Tax Permit

Page 2

You have certain rights under Chapters 552 and 559, Government Code, to review, request and correct information we have on file about you.

10. TYPE OR PRINT

• Do NOT write in shaded areas.

Contact us at the address or numbers listed on this form.

If you are a sole proprietor, start here –
(If you are NOT a sole proprietor, skip to Item 15, below.)

20. Legal name of sole proprietor (First, middle initial, last)

21. Social Security number (SSN) a Social Security number (SSN).

Check this box if you DO NOT have

22. Please list any current or past 11-digit Texas Taxpayer Number for reporting any taxes or fees to the Texas Comptroller of Public Accounts.

23. Have you ever received a Texas vendor or payee number (Texas Identification Number/TIN)? YES NO If "YES," enter number

24. Federal Employer Identification Number (FEIN), if you have one, assigned by the Internal Revenue Service for reporting federal income taxes.

All applicants continue here –

15. Mailing address of **taxpaying entity** - This address is for an individual or the party responsible for making decisions regarding address changes and banking changes and who is responsible for overall account management and account security. Please provide complete address including suite, apartment or personal mailbox number. Indicate whether the address is on a street, avenue, parkway, drive, etc., and whether there is a directional indicator (e.g., North Lamar Blvd.).

Street number and name, P.O. Box or rural route and box number

Suite/Apt. #

City

State/province

ZIP code

County (or country, if outside the U.S.)

16. Daytime phone number (Area code and number) ()

17. FAX number (Area code and number) ()

18. Mobile/cellular phone number (Area code and number) ()

19. Business Web site address(es)

24. Contact person for business records

Name

E-mail address

Street address (if different from the address in Item 15)

Phone number (Area code, number and extension)

25. Alternate contact person for business records

Name

E-mail address

Street address (if different from the address in Item 15)

Phone number (Area code, number and extension)

26. Name of bank or other financial institution (Attach additional sheets, if necessary.)

Business

Personal

27. If you will be accepting payments by credit card and/or through Merchant identification number (MID) an online payment processing company, enter the name of the processor. assigned by processor

SOLE PROPRIETORS

BUSINESS



Sales Tax Permit and/or Use Tax Permit

Legal name (Same as Item 2 OR Item 10)

Complete all information in this section for each PLACE OF BUSINESS in Texas. If you do not have a physical PLACE OF BUSINESS in Texas, skip to Item 29.

34. PLACE OF BUSINESS name and address - This address is for the physical location where business is conducted. (Attach additional sheets for each **PLACE OF BUSINESS** in Texas.)

Business name (DBA)

Street address (include St, Av, Ct, etc.) or rural route and box number (Do NOT use P.O. Box address--must provide physical location address.)

Suite/Apt. number

City

State

ZIP code

Business location phone

T X

()

If this PLACE OF BUSINESS address is difficult to find or includes a rural route and box number, provide the physical location or directions.

See instructions prior to answering Items 25 and 26.

35. Within what city limits is this PLACE OF BUSINESS?

Check this box if this PLACE OF BUSINESS is NOT located within the limits of a city in Texas.

36. Within what county is this PLACE OF BUSINESS?

27. Is this PLACE OF BUSINESS operated from your home? YES NO

28. Enter the name and address of the owner or landlord of this PLACE OF BUSINESS.

29. Will your anticipated monthly taxable sales exceed \$8,000 per month? YES NO

30. Enter the date that you will begin making sales or begin other operations subject to Texas sales and use tax. (Date cannot be more than 90 days in the future.) Month Day Year

31. Will you operate this business all year? YES NO
If "NO," list the months you will operate.

32. Will you provide taxable services AT A CUSTOMER'S LOCATION and/or ship/deliver goods to customers? YES NO 33. Will you be conducting Internet and/or mail order sales? YES NO
NAICS code

41. Enter your North American Industry Classification System (NAICS) code. (See specific instructions.) If you don't know your NAICS code, indicate your principal type of business.

Agriculture

Transportation

Retail Trade

Real Estate

Direct Sales / Marketing

Mining

Finance

ServicesCommunications (See Item 38.)

Construction

Utilities

InsurancePublic Administration

Manufacturing

Wholesale Trade

Health Spa

Other (explain)

Primary business activity and type of products or services to be sold.

42. Will you sell or solicit business at temporary locations (fairs, trade shows, flea markets, carnivals, etc.) in Texas? YES NO If "YES," list the locations or event names and when you will be at the location or event. (Attach additional sheets, if necessary.)

Location and/or event name (e.g., Canton First Mondays, State Fair in Dallas, etc.)Period in attendance (e.g., first weekend of each month, late October, etc.)

43. Will you be required to report interest earned on sales tax? (See specific instructions.) YES NO (48)

44. List location of all distribution points, warehouses or offices in Texas. (Do not include locations that are considered a place of business.) (Attach additional sheets, if necessary.)

Street

City

State

ZIP code

T X

T X

38. If you will be providing telecommunications services, indicate the 9-1-1 emergency communications fees you collect under Health & Safety Code, Chapter 771. (Check all that apply.) (54)

9-1-1 Wireless Emergency Service Fee (91) 9-1-1 Emergency Service Fee (92)

9-1-1 Equalization Surcharge (93) 39.

Will you sell prepaid wireless telecommunications services? YES NO (94)

PLACE OF BUSINESS INFORMATION

911 FEES



Sales Tax Permit and/or Use Tax Permit

Page 4

Legal name (Same as Item 2 OR Item 10)

RELATED INFORMATION

If you will be selling fireworks, complete Items 40 - 42; if not, skip to Item 43.

Month Day Year

40. Date of first operation that is subject to fireworks tax

- What type of fireworks permit was issued by the Texas Department of Insurance? (See specific instructions.)

Distributor Jobber Manufacturer Retailer

- Will you make retail sales of fireworks to the general public under a consignment agreement? (Consignment sales are sales where the consignee pays the distributor only for items that the consignee sells and returns any unsold items.)

YES NO (30) If "YES,"

provide the name and taxpayer number of the distributor for whom you are selling.

Distributor name

Distributor Texas taxpayer number

- Will you sell, lease or rent off-road, heavy-duty (50 horsepower or more) diesel-powered equipment? YES NO (50)

- Is this permit for a winery located outside of Texas that will be shipping wine to consumers in Texas? YES NO

If "YES," you **must** obtain an Out-of-State Winery Direct Shipper's Permit from the Texas Alcoholic Beverage Commission. (See instructions.)

- Please provide the Texas Alcoholic Beverage Commission license number(s) for this address.

46. Will you sell memberships to a health spa? YES NO

If "YES," you **must** attach a copy of your certificate of registration issued by the Texas Secretary of State.

47. If you do not have a place of business in Texas, list names and addresses of all representatives, agents, salespersons, canvassers or solicitors in Texas. (Attach additional sheets, if necessary.)

Name (First, middle initial, last)

Street

City

State

ZIP code

T X

PREVIOUS OWNER

If you purchased an existing business or business assets, complete Item 48; if not, skip to Item 49.

Previous owner's Texas taxpayer

48. Previous owner's trade name (DBA name) number (if available)

Previous owner's legal name, address and phone number, if available

Name

Title/Phone (Area code and number)

Street address

City

State

ZIP code

Check each of the following items you purchased.

Inventory

Corporate stock

Equipment

Real estateOther assets Purchase

price of this business or assets and the date of purchase

Month Day

Year

Purchase price \$

Date of purchase

SIGNATURES

APPLICANTS MUST BE AT LEAST 18 YEARS OF AGE. Parents or legal guardians may obtain a sales tax permit on behalf of a minor.

49. The sole owner, ALL general partners, managing members, officers, directors or an authorized representative must sign. The representative must submit a written power of attorney. (Attach additional sheets, if necessary.)

Date of signature(s)
Month Day Year

I (We) declare that the information in this document and any attachments is true and correct to the best of my (our) knowledge and belief.

Type or print name and title of sole owner, partner, officer, director or member

Sole owner, partner, officer, director or member

Driver license number/state

Date of birth

sign
here

Type or print name and title of partner, officer, director or member

Partner, officer, director or member

Driver license number/state

Date of birth

sign
here

Type or print name and title of partner, officer, director or member

Partner, officer, director or member

Driver license number/state

Date of birth

sign
here

WARNING. You may be required to obtain an additional permit or license from the State of Texas or from a local governmental entity to conduct business. A listing of links relating to acquiring licenses, permits, and registrations from the State of Texas is available online at www.texas.gov/licenses. You may also want to contact the municipality and county in which you will conduct business to determine any local governmental requirements.

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1/4

Field office or section number

Employee name

USERID

Date

Instructions for Completing Texas Sales and Use Tax Permit Application

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

GENERAL INSTRUCTIONS

Texas Sales and Use Tax Application

Applicants must be at least 18 years of age. Parents/legal guardians may apply for a permit on behalf of a minor.

ENGAGED IN BUSINESS

You are engaged in business if you or your independent salespersons make sales, leases or rentals, or take orders for tangible personal property, or deliver tangible personal property or perform taxable services; or have lease (personal) property, a warehouse or other location in Texas; or benefit from a location in Texas of authorized installations, servicing or repair facilities; or allow a franchisee or licensee to operate under your trade name if they are required to collect Texas tax.

WHO MUST SUBMIT THIS APPLICATION

You must obtain a sales tax permit if:

- you are an individual, partnership, corporation or organization engaged in business in Texas; **AND**
- you are selling tangible personal property or providing taxable services in Texas to customers in Texas; **AND/OR**
- you acquire tangible personal property or taxable services from out-of-state suppliers that do not hold a Texas permit; **OR**
- you are a business service user that provides local exchange access, equivalent local exchange access, wireless telecommunications connections, or intrastate long-distance service, and you are responsible for collecting emergency communications charges and/or surcharges under Texas Health and Safety Code, Chapter 771; **OR**
- you sell prepaid wireless telecommunications services; **OR**
- you collect tax on the retail sale of fireworks (you are required to charge both the sales tax and the fireworks tax); **OR**
- you collect tax on the sale of health spa memberships; **OR**
- you sell, lease or rent off-road, heavy-duty diesel-powered equipment (you are required to charge both the sales tax and the surcharge); **OR**
- you are an out-of-state winery direct shipping wine to consumers in Texas (you are required to obtain an Out-of-State Winery Direct Shipper permit from the Texas Alcoholic Beverage Commission); **OR**
- you sell cigarettes, cigars and/or tobacco products to consumers in Texas (you are required to obtain a cigarette/tobacco retailer's permit — see Form AP-193. Refer to Cigarette/Tobacco Products under Texas Taxes); **OR**
- you are an individual, partnership, corporation or organization who makes sales, leases or rentals of taxable items in Texas but does NOT have a place of business in Texas, AND for out-of-state contractors improving real property in Texas with tangible personal property purchased outside of Texas.

Wholesalers and retailers must apply for a sales tax permit. Internet and catalog sellers engaged in business in Texas must be permitted and are responsible for collecting and remitting the applicable state and local taxes on sales delivered to customers in Texas.

DIRECT SALES AND MULTI-LEVEL MARKETING COMPANIES

The state of Texas requires direct sales organizations to collect and remit state and local sales and use taxes on sales made by distributors in Texas. Since the Direct Sales Company is regarded as the retailer, permits are not issued to distributors and direct sales organizations are required to collect sales tax from the independent distributors rather than accept resale certificates.

TAXPAYER SEMINARS

The Texas Comptroller's office offers taxpayer seminars throughout the state each year. New taxpayers are especially encouraged to attend these overviews of tax responsibilities for buyers, sellers and service providers.

Schedule information is available online at www.window.state.tx.us/taxinfo/seminars.html or call us at (800) 252-5555 for assistance in locating the next seminar near you.

OTHER REQUIREMENTS

If the business has or will have employees, contact the Texas Workforce Commission (www.twc.state.tx.us or by phone at (512) 463-2731). For information about federal income taxes, contact the Internal Revenue Service (www.irs.gov or by phone at (800) 829-1040).

For information about Social Security, contact the Social Security Administration at www.ssa.gov. For information related to new businesses and Texas permits and licenses, visit www.Texas.gov.

You may also check with your city, tax assessor-collector or local chamber of commerce to determine if there are any local taxes, permits or fees for which you may be responsible.

FOR ASSISTANCE

If you have any questions about the sales tax permit registration process, please contact your nearest Texas State Comptroller's office, or call (800) 252-5555 or (512) 463-4600. Our e-mail address is taxhelp@cpa.state.tx.us, or see our frequently asked questions online at www.window.state.tx.us/taxinfo/sales/questions.html. Representatives are available to assist you with permit questions, by phone, Monday through Friday (except federal holidays), from 7:30 a.m. to 5:30 p.m.

You can also apply for a Texas Sales and Use Tax Permit online at www.window.state.tx.us/taxpermit/.

FEDERAL PRIVACY ACT - Disclosure of your Social Security number is required and authorized under law, for the purpose of tax administration and identification of any individual affected by applicable law, 42 U.S.C. §405(c)(2)(C)(i); Tex. Govt. Code §§403.011 and 403.078. Release of information on this form in response to a public information request will be governed by the Public Information Act, Chapter 552, Government Code, and applicable federal law.

SALES TAX BOND - You may need to post a bond or other security for this permit. You will receive additional instructions if a bond is required.

AMERICANS WITH DISABILITIES ACT - In compliance with the Americans with Disabilities Act, this document may be requested in alternative formats by calling (800) 252-5555.

Under Ch. 559, Government Code, you are entitled to review, request and correct information we have on file about you, with limited exceptions, in accordance with Ch. 552, Government Code. To request information for review or to request error correction, contact us at the address or phone number listed on this form.

Below is a listing of taxes and fees collected by the Comptroller of Public Accounts. If you are responsible for reporting or paying one of the listed taxes or fees, and you **DO NOT HAVE A PERMIT OR AN ACCOUNT WITH US FOR THIS PURPOSE**, please obtain the proper application by calling (800) 252-5555, or by visiting your local Comptroller Enforcement field office. Applications are available online at www.window.state.tx.us/taxinfo/taxforms/00-forms.html.

9-1-1 Emergency Service Fee/Equalization Surcharge - If you are a **Gross Receipts Tax** - If you provide certain services on oil and gas wells telecommunications utility, a mobile service provider or a business OR are a utility company located in an incorporated city or town having service user that provides local exchange access, equivalent local population of more than 1,000 according to the most recent federal exchange access, wireless telecommunications connections or census and intend to do business in Texas, you must complete **Form AP-110** intrastate long-distance service, and you are responsible for collecting emergency communications charges and/or surcharges, **Hotel Occupancy Tax** - If you provide sleeping accommodations to the public for a cost of \$15 or more per day, you must complete **Form AP-201**.

Amusement Tax - If you engage in any business dealing with coin-operated machines OR engage in business to own or operate **International Fuel Tax Agreement (IFTA)** - If you operate qualified coin-operated machines exclusively in your own premises or in motor vehicles that require you to be licensed under IFTA, you must complete **Form AP-146** someone else's place of business, you must complete **Form AP-147**.

Automotive Oil Sales Fee - If you manufacture and sell automotive oil in Texas; or you import or cause automotive oil to be imported into Texas, you must complete **Form AP-118**.
Maquiladora Export Permit - If you are a maquiladora enterprise and gallons of automotive oil annually and you own a warehouse or distribution center located in Texas, you must complete **Form AP-161** wish to make tax-free purchases in Texas for export to Mexico, you must complete **Form AP-153** to receive the permit.

Battery Sales Fee - If you sell or offer to sell new or used lead acid batteries, you must complete **Form AP-160**.
Motor Vehicle Seller-Financed Sales Tax - If you finance sales of motor vehicles and collect Motor Vehicle Sales Tax in periodic payments, you must complete **Form AP-169**.

Cement Production Tax - If you manufacture or produce cement in Texas, or you import cement into Texas and you distribute or sell cement in intrastate commerce or use the cement in Texas, you must complete **Form AP-171**.
Motor Vehicle Gross Rental Tax - If you rent motor vehicles in Texas, you must complete **Form AP-143**.

Off-Road, Heavy-Duty Diesel-Powered Equipment Surcharge - If you sell, lease or rent off-road, heavy-duty diesel-powered equipment, you must complete **Form AP-201**. This is in addition to the products, you must complete **Form AP-175** or **Form AP-103** sales tax permit. You are required to charge both the sales tax and the surcharge.

Coastal Protection Fee - If you transfer crude oil and condensate at a marine terminal located in Texas, you must complete **Form AP-159**.
Petroleum Products Delivery Fee - If you are required to be licensed from or to vessels under Texas Water Code, sec. 26.3574, you must complete **Form AP-154**.

Crude Oil and Natural Gas Production Taxes - If you produce and/or crude oil and/or natural gas, you must complete **Form AP-134**.
Prepaid Wireless 9-1-1 Emergency Service Fee - If you sell prepaid or purchase wireless telecommunications services, regardless of whether the service is purchased in person, by telephone, over the Internet or by any other method, you must complete **Form AP-201**.

Direct Payment Permit - If you annually purchase at least \$800,000 worth of taxable items for your own use and not for resale, you must complete **Form AP-101** to qualify for the permit.
Sales and Use Tax - If you engage in business in Texas AND you sell permit-or lease tangible personal property or provide taxable services in Texas to customers in Texas; and/or you acquire tangible personal property or taxable services from out-of-state suppliers that do not are required to charge both the sales tax and the fireworks tax, you must complete **Form AP-201**.

Fireworks Tax - If you collect tax on the retail sale of fireworks, you must complete **Form AP-201**. This is in addition to the sales tax permit. You must complete **Form AP-201**.



Franchise Tax - If you are a non-Texas corporation or a non-Texas company without a certificate of authority, you must complete **Form AP-114**.
Sulphur Production Tax - If you own, control, manage, lease or operate a sulphur mine, well or shaft, or produce sulphur by any method, system or manner, you must complete **Form AP-171**.

Fuels Tax - If you are required to be licensed under Texas Fuels Tax and class permit required, you must complete **Form AP-168**.
Texas Customs Broker License - If you have been licensed by the United States Customs Service AND want to issue export certifications, you must complete **Form AP-133**.

SPECIFIC INSTRUCTIONS

ENTITY INFORMATION

- Item 2.** Enter the legal name of the entity applying for the Texas Sales and Use Tax permit. Do not enter a doing business as (DBA) name in this space.
- Item 3.** Federal Employer Identification Numbers (FEIN) for reporting federal income taxes are issued by the Internal Revenue Service (IRS). If you need a FEIN, contact the IRS at (800) 829-1040 or go to their Web page at www.irs.gov.
- Item 5.** If the applicant, partner or organization has registered for reporting any Texas state taxes (franchise, fuels, hotel, etc.) to the Comptroller's office, enter the 11-digit taxpayer number assigned to the account. Leave this field blank if the applicant(s) has not previously registered with the Comptroller's office.
- Item 6.** If the organization or partner has registered for a Texas Identification Number (TIN) as a vendor to the state, enter the 11-digit taxpayer number assigned to the account. Leave this field blank if the applicant(s) has not previously registered with the Comptroller's office.
- Item 7.** File numbers are issued by the Texas Secretary of State (SOS) when the certificate of formation is filed to create the legal entity. Contact the SOS at (512) 463-5555, or go to their Web page, www.sos.state.tx.us, if you need assistance locating this information. Entities that were legally formed in other states or countries may need to obtain an application for registration from the SOS to legally conduct business in Texas. For information on the requirements and how to obtain an application for registration, contact the Secretary of State at (512) 463-5555 or go to their Web page at www.sos.state.tx.us. Entities that are not registered with the SOS should leave this field blank. Limited partnerships and limited liability partnerships must provide a copy of their registration documentation filed with the state where the entity was legally created.
- Item 8.** If the applicant is a corporation that has been involved in a merger within the last seven years, provide documentation of the transaction such as a copy of the merger documents filed with the state of incorporation and/or a copy of the merger agreement.
- Item 9.** A Social Security number (SSN) must be provided for all general partners, principal members/officers, managing directors, managers or trustees. If the general partner is a corporation, limited liability company or partnership, provide the FEIN assigned to the entity by the IRS, if applicable.

SOLE PROPRIETOR INFORMATION

- Item 10.** Enter the legal name of the person applying for the Texas Sales and Use Tax permit. Do not enter a DBA name in this space. Single Member Limited Liability Companies and sole owner corporations should complete Items 1-9, then skip to Item 15.
- Item 11.** Enter the SSN of the person applying for the permit. SSNs are obtained for internal use only by the Comptroller's office and are not made available to the general public. If the applicant does not have a SSN, DO NOT enter a temporary or other number assigned by the IRS for use when filing federal income taxes.
- Item 12.** If the applicant, partner or organization has registered for reporting any Texas state taxes (franchise, fuels, hotel, etc.) to the Comptroller's office, enter the 11-digit taxpayer number assigned to the account. Leave this field blank if the applicant(s) has not previously registered with the Comptroller's office.
- Item 13.** If the organization or partner has registered for a TIN as a vendor to the state, enter the 11-digit taxpayer number assigned to the account. Leave this field blank if the applicant(s) has not previously registered with the Comptroller's office.
- Item 14.** FEINs for reporting federal income taxes are issued by the IRS. If you need a FEIN, contact the IRS at (800) 829-1040 or go to their Web site at www.irs.gov.

GENERAL BUSINESS INFORMATION

- Item 15.** Please enter the address where you would like your sales tax information mailed. Provide a complete mailing address, including building number and suite or apartment number if applicable. Indicate if the address is on a street, court or boulevard and if there is a directional indicator (ex: North, Northeast). Indicate vanity postal city if applicable (ex: Lakeway instead of Austin, Alamo Heights instead of San Antonio, etc. See www.usps.com for correct standardized address.) If the mailing address is located outside of the United States, provide the mailing address used for postal delivery in the country where the information will be sent.
- Item 23.** If you will accept payment by credit card, or if you will accept payments through an online payment processing company (such as PayPal), enter the name of the merchant credit card processor and/or online payment processor and the Merchant Identification Number assigned by the processor.

PLACE OF BUSINESS INFORMATION

PLACE OF BUSINESS OR BUSINESS LOCATION: Any store, office or location where you receive orders for tangible personal property or taxable services or make sales, leases or rentals of tangible personal property or taxable services at least three times or more in a calendar year.

(See 34 Tex. Admin. Code, Rule 3.286: Seller's and Purchaser's Responsibilities.)

- Item 24.** Provide the registered doing business as (DBA) name, or the name under which you are otherwise conducting business, and if applicable, the name of the shopping center or building in which the business is located, and the physical address of your business location. Enter the actual location of your business, number and street address. Example: "323 Jones Road." Do not use a P.O. Box or Rural Route number. (If your home is a location where you receive orders, that would be considered a place of business.) You may add meaningful directions (e.g., 2 miles south of FM 1960 on Jones Rd).

Item 25. If the place of business is physically located within the boundaries of a city, provide the name of that city. It may be different from the postal city name provided in Item 26. (Example: A business that is within the city limits of Houston may be located in a ZIP code area that uses Friendswood as the postal city name.) You may need to contact the city planning office, or the tax appraisal district, to determine the city where your business is actually located. If the place of business is not located within city limits, check the indicated box.

Item 26. Provide the name of the county where this business is physically located. (Example: A business that is outside the city limits of Beaumont may be located in Orange County, not Jefferson County. A business that is located inside the city limits of San Marcos may be in either Hays County or Caldwell County.)

Item 32. Mark the "yes" box if you will be mailing or shipping taxable items to customers or if you will be traveling to customers' locations to provide taxable services. (Example: A company providing landscaping services should check "YES.")

Item 34. Provide the North American Industry Classification System (NAICS) code for your business or check the box that indicates the general type of industry in which the applicant is engaged. The Comptroller's office uses the NAICS, a product of the U.S. Census Bureau, to assign a code that indicates the general type of business operated in Texas.

It is easy to determine the NAICS code associated with your business. The Web address is www.census.gov/epcd/naics07/index.html. Enter one word in the keyword search field that generally describes your business. For example, if you're in the restaurant business, enter "restaurant." The search will return several options. To the right of each listing is the associated six-digit NAICS code. Please select the code that best fits your business.

Explain the type of business operated and/or primary type of products sold. For example: "Bookkeeping for small businesses," "Interior Decorator for homes."

Item 35. List all locations or events in Texas where you will be selling or soliciting business on a temporary or recurring basis; include the dates (if known) when you will be at that location, even if you are selling from a van or cargo truck in a parking lot. (Example: parking lot on the corner of Hollywood and Vine; first weekend of each month).

Item 36. You will be required to report interest earned on sales tax if all the following are true:

- you include installment payments that were received during a reporting period in "TOTAL SALES" on your sales tax return for that period (i.e., you keep your records on a **cash basis of accounting**); **AND**
- you make retail sales of taxable items on an installment purchase plan or deferred payment plan; **AND**
- you charge interest on the entire balance, including sales tax, on the sale of taxable items made on installment purchases or deferred payment plans; **AND**
- you do your own financing on some accounts on which interest is charged.

Item 37. List all locations (storage unit, warehouse, home office, etc.) that are operated by the company in Texas that do not accept three or more orders per year.

Item 38. If you are a telecommunications utility, a mobile service provider or a business service user that provides local exchange access, equivalent local exchange access, wireless telecommunications connections or intrastate long-distance service, you are responsible for collecting emergency communications charges and/or surcharges.

Item 39. A prepaid wireless 9-1-1 emergency service fee of 2 percent is assessed on the purchase price of each prepaid wireless telecommunications service that is paid for in advance by any method and that allows a caller to access 9-1-1 emergency communications service. The fee is collected by the seller from the consumer at the time of each retail transaction of prepaid wireless telecommunications service.

Items 40-42. In addition to a sales tax permit, you must be permitted by the Texas Department of Insurance to sell fireworks in Texas. Sellers of fireworks must collect sales and use tax and an additional 2 percent fireworks tax. Contact the Texas Department of Insurance (www.tdi.state.tx.us) for additional information about fireworks permits. Additional information about fireworks tax is available online at www.window.state.tx.us/taxinfo/fireworks.

Consignment sales are sales where the consignee pays the distributor only for items that the consignee sells and returns any unsold items to the distributor. The Comptroller regards all distributors who make consignment sales of fireworks to consignees to be the retailers of those fireworks for both sales tax and fireworks tax purposes. Distributors who make consignment sales of fireworks must collect and remit sales tax and fireworks tax on all Texas sales made by their consignees.

These definitions are found in the Occupations Code, Ch. 2154, Regulation of Fireworks and Fireworks Displays.

Manufacturer: A person, firm, corporation or association who makes fireworks.

Distributor: A person who imports fireworks into this state or sells fireworks to a jobber, retailer or other distributor for resale; or a holder of a single public display permit, a multiple display permit or another fireworks permit.


Jobber: A person who purchases fireworks for resale only to retailers.

Retailer: A person who purchases fireworks for resale only to the general public.

Item 43. The sale, lease or rental of off-road heavy-duty (50 horsepower or greater) diesel equipment is subject to sales and use tax and an additional 2 percent surcharge. Information about the off-road, heavy-duty diesel equipment surcharge is available online at www.window.state.tx.us/taxinfo/mtr_veh/mv_offroad.html or contact one of our representatives at (800) 252-5555 or at a local field office.

Item 44. If you sell alcoholic beverages in Texas you must be permitted by the Texas Alcoholic Beverage Commission (TABC) in addition to being permitted for the collection of sales and use tax. Contact TABC at www.tabc.state.tx.us or by phone at (512) 206-3360.

Item 46. Health Spas are defined as any business that offers for sale, or sells, memberships that provide the members instruction in or the use of facilities for a physical exercise program. Health spa operators must register with SOS and include a copy of their certificate of registration when applying for a

 sales tax permit. (See *Occupations Code* §§ 702.003, 702.101 and 702.107 for more details.) Examples may include a gym, circuit training and any other fitness facility that sells memberships.

Item 47. If you do **NOT** have a place of business in Texas, list the names and addresses of all representatives, agents, contractors or others representing your business in Texas. Do not complete this section if you have a place of business in this state.

Item 49. Sign and date the application. The completed application can be delivered in person to any of our local offices or mailed to our main office at

Comptroller of Public Accounts
111 E. 17th St.

Austin, TX 78774-0100

You will generally receive your permit approximately four weeks after we have received your completed and signed application. Incomplete applications may delay the process.

Permission Request

Name of Booster Club: _____

Permission is requested to conduct the following fund-raising activity:

Specific purpose(s) for which the net proceeds are to be used:

Date(s) of Fundraiser: Beginning_____/_____/____ Ending_____/____/____

This is the_____ fund-raising activity for this semester that I have requested for this group.

st nd rd th
1 2 3 4

Estimated Revenue: \$ Less: Estimated Cost of Fund-raiser: \$ Equals: Estimated Net Proceeds: \$

I, _____, have requested permission to conduct a fund-raising activity, and I will be responsible for the preparation of the Operating Report. I will be responsible for the accountability of all money collected at the conclusion of the fund-raising activity, and I will turn in all records to the Treasurer.

_____/_____/____
Name of Person Responsible for the Fund-raiser (Print) Signature Date

Approved: _____			
SBISD Approval: _____			
Booster Club Treasurer or President	Date	Campus Principal	Date

Spring Branch Independent School District Fund-Raising
Activity Report

Operating Report

Organization: _____ Fund-Raiser: _____

Total Collections from Fund-Raiser:

Date	Receipt #	Description	Amount
			\$
		Per Attached List (if needed)	
Total Collections			\$

Total Disbursements for Merchandise, Advertising, Prizes, etc. for Fund-Raiser:

Date	Check #	Payee/Vendor	Amount
			\$
		Per Attached List (if needed)	
Total Disbursements			\$

Profit (Net Proceeds) from Fund-Raiser:

Total Collections - Total Disbursements	\$
---	----

Person Responsible for Fund-Raiser

Date

_____/_____/____

Form 202—General Information
(Certificate of Formation – Nonprofit Corporation)

The attached form is drafted to meet minimal statutory filing requirements pursuant to the relevant code provisions. This form and the information provided are not substitutes for the advice and services of an attorney and tax specialist.

Commentary

A nonprofit corporation is governed by titles 1 and 2 of the Texas Business Organizations Code (BOC). Title 1, chapter 3, subchapter A, of the BOC governs the formation of a nonprofit corporation and sets forth the provisions required or permitted to be contained in the certificate of formation. Nonprofit corporations may be incorporated for any lawful purpose. Corporations formed for the purpose of operating a nonprofit institution, including an institution devoted to a charitable, benevolent, religious, patriotic, civic, cultural, missionary, education, scientific, social, fraternal, athletic, or aesthetic purpose, may be formed and governed only as a nonprofit corporation under the BOC and not as a for-profit corporation. In a nonprofit corporation, no part of the income of the corporation may be distributed to a member, director or officer of the corporation.

Please note that this form cannot be used to form a corporation authorized by or under a special state statute, such as a water supply corporation, a cemetery corporation or an industrial development corporation.

Taxes: Nonprofit corporations are subject to a state franchise tax and federal income taxes unless an exemption from those taxes is granted. For franchise tax information visit the web site of the Comptroller of Public Accounts at www.window.state.tx.us/taxinfo/franchise/index.html. For information on state tax exemption, including applications and publications, visit the Comptroller's Exempt Organizations web site at www.window.state.tx.us/taxinfo/exempt/index.html or call (800) 252- 5555. For information relating to federal income tax filing requirements, exemptions, federal employer identification numbers, tax publications and forms call (800) 829-3676 or visit the Internal Revenue Service (IRS) web site at www.irs.gov.

This form does not include any additional statements or provisions that the Texas Comptroller of Public Accounts or the IRS may require as a condition to granting a tax-exempt status. Please refer to IRS publication 557, "Tax-Exempt Status for Your Organization," and Comptroller publication 96-1045, "Guidelines to Texas Tax Exemptions," for further information before completing this form.

Instructions for Form

- A. **Article 1—Entity Name and Type:** Provide a corporate name. An organizational designation may be used, but is not required. Under section 5.053 of the BOC, if the name chosen is the same as, deceptively similar to, or similar to the name of any existing domestic or foreign filing entity, or any name reservation or registration filed with the secretary of state, the document cannot be filed. The administrative rules adopted for determining entity name availability (Texas Administrative Code, title 1, part 4, chapter 79, [subchapter C](#)) may be viewed at www.sos.state.tx.us/tac/index.shtml. If you wish the secretary of state to provide a preliminary determination on name availability, you may call (512) 463-5555, dial 7-1-1 for relay services, or e-mail your name inquiry to corpinfo@sos.state.tx.us. A final determination cannot be made until the document is received and processed by the secretary of state. Do not make financial expenditures or execute documents based

on a preliminary clearance. Also note that the preclearance of a name or the issuance of a certificate of formation under a name does not authorize the use of a name in violation of another person's rights to the name.

- **Article 2—Registered Agent and Registered Office:** The registered agent can be either (option A) a domestic entity or a foreign entity that is registered to do business in Texas or (option B) an individual resident of the state. The corporation cannot act as its own registered agent; do not enter the corporate name as the name of the registered agent.

Consent: Effective January 1, 2010, a person designated as the registered agent of an entity must have consented, either in a written or electronic form, to serve as the registered agent of the entity. Although consent is required, a copy of the person's written or electronic consent need not be submitted with the certificate of formation. *The liabilities and penalties imposed by sections 4.007 and 4.008 of the BOC apply with respect to a false statement in a filing instrument that names a person as the registered agent of an entity without that person's consent.* (BOC § 5.207)

Office Address Requirements: The registered office address must be located at a street address where service of process may be personally served on the entity's registered agent during normal business hours. Although the registered office is not required to be the entity's principal place of business, the registered office may not be solely a mailbox service or telephone answering service (BOC § 5.201).

- **Article 3—Management:** Except as provided by section 22.202 of the BOC, the affairs of a nonprofit corporation are governed by a board of directors.

Board of Directors: The board of directors may be designated by any name appropriate to the customs, usages, or tenets of the corporation. If managed by a board of directors, three directors are required. A director must be a natural person; there are no residency requirements for directors. Set forth the name of the individual in the format specified. Do not use prefixes (e.g., Mr., Mrs., Ms.). Use the suffix box only for titles of lineage (e.g., Jr., Sr., III) and not for other suffixes or titles (e.g., M.D., Ph.D.).

Please note that a document on file with the secretary of state is a public record that is subject to public access and disclosure. When providing address information for directors, use a business or post office box address rather than a residence address if privacy concerns are an issue.

Managed by Members: A nonprofit corporation is considered to have vested the management of the corporation in the board of directors unless otherwise provided in the certificate of formation. This certificate of formation also may be used to create a nonprofit corporation that is managed solely by its members. If management of the corporation is to be vested in the nonprofit corporation's members, a statement to that effect must be included in the certificate. If the nonprofit corporation is to be governed *solely* by its members, check the appropriate statement and proceed to Article 4 of this form. *The fact that the individuals named on the board of directors are also members of the nonprofit entity does not mean that the corporation is governed by its members.*

Article 4—Members: If the corporation will not have members, the certificate of formation must include a statement to that effect. If management of the affairs of the corporation is vested in its members, you also must check statement A in Article 4 of this form. Checking statement B in Article 4 is inconsistent with a corporation that is managed by its members and will result in a rejection of the instrument.

- **Article 5—Purpose:** State the purpose of the corporation in the space provided. A nonprofit corporation may be formed for any lawful purpose or purposes not expressly prohibited under title 1, chapter 2, or title 2, chapter 22, of the BOC, which may be stated as “any or all lawful purposes” in the space provided. While the BOC allows formation with a general purpose, please note that other laws, including the Texas Tax Code and the Internal Revenue Code, may require that the certificate of formation include a more specific purpose statement as a basis for granting a license or a tax-exempt or tax-deductible status. An additional text area is provided to include any additional language or additional provisions that may be needed. In addition, the “Supplemental Provisions/Information” section may be used if the additional text area provided in this section is not sufficient.
- **Supplemental Provisions/Information:** Additional space has been provided for additional text to an article within this form or to provide for additional articles to contain optional provisions. This space also may be used to provide for additional statements or provisions needed by the Texas Tax Code or Internal Revenue Code as a basis for granting a tax-exempt or tax-deductible status.

Manner of Distribution: Section 22.304 of the BOC provides that after all liabilities and obligations of the corporation in the process of winding up are paid, satisfied, and discharged in accordance with chapter 11 of the BOC, the property of the corporation shall be applied and distributed as follows:

- Property held by the corporation on a condition requiring return, transfer, or conveyance because of the winding up or termination shall be returned, transferred, or conveyed in accordance with that requirement; and
- The remaining property shall be distributed only for tax-exempt purposes to one or more organizations that are exempt under Section 501(c)(3), or described by Section 170(c)(1) or (2) of the Internal Revenue Code as provided in a plan of distribution adopted by the corporation under the BOC unless the certificate of formation provides otherwise.

If the corporation is not applying and distributing its property in accordance with section 22.304, the certificate of formation must include a statement describing the manner of distribution in the Supplemental Provisions/Information section of this form. If the space provided is not sufficient, an addendum may be included and attached to this form.

Duration: Pursuant to section 3.003 of the BOC, a Texas nonprofit corporation exists perpetually unless provided otherwise in the certificate of formation. If formation of a corporation with a stated period of duration is desired, use the “Supplemental Provisions/Information” section of this form to provide for a limited duration.

- **Organizer:** Only one organizer is required for the formation of a nonprofit corporation. An organizer may be any person having the capacity to contract for the person or for another; that is, a natural person 18 years of age or older, or a corporation or other legal entity. There are no residency requirements for an organizer.
- **Effectiveness of Filing:** A certificate of formation becomes effective when filed by the secretary of state (option A). However, pursuant to sections 4.052 and 4.053 of the BOC the effectiveness of the instrument may be delayed to a date not more than ninety (90) days from the date the instrument is signed (option B). The effectiveness of the instrument also may be delayed on the occurrence of a future event or fact, other than the passage of time (option C). If option C is selected, you must state

the manner in which the event or fact will cause the instrument to take effect and the date of the 90th day after the date the instrument is signed. In order for the certificate to take effect under option C, the entity must, within ninety (90) days of the filing of the certificate, file with the secretary of state a statement regarding the event or fact pursuant to section 4.055 of the BOC.

On the filing of a document with a delayed effective date or condition, the computer records of the secretary of state will be changed to show the filing of the document, the date of the filing, and the future date on which the document will be effective or evidence that the effectiveness was conditioned on the occurrence of a future event or fact. In addition, at the time of such filing, the status of the entity will be shown as “in existence” on the records of the secretary of state.

- **Execution:** The organizer must sign the certificate of formation, but it does not need to be notarized. However, before signing, please read the statements on this form carefully. The designation or appointment of a person as registered agent by an organizer is an affirmation that the person named in the certificate of formation has consented to serve in that capacity. (BOC § 5.2011, effective January 1, 2010)

A person commits an offense under section 4.008 of the BOC if the person signs or directs the filing of a filing instrument the person knows is materially false with the intent that the instrument be delivered to the secretary of state for filing. The offense is a Class A misdemeanor unless the person’s intent is to harm or defraud another, in which case the offense is a state jail felony.

- **Payment and Delivery Instructions:** The filing fee for a certificate of formation for a nonprofit corporation is \$25. Fees may be paid by personal checks, LegalEase debit cards, or MasterCard, Visa, and Discover credit cards. Checks or money orders must be payable through a U.S. bank or financial institution and made payable to the secretary of state. Fees paid by credit card are subject to a statutorily authorized convenience fee of 2.7 percent of the total fees.

Submit the completed form in duplicate along with the filing fee. The form may be mailed to P.O. Box 13697, Austin, Texas, 78711-3697; faxed to (512) 463-5709; or delivered to the James Earl Rudder Office Building, 1019 Brazos, Austin, Texas 78701. If a document is transmitted by fax, credit card information must accompany the transmission (Form 807). On filing the document, the secretary of state will return the appropriate evidence of filing to the submitter together with a file- stamped copy of the document, if a duplicate copy was provided as instructed.

- **Registered Agent/Office:** A corporation is required to maintain a registered agent and a registered office address in Texas. If the registered agent or registered office address changes, it is important to file a statement with the secretary of state to effect a change to the certificate of formation. Failure to maintain a registered agent and registered office may result in the involuntary termination of the corporation.
- **Periodic Reports:** Under section 22.357 of the BOC, the secretary of state may require a nonprofit corporation to file a report not more often than once every four years. The secretary of state will send notice to the corporation at its registered office as to the time the report is due. Failure to file the report when requested to do so by the secretary will result in the involuntary termination of the corporation.
- **Information for Public Inspection:** Records, books and annual reports of the corporation’s financial activity are required to be maintained at the registered office or principal office for three years after the close of a fiscal year. The corporation shall make those documents available to the

public for inspection and copying during regular business hours and may charge a reasonable fee for preparing a copy of those records. Failure to maintain those records, prepare an annual report or make the record or report available to the public is a Class B misdemeanor. These provisions do not apply to those corporations exempted under section 22.355 of the BOC. Also note that a nonprofit corporation supported in whole or in part by public funds or that spends public funds is considered a governmental body under chapter 552 of the Government Code (Public Information Act) and thus subject to the provisions of that Act regarding access to public information. In addition, a property owner's association may also be subject to the Public Information Act pursuant to section 552.0035 of the Government Code.

Revised 12/09

Form 202
(Revised 12/09)

Submit in duplicate to:
Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
512 463-5555
FAX: 512/463-5709
Filing Fee: \$25



This space reserved for office use.

Certificate of Formation
Nonprofit Corporation

Article 1 – Entity Name and Type

The filing entity being formed is a nonprofit corporation. The name of the entity is:

Article 2 – Registered Agent and Registered Office

(See instructions. Select and complete either A or B and complete C.)

☐ A. The initial registered agent is an organization (cannot be entity named above) by the name of:

OR

☐ B. The initial registered agent is an individual resident of the state whose name is set forth below:

First Name	M.I.	Last Name	Suffix
------------	------	-----------	--------

C. The business address of the registered agent and the registered office address is:

Street Address	City	State	Zip Code
		TX	

Article 3 – Management

The management of the affairs of the corporation is vested in the board of directors. The number of directors constituting the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting of members or until their successors are elected and qualified are as follows:

A minimum of three directors is required.

Director 1				
First Name	M.I.	Last Name	Suffix	
Street or Mailing Address	City	State	Zip Code	Country

Director 2				
<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	<i>Suffix</i>	
<i>Street or Mailing Address</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>	<i>Country</i>

Director 3				
<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	<i>Suffix</i>	
<i>Street or Mailing Address</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>	<i>Country</i>

OR

☐ The management of the affairs of the corporation is to be vested in the nonprofit corporation's members.

Article 4 – Membership

(See instructions. Do not select statement B if the corporation is to be managed by its members.)

☐ • The nonprofit corporation shall have members.

☐ • The nonprofit corporation will have no members.

Article 5 – Purpose

(See instructions. This form does not contain language needed to obtain a tax-exempt status on the state or federal level.)

The nonprofit corporation is organized for the following purpose or purposes:

The following text area may be used to include any additional language or provisions that may be needed to obtain tax-exempt status.

Supplemental Provisions/Information

(See instructions.)

Text Area: [The attached addendum, if any, is incorporated herein by reference.]

Organizer

The name and address of the organizer:

Name

Street or Mailing Address

City

State

Zip Code

Effectiveness of Filing (Select either A, B, or C.)

(90) This document becomes effective when the document is filed by the secretary of state.

(91) This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: _____

(92) This document takes effect upon the occurrence of a future event or fact, other than the

passage of time. The 90th day after the date of signing is: _ The following event or fact will cause the document to take effect in the manner described below:

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized to execute the filing instrument.

Date: _____

Signature of organizer

Printed or typed name of organizer

Print

Reset

Form 302—General Information

(Application for Registration for a Foreign Nonprofit Corporation or Cooperative Association)

The attached form is drafted to meet minimal statutory filing requirements pursuant to the relevant code provisions. This form and the information provided are not substitutes for the advice and services of an attorney and tax specialist.

Commentary

To transact business in Texas, a foreign entity must register with the secretary of state under chapter 9 of the Texas Business Organizations Code (BOC). The registration requirement applies to a foreign corporation, foreign limited partnership, foreign limited liability company, foreign business trust, foreign real estate investment trust, foreign cooperative, foreign public or private limited company, or another foreign entity, the formation of which, if formed in Texas, would require the filing of a certificate of formation with the secretary of state. Also, a foreign entity that affords limited liability for any owner or member under the laws of its jurisdiction of formation is required to register.

Failure to Register: A foreign entity may engage in certain limited activities in the state without being required to register (BOC § 9.251). However, a foreign entity that fails to register when required to do so 1) may be enjoined from transacting business in Texas on application by the attorney general, 2) may not maintain an action, suit, or proceeding in a court of this state until registered, and 3) is subject to a civil penalty in an amount equal to all fees and taxes that would have been imposed if the entity had registered when first required.

Penalty for Late Filing: A foreign entity that has transacted business in the state for more than ninety 3. days is also subject to a late filing fee. The secretary of state may condition the filing of the registration on the payment of a late filing fee that is equal to the registration fee for each year, or part of a year, that the entity transacted business in the state without being registered.

Taxes: Nonprofit corporations are subject to a state franchise tax unless an exemption from those taxes is granted. Contact the Texas Comptroller of Public Accounts, Tax Assistance Section, Austin, Texas 78774-0100, (512) 463-4600 or (800) 252-1381 for franchise tax information and eligibility and application for exemption. For information relating to federal income tax filing requirements, exemptions, federal employer identification numbers, tax publications and forms call (800) 829-3676 or visit the Internal Revenue Service web site at www.irs.gov.

Instructions for Form

- **Item 1—Entity Name and Type:** Provide the full legal name of the foreign entity as stated in the entity's formation document. The name of the foreign entity must comply with chapter 5 of the BOC. Chapter 5 requires that:
 - the entity name not contain any word or phrase that indicates or implies that the entity is engaged in a business that the entity is not authorized to pursue (BOC § 5.052);
 - the entity name not be the same as, or deceptively similar to, or similar to the name of any existing domestic or foreign filing entity, or any name reservation or registration filed with the secretary of state (BOC § 5.053); and

- in the case of a foreign cooperative association, the entity name contain a recognized term of organization for the entity type as listed in section 5.057 of the BOC.

The name of a foreign nonprofit corporation may, but is not required to, contain a recognized term of organization (BOC § 5.054(b)).

If the entity name does not comply with chapter 5, the document cannot be filed. The administrative rules adopted for determining entity name availability (Texas Administrative Code, title 1, part 4, chapter 79, [subchapter C](http://www.sos.state.tx.us/tac/index.shtml)) may be viewed at www.sos.state.tx.us/tac/index.shtml. If you wish the secretary of state to provide a preliminary determination on name availability, you may call (512) 463-5555, dial 7-1-1 for relay services, or e-mail your name inquiry to corpinfo@sos.state.tx.us. A final determination cannot be made until the document is received and processed by the secretary of state. Do not make financial expenditures or execute documents based on a preliminary clearance. Also note that the preclearance of a name or the issuance of a certificate under a name does not authorize the use of a name in violation of another person's rights to the name.

- **Item 2A—Assumed Name:** If the name of a foreign cooperative association fails to contain an appropriate organizational designation, a recognized organizational designation should be added to the legal name and set forth in item 2A. Accepted organizational designations for a foreign cooperative association are the word “cooperative” or an abbreviation of that word (BOC § 5.057).
- **Item 2B—Assumed Name:** If it has been determined that the entity’s legal name is not available for its use in Texas due to a conflict with a previously existing name, the foreign entity must obtain its registration to transact business under an assumed name that complies with chapter 5 of the BOC. State the assumed name that the foreign entity elects to adopt for use in Texas in item 2B of the certificate. In addition, the foreign entity is required to file an assumed name certificate in compliance with chapter 71 of the Texas Business & Commerce Code. The promulgated form for filing the assumed name with the secretary of state is **Form 503**. This form is not acceptable for filing with the county clerk.
- **Item 3—Federal Employer Identification Number:** Enter the entity’s federal employer identification number (FEIN) in the space provided. The FEIN is a 9-digit number (e.g., 12- 3456789) that is issued by the Internal Revenue Service (IRS). If the entity has not received its FEIN at the time of submission, this should be noted in item 3 on the application form. Provision of the FEIN number at the time of submission will assist in the establishment of the entity’s tax account with the Comptroller of Public Accounts, if applicable.
- **Item 4—Jurisdictional Information:** The application must state the foreign entity’s jurisdiction of formation and the date of its formation in the format shown in the application.
- **Item 5—Certification of Existence:** The application must contain a statement that the entity exists as a valid foreign filing entity of the stated type under the laws of the entity’s jurisdiction of formation.
- **Item 6—Statement of Purpose:** The application must state each business or activity that the entity proposes to pursue in Texas, which may be stated to be “any lawful business or activity under the law of this state.” In addition, as required by chapter 9, the application must contain a statement that the entity is authorized to pursue the same business or activity under the laws of the entity’s jurisdiction of formation.

• **Item 7—Beginning Date of Business:** Provide the date the foreign entity began or will begin to transact business in the state. If the foreign entity has had prior activities within the state, the entity may wish to consult with a private attorney regarding the beginning date of business. The beginning date of business is the date the entity’s activities were considered the transaction of business for purposes of registration under chapter 9 of the BOC. *If the entity has transacted business in Texas for more than 90 days before submission, a late filing fee will be assessed.*

• **Item 8—Principal Office Address:** Provide the street or mailing address of the principal office of the foreign entity.

• **Item 9—Initial Registered Agent and Registered Office:** The registered agent can be either (option A) a domestic entity or a foreign entity that is registered to do business in Texas or (option

B) an individual resident of the state. The foreign entity cannot act as its own registered agent; do not enter the entity name as the name of the registered agent.

Consent: Effective January 1, 2010, a person designated as the registered agent of an entity must have consented, either in a written or electronic form, to serve as the registered agent of the entity. Although consent is required, a copy of the person’s written or electronic consent need not be submitted with the application for registration. *The liabilities and penalties imposed by sections 4.007 and 4.008 of the BOC apply with respect to a false statement in a filing instrument that names a person as the registered agent of an entity without that person’s consent. (BOC § 5.207)*

Office Address Requirements: The registered office address must be located at a street address where service of process may be personally served on the entity’s registered agent during normal business hours. Although the registered office is not required to be the entity’s principal place of business, the registered office may not be solely a mailbox service or telephone answering service (BOC § 5.201).

• **Item 10—Appointment of Secretary of State:** By signing the application for registration, the foreign entity consents to the appointment of the secretary of state as an agent of the foreign filing entity for service of process under the circumstances described by section 5.251 of the BOC.

• **Item 11—Governing Persons:** Provide the name and address of each person serving as part of the governing authority of the foreign entity. Generally, this would be the board of directors of the corporation or cooperative or other group of persons who are entitled to manage and direct the affairs of the entity. A minimum of one governing person is required. Set forth the name of the individual in the format specified. Do not use prefixes (e.g., Mr., Mrs., Ms.). Use the suffix box only for titles of lineage (e.g., Jr., Sr., III) and not for other suffixes or titles (e.g., M.D., Ph.D.).

• **Item 12—Officers:** Provide the name and address of each person serving as a managerial official or officer of the corporation or cooperative association. Generally, this would be the President, Secretary, Treasurer, and any other person or committee of persons that may perform the function of an officer. A minimum of one officer is required. Set forth the name of the individual in the format specified. Do not use prefixes (e.g., Mr., Mrs., Ms.). Use the suffix box only for titles of lineage (e.g., Jr., Sr., III) and not for other suffixes or titles (e.g., M.D., Ph.D.).

Please note that a document on file with the secretary of state is a public record that is subject to public access and disclosure. When providing address information for directors, governing persons, officers or managerial officials, use a business or post office box address rather than a residence address if privacy concerns are an issue.

- **Item 13—Membership:** The foreign nonprofit corporation must state whether the corporation has members.
- **Supplemental Provisions/Information:** Additional space has been provided for additional text to an item within this form.
- **Effectiveness of Filing:** The application for registration becomes effective when filed by the secretary of state (option A). However, pursuant to sections 4.052 and 4.053 of the BOC the effectiveness of the instrument may be delayed to a date not more than ninety (90) days from the date the instrument is signed (option B). The effectiveness of the instrument also may be delayed on the occurrence of a future event or fact, other than the passage of time (option C). If option C is selected, you must state the manner in which the event or fact will cause the instrument to take effect and the date of the 90th day after the date the instrument is signed. In order for the instrument to take effect under option C, the entity must, within ninety (90) days of the filing of the instrument, file a statement with the secretary of state regarding the event or fact pursuant to section 4.055 of the BOC.

On the filing of a document with a delayed effective date or condition, the computer records of the secretary of state will be changed to show the filing of the document, the date of the filing, and the future date on which the document will be effective or evidence that the effectiveness was conditioned on the occurrence of a future event or fact. In addition, at the time of such filing, the status of the entity's registration will be shown as "in existence" on the records of the secretary of state.

- **Execution:** Pursuant to section 4.001 of the BOC, the application for registration must be signed by a person authorized by the BOC to act on behalf of the entity in regard to the filing instrument. Generally, a governing person or managerial official of the entity signs a filing instrument.

The application for registration need not be notarized. However, before signing, please read the statements on this form carefully. The designation or appointment of a person as the registered agent by a managerial official is an affirmation by that official that the person named in the instrument has consented to serve as registered agent. (BOC § 5.2011, effective January 1, 2010)

A person commits an offense under section 4.008 of the BOC if the person signs or directs the filing of a filing instrument the person knows is materially false with the intent that the instrument be delivered to the secretary of state for filing. The offense is a Class A misdemeanor unless the person's intent is to harm or defraud another, in which case the offense is a state jail felony.

- **Payment and Delivery Instructions:** The filing fee for an application for registration for a nonprofit corporation or cooperative association is **\$25**. In addition, the foreign entity will be assessed a late filing fee for each year of delinquency if the entity has transacted business in Texas for more than 90 days prior to filing the application for registration. For purposes of computing the late filing fee, a partial calendar year is counted as a full year. Fees may be paid by personal checks,

money orders, LegalEase debit cards, or MasterCard, Visa, and Discover credit cards. Checks or money orders must be payable through a U.S. bank or financial institution and made payable to the secretary of state. Fees paid by credit card are subject to a statutorily authorized convenience fee of 2.7 percent of the total fees.

Submit the completed form in duplicate along with the filing fee. The form may be mailed to P.O. Box 13697, Austin, Texas 78711-3697; faxed to (512) 463-5709; or delivered to the James Earl Rudder Office Building, 1019 Brazos, Austin, Texas 78701. If a document is transmitted by fax, credit card information must accompany the transmission (Form 807). On filing the document, the secretary of state will return the appropriate evidence of filing to the submitter together with a file-stamped copy of the document, if a duplicate copy was provided as instructed.

1. **FYI:** A registered foreign corporation or cooperative association is required to maintain a registered agent and a registered office address in Texas. If the registered agent or registered office address changes, it is important to file a statement with the secretary of state to effect a change to the application for registration. Failure to maintain a registered agent and registered office may result in the revocation of the foreign filing entity's registration.

Under section 22.357 of the BOC, the secretary of state may require a nonprofit corporation to file a report not more often than once every four years. The secretary of state will send notice to the corporation at its registered office as to the time the report is due. Failure to file the report when requested to do so by the secretary will result in the revocation of the foreign filing entity's registration.

Revised 12/09

Form 302
(Revised 12/09)

Submit in duplicate to:
Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
(512) 463-5555
FAX: 512/463-5709
Filing Fee: \$25



This space reserved for office use.

**Application for Registration
for a Nonprofit
Corporation or Cooperative
Association**

1. The foreign entity is a _____ nonprofit corporation. _____ cooperative association.

The name is _____

A foreign cooperative association name must contain the word "cooperative" or an abbreviation of that word.

2A. If the entity filing the registration is a foreign cooperative association and the name of the cooperative in its jurisdiction of formation does not contain the word "cooperative," or an abbreviation thereof, then the name of the cooperative with the word or abbreviation that it elects to add for use in Texas is:

2B. The entity name is not available in Texas. The assumed name under which the entity will qualify and transact business in Texas is:

10. Its federal employer identification number is: _____

Federal employer identification number information is not available at this time.

11. It is organized under the laws of: (set forth state or foreign country) _____

and the date of its formation in that jurisdiction is: _____
mm/dd/yyyy

12. As of the date of filing, the undersigned certifies that the named entity currently exists as a valid foreign filing entity of the stated type under the laws of the jurisdiction of its formation.

13. The purpose or purposes of the corporation that it proposes to pursue in the transaction of business in Texas are set forth below.

The corporation also certifies that it is authorized to pursue such stated purpose or purposes in the state or country under which it is incorporated.

14. The date on which the foreign entity intends to transact business in Texas, or the date on which the foreign entity first transacted business in Texas is: _____

mm/dd/yyyy Late fees may apply (see instructions).

15. The principal office address of the entity is:

Address City State Country Zip Code

Complete item 9A or 9B, but not both. Complete item 9C.

☐ 9A. The initial registered agent is an organization (cannot be entity named above) by the name of:

OR

☐ 9B. The initial registered agent is an individual resident of the state whose name is:

First Name	M.I.	Last Name	Suffix
------------	------	-----------	--------

9C. The business address of the registered agent and the registered office address is:

Street Address	City	State	Zip Code
		TX	

A. The entity hereby appoints the Secretary of State of Texas as its agent for service of process under the circumstances set forth in section 5.251 of the Texas Business Organizations Code.

B. The name and address of each person on the board of directors is:

Director 1				
First Name	M.I.	Last Name	Suffix	
Street or Mailing Address	City	State	Country	Zip Code

Director 2				
First Name	M.I.	Last Name	Suffix	
Street or Mailing Address	City	State	Country	Zip Code

Director 3				
First Name	M.I.	Last Name	Suffix	
Street or Mailing Address	City	State	Country	Zip Code

C. The name, address, and office title of each officer or managerial official are:

First Name	M.I.	Last Name	Suffix	Office Title
Street or Mailing Address	City	State	Country	Zip Code

<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	<i>Suffix</i>	<i>Office Title</i>	
<i>Street or Mailing Address</i>		<i>City</i>	<i>State</i>	<i>Country</i>	<i>Zip Code</i>

Form 414—General Information
(Restated Certificate of Formation with New Amendments)

The attached form is drafted to meet minimal statutory filing requirements pursuant to the relevant code provisions. This form and the information provided are not substitutes for the advice and services of an attorney and tax specialist.

Commentary

Sections 3.057 to 3.063 of the Texas Business Organizations Code (BOC) govern a restated certificate of formation of a Texas filing entity. A filing entity may restate its certificate of formation to:

- state the text of the certificate of formation (as amended, corrected, or restated) to include all previous amendments carried forward; or
- state the text of the certificate of formation to include all previous amendments and each new amendment to the certificate being restated.

An amendment effected by a restated certificate of formation must comply with the provisions and procedures governing certificates of amendment in title 1, chapter 3 of the BOC and in the title governing the specific entity.

This form is designed to accompany the restated certificate of formation described in statement 2 shown above. *If the restated certificate of formation does not effect any new amendments to the certificate of formation, use Form 415 rather than this form.*

The text of the restated certificate of formation, which is to be attached as an exhibit, may omit the name and address of each organizer. In the case of a limited partnership the restated certificate must include *the name and address of each general partner*. The restated certificate of formation may also omit any other information that may be omitted under the provisions of the BOC applicable to the filing entity.

Procedural Information by Entity Type

Please note that a document on file with the secretary of state is a public record that is subject to public access and disclosure. Do not include confidential information, such as social security numbers. If updating information for directors or governing persons, use a business or post office box address rather than a residence address if privacy concerns are an issue.

For-profit or Professional Corporation

Sections 21.052 to 21.055 of the BOC set forth the procedures for amending the certificate of formation for a for-profit corporation or professional corporation. The board of directors adopts a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the shareholders. Written or printed notice setting forth the proposed amendment is given to each shareholder of record entitled to vote not later than the 10th day and not earlier than the 60th day before the date of the meeting, either personally, by electronic transmission, or by mail. (Please refer to chapters 6 and 21 of the BOC for further information.)

Pursuant to section 21.364, the proposed amendment is adopted on receiving the affirmative vote of two-thirds of the outstanding shares entitled to vote. If any class or series of shares is entitled to vote as a class, the amendment must also receive the affirmative vote of two-thirds of the shares within each class or series that is entitled to vote as a class. Any number of amendments may be submitted to the

shareholders and voted on at one meeting. Alternatively, amendments may be adopted by unanimous written consent of the shareholders.

If no shares have been issued, the amendment is adopted by a resolution of the board of directors and the provisions for adoption by shareholders do not apply.

In addition to the provisions authorized or required by section 3.059 of the BOC, a restated certificate of formation may update the current number of directors and the names and addresses of the persons serving as directors.

An officer must sign the restated certificate of formation. If no shares have been issued and the amendment was adopted by the board of directors, a majority of the directors may sign the restated certificate of formation.

Professional Association

The provisions of chapters 20 and 21 of the BOC apply to a professional association, unless there is a conflict with a specific provision in title 7. A professional association may amend its certificate of formation by following the procedures set forth in its certificate of formation. If the certificate of formation does not provide a procedure for amending the certificate, the certificate of formation is amended by a two-thirds vote of its members.

In addition to the provisions authorized or required by section 3.059 of the BOC, a restated certificate of formation may update the current number of directors or executive committee members and the names and addresses of each person serving on the board or committee.

An officer must sign the restated certificate of formation.

Nonprofit Corporation

Sections 22.105 to 22.108 of the BOC set forth the procedures for amending the certificate of formation for a nonprofit corporation. If the corporation has members with voting rights, the board of directors adopts a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the members, which may be either an annual or special meeting. The proposed amendment is adopted on receiving two-thirds of the votes that members present, in person or by proxy, were entitled to cast (BOC § 22.164). Any number of amendments may be submitted to the members and voted on at one meeting. Alternatively, the amendment may be adopted without a meeting if a written consent, setting forth the action to be taken, is signed by all the members entitled to vote. (Please refer to chapters 6 and 22 of the BOC for further information.)

In addition to the provisions authorized or required by section 3.059, a restated certificate of formation may update the current number of directors and the names and addresses of the persons serving as directors. A nonprofit corporation that is a church in which management is vested in its members under section 22.202 of the BOC must contain a statement to that effect in any restated certificate of formation if the original certificate of formation was not required to contain such statement.

If the corporation has no members or no members with voting rights, an amendment is adopted by a majority vote of the board of directors (BOC § 22.107).

An officer of the nonprofit corporation must sign the restated certificate of formation.

Cooperative Association

Section 251.052 of the BOC sets forth the procedure for amending the certificate of formation of a cooperative association. The board of directors may propose an amendment to the certificate of formation by a two-thirds vote of the board members. Notice of the meeting to consider the proposed amendment must be provided to the members no later than the 31st day before the date of the meeting. To be approved, an amendment must be adopted by the affirmative vote of two-thirds of the members voting on the amendment. The cooperative association must file a certificate of amendment with the secretary of state within thirty (30) days after its adoption by the members.

An officer of the cooperative association must sign the restated certificate of formation.

Limited Liability Company or Professional Limited Liability Company

Chapter 101 of the BOC governs limited liability companies. Pursuant to section 101.356(d), an amendment to the certificate of formation must be approved by the affirmative vote of all of the company's members. If the company has managers, but has yet to admit its initial member, the amendment would be approved by the affirmative vote of the majority of all the company's managers as permitted by section 101.356(e).

If the limited liability company has managers, an authorized manager must sign the restated certificate of formation. If the company does not have managers and is managed by its members, an authorized managing-member must sign the restated certificate of formation.

Limited Partnership

Chapter 153 of the BOC governs limited partnerships. A certificate of limited partnership may be amended at any time for any proper purpose determined by the general partners. However, section 153.051 *requires* a certificate of amendment when there is:

- A. a change of name of the partnership;
- B. an admission of a new general partner; or
- C. the withdrawal of a general partner.

A restated certificate of formation would be approved in the same manner as an amendment to the certificate of formation. The name and address of each general partner must be included in the restated certificate of formation.

Pursuant to section 153.553, at least one general partner must sign the restated certificate of formation. In addition, each general partner designated as a new general partner also must sign the restated certificate of formation. A withdrawing general partner need not sign. The execution of a certificate by a general partner is an oath or affirmation, under a penalty of perjury, that to the best of the executing party's knowledge and belief, the facts contained in the certificate are true and correct (BOC § 153.553(c)).

Instructions for Form

2. **Entity Information:** The restated certificate of formation must contain the legal name of the entity. *If the restated certificate of formation effects further amendments that change the name of the entity, the name as it currently appears on the records of the secretary of state should be stated.* It is recommended that the entity type, date of formation and file number assigned by the secretary of state be provided to facilitate processing of the document.

3. **Amendments to Certificate of Formation:** A filing entity may amend its certificate of formation in as many respects as may be desired, *as long as the certificate as amended contains only such provisions as could have been included in the original certificate of formation.* A restated certificate of formation that makes further amendments to the certificate of formation must include an identification by reference or description of each added, altered, or deleted provision. Use the check boxes provided for purposes of identifying the provisions that are to be amended. The full text of the provisions as added or altered need not be stated on Form 414. The full text of the amended and altered provisions will be contained in the Restated Certificate of Formation attached to this form as an exhibit.

Amendment to Entity Name: If the restated certificate of formation changes the name of the entity, the new entity name will be checked for availability upon submission. If the new name of the entity is the same as, deceptively similar to, or similar to the name of an existing domestic or foreign filing entity, or any name reservation or name registration filed with the secretary of state, the document cannot be filed. The administrative rules adopted for determining entity name availability (Texas Administrative Code, title 1, part 4, chapter 79, [subchapter C](#)) may be viewed at www.sos.state.tx.us/tac/index.shtml. If you wish the secretary of state to provide a preliminary determination on name availability, you may call (512) 463-5555, dial 7-1-1 for relay services, or e-mail your name inquiry to corpinfo@sos.state.tx.us. A final determination cannot be made until the document is received and processed by the secretary of state. Do not make financial expenditures or execute documents based on a preliminary clearance. Also note that the preclearance of a name or the issuance of a certificate under a name does not authorize the use of a name in violation of another person's rights to the name.

Amendment to Registered Agent: Effective January 1, 2010, a person designated as the registered agent of an entity must have consented, either in a written or electronic form, to serve as the registered agent of the entity. Although the consent of the person designated as registered agent is required, a copy of the written or electronic consent need not be submitted with a restated certificate of formation that changes the name of the registered agent. *The liabilities and penalties imposed by sections 4.007 and 4.008 of the BOC apply with respect to a false statement in a filing instrument that names a person as the registered agent of an entity without that person's consent.* (BOC § 5.207)

Amendment to Registered Office: The registered office address must be located at a street address where service of process may be personally served on the entity's registered agent during normal business hours. Although the registered office is not required to be the entity's principal place of business, the registered office may not be solely a mailbox service or telephone answering service (BOC § 5.201).

4. **Other Changes:** This section of the form contains three text areas that may be used to identify changes to provisions in the certificate of formation other than the provisions specifically described next to the check boxes in the section under "Identification of New Amendments." Use the text areas provided to identify by reference or description those provisions to be added or altered or to identify the provisions to be deleted.

- **Add:** If the amendment is an addition to the certificate of formation, check the "Add" statement and provide an identification or reference for the added provision.

- **Alter:** If the amendment alters or changes an existing article or provision in the certificate of formation, check the “Alter” statement and provide an identification of the article or paragraph number or description of the altered provision.
- **Delete:** If the amendment deletes an existing article or provision in its entirety, check the “Delete” statement and provide a reference to the article number or provision being deleted.

The full text of the provisions as added or altered need not be stated on Form 414. The full text of the amended and altered provisions will be contained in the Restated Certificate of Formation attached to this form as an exhibit.

5. **Statement of Approval:** As required by section 3.059 of the BOC, the form includes a statement regarding the approval of the amendments made to the certificate of formation. In general, amendments are adopted and approved in the manner set forth in the title of the BOC governing the entity. General procedural information relevant to each filing entity that may use this form precedes the instructions for completing the form.
6. **Required Statements:** This form is designed to provide the statements that are to accompany a restated certificate of formation that makes new amendments to the certificate of formation (BOC § 3.059(d)). The text of the restated certificate of formation, which should be attached as an exhibit to this form, should be identified as “Restated Certificate of Formation of [Name of Entity].”

7. **Effectiveness of Filing:** A restated certificate of formation becomes effective when filed by the secretary of state (option A). However, pursuant to sections 4.052 and 4.053 of the BOC the effectiveness of the instrument may be delayed to a date not more than ninety (90) days from the date the instrument is signed (option B). The effectiveness of the instrument also may be delayed on the occurrence of a future event or fact, other than the passage of time (option C). If option C is

selected, you must state the manner in which the event or fact will cause the instrument to take effect and the date of the 90th day after the date the instrument is signed. In order for the certificate to take effect under option C, the entity must, within ninety (90) days of the filing of the certificate, file a statement with the secretary of state regarding the event or fact pursuant to section 4.055 of the BOC.

On the filing of a document with a delayed effective date or condition, the computer records of the secretary of state will be changed to show the filing of the document, the date of the filing, and the future date on which the document will be effective or evidence that the effectiveness was conditioned on the occurrence of a future event or fact.

8. **Execution:** Pursuant to section 4.001 of the BOC, the restated certificate of formation must be signed by a person authorized by the BOC to act on behalf of the entity in regard to the filing instrument. Please refer to the procedural information relating to the specific entity type for further information on execution requirements. Generally, a governing person or managerial official of the entity signs a filing instrument.

The restated certificate of formation need not be notarized. However, before signing, please read the statements on this form carefully. The designation or appointment of a person as the registered agent by a managerial official is an affirmation by that official that the person named in the instrument has consented to serve as registered agent. (BOC § 5.2011, effective January 1, 2010)

A person commits an offense under section 4.008 of the BOC if the person signs or directs the filing of a filing instrument the person knows is materially false with the intent that the instrument be

delivered to the secretary of state for filing. The offense is a Class A misdemeanor unless the person's intent is to harm or defraud another, in which case the offense is a state jail felony.

9. **Payment and Delivery Instructions:** The filing fee for a restated certificate of formation is **\$300**, unless the filing entity is a nonprofit corporation or a cooperative association. The filing fee for a restated certificate of formation for a nonprofit corporation or a cooperative association is **\$50**. Fees may be paid by personal checks, money orders, LegalEase debit cards, or MasterCard, Visa, and Discover credit cards. Checks or money orders must be payable through a U.S. bank or financial institution and made payable to the secretary of state. Fees paid by credit card are subject to a statutorily authorized convenience fee of 2.7 percent of the total fees.

Submit the completed form in duplicate along with the filing fee. The form may be mailed to P.O. Box 13697, Austin, Texas 78711-3697; faxed to (512) 463-5709; or delivered to the James Earl Rudder Office Building, 1019 Brazos, Austin, Texas 78701. If a document is transmitted by fax, credit card information must accompany the transmission (Form 807). On filing the document, the secretary of state will return the appropriate evidence of filing to the submitter together with a file- stamped copy of the document, if a duplicate copy was provided as instructed.

Revised 12/09

Form 414
(Revised 12/09)

Submit in duplicate to:
Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
512 463-5555
FAX: 512/463-5709
Filing Fee: See instructions



This space reserved for office use.

**Restated Certificate of
Formation
With New Amendments**

Entity Information

The name of the filing entity is:

State the name of the entity as currently shown in the records of the secretary of state. If the amendment changes the name of the entity, state the old name and not the new name.

The filing entity is a: (Select the appropriate entity type below.)

- | | |
|--|--|
| <input type="checkbox"/> For-profit Corporation | Professional Corporation |
| <input type="checkbox"/> Nonprofit Corporation | Professional Limited Liability Company |
| <input type="checkbox"/> Cooperative Association | Professional Association |
| <input type="checkbox"/> Limited Liability Company | Limited Partnership |

The file number issued to the filing entity by the secretary of state is: _____

The date of formation of the filing entity is: _____

Amendments to Certificate of Formation

This restated certificate of formation makes new amendments to the certificate of formation. Provided below is an identification by reference or description of each added, altered, or deleted provision.

Identification of New Amendments

(Indicate the changes that have been made by checking the appropriate box or boxes.)

- ☐ The entity name has been amended.
- ☐ The registered agent name or registered office address has changed. The
- ☐ purpose of the entity has been amended.
- ☐ The period of duration of the entity has been amended.
- ☐ A general partner has withdrawn or been admitted to the limited partnership.

Identification of New Amendments (continued)

(Indicate the changes that have been made by checking and completing the appropriate box or boxes.)

☐ **Other changes.** The certificate of formation has been amended as follows:

Add Each of the following provisions is added to the certificate of formation. The identification or reference of each added provision is set forth below. The full text of each added provision is contained in the amended and restated certificate of formation attached hereto.

Alter The following identified provisions of the certificate of formation are amended. The full text of each amended provision is contained in the amended and restated certificate of formation attached hereto.

Delete Each of the provisions identified below are deleted from the certificate of formation.

Statement of Approval

Each new amendment has been made in accordance with the provisions of the Texas Business Organizations Code. The amendments to the certificate of formation and the restated certificate of formation have been approved in the manner required by the Code and by the governing documents of the entity.

Required Statements

The restated certificate of formation, which is attached to this form, accurately states the text of the certificate of formation being restated and each amendment to the certificate of formation being restated that is in effect, and as further amended by the restated certificate of formation. The attached restated certificate of formation does not contain any other change in the certificate of formation being restated except for the information permitted to be omitted by the provisions of the Texas Business Organizations Code applicable to the filing entity.

Effectiveness of Filing (Select either A, B, or C.)

A. This document becomes effective when the document is filed by the secretary of state.

B. T

his document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: _____

C. T

his document takes effect upon the occurrence of the future event or fact, other than the passage of time. The 90th day after the date of signing is: _____

The following event or fact will cause the document to take effect in the manner described below:

Execution

The undersigned affirms that the person designated as registered agent in the restated certificate of formation has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Date: _____

By: _____

Signature of authorized person

Printed or typed name of authorized person (see instructions)

Print

Reset

Attach the text of the amended and restated certificate of formation to the completed statement form. Identify the attachment as “Restated Certificate of Formation of [Name of Entity].”

**Form 424—General Information
(Certificate of Amendment)**

The attached form is drafted to meet minimal statutory filing requirements pursuant to the relevant code provisions. This form and the information provided are not substitutes for the advice and services of an attorney and tax specialist.

Commentary

Sections 3.051 to 3.056 of the Texas Business Organizations Code (BOC) govern amendments to the certificate of formation of a Texas filing entity. A filing entity may amend its certificate of formation at any time and in as many respects as may be desired, *as long as the certificate as amended contains only such provisions as could have been included in the original certificate of formation*. Amendments may be adopted to change the language of an existing provision, to add a new provision, or to delete an existing provision. If extensive amendments are proposed, the entity should consider filing a restated certificate of formation pursuant to section 3.059 of the BOC (Form 414).

Procedural Information by Entity Type

Please note that a document on file with the secretary of state is a public record that is subject to public access and disclosure. Do not include confidential information, such as social security numbers. If amending information relating to directors or governing persons, use a business or post office box address rather than a residence address if privacy concerns are an issue.

For-profit or Professional Corporation

Sections 21.052 to 21.055 of the BOC set forth the procedures for amending the certificate of formation for a for-profit corporation or professional corporation. The board of directors adopts a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the shareholders. Written or printed notice setting forth the proposed amendment is given to each shareholder of record entitled to vote not later than the 10th day and not earlier than the 60th day before the date of the meeting, either personally, by electronic transmission, or by mail (BOC § 21.353). (Please refer to chapters 6 and 21 of the BOC for further information.)

Pursuant to section 21.364 of the BOC, the proposed amendment is adopted on receiving the affirmative vote of two-thirds of the outstanding shares entitled to vote. If any class or series of shares is entitled to vote as a class, the amendment must also receive the affirmative vote of two-thirds of the shares within each class or series that is entitled to vote as a class. Any number of amendments may be submitted to the shareholders and voted on at one meeting. Alternatively, amendments may be adopted by unanimous written consent of the shareholders.

If no shares have been issued, the amendment is adopted by a resolution of the board of directors and the provisions for adoption by shareholders do not apply.

An officer must sign the certificate of amendment. If no shares have been issued and the amendment was adopted by the board of directors, a majority of the directors may sign the certificate of amendment.

Professional Association

The provisions of chapters 20 and 21 of the BOC apply to a professional association, unless there is a conflict with a specific provision in title 7. A professional association may amend its certificate of formation by following the procedures set forth in its certificate of formation. If the certificate of

formation does not provide a procedure for amending the certificate, the certificate of formation is amended by a two-thirds vote of its members.

An officer must sign the certificate of amendment.

Nonprofit Corporation

Sections 22.105 to 22.108 of the BOC set forth the procedures for amending the certificate of formation for a nonprofit corporation. If the corporation has members with voting rights, the board of directors adopts a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the members, which may be either an annual or special meeting. The proposed amendment is adopted on receiving two-thirds of the votes that members present, in person or by proxy, were entitled to cast (BOC § 22.164). Any number of amendments may be submitted to the members and voted on at one meeting. Alternatively, the amendment may be adopted without a meeting if a written consent, setting forth the action to be taken, is signed by all the members entitled to vote. (Please refer to chapters 6 and 22 of the BOC for further information.)

If the corporation has no members or no members with voting rights, the amendment is adopted by a majority vote of the board of directors.

An officer of the nonprofit corporation must sign the certificate of amendment.

A nonprofit corporation formed for a special purpose under a statute or code other than the BOC may be required to meet other requirements for a certificate of amendment than those imposed by the BOC. This form may not comply with the requirements imposed under the special statute or code governing the special purpose corporation. Please refer to the statute or code governing the special purpose corporation for specific filing requirements for a certificate of amendment.

Cooperative Association

Section 251.052 of the BOC sets forth the procedure for amending the certificate of formation of a cooperative association. The board of directors may propose an amendment to the certificate of formation by a two-thirds vote of the board members. Notice of the meeting to consider the proposed amendment must be provided to the members no later than the 31st day before the date of the meeting. To be approved, the amendment must be adopted by the affirmative vote of two-thirds of the members voting on the amendment. The cooperative association must file the certificate of amendment with the secretary of state within thirty (30) days after its adoption by the members.

An officer of the cooperative association must sign the certificate of amendment.

Limited Liability Company or Professional Limited Liability Company

Chapter 101 of the BOC governs limited liability companies. Pursuant to section 101.356(d), an amendment to the certificate of formation must be approved by the affirmative vote of all of the company's members. If the company has managers, but has yet to admit its initial member, the amendment would be approved by the affirmative vote of the majority of all the company's managers as permitted by section 101.356(e).

If the limited liability company has managers, an authorized manager must sign the certificate of amendment. If the company does not have managers and is managed by its members, an authorized managing-member must sign the certificate of amendment.

Limited Partnership

Chapter 153 of the BOC governs limited partnerships. A certificate of limited partnership may be amended at any time for any proper purpose determined by the general partners. However, section 153.051 *requires* a certificate of amendment when there is:

- a change of name of the partnership;
- an admission of a new general partner; or
- a withdrawal of a general partner.

Section 153.051 of the BOC also requires that a limited partnership amend its certificate of formation when there is a change of address for the registered office or a change of name or address of the registered agent of the partnership. However, rather than filing an amendment, the partnership may file a statement of change pursuant to section 5.202 of the BOC to effect a change to its registered agent or registered office.

Pursuant to section 153.553, at least one general partner must sign the certificate of amendment. In addition, each general partner designated as a new general partner also must sign the certificate of amendment. A withdrawing general partner need not sign the certificate of amendment. The execution of a certificate by a general partner is an oath or affirmation, under a penalty of perjury, that to the best of the executing party's knowledge and belief, the facts contained in the certificate are true and correct (BOC §153.553(c)).

Instructions for Form

10. Entity Information: The certificate of amendment must contain the legal name of the entity and identify the type of filing entity. *If the amendment changes the name of the entity, the name as it currently appears on the records of the secretary of state should be stated.* It is recommended that the date of formation and file number assigned by the secretary of state be provided to facilitate processing of the document.

11. Amendments: 1. Amended Name. This form is designed to provide a standardized amendment form to effect a change of name for the filing entity. If the legal name of the entity is to be changed, state the new name of the entity in section 1. Please note that the legal name of the entity must include an appropriate organizational designation for the entity type.

The new entity name will be checked for availability on submission of the certificate of amendment. Under section 5.053 of the BOC, if the new name of the entity is the same as, deceptively similar to, or similar to the name of an existing domestic or foreign filing entity, or any name reservation or name registration filed with the secretary of state, the document cannot be filed. The administrative rules adopted for determining entity name availability (Texas Administrative Code, title 1, part 4, chapter 79, [subchapter C](#)) may be viewed at www.sos.state.tx.us/tac/index.shtml. If you wish the secretary of state to provide a preliminary determination on name availability, you may call (512) 463-5555, dial 7-1-1 for relay services, or e-mail your name inquiry to corpinfo@sos.state.tx.us. A final determination cannot be made until the document is received and processed by the secretary of state. Do not make financial expenditures or execute documents based on a preliminary clearance. Also note that the preclearance of a name or the issuance of a certificate under a name does not authorize the use of a name in violation of another person's rights to the name.

12. Amendments: 2. Changes to Registered Agent and/or Registered Office. It is not necessary to file a certificate of amendment if the entity seeks only to change its registered agent or its

registered office. A filing entity may file a statement of change of registered agent/registered office pursuant to section 5.202 of the BOC.

However, if the entity is changing its name or making other changes to its certificate of formation, any changes to the registered agent or registered office may be included in a certificate of amendment. Section 2 can be completed to effect a change to the registered agent or registered office address. The registered agent can be either (option A) a domestic entity or a foreign entity that is registered to do business in Texas or (option B) an individual resident of the state. The filing entity cannot act as its own registered agent.

Consent: Effective January 1, 2010, a person designated as the registered agent of an entity must have consented, either in a written or electronic form, to serve as the registered agent of the entity. Although the consent of the person designated as registered agent is required, a copy of the written or electronic consent need not be submitted with a certificate of correction that corrects the name of the registered agent. *The liabilities and penalties imposed by sections 4.007 and 4.008 of the BOC apply with respect to a false statement in a filing instrument that names a person as the registered agent of an entity without that person's consent.* (BOC § 5.207)

Amendment to Registered Office: The registered office address must be located at a street address where service of process may be personally served on the entity's registered agent during normal business hours. Although the registered office is not required to be the entity's principal place of business, the registered office may not be solely a mailbox service or telephone answering service (BOC § 5.201).

13. Amendments: 3. Other Provisions to be Added, Altered, or Deleted. Section 3 of this form contains three text areas that may be used to make alterations or changes to other provisions in the certificate of formation or to identify those provisions to be deleted. If the space provided in a text area is insufficient, include the provisions as an attachment to this form.

- **Add:** If the amendment is an addition to the certificate of formation, check the "Add" statement and provide an identification or reference for the added provision and the full text of each provision added in the text area.
- **Alter:** If the amendment alters or changes an existing article or provision in the certificate of formation, check the "Alter" statement and provide an identification of the article number or description of the altered provision and the text of the article or provision as it is amended to read in the text area.
- **Delete:** If the amendment deletes an existing article or provision in its entirety, check the "Delete" statement and provide a reference to the article number or provision being deleted in the text area.

14. Statement of Approval: As required by section 3.053 of the BOC, the form includes a statement regarding the approval of the amendment. In general, amendments are adopted and approved in the manner set forth in the title of the BOC governing the entity. General procedural information relevant to each filing entity that may use this form precedes the instructions for completing the form.

15. Effectiveness of Filing: A certificate of amendment becomes effective when filed by the secretary of state (option A). However, pursuant to sections 4.052 and 4.053 of the BOC the effectiveness of the instrument may be delayed to a date not more than ninety (90) days from the date the instrument is signed (option B). The effectiveness of the instrument also may be delayed on the occurrence of a

future event or fact, other than the passage of time (option C). If option C is selected, you must state the manner in which the event or fact will cause the instrument to take effect and the date of the 90th day after the date the instrument is signed. In order for the certificate to take effect under option C, the entity must, within ninety (90) days of the filing of the certificate, file a statement with the secretary of state regarding the event or fact pursuant to section 4.055 of the BOC.

On the filing of a document with a delayed effective date or condition, the computer records of the secretary of state will be changed to show the filing of the document, the date of the filing, and the future date on which the document will be effective or evidence that the effectiveness was conditioned on the occurrence of a future event or fact.

16. **Execution:** Pursuant to section 4.001 of the BOC, the certificate of amendment must be signed by a person authorized by the BOC to act on behalf of the entity in regard to the filing instrument. Please refer to the procedural information relating to the specific entity type for further information on execution requirements. Generally, a governing person or managerial official of the entity signs a filing instrument.

The certificate of amendment need not be notarized. However, before signing, please read the statements on this form carefully. The designation or appointment of a person as the registered agent by a managerial official is an affirmation by that official that the person named in the instrument has consented to serve as registered agent. (BOC § 5.2011, effective January 1, 2010)

A person commits an offense under section 4.008 of the BOC if the person signs or directs the filing of a filing instrument the person knows is materially false with the intent that the instrument be delivered to the secretary of state for filing. The offense is a Class A misdemeanor unless the person's intent is to harm or defraud another, in which case the offense is a state jail felony.

17. **Payment and Delivery Instructions:** The filing fee for a certificate of amendment is **\$150**, unless the filing entity is a nonprofit corporation or a cooperative association. The filing fee for a certificate of amendment for a nonprofit corporation or a cooperative association is **\$25**. Fees may be paid by personal checks, money orders, LegalEase debit cards, or MasterCard, Visa, and Discover credit cards. Checks or money orders must be payable through a U.S. bank or financial institution and made payable to the secretary of state. Fees paid by credit card are subject to a statutorily authorized convenience fee of 2.7 percent of the total fees.

Submit the completed form in duplicate along with the filing fee. The form may be mailed to P.O. Box 13697, Austin, Texas 78711-3697; faxed to (512) 463-5709; or delivered to the James Earl Rudder Office Building, 1019 Brazos, Austin, Texas 78701. If a document is transmitted by fax, credit card information must accompany the transmission (Form 807). On filing the document, the secretary of state will return the appropriate evidence of filing to the submitter together with a file- stamped copy of the document, if a duplicate copy was provided as instructed.

Revised 12/09

Form 424
(Revised 12/09)

Submit in duplicate to:
Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
512 463-5555
FAX: 512/463-5709
Filing Fee: See instructions



This space reserved for office use.

Certificate of Amendment

Entity Information

The name of the filing entity is:

State the name of the entity as currently shown in the records of the secretary of state. If the amendment changes the name of the entity, state the old name and not the new name.

The filing entity is a: (Select the appropriate entity type below.)

- | | |
|--|---|
| <input type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Professional Corporation |
| <input type="checkbox"/> Nonprofit Corporation | <input type="checkbox"/> Professional Limited Liability Company |
| <input type="checkbox"/> Cooperative Association | <input type="checkbox"/> Professional Association |
| <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Limited Partnership |

The file number issued to the filing entity by the secretary of state is: _ The date of formation of the entity is:

Amendments

• **Amended Name**

(If the purpose of the certificate of amendment is to change the name of the entity, use the following statement)

The amendment changes the certificate of formation to change the article or provision that names the filing entity. The article or provision is amended to read as follows:

The name of the filing entity is: (state the new name of the entity below)

The name of the entity must contain an organizational designation or accepted abbreviation of such term, as applicable.

• **Amended Registered Agent/Registered Office**

The amendment changes the certificate of formation to change the article or provision stating the name of the registered agent and the registered office address of the filing entity. The article or provision is amended to read as follows:

Registered Agent

(Complete either A or B, but not both. Also complete C.)

A. ☐ The registered agent is an organization (cannot be entity named above) by the name of:

OR

☐ B. The registered agent is an individual resident of the state whose name is:

First Name

M.I.

Last Name

Suffix

The person executing this instrument affirms that the person designated as the new registered agent has consented to serve as registered agent.

C. The business address of the registered agent and the registered office address is:

Street Address (No P.O. Box)

City

TX

State Zip Code

• **Other Added, Altered, or Deleted Provisions**

Other changes or additions to the certificate of formation may be made in the space provided below. If the space provided is insufficient, incorporate the additional text by providing an attachment to this form. Please read the instructions to this form for further information on format.

Text Area (The attached addendum, if any, is incorporated herein by reference.)

Add each of the following provisions to the certificate of formation. The identification or reference of the added provision and the full text are as follows:

Alter each of the following provisions of the certificate of formation. The identification or reference of the altered provision and the full text of the provision as amended are as follows:

Delete each of the provisions identified below from the certificate of formation.

Statement of Approval

The amendments to the certificate of formation have been approved in the manner required by the Texas Business Organizations Code and by the governing documents of the entity.

Effectiveness of Filing (Select either A, B, or C.)

- This document becomes effective when the document is filed by the secretary of state.
- This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: _____
- This document takes effect upon the occurrence of a future event or fact, other than the passage of time. The 90th day after the date of signing is: _ The following event or fact will cause the document to take effect in the manner described below:

Execution

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Date: _____

By: _____

Signature of authorized person

Printed or typed name of authorized person (see instructions)

Print

Reset

Form 624—General Information
(Certificate of Merger for Nonprofit Corporations)

The attached form is designed to meet minimal statutory filing requirements pursuant to the relevant code provisions. This form and the information provided are not substitutes for the advice and services of an attorney and tax specialist.

Commentary

This certificate of merger is to be used to effect a merger, as defined by section 1.002(55)(B) of the Texas Business Organizations Code (BOC), of nonprofit corporations.

The certificate of merger is required to be filed with the secretary of state if any domestic entity that is a party to the merger is a filing entity, or if any domestic entity to be created under the plan of merger is a filing entity. A domestic filing entity may effect a merger by complying with the applicable provisions of chapter 10 of the BOC, as well as the title and chapter applicable to the domestic entity. To effect the merger, the domestic entity must set forth a plan of merger that is approved in the manner prescribed by the BOC. A domestic entity may not merge if a member of that entity that is a party to the merger will, as a result of the merger, become personally liable, without that member's consent, for liability or other obligation of any other person.

Limitations on Mergers Involving Nonprofit Corporations: Section 10.010 limits the authority of a nonprofit corporation to merge. The limitations are as follows:

- A domestic nonprofit corporation may not merge into another entity if the domestic nonprofit corporation would, because of the merger, lose or impair its charitable status.
- One or more domestic or foreign for-profit entities or non-code organizations may merge into one or more domestic nonprofit corporations that continue as the surviving entity or entities.
- A domestic nonprofit corporation may not merge with a foreign for-profit entity if the domestic nonprofit corporation does not continue as the surviving entity.
- One or more domestic nonprofit corporations and non-code organizations may merge into one or more foreign nonprofit entities that continue as the surviving entity or entities.

This form should be used when all of the entities that are parties to the merger or are to be created by the merger are nonprofit corporations. Please consult an attorney for assistance with a merger involving for-profit entities and non-code organizations other than foreign nonprofit corporations.

Formation Documents of New Domestic Nonprofit Corporation: If a Texas nonprofit corporation is being created pursuant to the plan of merger, the certificate of formation of the nonprofit corporation must be filed with the certificate of merger. *Pursuant to section 3.005 of the BOC, the certificate of formation of a domestic nonprofit corporation that is to be created by the plan of merger must contain the statement that the domestic nonprofit corporation is being formed under a plan of merger.* The formation and existence of a domestic nonprofit corporation created pursuant to a plan of merger takes effect and commences on the effectiveness of the merger (BOC § 3.006).

Instructions for Form

A. **Parties to the Merger:** The certificate of merger must state the name, organizational form, and jurisdiction of formation for each party to the merger. If the name of a merging nonprofit corporation is to be changed pursuant to the plan of merger, state the current name, indicate that the name is to be changed, and state the name as amended. It is recommended that the file number

assigned by the secretary of state to each domestic or foreign nonprofit corporation that is a party to the merger be provided to facilitate processing of the document. ***It is required that you indicate whether a party to the merger is to survive the merger.***

18. **Plan of Merger:** Unless the parties to the merger opt to complete the Alternative Statements section of this form, a plan of merger conforming to the requirements of section 10.002 of the BOC must be attached to the certificate of merger. If more than one organization is to survive the merger, the plan of merger also must include the information required under section 10.003 of the BOC.
19. **Alternative Statements in Lieu of Plan:** As an alternative to attaching the complete plan of merger, the parties to the merger may opt to certify and complete the statements contained in the Alternative Statements section of the form.

Amendments: If a domestic nonprofit corporation is to survive the merger, the alternative statements must include a statement that: (A) no amendments are to be effected by the merger or (B) identifies the amendments to be effected to the certificate of formation of a surviving entity. If B is selected, state the name of the nonprofit corporation that is effecting the amendment in the space provided. If the plan of merger effects an amendment to the certificate of formation, other than a change of name previously noted, provide the amendments or changes in the space provided. If the space provided is insufficient, the amendments may be provided as an exhibit to the certificate of merger.

Nonprofit Corporations Created by Merger: Section 10.151(b) of the BOC requires the identification of each domestic or foreign nonprofit corporation that is to be created by the plan of merger. The identification must include: the legal name of the nonprofit corporation, which must include an appropriate organizational designation; the name of the jurisdiction in which each new nonprofit corporation is to be incorporated; a description of the organizational form of each new organization; and the principal place of business of each new corporation. In addition, the certificate of merger must state that the certificate of formation of each new domestic nonprofit corporation is being filed with the certificate of merger.

This form provides space for identifying up to three new nonprofit corporations. Should the space provided be insufficient, provide the additional information in the format specified as an attachment or exhibit.

20. **Approval of the Plan of Merger:** The certificate of merger must include a statement that the plan of merger has been approved by each organization that is a party to the merger as required by the laws of its jurisdiction of formation and its governing documents.

Sections 22.251 and 22.253 of the BOC set forth the procedures and requirements for approval of the plan of merger by a Texas nonprofit corporation. Unless otherwise provided by its certificate of formation, the vote required for approval of a plan of merger is as follows:

- If the nonprofit corporation that is a party to the merger has no members or no members with voting rights, the plan of merger must be approved by the affirmative vote of the majority of directors in office (BOC § 22.164(b)(3)).
- If management of the affairs of the nonprofit corporation is vested in its members, the members must approve the plan of merger by at least two-thirds of the votes of members present at the meeting at which the action is submitted for a vote (BOC § 22.164(b)(2)).
- If the corporation that is a party to the merger has members with voting rights, the board of directors must adopt a resolution approving the merger and directing that the plan be submitted to a vote of the members having voting rights. The members must approve the

plan of merger by the vote of at least two-thirds of the votes that members present in person or by proxy are entitled to cast at the meeting at which the action is submitted for vote (BOC § 22.164(b)(1)).

21. **Effectiveness of Filing:** A certificate of merger becomes effective when accepted and filed by the secretary of state (option A). However, pursuant to sections 4.052 and 4.053 of the BOC the effectiveness of the instrument may be delayed to a date not more than ninety (90) days from the date the instrument is signed (option B). The effectiveness of the instrument also may be delayed on the occurrence of a future event or fact, other than the passage of time (option C). If option C is selected, you must state the manner in which the event or fact will cause the instrument to take effect and the date of the 90th day after the date the instrument is signed. In order for the certificate to take

effect under option C, the entity must, within ninety (90) days of the filing of the certificate, file a statement with the secretary of state regarding the event or fact pursuant to section 4.055 of the BOC.

On the filing of a document with a delayed effective date or condition, the computer records of the secretary of state will be changed to show the filing of the document, the date of the filing, and the future date on which the document will be effective or evidence that the effectiveness was conditioned on the occurrence of a future event or fact. In addition, at the time of such filing, the status of a non-surviving domestic filing entity will be shown as “merged” and the status of any new domestic filing entity created by the merger will be shown as “in existence” on the records of the secretary of state.

22. **Execution:** Each domestic and foreign nonprofit corporation that is a party to the merger must sign the certificate of merger. Pursuant to section 4.001 of the BOC, the certificate of merger must be signed by a person authorized by the BOC to act on behalf of the *merging* entity in regard to the filing instrument. Generally, a governing person or managerial official of the entity signs a filing instrument.

In the case of a domestic nonprofit corporation, an authorized officer should sign the certificate of merger (BOC § 20.001).

The certificate of merger need not be notarized. However, before signing, please read the statements on this form carefully. *A person commits an offense under section 4.008 of the BOC if the person signs or directs the filing of a filing instrument the person knows is materially false with the intent that the instrument be delivered to the secretary of state for filing. The offense is a Class A misdemeanor unless the person’s intent is to harm or defraud another, in which case the offense is a state jail felony.*

23. **Payment and Delivery Instructions :** The filing fee for a certificate of merger of nonprofit corporations is **\$50, plus the fee imposed for filing a certificate of formation for each newly created domestic nonprofit corporation.**

Fees may be paid by personal checks, money orders, LegalEase debit cards, or MasterCard, Visa, and Discover credit cards. Checks or money orders must be payable through a U.S. bank or financial institution and made payable to the secretary of state. Fees paid by credit card are subject to a statutorily authorized convenience fee of 2.7 percent of the total fees.

Submit the completed form in duplicate along with the filing fee. The form may be mailed to P.O. Box 13697, Austin, Texas 78711-3697; faxed to (512) 463-5709; or delivered to the James Earl Rudder Office Building, 1019 Brazos, Austin, Texas 78701. If a document is transmitted by fax,

credit card information must accompany the transmission (Form 807). On filing the document, the secretary of state will return the appropriate evidence of filing to the submitter together with a file- stamped copy of the document, if a duplicate copy was provided as instructed.

Revised 01/06

Form 624**(Revised 01/06)**

Return in duplicate to:
Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
512 463-5555
FAX: 512 463-5709
Filing Fee: see instructions



This space reserved for office use.

**Certificate of Merger
for Nonprofit Corporations****Parties to the Merger**

Pursuant to chapter 10 and Title 2 of the Texas Business Organizations Code, the undersigned parties submit this certificate of merger.

The name, organizational form, state of incorporation, and file number, if any, issued by the secretary of state for each organization that is a party to the merger are as follows:

Party 1*Name of Organization*

The organization is a nonprofit corporation. It is organized under the laws of:

_____ The file number, if any, is _____
State Country Texas Secretary of State file number

Its principal place of business is _____
Address City State

- ☐ The organization will survive the merger. The organization will not survive the merger. The plan of
☐ merger amends the name of the organization. The new name is set forth below.

*Name as Amended***Party 2***Name of Organization*

The organization is a nonprofit corporation. It is organized under the laws of:

_____ The file number, if any, is _____
State Country Texas Secretary of State file number

Its principal place of business is _____
Address City State

- ☐ The organization will survive the merger. The organization will not survive the merger. The plan of
☐ merger amends the name of the organization. The new name is set forth below.

*Name as Amended***Party 3***Name of Organization*

The file number, if any, is _____
State Country Texas Secretary of State file number

☐ The organization will survive the merger. The organization will not survive the merger. The plan of

☐ merger amends the name of the organization. The new name is set forth below.

Plan of Merger

Alternative Statements

Amendments

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Organizations Created by Merger

The name, jurisdiction of formation, principal place of business address, and entity description of each domestic or foreign nonprofit corporation to be created pursuant to the plan of merger are set forth

below. The certificate of formation of each new domestic nonprofit corporation to be created is being filed with this certificate of merger.

NEW ORGANIZATION 1			
			Nonprofit corporation
<i>Name</i>	<i>Jurisdiction</i>	<i>Entity Type</i>	
<i>Principal Place of Business Address</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>
NEW ORGANIZATION 2			
			Nonprofit corporation
<i>Name</i>	<i>Jurisdiction</i>	<i>Entity Type</i>	
<i>Principal Place of Business Address</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>
NEW ORGANIZATION 3			
			Nonprofit corporation
<i>Name</i>	<i>Jurisdiction</i>	<i>Entity Type</i>	
<i>Principal Place of Business Address</i>	<i>City</i>	<i>State</i>	<i>Zip</i>
Approval of the Plan of Merger			

The plan of merger has been approved as required by the laws of the jurisdiction of formation of each organization that is a party to the merger and by the governing documents of those organizations.

☐ The approval of the members of _____
Name of domestic nonprofit corporation
 was not required by the provisions of the BOC.

Effectiveness of Filing (Select either A, B, or C.)
--

- This document becomes effective when the document is accepted and filed by the secretary of state.
- This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: _____
- This document takes effect on the occurrence of the future event or fact, other than the passage of time. The 90th day after the date of signing is: _ The following event or fact will cause the document to take effect in the manner described below:

Execution

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Date: _____

Merging Entity Name

Signature and title of authorized person

Merging Entity Name

Signature and title of authorized person

Merging Entity Name

Signature and title of authorized person

Print

Reset

Form 652 General Information

(Certificate of Termination by an Existing Nonprofit Corporation or Cooperative Association)

The attached form is designed to meet minimal statutory filing requirements pursuant to the relevant code provisions. This form and the information provided are not substitutes for the advice and services of an attorney and tax specialist.

Commentary

When the owners, members or governing authority of a domestic entity have determined that the existence of an entity should terminate, or there is an occurrence of an event specified in the governing documents requiring the winding up, dissolution or termination of a domestic entity, the entity should follow the procedures for winding up the business and affairs of the entity in the manner provided in chapter 11 of the Texas Business Organizations Code (BOC). On completion of the winding up process, a filing entity must file a certificate of termination with the secretary of state. *This form is only applicable to the termination of a nonprofit corporation or a cooperative association.*

Instructions for Form

24. Entity Information: The certificate of termination must contain the legal name of the entity and the file number assigned by the secretary of state. It is recommended that the entity type and date of formation be provided to facilitate processing of the document. *Note that this form should only be used for the termination of a nonprofit corporation or a cooperative association.*

25. Governing Persons: The certificate of termination must set forth the name and address of each of the filing entity's governing persons. In general, a nonprofit corporation must have at least three directors, and a cooperative association must have three liquidating trustees. Set forth the name of the individual in the format specified. Do not use prefixes (e.g., Mr., Mrs., Ms.). Use the suffix box only for titles of lineage (e.g., Jr., Sr., III) and not for other suffixes or titles (e.g., M.D., Ph.D.). An address is always required for each governing person.

Please note that a document on file with the secretary of state is a public record that is subject to public access and disclosure. When providing address information for governing persons, use a business or post office box address rather than a residence address if privacy concerns are an issue.

26. Event Requiring Winding Up: The certificate of termination must state the nature of the event requiring winding up of the entity. Sections 11.051 to 11.059 of the BOC contain provisions relating to the winding up of a domestic entity. Section 11.051 provides that winding up of a domestic entity is required on the expiration of the entity's period of duration, a voluntary decision to wind up the entity, an event specified in the governing documents requiring winding up, an event specified by the BOC requiring winding up, or a decree by a court requiring winding up or dissolution of the entity rendered under the BOC or other law.

27. Statement Regarding Completion of Winding Up: The certificate of termination must provide that the filing entity has complied with the provisions of the BOC governing its winding up. Please review the winding up procedures in subchapter B of chapter 11 of the BOC and any supplemental winding up procedures that may apply to the filing entity.

28. Supplemental Information Required for a Nonprofit Corporation: The certificate of termination of a nonprofit corporation must contain a statement that:

- Any property of the nonprofit corporation has been transferred, conveyed, applied, or distributed in accordance with chapters 11 and 22 of the BOC.
- There is no suit pending against the nonprofit corporation or adequate provision has been made for the satisfaction of any judgment, order or decree that may be entered against the nonprofit corporation in a pending suit.
- If the nonprofit corporation received and held property permitted to be used only for charitable, religious, eleemosynary, benevolent, educational, or similar purposes, but the nonprofit corporation did not hold the property on a condition requiring return, transfer, or conveyance because of the winding up and termination, the distribution of that property has been effected in accordance with a plan of distribution adopted in compliance with the BOC for the distribution of that property.

29. Effectiveness of Filing: A certificate of termination becomes effective when filed by the secretary of state (option A). However, pursuant to sections 4.052 and 4.053 of the BOC the effectiveness of the instrument may be delayed to a date not more than ninety (90) days from the date the instrument is signed (option B). The effectiveness of the instrument also may be delayed on the occurrence of a future event or fact, other than the passage of time (option C). If option C is selected, you must state the manner in which the event or fact will cause the instrument to take effect and the date of the 90th day after the date the instrument is signed. In order for the certificate to take effect under option C, the entity must, within ninety (90) days of the filing of the certificate, file a statement with the secretary of state regarding the event or fact pursuant to section 4.055 of the BOC.

On the filing of a document with a delayed effective date or condition, the computer records of the secretary of state will be changed to show the filing of the document, the date of the filing, and the future date on which the document will be effective or evidence that the effectiveness was conditioned on the occurrence of a future event or fact. In addition, at the time of such filing, the status of the filing entity will be shown as “voluntarily terminated” on the records of the secretary of state.

30. Execution: Pursuant to section 4.001 of the BOC, the certificate of termination must be signed by a person authorized by the BOC to act on behalf of the entity in regard to the filing instrument.

A certificate of termination filed by a nonprofit corporation should be signed by an officer of the corporation (BOC § 20.001).

A certificate of termination filed by a cooperative association should be signed by an officer of the cooperative or by one or more of the persons designated as a liquidating trustee under section 251.401 of the BOC (BOC § 251.402).

A certificate of termination need not be notarized. However, before signing, please read the statements on this form carefully. *A person commits an offense under section 4.008 of the BOC if the person signs or directs the filing of a filing instrument the person knows is materially false with the intent that the instrument be delivered to the secretary of state for filing. The offense is a Class A misdemeanor unless the person’s intent is to harm or defraud another, in which case the offense is a state jail felony.*

31. Payment and Delivery Instructions : The filing fee for a certificate of termination for a nonprofit corporation or cooperative association is **\$5**. Fees may be paid by personal checks, money orders, LegalEase debit cards, or MasterCard, Visa, and Discover credit cards. Checks or money orders

must be payable through a U.S. bank or financial institution and made payable to the secretary of state. Fees paid by credit card are subject to a statutorily authorized convenience fee of 2.7 percent of the total fees.

Submit the completed form in duplicate along with the filing fee. The form may be mailed to P.O. Box 13697, Austin, Texas 78711-3697; faxed to (512) 463-5709; or delivered to the James Earl Rudder Office Building, 1019 Brazos, Austin, Texas 78701. If a document is transmitted by fax, credit card information must accompany the transmission (Form 807). On filing the document, the secretary of state will return the appropriate evidence of filing to the submitter together with a file- stamped copy of the document, if a duplicate copy was provided as instructed.

Revised 01/06

Form 652
(Revised 01/06)

Return in duplicate to:
Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
512 463-5555
FAX: 512 463-5709
Filing Fee: \$5



This space reserved for office use.

Certificate of Termination
of a
Nonprofit Corporation or
Cooperative Association

Entity Information

The name of the domestic entity is: _____

The domestic entity is a: _____ nonprofit corporation _____ cooperative association

The date of formation of the entity is: _____

The file number issued to the filing entity by the secretary of state is: _____

Governing Persons

The names and addresses of each of the filing entity's governing persons are:

NAME OF GOVERNING PERSON

First Name

M.I.

Last Name

Suffix

ADDRESS OF GOVERNING PERSON

Street or Mailing Address

City

State

Country

Zip Code

NAME OF GOVERNING PERSON

First Name

M.I.

Last Name

Suffix

ADDRESS OF GOVERNING PERSON

Street or Mailing Address

City

State

Country

Zip Code

NAME OF GOVERNING PERSON

First Name

M.I.

Last Name

Suffix

ADDRESS OF GOVERNING PERSON

Street or Mailing Address

City

State

Country

Zip Code

NAME OF GOVERNING PERSON				
<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	<i>Suffix</i>	
ADDRESS OF GOVERNING PERSON				
<i>Street or Mailing Address</i>	<i>City</i>	<i>State</i>	<i>Country</i>	<i>Zip Code</i>

NAME OF GOVERNING PERSON				
<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	<i>Suffix</i>	
ADDRESS OF GOVERNING PERSON				
<i>Street or Mailing Address</i>	<i>City</i>	<i>State</i>	<i>Country</i>	<i>Zip Code</i>

Event Requiring Winding Up

The nature of the event requiring winding up is: _____

Completion of Winding Up

The filing entity has complied with the provisions of the Texas Business Organizations Code governing its winding up.

Supplemental Information Required For a Nonprofit Corporation

The undersigned authorized person acting on behalf of the named nonprofit corporation certifies that:

A. Any property of the nonprofit corporation has been transferred, conveyed, applied, or distributed in accordance with chapter 11 and chapter 22 of the Texas Business Organizations Code.

B. There is no suit pending against the nonprofit corporation or that adequate provision has been made for the satisfaction of any judgment, order or decree that may be entered against the nonprofit corporation in a pending suit.

C. If the nonprofit corporation received and held property permitted to be used only for charitable, religious, eleemosynary, benevolent, educational, or similar purposes, but the nonprofit corporation did not hold the property on a condition requiring return, transfer, or conveyance because of the winding up and termination, that the distribution of that property has been effected in accordance with a plan of distribution adopted in compliance with the BOC for the distribution of that property.

Effectiveness of Filing (Select either A, B, or C.)

- 7 This document becomes effective when the document is filed by the secretary of state.
- 8 This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: _____

9 This document takes effect upon the occurrence of the future event or fact, other than the passage of time. The 90th day after the date of signing is: _ The following event or fact will cause the document to take effect in the manner described below:

Execution

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Date: _____

Signature and title of authorized person (see instructions)

Print

Reset

Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code

OMB No. 1545-0056

Note: If exempt status is approved, this application will be open for public inspection.

Use the instructions to complete this application and for a definition of all **bold** items. For additional help, call IRS Exempt Organizations Customer Account Services toll-free at 1-877-829-5500. Visit our website at **www.irs.gov** for forms and publications. If the required information and documents are not submitted with payment of the appropriate user fee, the application may be returned to you.

Attach additional sheets to this application if you need more space to answer fully. Put your name and EIN on each sheet and identify each answer by Part and line number. Complete Parts I - XI of Form 1023 and submit only those Schedules (A through H) that apply to you.

Part I Identification of Applicant

1 Full name of organization (exactly as it appears in your organizing document)		2 c/o Name (if applicable)	
3 Mailing address (Number and street) (see instructions)	Room/Suite	4 Employer Identification Number (EIN)	
City or town, state or country, and ZIP + 4		5 Month the annual accounting period ends (01 - 12)	
6 Primary contact (officer, director, trustee, or authorized representative) a Name:		b Phone:	
		c Fax: (optional)	

10 Are you represented by an authorized representative, such as an attorney or accountant? If "Yes," provide the authorized representative's name, and the name and address of the authorized representative's firm. Include a completed Form 2848, *Power of Attorney and Declaration of Representative*, with your application if you would like us to communicate with your representative. ☐ **Yes** ☐ **No**

11 Was a person who is not one of your officers, directors, trustees, employees, or an authorized representative listed in line 7, paid, or promised payment, to help plan, manage, or advise you about the structure or activities of your organization, or about your financial or tax matters? If "Yes," provide the person's name, the name and address of the person's firm, the amounts paid or promised to be paid, and describe that person's role. ☐ **Yes** ☐ **No**

9a Organization's website:

b Organization's email: (optional)

b Certain organizations are not required to file an information return (Form 990 or Form 990-EZ). If you are granted tax-exemption, are you claiming to be excused from filing Form 990 or Form 990-EZ? If "Yes," explain. See the instructions for a description of organizations not required to file Form 990 or Form 990-EZ. ☐ **Yes** ☐ **No**

c Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY) / /

d Were you formed under the laws of a **foreign country**? ☐ **Yes** ☐ **No**

If "Yes," state the country.

Part II Organizational Structure

You must be a corporation (including a limited liability company), an unincorporated association, or a trust to be tax exempt. (See instructions.) **DO NOT file this form unless you can check "Yes" on lines 1, 2, 3, or 4.**

- | | | | |
|-----------|---|-------------------------------------|------------------------------------|
| 1 | Are you a corporation ? If "Yes," attach a copy of your articles of incorporation showing certification of filing with the appropriate state agency. Include copies of any amendments to your articles and be sure they also show state filing certification. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2 | Are you a limited liability company (LLC) ? If "Yes," attach a copy of your articles of organization showing certification of filing with the appropriate state agency. Also, if you adopted an operating agreement, attach a copy. Include copies of any amendments to your articles and be sure they show state filing certification. Refer to the instructions for circumstances when an LLC should not file its own exemption application. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3 | Are you an unincorporated association ? If "Yes," attach a copy of your articles of association, constitution, or other similar organizing document that is dated and includes at least two signatures. Include signed and dated copies of any amendments. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4a | Are you a trust ? If "Yes," attach a signed and dated copy of your trust agreement. Include signed and dated copies of any amendments. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| b | Have you been funded? If "No," explain how you are formed without anything of value placed in trust. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 5 | Have you adopted bylaws ? If "Yes," attach a current copy showing date of adoption. If "No," explain how your officers, directors, or trustees are selected. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Part III Required Provisions in Your Organizing Document

The following questions are designed to ensure that when you file this application, your organizing document contains the required provisions to meet the organizational test under section 501(c)(3). Unless you can check the boxes in both lines 1 and 2, your organizing document does not meet the organizational test. **DO NOT file this application until you have amended your organizing document.** Submit your original and amended organizing documents (showing state filing certification if you are a corporation or an LLC) with your application.

- | | | |
|-----------|--|--------------------------|
| 1 | Section 501(c)(3) requires that your organizing document state your exempt purpose(s), such as charitable, religious, educational, and/or scientific purposes. Check the box to confirm that your organizing document meets this requirement. Describe specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document. Refer to the instructions for exempt purpose language. Location of Purpose Clause (Page, Article, and Paragraph): _____ | <input type="checkbox"/> |
| 2a | Section 501(c)(3) requires that upon dissolution of your organization, your remaining assets must be used exclusively for exempt purposes, such as charitable, religious, educational, and/or scientific purposes. Check the box on line 2a to confirm that your organizing document meets this requirement by express provision for the distribution of assets upon dissolution. If you rely on state law for your dissolution provision, do not check the box on line 2a and go to line 2c. | <input type="checkbox"/> |
| 2b | If you checked the box on line 2a, specify the location of your dissolution clause (Page, Article, and Paragraph). Do not complete line 2c if you checked box 2a. _____ | |
| 2c | See the instructions for information about the operation of state law in your particular state. Check this box if you rely on operation of state law for your dissolution provision and indicate the state: _____ | <input type="checkbox"/> |

Part IV Narrative Description of Your Activities

Using an attachment, describe your *past, present, and planned* activities in a narrative. If you believe that you have already provided some of this information in response to other parts of this application, you may summarize that information here and refer to the specific parts of the application for supporting details. You may also attach representative copies of newsletters, brochures, or similar documents for supporting details to this narrative. Remember that if this application is approved, it will be open for public inspection. Therefore, your narrative description of activities should be thorough and accurate. Refer to the instructions for information that must be included in your description.

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees,

Employees, and Independent Contractors

- 1a** List the names, titles, and mailing addresses of all of your officers, directors, and trustees. For each person listed, state their total annual **compensation**, or proposed compensation, for all services to the organization, whether as an officer, employee, or other position. Use actual figures, if available. Enter "none" if no compensation is or will be paid. If additional space is needed, attach a separate sheet. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)

Employees, and Independent Contractors (Continued)

- b** List the names, titles, and mailing addresses of each of your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation. Do not include officers, directors, or trustees listed in line 1a.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)

- c** List the names, names of businesses, and mailing addresses of your five highest compensated **independent contractors** that receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)

The following "Yes" or "No" questions relate to *past, present, or planned* relationships, transactions, or agreements with your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, and 1c.

- 2a** Are any of your officers, directors, or trustees **related** to each other through **family or business relationships**? If "Yes," identify the individuals and explain the relationship. ☐ **Yes** ☐ **No**

- b** Do you have a business relationship with any of your officers, directors, or trustees other than through their position as an officer, director, or trustee? If "Yes," identify the individuals and describe the business relationship with each of your officers, directors, or trustees.

- c** Are any of your officers, directors, or trustees related to your highest compensated employees or highest compensated independent contractors listed on lines 1b or 1c through family or business relationships? If "Yes," identify the individuals and explain the relationship.

- Do you or will you approve compensation arrangements in advance of paying compensation?

- 3a** For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.

- b** Do any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c receive compensation from any other organizations, whether tax exempt or taxable, that are related to you through **common control**? If "Yes," identify the individuals, explain the relationship between you and the other organization, and describe the compensation arrangement.

- Do you or will you document in writing the date and terms of approved compensation arrangements?

- 4** In establishing the compensation for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, and 1c, the following practices are recommended, although they are not required to obtain exemption. Answer "Yes" to all the practices you use.

- Do you or will the individuals that approve compensation arrangements follow a conflict of interest policy?

Yes	No			<input type="checkbox"/>	<input type="checkbox"/>
Yes	No			<input type="checkbox"/>	<input type="checkbox"/>
Yes	No			<input type="checkbox"/>	<input type="checkbox"/>
Yes	No			<input type="checkbox"/>	<input type="checkbox"/>
Yes	No			<input type="checkbox"/>	<input type="checkbox"/>
Yes	No			<input type="checkbox"/>	<input type="checkbox"/>
Yes	No			<input type="checkbox"/>	<input type="checkbox"/>

Employees, and Independent Contractors (Continued)

e Explain how you determine you pay no more than fair market value or you are paid at least fair market value.

f Attach copies of any signed leases, contracts, loans, or other agreements relating to such arrangements.

- Do you or will you record in writing the decision made by each individual who decided or voted on compensation arrangements?
- Do you or will you approve compensation arrangements based on information about compensation paid by **similarly situated** taxable or tax-exempt organizations for similar services, current compensation surveys compiled by independent firms, or actual written offers from similarly situated organizations? Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation.
- Do you or will you record in writing both the information on which you relied to base your decision and its source?
- If you answered "No" to any item on lines 4a through 4f, describe how you set compensation that is **reasonable** for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c. ☐

5a Have you adopted a **conflict of interest policy** consistent with the sample conflict of interest policy in Appendix A to the instructions? If "Yes," provide a copy of the policy and explain how the policy has been adopted, such as by resolution of your governing board. If "No," answer lines 5b and 5c.

- b** What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you for setting their own compensation?
- c** What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you regarding business deals with themselves?

Note: A conflict of interest policy is recommended though it is not required to obtain exemption. Hospitals, see Schedule C, Section I, line 14.

6a Do you or will you compensate any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, or 1c through **non-fixed payments**, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are determined, who is eligible for such arrangements, whether you place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation.

- b** Do you or will you compensate any of your employees, other than your officers, directors, trustees, or your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year, through non-fixed payments, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are or will be determined, who is or will be eligible for such arrangements, whether you place or will place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation.

7a Do you or will you purchase any goods, services, or assets from any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such purchase that you made or intend to make, from whom you make or will make such purchases, how the terms are or will be negotiated at **arm's length**, and explain how you determine or will determine that you pay no more than **fair market value**. Attach copies of any written contracts or other agreements relating to such purchases.

- b** Do you or will you sell any goods, services, or assets to any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such sales that you made or intend to make, to whom you make or will make such sales, how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you are or will be paid at least fair market value. Attach copies of any written contracts or other agreements relating to such sales.

8a Do you or will you have any leases, contracts, loans, or other agreements with your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," provide the information requested in lines 8b through 8f.

- b** Describe any written or oral arrangements that you made or intend to make.
- c** Identify with whom you have or will have such arrangements.
- d** Explain how the terms are or will be negotiated at arm's length.

<div></div>			
Yes	No	<input type="checkbox"/>	<input type="checkbox"/>
Yes	No	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
Yes	No	<input type="checkbox"/>	<input type="checkbox"/>
Yes	No	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
Yes	No	<input type="checkbox"/>	<input type="checkbox"/>

9a Do you or will you have any leases, contracts, loans, or other agreements with any organization in which any of your officers, directors, or trustees are also officers, directors, or trustees, or in which any individual officer, director, or trustee owns more than a 35% interest? If “Yes,” provide the information requested in lines 9b through 9f.	Yes	No
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Employees, and Independent Contractors (Continued)

- 2 Describe any written or oral arrangements you made or intend to make.
- 3 Identify with whom you have or will have such arrangements.
- 4 Explain how the terms are or will be negotiated at arm's length.
- 5 Explain how you determine or will determine you pay no more than fair market value or that you are paid at least fair market value.
- 6 Attach a copy of any signed leases, contracts, loans, or other agreements relating to such arrangements.

Part VI Your Members and Other Individuals and Organizations That Receive Benefits From You

The following "Yes" or "No" questions relate to goods, services, and funds you provide to individuals and organizations as part of your activities. Your answers should pertain to *past*, *present*, and *planned* activities. (See instructions.)

- 1a In carrying out your exempt purposes, do you provide goods, services, or funds to individuals? If "Yes," describe each program that provides goods, services, or funds to individuals. ☐ Yes ☐ No
- b In carrying out your exempt purposes, do you provide goods, services, or funds to organizations? If ☐ Yes ☐ No

"Yes," describe each program that provides goods, services, or funds to organizations.

- 1 Do any of your programs limit the provision of goods, services, or funds to a specific individual or group of specific individuals? For example, answer "Yes," if goods, services, or funds are provided only for a particular individual, your members, individuals who work for a particular employer, or graduates of a particular school. If "Yes," explain the limitation and how recipients are selected for each program. ☐ Yes ☐ No
- 2 Do any individuals who receive goods, services, or funds through your programs have a family or business relationship with any officer, director, trustee, or with any of your highest compensated employees or highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c? If "Yes," explain how these related individuals are eligible for goods, services, or funds. ☐ Yes ☐ No

Part VII Your History

The following "Yes" or "No" questions relate to your history. (See instructions.)

- b Are you a **successor** to another organization? Answer "Yes," if you have taken or will take over the activities of another organization; you took over 25% or more of the fair market value of the net assets of another organization; or you were established upon the conversion of an organization from for-profit to non-profit status. If "Yes," complete Schedule G. ☐ Yes ☐ No
- c Are you submitting this application more than 27 months after the end of the month in which you were legally formed? If "Yes," complete Schedule E. ☐ Yes ☐ No

Part VIII Your Specific Activities

The following "Yes" or "No" questions relate to specific activities that you may conduct. Check the appropriate box. Your answers should pertain to *past*, *present*, and *planned* activities. (See instructions.)

- 1 Do you support or oppose candidates in **political campaigns** in any way? If "Yes," explain. ☐ Yes ☐ No attempts to influence
- 2a Do you attempt to **influence legislation**? If "Yes," explain how you attempt to influence legislation and complete line 2b. If "No," go to line 3a. ☐ Yes ☐ No legislation are a
- b Have you made or are you making an **election** to have your legislative activities measured by expenditures by filing Form 5768? If "Yes," attach a copy of the Form 5768 that was already filed or attach a completed Form 5768 that you are filing with this application. If "No," describe whether your ☐ Yes ☐ No substantial part of your activities. Include the

time and money spent on your attempts to influence legislation as compared to your total activities.

☐ **Yes** ☐ **No**
☐ **Yes** ☐ **No**
☐ **Yes** ☐ **No**

3a Do you or will you operate bingo or **gaming** activities? If "Yes," describe who conducts them, and list all revenue received or expected to be received and expenses paid or expected to be paid in operating these activities. **Revenue and expenses** should be provided for the time periods specified in Part IX, Financial Data.

☐ **Yes** ☐ **No**

b Do you or will you enter into contracts or other agreements with individuals or organizations to conduct bingo or gaming for you? If "Yes," describe any written or oral arrangements that you made or intend to make, identify with whom you have or will have such arrangements, explain how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you pay no more than fair market value or you will be paid at least fair market value. Attach copies of any written contracts or other agreements relating to such arrangements.

☐ **Yes** ☐ **No**

c List the states and local jurisdictions, including Indian Reservations, in which you conduct or will

conduct gaming or bingo.

Part VIII Your Specific Activities (Continued)

4a Do you or will you undertake **fundraising**? If “Yes,” check all the fundraising programs you do or will conduct. (See instructions.) ☐ **Yes** ☐ **No**

- | | |
|---|--|
| <input type="checkbox"/> mail solicitations | <input type="checkbox"/> phone solicitations |
| <input type="checkbox"/> email solicitations | <input type="checkbox"/> accept donations on your website |
| <input type="checkbox"/> personal solicitations | <input type="checkbox"/> receive donations from another organization's website |
| <input type="checkbox"/> vehicle, boat, plane, or similar donations | <input type="checkbox"/> government grant solicitations |
| <input type="checkbox"/> foundation grant solicitations | <input type="checkbox"/> Other |

Attach a description of each fundraising program.

b Do you or will you have written or oral contracts with any individuals or organizations to raise funds for you? If “Yes,” describe these activities. Include all revenue and expenses from these activities and state who conducts them. Revenue and expenses should be provided for the time periods specified in Part IX, Financial Data. Also, attach a copy of any contracts or agreements. ☐ **Yes** ☐ **No**

c Do you or will you engage in fundraising activities for other organizations? If “Yes,” describe these arrangements. Include a description of the organizations for which you raise funds and attach copies of all contracts or agreements. ☐ **Yes** ☐ **No**

d List all states and local jurisdictions in which you conduct fundraising. For each state or local jurisdiction listed, specify whether you fundraise for your own organization, you fundraise for another organization, or another organization fundraises for you.

e Do you or will you maintain separate accounts for any contributor under which the contributor has the right to advise on the use or distribution of funds? Answer “Yes” if the donor may provide advice on the types of investments, distributions from the types of investments, or the distribution from the donor’s contribution account. If “Yes,” describe this program, including the type of advice that may be provided and submit copies of any written materials provided to donors. ☐ **Yes** ☐ **No**

5 Are you **affiliated** with a governmental unit? If “Yes,” explain.

6a Do you or will you engage in **economic development**? If “Yes,” describe your program. ☐ **Yes** ☐ **No**

b Describe in full who benefits from your economic development activities and how the activities ☐ **Yes** ☐ **No**

promote exempt purposes.

7a Do or will persons other than your employees or volunteers **develop** your facilities? If “Yes,” describe each facility, the role of the developer, and any business or family relationship(s) between the developer and your officers, directors, or trustees.

b Do or will persons other than your employees or volunteers **manage** your activities or facilities? If “Yes,” describe each activity and facility, the role of the manager, and any business or family relationship(s) between the manager and your officers, directors, or trustees.

c If there is a business or family relationship between any manager or developer and your officers, directors, or trustees, identify the individuals, explain the relationship, describe how contracts are negotiated at arm’s length so that you pay no more than fair market value, and submit a copy of any contracts or other agreements.

8 Do you or will you enter into **joint ventures**, including partnerships or **limited liability companies** treated as partnerships, in which you share profits and losses with partners other than section 501(c)(3) organizations? If “Yes,” describe the activities of these joint ventures in which you participate.

~~**9a** Are you applying for exemption as a childcare organization under section 501(k)? If “Yes,” answer lines 9b through 9d. If “No,” go to line 10.~~

16 Do you provide child care so that parents or caretakers of children you care for can be **gainfully employed** (see instructions)? If “No,” explain how you qualify as a childcare organization described in section 501(k).

17 Of the children for whom you provide child care, are 85% or more of them cared for by you to enable their parents or caretakers to be gainfully employed (see instructions)? If

"No," explain how you qualify as a childcare organization described in section 501(k).

☐ **Yes** ☐ **No**

18 Are your services available to the general public? If "No," describe the specific group of people for whom your activities are available. Also, see the instructions and explain how you qualify as a childcare organization described in section 501(k).

☐ **Yes** ☐ **No**

10 Do you or will you publish, own, or have rights in music, literature, tapes, artworks, choreography, scientific discoveries, or other **intellectual property**? If "Yes," explain. Describe who owns or will own any copyrights, patents, or trademarks, whether fees are or will be charged, how the fees are determined, and how any items are or will be produced, distributed, and marketed.

☐ **Yes** ☐ **No**

☐ **Yes** ☐ **No**

☐ **Yes** ☐ **No**

☐ **Yes** ☐ **No**

☐ **Yes** ☐ **No**

☐ **Yes** ☐ **No**

Part VIII Your Specific Activities (Continued)

11	Do you or will you accept contributions of: real property; conservation easements; closely held securities; intellectual property such as patents, trademarks, and copyrights; works of music or art; licenses; royalties; automobiles, boats, planes, or other vehicles; or collectibles of any type? If "Yes," describe each type of contribution, any conditions imposed by the donor on the contribution, and any agreements with the donor regarding the contribution.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<hr/>			
12a	Do you or will you operate in a foreign country or countries ? If "Yes," answer lines 12b through 12d. If "No," go to line 13a.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b	Name the foreign countries and regions within the countries in which you operate.		
c	Describe your operations in each country and region in which you operate.		
d	Describe how your operations in each country and region further your exempt purposes.		
<hr/>			
13a	Do you or will you make grants, loans, or other distributions to organization(s)? If "Yes," answer lines 13b through 13g. If "No," go to line 14a.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b	Describe how your grants, loans, or other distributions to organizations further your exempt purposes. Do	<input type="checkbox"/> Yes	<input type="checkbox"/> No
c	you have written contracts with each of these organizations? If "Yes," attach a copy of each contract.		
d	Identify each recipient organization and any relationship between you and the recipient organization.		
e	Describe the records you keep with respect to the grants, loans, or other distributions you make.		
f	Describe your selection process, including whether you do any of the following:		
14.	Do you require an application form? If "Yes," attach a copy of the form.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
15.	Do you require a grant proposal? If "Yes," describe whether the grant proposal specifies your responsibilities and those of the grantee, obligates the grantee to use the grant funds only for the purposes for which the grant was made, provides for periodic written reports concerning the use of grant funds, requires a final written report and an accounting of how grant funds were used, and acknowledges your authority to withhold and/or recover grant funds in case such funds are, or appear to be, misused.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
g	Describe your procedures for oversight of distributions that assure you the resources are used to further your exempt purposes, including whether you require periodic and final reports on the use of resources.		
<hr/>			
14a	Do you or will you make grants, loans, or other distributions to foreign organizations? If "Yes," answer lines 14b through 14f. If "No," go to line 15.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b	Provide the name of each foreign organization, the country and regions within a country in which each foreign organization operates, and describe any relationship you have with each foreign organization.		
c	Does any foreign organization listed in line 14b accept contributions earmarked for a specific country or specific organization? If "Yes," list all earmarked organizations or countries.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
d	Do your contributors know that you have ultimate authority to use contributions made to you at your discretion for purposes consistent with your exempt purposes? If "Yes," describe how you relay this information to contributors.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
e	Do you or will you make pre-grant inquiries about the recipient organization? If "Yes," describe these inquiries, including whether you inquire about the recipient's financial status, its tax-exempt status under the Internal Revenue Code, its ability to accomplish the purpose for which the resources are provided, and other relevant information.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
f	Do you or will you use any additional procedures to ensure that your distributions to foreign organizations are used in furtherance of your exempt purposes? If "Yes," describe these procedures, including site visits by your employees or compliance checks by impartial experts, to verify that grant funds are being used appropriately.	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part VIII Your Specific Activities (Continued)

15 Do you have a **close connection** with any organizations? If “Yes,” explain. ☐ **Yes** ☐ **No**

(e) Are you applying for exemption as a **cooperative hospital service organization** under section 501(e)? If “Yes,” explain. ☐ **Yes** ☐ **No**

(f) Are you applying for exemption as a **cooperative service organization of operating educational organizations** under section 501(f)? If “Yes,” explain. ☐ **Yes** ☐ **No**

(g) Are you applying for exemption as a **charitable risk pool** under section 501(n)? If “Yes,” explain. ☐ **Yes** ☐ **No**

(h) Do you or will you operate a **school**? If “Yes,” complete Schedule B. Answer “Yes,” whether you operate a school as your main function or as a secondary activity. ☐ **Yes** ☐ **No**

(i) Is your main function to provide **hospital** or **medical care**? If “Yes,” complete Schedule C. ☐ **Yes** ☐ **No**

(j) Do you or will you provide **low-income housing** or housing for the **elderly** or **handicapped**? If “Yes,” complete Schedule F. ☐ **Yes** ☐ **No**

“Yes,” complete Schedule F.

(k) Do you or will you provide scholarships, fellowships, educational loans, or other educational grants to individuals, including grants for travel, study, or other similar purposes? If “Yes,” complete Schedule H. ☐ **Yes** ☐ **No**

Schedule H.

Note: Private foundations may use Schedule H to request advance approval of individual grant procedures.

Part IX Financial Data

For purposes of this schedule, years in existence refer to completed tax years. If in existence 4 or more years, complete the schedule for the most recent 4 tax years. If in existence more than 1 year but less than 4 years, complete the statements for each year in existence and provide projections of your likely revenues and expenses based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. If in existence less than 1 year, provide projections of your likely revenues and expenses for the current year and the 2 following years, based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. (See instructions.)

(a) Statement of Revenues and Expenses

	Type of revenue or expense	Current tax year	3 prior tax years or 2 succeeding tax years				1 Provide Total for • thr
		(a) From	(b) From	(c) From	(d) From		
		To	To	To	To		
Revenues	1 Gifts, grants, and contributions received (do not include unusual grants)						
	2 Membership fees received						
	3 Gross investment income						
	4 Net unrelated business income						
	5 Taxes levied for your benefit						
	6 Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)						
	7 Any revenue not otherwise listed above or in lines 9–12 below (attach an itemized list)						
	8 Total of lines 1 through 7						
	9 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)						
	10 Total of lines 8 and 9						
	11 Net gain or loss on sale of capital assets (attach schedule and see instructions)						
	12 Unusual grants						
	13 Total Revenue Add lines 10 through 12						
Expe	14 Fundraising expenses						
	15 Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)						
	16 Disbursements to or for the benefit of members (attach an itemized list)						
	17 Compensation of officers, directors, and trustees						
	18 Other salaries and wages						
	19 Interest expense						
	20 Occupancy (rent, utilities, etc.)						
	21 Depreciation and depletion						
	22 Professional fees						
	23 Any expense not otherwise classified, such as program services (attach itemized list)						

	24 Total Expenses Add lines 14 through 23		236			
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Part IX Financial Data (Continued)

B. Balance Sheet (for your most recently completed tax year)		Year End:
		(Whole dollars)
Assets		
2	Cash	1
3	Accounts receivable, net	2
4	Inventories	3
5	Bonds and notes receivable (attach an itemized list)	4
6	Corporate stocks (attach an itemized list)	5
7	Loans receivable (attach an itemized list)	6
8	Other investments (attach an itemized list)	7
9	Depreciable and depletable assets (attach an itemized list)	8
10	Land	9
11	Other assets (attach an itemized list)	10
12	Total Assets (add lines 1 through 10)	11
Liabilities		
13	Accounts payable	12
14	Contributions, gifts, grants, etc. payable	13
15	Mortgages and notes payable (attach an itemized list)	14
16	Other liabilities (attach an itemized list)	15
17	Total Liabilities (add lines 12 through 15)	16
Fund Balances or Net Assets		
18	Total fund balances or net assets	17
19	Total Liabilities and Fund Balances or Net Assets (add lines 16 and 17)	18

- 19 Have there been any substantial changes in your assets or liabilities since the end of the period shown above? If "Yes," explain.
- Yes ☐ No ☐

Part X Public Charity Status

Part X is designed to classify you as an organization that is either a **private foundation** or a **public charity**. Public charity status is a more favorable tax status than private foundation status. If you are a private foundation, Part X is designed to further determine whether you are a **private operating foundation**. (See instructions.)

- 1a Are you a private foundation? If "Yes," go to line 1b. If "No," go to line 5 and proceed as instructed.
- Yes ☐ No ☐
- If you are unsure, see the instructions.

- b As a private foundation, section 508(e) requires special provisions in your organizing document in addition to those that apply to all organizations described in section 501(c)(3). Check the box to confirm that your organizing document meets this requirement, whether by express provision or by reliance on operation of state law. Attach a statement that describes specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document or by operation of state law. See the instructions, including Appendix B, for information about the special provisions that need to be contained in your organizing document.
- ☐

Go to line 2.

- a Are you a private operating foundation? To be a private operating foundation you must engage directly in the active conduct of charitable, religious, educational, and similar activities, as opposed to indirectly carrying out these activities by providing grants to individuals or other organizations. If "Yes," go to line 3. If "No," go to the signature section of Part XI.
- Yes ☐ No ☐
- b Have you existed for one or more years? If "Yes," attach financial information showing that you are a private operating foundation; go to the signature section of Part XI. If "No," continue to line 4.
- Yes ☐ No ☐
- c Have you attached either (1) an affidavit or opinion of counsel, (including a written affidavit or opinion from a certified public accountant or accounting firm with expertise regarding this tax law matter), that sets forth facts concerning your operations and support to demonstrate that you are likely to satisfy the requirements to be classified as a private operating foundation; or (2) a statement describing your proposed operations as a private operating foundation?
- Yes ☐ No ☐

- d** If you answered “No” to line 1a, indicate the type of public charity status you are requesting by checking one of the choices below. You may check only one box.

The organization is not a private foundation because it is:

- (i)** 509(a)(1) and 170(b)(1)(A)(i)—a church or a convention or association of churches. Complete and attach Schedule A. ☐
- (ii)** 509(a)(1) and 170(b)(1)(A)(ii)—a **school**. Complete and attach Schedule B. ☐
- (iii)** 509(a)(1) and 170(b)(1)(A)(iii)—a **hospital**, a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital. Complete and attach Schedule C. ☐
- (iv)** 509(a)(3)—an organization supporting either one or more organizations described in line 5a through c, f, g, or h or a publicly supported section 501(c)(4), (5), or (6) organization. Complete and attach Schedule D. ☐

Part X **Public Charity Status** *(Continued)*

- (v) 509(a)(4)—an organization organized and operated exclusively for testing for public safety. ☐
- (vi) 509(a)(1) and 170(b)(1)(A)(iv)—an organization operated for the benefit of a college or university that is owned or operated by a governmental unit. ☐
- (vii) 509(a)(1) and 170(b)(1)(A)(vi)—an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public. ☐
- (viii) 509(a)(2)—an organization that normally receives not more than one-third of its financial support from gross **investment income** and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions). ☐
- (ix) A publicly supported organization, but unsure if it is described in 5g or 5h. The organization would like the IRS to decide the correct status. ☐

e If you checked box g, h, or i in question 5 above, you must request either an **advance** or a **definitive ruling** by selecting one of the boxes below. Refer to the instructions to determine which type of ruling you are eligible to receive.

- 1 Request for Advance Ruling:** By checking this box and signing the consent, pursuant to section 6501(c)(4) of the Code you request an advance ruling and agree to extend the statute of limitations on the assessment of excise tax under section 4940 of the Code. The tax will apply only if you do not establish public support status at the end of the 5-year advance ruling period. The assessment period will be extended for the 5 advance ruling years to 8 years, 4 months, and 15 days beyond the end of the first year. You have the right to refuse or limit the extension to a mutually agreed-upon period of time or issue(s). Publication 1035, *Extending the Tax Assessment Period*, provides a more detailed explanation of your rights and the consequences of the choices you make. You may obtain Publication 1035 free of charge from the IRS web site at www.irs.gov or by calling toll-free 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled. If you decide not to extend the statute of limitations, you are not eligible for an advance ruling. ☐

Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

For Organization

.....
(Signature of Officer, Director, Trustee, or other
authorized official).....
(Type or print name of signer).....
(Date).....
(Type or print title or authority of signer)

For IRS Use Only

.....
IRS Director, Exempt Organizations.....
(Date)

- 2 Request for Definitive Ruling:** Check this box if you have completed one tax year of at least 8 full months and you are requesting a definitive ruling. To confirm your public support status, answer line 6b(i) if you checked box g in line 5 above. Answer line 6b(ii) if you checked box h in line 5 above. If you checked box i in line 5 above, answer both lines 6b(i) and (ii). ☐
- **(a)** Enter 2% of line 8, column (e) on Part IX-A. Statement of Revenues and Expenses. _____
 - **(b)** Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," check this box. ☐
 - **(a)** For each year amounts are included on lines 1, 2, and 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each **disqualified person**. If the answer is "None," check this box. ☐

(b) For each year amounts are included on line 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A. Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," check this box

☐☐☐

Did you receive any unusual grants during any of the years shown on Part IX-A. Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual

Part XI **User Fee Information**

*You must include a user fee payment with this application. It will not be processed without your paid 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. Your check or money order must be made payable to the United States Treasury. *User fees are subject to change. Check our 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.**

- 3** Have your annual gross receipts averaged or are they expected to average not more than \$10,000? ☐ **Yes** ☐ **No**
If "Yes," check the box on line 2 and enclose a user fee payment of \$300 (Subject to change—see above).
If "No," check the box on line 3 and enclose a user fee payment of \$750 (Subject to change—see above).
- 4** Check the box if you have enclosed the reduced user fee payment of \$300 (Subject to change).
- 5** Check the box if you have enclosed the user fee payment of \$750 (Subject to change).

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please

**Sign
Here**



(Signature of Officer, Director, Trustee, or ~~the~~

authorized official)

.....
(Type or print name of signer)

.....
(Date)

.....
(Type or print title or authority of signer)

Reminder: Send the completed Form 1023 Checklist with your filled-in-application.

Form **1023** (Rev. 6-2006)

Schedule A. Churches

1a Do you have a written creed, statement of faith, or summary of beliefs? If "Yes," attach copies of relevant documents.	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
b Do you have a form of worship? If "Yes," describe your form of worship.		Yes		No
2a Do you have a formal code of doctrine and discipline? If "Yes," describe your code of doctrine and discipline.	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
b Do you have a distinct religious history? If "Yes," describe your religious history.	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
c Do you have a literature of your own? If "Yes," describe your literature.	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
3 Describe the organization's religious hierarchy or ecclesiastical government.				
4a Do you have regularly scheduled religious services? If "Yes," describe the nature of the services and provide representative copies of relevant literature such as church bulletins.	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
b What is the average attendance at your regularly scheduled religious services?				
5a Do you have an established place of worship? If "Yes," refer to the instructions for the information required.	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
b Do you own the property where you have an established place of worship?		Yes		No
6 Do you have an established congregation or other regular membership group? If "No," refer to the instructions.		Yes		No
7 How many members do you have?				
8a Do you have a process by which an individual becomes a member? If "Yes," describe the process and complete lines 8b–8d, below.	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
b If you have members, do your members have voting rights, rights to participate in religious functions, or other rights? If "Yes," describe the rights your members have.	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
c May your members be associated with another denomination or church?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
d Are all of your members part of the same family?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
9 Do you conduct baptisms, weddings, funerals, etc.?				
10 Do you have a school for the religious instruction of the young?		Yes		No
11a Do you have a minister or religious leader? If "Yes," describe this person's role and explain whether the minister or religious leader was ordained, commissioned, or licensed after a prescribed course of study.	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
b Do you have schools for the preparation of your ordained ministers or religious leaders?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
12 Is your minister or religious leader also one of your officers, directors, or trustees?		Yes		No
13 Do you ordain, commission, or license ministers or religious leaders? If "Yes," describe the	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No

requirements for ordination, commission, or licensure.

14 Are you part of a group of churches with similar beliefs and structures? If "Yes," explain. Include the ☐ **Yes** ☐ **No**
name of the group of churches.

15 Do you issue church charters? If "Yes," describe the requirements for issuing a charter. ☐ **Yes** ☐ **No**

16 Did you pay a fee for a church charter? If "Yes," attach a copy of the charter. **Yes** **No**

17 Do you have other information you believe should be considered regarding your status as a church? ☐ **Yes** ☐ **No**

If "Yes," explain.

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Schedule B. Schools, Colleges, and Universities

If you operate a school as an activity, complete Schedule B

Section I Operational Information

1a Do you normally have a regularly scheduled curriculum, a regular faculty of qualified teachers, a regularly enrolled student body, and facilities where your educational activities are regularly carried on? If "No," do not complete the remainder of Schedule B. ☐ **Yes** ☐ **No**

b Is the primary function of your school the presentation of formal instruction? If "Yes," describe your school in terms of whether it is an elementary, secondary, college, technical, or other type of school. If "No," do not complete the remainder of Schedule B. ☐ **Yes** ☐ **No**

2a Are you a public school because you are operated by a state or subdivision of a state? If "Yes," explain how you are operated by a state or subdivision of a state. Do not complete the remainder of Schedule B. ☐ **Yes** ☐ **No**

b Are you a public school because you are operated wholly or predominantly from government funds or property? If "Yes," explain how you are operated wholly or predominantly from government funds or property. Submit a copy of your funding agreement regarding government funding. Do not complete the remainder of Schedule B. ☐ **Yes** ☐ **No**

3 In what public school district, county, and state are you located?

4 Were you formed or substantially expanded at the time of public school desegregation in the above school district or county? ☐ **Yes** ☐ **No**

5 Has a state or federal administrative agency or judicial body ever determined that you are racially discriminatory? If "Yes," explain. ☐ **Yes** ☐ **No**

6 Has your right to receive financial aid or assistance from a governmental agency ever been revoked or suspended? If "Yes," explain. ☐ **Yes** ☐ **No**

7 Do you or will you contract with another organization to develop, build, market, or finance your facilities? If "Yes," explain how that entity is selected, explain how the terms of any contracts or other agreements are negotiated at arm's length, and explain how you determine that you will pay no more than fair market value for services. ☐ **Yes** ☐ **No**

Note. Make sure your answer is consistent with the information provided in Part VIII, line 7a.

8 Do you or will you manage your activities or facilities through your own employees or volunteers? If "No," attach a statement describing the activities that will be managed by others, the names of the persons or organizations that manage or will manage your activities or facilities, and how these managers were or will be selected. Also, submit copies of any contracts, proposed contracts, or other agreements regarding the provision of management services for your activities or facilities. Explain how the terms of any contracts or other agreements were or will be negotiated, and explain how you determine you will pay no more than fair market value for services. ☐ **Yes** ☐ **No**

Note. Answer "Yes" if you manage or intend to manage your programs through your own employees or by using volunteers. Answer "No" if you engage or intend to engage a separate organization or independent contractor. Make sure your answer is consistent with the information provided in Part VIII, line 7b.

Section II Establishment of Racially Nondiscriminatory Policy

Information required by **Revenue Procedure 75-50.**

1 Have you adopted a racially nondiscriminatory policy as to students in your organizing document, bylaws, or by resolution of your governing body? If "Yes," state where the policy can be found or supply a copy of the policy. If "No," you must adopt a nondiscriminatory policy as to students before submitting this application. See Publication 557. ☐ **Yes** ☐ **No**

2 Do your brochures, application forms, advertisements, and catalogues dealing with student admissions, programs, and scholarships contain a statement of your racially nondiscriminatory policy? ☐ **Yes** ☐ **No**

a If "Yes," attach a representative sample of each document.

b If "No," by checking the box to the right you agree that all future printed materials, including website

☐

content, will contain the required nondiscriminatory policy statement.

3 Have you published a notice of your nondiscriminatory policy in a newspaper of general circulation that serves all racial segments of the community? (See the instructions for specific requirements.) If "No," explain. ☐ **Yes** ☐ **No**

4 Does or will the organization (or any department or division within it) discriminate in any way on the basis of race with respect to admissions; use of facilities or exercise of student privileges; faculty or administrative staff; or scholarship or loan programs? If "Yes," for any of the above, explain fully. ☐ **Yes** ☐ **No**

Schedule B. Schools, Colleges, and Universities (Continued)

- 5** Complete the table below to show the racial composition for the current academic year and projected for the next academic year, of: (a) the student body, (b) the faculty, and (c) the administrative staff. Provide actual numbers rather than percentages for each racial category.

If you are not operational, submit an estimate based on the best information available (such as the racial composition of the community served).

Racial Category	(a) Student Body		(b) Faculty		(c) Administrative Staff	
	Current Year	Next Year	Current Year	Next Year	Current Year	Next Year
Total						

- 6** In the table below, provide the number and amount of loans and scholarships awarded to students enrolled by racial categories.

Racial Category	Number of Loans		Amount of Loans		Number of Scholarships		Amount of Scholarships	
	Current Year	Next Year	Current Year	Next Year	Current Year	Next Year	Current Year	Next Year
Total								

- 7a** Attach a list of your incorporators, founders, board members, and donors of land or buildings, whether individuals or organizations.

b Do any of these individuals or organizations have an objective to maintain segregated public or private school education? If "Yes," explain. ☐ **Yes** ☐ **No**

- 8** Will you maintain records according to the non-discrimination provisions contained in Revenue Procedure 75-50? If "No," explain. (See instructions.) ☐ **Yes** ☐ **No**

Schedule C. Hospitals and Medical Research Organizations

Check the box if you are a **hospital**. See the instructions for a definition of the term "hospital," which includes an organization whose principal purpose or function is providing **hospital** or **medical care**. Complete Section I below. ☐

Check the box if you are a **medical research organization** operated in conjunction with a hospital. See the instructions for a definition of the term "medical research organization," which refers to an organization whose principal purpose or function is medical research and which is directly engaged in the continuous active conduct of medical research in conjunction with a hospital. Complete Section II. ☐

Section I Hospitals

1a Are all the doctors in the community eligible for staff privileges? If "No," give the reasons why and explain how the medical staff is selected. ☐ **Yes** ☐ **No**

2a Do you or will you provide medical services to all individuals in your community who can pay for themselves or have private health insurance? If "No," explain. ☐ **Yes** ☐ **No**

b Do you or will you provide medical services to all individuals in your community who participate in Medicare? If "No," explain. ☐ **Yes** ☐ **No**

c Do you or will you provide medical services to all individuals in your community who participate in Medicaid? If "No," explain. ☐ **Yes** ☐ **No**

3a Do you or will you require persons covered by Medicare or Medicaid to pay a deposit before receiving services? If "Yes," explain. ☐ **Yes** ☐ **No**

b Does the same deposit requirement, if any, apply to all other patients? If "No," explain. ☐ **Yes** ☐ **No**

4a Do you or will you maintain a full-time emergency room? If "No," explain why you do not maintain a full-time emergency room. Also, describe any emergency services that you provide. ☐ **Yes** ☐ **No**

b Do you have a policy on providing emergency services to persons without apparent means to pay? If "Yes," provide a copy of the policy. ☐ **Yes** ☐ **No**

c Do you have any arrangements with police, fire, and voluntary ambulance services for the delivery or admission of emergency cases? If "Yes," describe the arrangements, including whether they are written or oral agreements. If written, submit copies of all such agreements. ☐ **Yes** ☐ **No**

5a Do you provide for a portion of your services and facilities to be used for charity patients? If "Yes," answer 5b through 5e. ☐ **Yes** ☐ **No**

b Explain your policy regarding charity cases, including how you distinguish between charity care and bad debts. Submit a copy of your written policy. ☐ **Yes** ☐ **No**

c Provide data on your past experience in admitting charity patients, including amounts you expend for treating charity care patients and types of services you provide to charity care patients. ☐ **Yes** ☐ **No**

d Describe any arrangements you have with federal, state, or local governments or government agencies for paying for the cost of treating charity care patients. Submit copies of any written agreements. ☐ **Yes** ☐ **No**

e Do you provide services on a sliding fee schedule depending on financial ability to pay? If "Yes," submit your sliding fee schedule. ☐ **Yes** ☐ **No**

6a Do you or will you carry on a formal program of medical training or medical research? If "Yes," describe such programs, including the type of programs offered, the scope of such programs, and affiliations with other hospitals or medical care providers with which you carry on the medical training or research programs. professional relationship with the hospital. Also, identify each board member who is representative of the community and describe how that individual is

b Do you or will you carry on a formal program of community education? If "Yes," describe such programs, including the type of programs offered, the scope of such programs, and affiliation with other hospitals or medical care providers with which you offer community education programs. representative of the community and describe how that individual is

7 Do you or will you provide office space to physicians carrying on their own medical practices? If "Yes," describe the criteria for who may use the space, explain the means used to determine that you are paid at least fair market value, and submit representative lease agreements. representative of the community and describe how that individual is

8 Is your board of directors comprised of a majority of individuals who are representative of the community you serve? Include a list of each board member's name and business, financial, or representative of the community and describe how that individual is

a community representative.

☐ **Yes** ☐ **No**

- 9** Do you participate in any joint ventures? If "Yes," state your ownership percentage in each joint venture, list your investment in each joint venture, describe the tax status of other participants in each joint venture (including whether they are section 501(c)(3) organizations), describe the activities of each joint venture, describe how you exercise control over the activities of each joint venture, and describe how each joint venture furthers your exempt purposes. Also, submit copies of all agreements.

☐ **Yes** ☐ **No**

☐ **Yes** ☐ **No**

☐ **Yes** ☐ **No**

☐ **Yes** ☐ **No**

Note. Make sure your answer is consistent with the information provided in Part VIII, line

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Schedule C. Hospitals and Medical Research Organizations (Continued)

Section I Hospitals (Continued)

- | | | |
|--|---|--|
| 10 | Do you or will you manage your activities or facilities through your own employees or volunteers? If "No," attach a statement describing the activities that will be managed by others, the names of the persons or organizations that manage or will manage your activities or facilities, and how these managers were or will be selected. Also, submit copies of any contracts, proposed contracts, or other agreements regarding the provision of management services for your activities or facilities. Explain how the terms of any contracts or other agreements were or will be negotiated, and explain how you determine you will pay no more than fair market value for services. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>Note. Answer "Yes" if you do manage or intend to manage your programs through your own employees or by using volunteers. Answer "No" if you engage or intend to engage a separate organization or independent contractor. Make sure your answer is consistent with the information provided in Part VIII, line 7b.</p> | | |
| 11 | Do you or will you offer recruitment incentives to physicians? If "Yes," describe your recruitment incentives and attach copies of all written recruitment incentive policies. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 12 | Do you or will you lease equipment, assets, or office space from physicians who have a financial or professional relationship with you? If "Yes," explain how you establish a fair market value for the lease. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 13 | Have you purchased medical practices, ambulatory surgery centers, or other business assets from physicians or other persons with whom you have a business relationship, aside from the purchase? If "Yes," submit a copy of each purchase and sales contract and describe how you arrived at fair market value, including copies of appraisals. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 14 | Have you adopted a conflict of interest policy consistent with the sample health care organization conflict of interest policy in Appendix A of the instructions? If "Yes," submit a copy of the policy and explain how the policy has been adopted, such as by resolution of your governing board. If "No," explain how you will avoid any conflicts of interest in your business dealings. | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Section II Medical Research Organizations

- | | |
|----------|---|
| 1 | Name the hospitals with which you have a relationship and describe the relationship. Attach copies of written agreements with each hospital that demonstrate continuing relationships between you and the hospital(s). |
| 2 | Attach a schedule describing your present and proposed activities for the direct conduct of medical research; describe the nature of the activities, and the amount of money that has been or will be spent in carrying them out. |
| 3 | Attach a schedule of assets showing their fair market value and the portion of your assets directly devoted to medical research. |
-

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Schedule D. Section 509(a)(3) Supporting Organizations
Identifying Information About the Supported Organization(s)

- 1 State the names, addresses, and EINs of the supported organizations. If additional space is needed, attach a separate sheet.

Name	Address	EIN
		-

- 2 Are all supported organizations listed in line 1 public charities under section 509(a)(1) or (2)? If "Yes," go to Section II. If "No," go to line 3. ☐ Yes ☐ No

- 3 Do the supported organizations have tax-exempt status under section 501(c)(4), 501(c)(5), or 501(c)(6)? ☐ Yes ☐ No

If "Yes," for each 501(c)(4), (5), or (6) organization supported, provide the following financial information:

- Part IX-A. Statement of Revenues and Expenses, lines 1–13 and
- Part X, lines 6b(ii)(a), 6b(ii)(b), and 7.

If "No," attach a statement describing how each organization you support is a public charity under section 509(a)(1) or (2).

Section II Relationship with Supported Organization(s)—Three Tests

To be classified as a supporting organization, an organization must meet one of three relationship tests:

Test 1: "Operated, supervised, or controlled by" one or more publicly supported organizations, or

Test 2: "Supervised or controlled in connection with" one or more publicly supported organizations, or

Test 3: "Operated in connection with" one or more publicly supported organizations.

- 1 Information to establish the "operated, supervised, or controlled by" relationship (Test 1)
 Is a majority of your governing board or officers elected or appointed by the supported organization(s)? If "Yes," describe the process by which your governing board is appointed and elected; go to Section III. If "No," continue to line 2. ☐ Yes ☐ No

- 2 Information to establish the "supervised or controlled in connection with" relationship (Test 2)
 Does a majority of your governing board consist of individuals who also serve on the governing board of the supported organization(s)? If "Yes," describe the process by which your governing board is appointed and elected; go to Section III. If "No," go to line 3. ☐ Yes ☐ No

- 3 Information to establish the "operated in connection with" responsiveness test (Test 3)
 Are you a trust from which the named supported organization(s) can enforce and compel an accounting under state law? If "Yes," explain whether you advised the supported organization(s) in writing of these rights and provide a copy of the written communication documenting this; go to Section II, line 5. If "No," go to line 4a. ☐ Yes ☐ No

- 4 Information to establish the alternative "operated in connection with" responsiveness test (Test 3)
- a Do the officers, directors, trustees, or members of the supported organization(s) elect or appoint one or more of your officers, directors, or trustees? If "Yes," explain and provide documentation; go to line 4d, below. If "No," go to line 4b. ☐ Yes ☐ No
- b Do one or more members of the governing body of the supported organization(s) also serve as your officers, directors, or trustees or hold other important offices with respect to you? If "Yes," explain and provide documentation; go to line 4d, below. If "No," go to line 4c. ☐ Yes ☐ No
- c Do your officers, directors, or trustees maintain a close and continuous working relationship with the officers, directors, or trustees of the supported organization(s)? If "Yes," explain and provide documentation. ☐ Yes ☐ No
- d Do the supported organization(s) have a significant voice in your investment policies, in the making and timing of grants, and in otherwise directing the use of your income or assets? If "Yes," explain and provide documentation. ☐ Yes ☐ No
- e Describe and provide copies of written communications documenting how you made the supported organization(s) aware of your supporting activities. ☐ Yes ☐ No

Schedule D. Section 509(a)(3) Supporting Organizations (Continued)

Section II Relationship with Supported Organization(s)—Three Tests (Continued)

- 5 Information to establish the “operated in connection with” integral part test (Test 3)
Do you conduct activities that would otherwise be carried out by the supported organization(s)? If ☐ Yes ☐ No

“Yes,” explain and go to Section III. If “No,” continue to line 6a.

- 6 Information to establish the alternative “operated in connection with” integral part test (Test 3)
a Do you distribute at least 85% of your annual **net income** to the supported organization(s)? If “Yes,” go to line 6b. (See instructions.) ☐ Yes ☐ No
If “No,” state the percentage of your income that you distribute to each supported organization. Also explain how you ensure that the supported organization(s) are attentive to your operations.
b How much do you contribute annually to each supported organization? Attach a schedule.
c What is the total annual revenue of each supported organization? If you need additional space, attach a list.
d Do you or the supported organization(s) **earmark** your funds for support of a particular program or activity? If “Yes,” explain. ☐ Yes ☐ No

- 7a Does your organizing document specify the supported organization(s) by name? If “Yes,” state the article and paragraph number and go to Section III. If “No,” answer line 7b. ☐ Yes ☐ No
b Attach a statement describing whether there has been an historic and continuing relationship between you and the supported organization(s).

Section III Organizational Test

- 1a If you met relationship Test 1 or Test 2 in Section II, your organizing document must specify the supported organization(s) by name, or by naming a similar purpose or charitable class of beneficiaries. If your organizing document complies with this requirement, answer “Yes.” If your organizing document does not comply with this requirement, answer “No,” and see the instructions. ☐ Yes ☐ No
b If you met relationship Test 3 in Section II, your organizing document must generally specify the supported organization(s) by name. If your organizing document complies with this requirement, answer “Yes,” and go to Section IV. If your organizing document does not comply with this requirement, answer “No,” and see the instructions. ☐ Yes ☐ No

Section IV Disqualified Person Test

You do not qualify as a supporting organization if you are **controlled** directly or indirectly by one or more **disqualified persons** (as defined in section 4946) other than **foundation managers** or one or more organizations that you support. Foundation managers who are also disqualified persons for another reason are disqualified persons with respect to you.

- 1a Do any persons who are disqualified persons with respect to you, (except individuals who are disqualified persons only because they are foundation managers), appoint any of your foundation managers? If “Yes,” (1) describe the process by which disqualified persons appoint any of your foundation managers, (2) provide the names of these disqualified persons and the foundation managers they appoint, and (3) explain how control is vested over your operations (including assets and activities) by persons other than disqualified persons. assets or activities? If “Yes,” (1) provide the names of these disqualified persons, (2) explain how influence is exerted over your operations (including assets and activities), and (3) explain how control is vested over your operations (including assets and activities) by
- b Do any persons who have a family or business relationship with any disqualified persons with respect to you, (except individuals who are disqualified persons only because they are foundation managers), appoint any of your foundation managers? If “Yes,” (1) describe the process by which individuals with a family or business relationship with disqualified persons appoint any of your foundation managers, (2) provide the names of these disqualified persons, the individuals with a family or business relationship with disqualified persons, and the foundation managers appointed, and (3) explain how control is vested over your operations (including assets and activities) in individuals other than disqualified persons.
- c Do any persons who are disqualified persons, (except individuals who are disqualified persons only because they are foundation managers), have any influence regarding your operations, including your

individuals other than disqualified persons.

☐ **Yes** ☐ **No**

☐ **Yes** ☐ **No**

☐ **Yes** ☐ **No**

Form **1023** (Rev. 6-2006)

Schedule E. Organizations Not Filing Form 1023 Within 27 Months of Formation

Schedule E is intended to determine whether you are eligible for tax exemption under section 501(c)(3) from the postmark date of your application or from your date of incorporation or formation, whichever is earlier. If you are not eligible for tax exemption under section 501(c)(3) from your date of incorporation or formation, Schedule E is also intended to determine whether you are eligible for tax exemption under section 501(c)(4) for the period between your date of incorporation or formation and the postmark date of your application.

1	Are you a church, association of churches, or integrated auxiliary of a church? If "Yes," complete Schedule A and stop here. Do not complete the remainder of Schedule E.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<hr/>			
2a	Are you a public charity with annual gross receipts that are normally \$5,000 or less? If "Yes," stop here. Answer "No" if you are a private foundation, regardless of your gross receipts.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b	If your gross receipts were normally more than \$5,000, are you filing this application within 90 days from the end of the tax year in which your gross receipts were normally more than \$5,000? If "Yes," stop here.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<hr/>			
3a	Were you included as a subordinate in a group exemption application or letter? If "No," go to line 4.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b	If you were included as a subordinate in a group exemption letter, are you filing this application within 27 months from the date you were notified by the organization holding the group exemption letter or the Internal Revenue Service that you cease to be covered by the group exemption letter? If "Yes," stop here.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
c	If you were included as a subordinate in a timely filed group exemption request that was denied, are you filing this application within 27 months from the postmark date of the Internal Revenue Service final adverse ruling letter? If "Yes," stop here.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<hr/>			
4	Were you created on or before October 9, 1969? If "Yes," stop here. Do not complete the remainder of this schedule.		
<hr/>			
5	If you answered "No" to lines 1 through 4, we cannot recognize you as tax exempt from your date of formation unless you qualify for an extension of time to apply for exemption. Do you wish to request an extension of time to apply to be recognized as exempt from the date you were formed? If "Yes," attach a statement explaining why you did not file this application within the 27-month period. Do not answer lines 6, 7, or 8. If "No," go to line 6a.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<hr/>			
6a	If you answered "No" to line 5, you can only be exempt under section 501(c)(3) from the postmark date of this application. Therefore, do you want us to treat this application as a request for tax exemption from the postmark date? If "Yes," you are eligible for an advance ruling. Complete Part X, line 6a. If "No," you will be treated as a private foundation.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<hr/>			
	Note. Be sure your ruling eligibility agrees with your answer to Part X, line 6.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<hr/>			
b	Do you anticipate significant changes in your sources of support in the future? If "Yes," complete line 7 below.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<hr/>			

Form **1023** (Rev. 6-2006)

Schedule E. Organizations Not Filing Form 1023 Within 27 Months of Formation *(Continued)*

- 7 Complete this item only if you answered "Yes" to line 6b. Include projected revenue for the first two full years following the current tax year.

Type of Revenue	Projected revenue for 2 years following current tax year		
	(a) From..... To	(b) From..... To	(c) Total
1 Gifts, grants, and contributions received (do not include unusual grants)			
2 Membership fees received			
3 Gross investment income			
4 Net unrelated business income			
5 Taxes levied for your benefit			
6 Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)			
7 Any revenue not otherwise listed above or in lines 9–12 below (attach an itemized list)			
8 Total of lines 1 through 7			
9 Gross receipts from admissions, merchandise sold, or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)			
10 Total of lines 8 and 9			
11 Net gain or loss on sale of capital assets (attach an itemized list)			
12 Unusual grants			
13 Total revenue. Add lines 10 through 12			

- 8 According to your answers, you are only eligible for tax exemption under section 501(c)(3) from the postmark date of your application. However, you may be eligible for tax exemption under section 501(c)(4) from your date of formation to the postmark date of the Form 1023. Tax exemption under section 501(c)(4) allows exemption from federal income tax, but generally not deductibility of contributions under Code section 170. Check the box at right if you want us to treat this as a request for exemption under 501(c)(4) from your date of formation to the postmark date.



Attach a completed Page 1 of Form 1024, Application for Recognition of Exemption Under Section 501(a), to this application.

Schedule F. Homes for the Elderly or Handicapped and Low-Income Housing
General Information About Your Housing

1 Describe the type of housing you provide.

2 Provide copies of any application forms you use for admission.

3 Explain how the public is made aware of your facility.

4a Provide a description of each facility.

b What is the total number of residents each facility can accommodate?

c What is your current number of residents in each facility?

d Describe each facility in terms of whether residents rent or purchase housing from you.

5 Attach a sample copy of your residency or homeownership contract or agreement.

6 Do you participate in any joint ventures? If "Yes," state your ownership percentage in each joint venture, list your investment in each joint venture, describe the tax status of other participants in each joint venture (including whether they are section 501(c)(3) organizations), describe the activities of each joint venture, describe how you exercise control over the activities of each joint venture, and describe how each joint venture furthers your exempt purposes. Also, submit copies of all joint venture agreements.

☐ **Yes**

☐ **No**

Note. Make sure your answer is consistent with the information provided in Part VIII, line 8.

7 Do you or will you contract with another organization to develop, build, market, or finance your housing? If "Yes," explain how that entity is selected, explain how the terms of any contract(s) are negotiated at arm's length, and explain how you determine you will pay no more than fair market value for services.

☐ **Yes**

☐ **No**

Note. Make sure your answer is consistent with the information provided in Part VIII, line 7a.

8 Do you or will you manage your activities or facilities through your own employees or volunteers? If "No," attach a statement describing the activities that will be managed by others, the names of the persons or organizations that manage or will manage your activities or facilities, and how these managers were or will be selected. Also, submit copies of any contracts, proposed contracts, or other agreements regarding the provision of management services for your activities or facilities. Explain how the terms of any contracts or other agreements were or will be negotiated, and explain how you determine you will pay no more than fair market value for services.

☐ **Yes**

☐ **No**

Note. Answer "Yes" if you do manage or intend to manage your programs through your own employees or by using volunteers. Answer "No" if you engage or intend to engage a separate organization or independent contractor. Make sure your answer is consistent with the information provided in Part VIII, line 7b.

9 Do you participate in any government housing programs? If "Yes," describe these programs.

☐ **Yes**

☐ **No**

10a Do you own the facility? If "No," describe any enforceable rights you possess to purchase the facility in the future; go to line 10c. If "Yes," answer line 10b.

☐ **Yes**

☐ **No**

b How did you acquire the facility? For example, did you develop it yourself, purchase a project, etc. Attach all contracts, transfer agreements, or other documents connected with the acquisition of the facility.

c Do you lease the facility or the land on which it is located? If "Yes," describe the parties to the lease(s) and provide copies of all leases.

☐ **Yes**

☐ **No**

Schedule F. Homes for the Elderly or Handicapped and Low-Income Housing (Continued)

Section II Homes for the Elderly or Handicapped

- 1a** Do you provide housing for the elderly? If "Yes," describe who qualifies for your housing in terms of age, infirmity, or other criteria and explain how you select persons for your housing. ☐ **Yes** ☐ **No**
- b** Do you provide housing for the handicapped? If "Yes," describe who qualifies for your housing in terms of disability, income levels, or other criteria and explain how you select persons for your housing. ☐ **Yes** ☐ **No**
-
- 2a** Do you charge an entrance or founder's fee? If "Yes," describe what this charge covers, whether it is a one-time fee, how the fee is determined, whether it is payable in a lump sum or on an installment basis, whether it is refundable, and the circumstances, if any, under which it may be waived. ☐ **Yes** ☐ **No**
- b** Do you charge periodic fees or maintenance charges? If "Yes," describe what these charges cover and how they are determined. ☐ **Yes** ☐ **No**
- c** Is your housing affordable to a significant segment of the elderly or handicapped persons in the community? Identify your **community**. Also, if "Yes," explain how you determine your housing is affordable. ☐ **Yes** ☐ **No**
-
- 3a** Do you have an established policy concerning residents who become unable to pay their regular charges? If "Yes," describe your established policy. ☐ **Yes** ☐ **No**
- b** Do you have any arrangements with government welfare agencies or others to absorb all or part of the cost of maintaining residents who become unable to pay their regular charges? If "Yes," describe these arrangements. ☐ **Yes** ☐ **No**
-
- 4** Do you have arrangements for the healthcare needs of your residents? If "Yes," describe these arrangements. ☐ **Yes** ☐ **No**
- 5** Are your facilities designed to meet the physical, emotional, recreational, social, religious, and/or other similar needs of the elderly or handicapped? If "Yes," describe these design features. ☐ **Yes** ☐ **No**

Section III Low-Income Housing

- 1** Do you provide low-income housing? If "Yes," describe who qualifies for your housing in terms of income levels or other criteria, and describe how you select persons for your housing. ☐ **Yes** ☐ **No**
-
- 2** In addition to rent or mortgage payments, do residents pay periodic fees or maintenance charges? If "Yes," describe what these charges cover and how they are determined. ☐ **Yes** ☐ **No**
-
- 3a** Is your housing affordable to low income residents? If "Yes," describe how your housing is made affordable to low-income residents. ☐ **Yes** ☐ **No**
- Note.** Revenue Procedure 96-32, 1996-1 C.B. 717, provides guidelines for providing low-income housing that will be treated as charitable. (At least 75% of the units are occupied by low-income tenants or 40% are occupied by tenants earning not more than 120% of the very low-income levels for the area.)
- b** Do you impose any restrictions to make sure that your housing remains affordable to low-income residents? If "Yes," describe these restrictions. ☐ **Yes** ☐ **No**
-
- 4** Do you provide social services to residents? If "Yes," describe these services. ☐ **Yes** ☐ **No**

Form **1023** (Rev. 6-2006)

Schedule G. Successors to Other Organizations

1a Are you a **successor** to a **for-profit organization**? If "Yes," explain the relationship with the ☐ **Yes** ☐ **No**
predecessor organization that resulted in your creation and complete line 1b.

b Explain why you took over the activities or assets of a for-profit organization or converted from

for-profit to nonprofit status.

2a Are you a successor to an organization other than a for-profit organization? Answer "Yes" if you have taken or will take over the activities of another organization; or you have taken or will take over 25% or more of the fair market value of the net assets of another organization. If "Yes," explain the relationship with the other organization that resulted in your creation. ☐ **Yes** ☐ **No**

b Provide the tax status of the predecessor organization.

c Did you or did an organization to which you are a successor previously apply for tax exemption under section 501(c)(3) or any other section of the Code? If "Yes," explain how the application was resolved. ☐ **Yes** ☐ **No**

d Was your prior tax exemption or the tax exemption of an organization to which you are a successor revoked or suspended? If "Yes," explain. Include a description of the corrections you made to re-establish tax exemption. ☐ **Yes** ☐ **No**

e Explain why you took over the activities or assets of another organization.

3 Provide the name, last address, and EIN of the predecessor organization and describe its activities.

Name: _____ **EIN:** _____

Address: _____

4 List the owners, partners, principal stockholders, officers, and governing board members of the predecessor organization. Attach a separate sheet if additional space is needed.

Name	Address	Share/Interest (If a for-profit)

5 Do or will any of the persons listed in line 4, maintain a working relationship with you? If "Yes," describe the relationship in detail and include copies of any agreements with any of these persons or with any for-profit organizations in which these persons own more than a 35% interest.

6a Were any assets transferred, whether by gift or sale, from the predecessor organization to you?

If "Yes," provide a list of assets, indicate the value of each asset, explain how the value was determined, and attach an appraisal, if available. For each asset listed, also explain if the transfer was by gift, sale, or combination thereof.

b Were any restrictions placed on the use or sale of the assets? If "Yes," explain the restrictions.

c Provide a copy of the agreement(s) of sale or transfer.

7 Were any debts or liabilities transferred from the predecessor for-profit organization to you?

If "Yes," provide a list of the debts or liabilities that were transferred to you, indicating the amount of each, how the amount was determined, and the name of the person to whom the debt or liability is owed.

8 Will you lease or rent any property or equipment previously owned or used by the predecessor

for-profit organization, or from persons listed in line 4, or from for-profit organizations in which these persons own more than a 35% interest? If "Yes," submit a copy of the lease or rental agreement(s). Indicate how the lease or rental value of the property or equipment was determined.

9 Will you lease or rent property or equipment to persons listed in line 4, or to for-profit organizations in which these persons own more than a 35% interest? If "Yes," attach a list of the property or equipment, provide a copy of the lease or rental agreement(s), and indicate how the lease or rental value of the property or equipment was determined.

☐ **Yes** ☐ **No**

☐ **Yes** ☐ **No**

☐ **Yes** ☐ **No**

☐ **Yes** ☐ **No**

☐ **Yes** ☐ **No**

☐ **Yes** ☐ **No**

Form **1023** (Rev. 6-2006)

Schedule H. Organizations Providing Scholarships, Fellowships, Educational Loans, or Other Educational Grants to Individuals and Private Foundations Requesting Advance Approval of Individual Grant Procedures

Section I *Names of individual recipients are not required to be listed in Schedule H.*

Public charities and private foundations complete lines 1a through 7 of this section. See the instructions to Part X if you are not sure whether you are a public charity or a private foundation.

- 1a** Describe the types of educational grants you provide to individuals, such as scholarships, fellowships, loans, etc.
- b** Describe the purpose and amount of your scholarships, fellowships, and other educational grants and loans that you award.
- c** If you award educational loans, explain the terms of the loans (interest rate, length, forgiveness, etc.).
- d** Specify how your program is publicized.
- e** Provide copies of any solicitation or announcement materials.
- f** Provide a sample copy of the application used.
- 2** Do you maintain case histories showing recipients of your scholarships, fellowships, educational loans, or other educational grants, including names, addresses, purposes of awards, amount of each grant, manner of selection, and relationship (if any) to officers, trustees, or donors of funds to you? If "No," refer to the instructions. ☐ **Yes** ☐ **No**
- 3** Describe the specific criteria you use to determine who is eligible for your program. (For example, eligibility selection criteria could consist of graduating high school students from a particular high school who will attend college, writers of scholarly works about American history, etc.)
- 4a** Describe the specific criteria you use to select recipients. (For example, specific selection criteria could consist of prior academic performance, financial need, etc.)
- b** Describe how you determine the number of grants that will be made annually.
- c** Describe how you determine the amount of each of your grants.
- d** Describe any requirement or condition that you impose on recipients to obtain, maintain, or qualify for renewal of a grant. (For example, specific requirements or conditions could consist of attendance at a four-year college, maintaining a certain grade point average, teaching in public school after graduation from college, etc.)
- 5** Describe your procedures for supervising the scholarships, fellowships, educational loans, or other educational grants. Describe whether you obtain reports and grade transcripts from recipients, or you pay grants directly to a school under an arrangement whereby the school will apply the grant funds only for enrolled students who are in good standing. Also, describe your procedures for taking action if the terms of the award are violated.
- 6** Who is on the selection committee for the awards made under your program, including names of current committee members, criteria for committee membership, and the method of replacing committee members?
- 7** Are relatives of members of the selection committee, or of your officers, directors, or **substantial contributors** eligible for awards made under your program? If "Yes," what measures are taken to ensure unbiased selections? ☐ **Yes** ☐ **No**

Note. If you are a private foundation, you are not permitted to provide educational grants to **disqualified persons**. Disqualified persons include your substantial contributors and foundation managers and certain family members of disqualified persons.

Section II **Private foundations complete lines 1a through 4f of this section. Public charities do not complete this section.**

- 1a** If we determine that you are a private foundation, do you want this application to be considered as a request for advance approval of grant making procedures? ☐ **Yes** ☐ **No** ☐ **N/A**
- b** For which section(s) do you wish to be considered?
- 4945(g)(1)—Scholarship or fellowship grant to an individual for study at an educational institution ☐
 - 4945(g)(3)—Other grants, including loans, to an individual for travel, study, or other similar purposes, to enhance a particular skill of the grantee or to produce a specific product ☐

- 2** Do you represent that you will (1) arrange to receive and review grantee reports annually and upon completion of the purpose for which the grant was awarded, (2) investigate diversions of funds from their intended purposes, and (3) take all reasonable and appropriate steps to recover diverted funds, ensure other grant funds held by a grantee are used for their intended purposes, and withhold further payments to grantees until you obtain grantees' assurances that future diversions will not occur and that grantees will take extraordinary precautions to prevent future diversions from occurring?

- 3** Do you represent that you will maintain all records relating to individual grants, including information obtained to evaluate

grantees, identify whether a grantee is a disqualified person, establish the amount and purpose of each grant, and establish that you undertook the supervision and investigation of grants described in line 2?

☐ **Yes** ☐ **No**

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☐ **Yes** ☐ **No**

Form **1023** (Rev. 6-2006)

Schedule H. Organizations Providing Scholarships, Fellowships, Educational Loans, or Other Educational Grants to Individuals and Private Foundations Requesting Advance Approval of Individual Grant Procedures
(Continued)

Section II Private foundations complete lines 1a through 4f of this section. Public charities do not complete this section. (Continued)

- 4a** Do you or will you award scholarships, fellowships, and educational loans to attend an educational institution based on the status of an individual being an *employee of a particular employer*? If "Yes," complete lines 4b through 4f. ☐ **Yes** ☐ **No**
- b** Will you comply with the seven conditions and either the percentage tests or facts and circumstances test for scholarships, fellowships, and educational loans to attend an educational institution as set forth in Revenue Procedures 76-47, 1976-2 C.B. 670, and 80-39, 1980-2 C.B. 772, which apply to inducement, selection committee, eligibility requirements, objective basis of selection, employment, course of study, and other objectives? (See lines 4c, 4d, and 4e, regarding the percentage tests.) ☐ **Yes** ☐ **No**
- c** Do you or will you provide scholarships, fellowships, or educational loans to attend an educational institution to employees of a particular employer? ☐ **Yes** ☐ **No** ☐ **N/A**
If "Yes," will you award grants to 10% or fewer of the eligible applicants who were actually considered by the selection committee in selecting recipients of grants in that year as provided by Revenue Procedures 76-47 and 80-39? ☐ **Yes** ☐ **No**
- d** Do you provide scholarships, fellowships, or educational loans to attend an educational institution to children of employees of a particular employer? ☐ **Yes** ☐ **No** ☐ **N/A**
If "Yes," will you award grants to 25% or fewer of the eligible applicants who were actually considered by the selection committee in selecting recipients of grants in that year as provided by Revenue Procedures 76-47 and 80-39? If "No," go to line 4e. ☐ **Yes** ☐ **No**
- e** If you provide scholarships, fellowships, or educational loans to attend an educational institution to children of employees of a particular employer, will you award grants to 10% or fewer of the number of employees' children who can be shown to be eligible for grants (whether or not they submitted an application) in that year, as provided by Revenue Procedures 76-47 and 80-39? ☐ **Yes** ☐ **No** ☐ **N/A**
If "Yes," describe how you will determine who can be shown to be eligible for grants without submitting an application, such as by obtaining written statements or other information about the expectations of employees' children to attend an educational institution. If "No," go to line 4f.
- Note.** Statistical or sampling techniques are not acceptable. See Revenue Procedure 85-51, 1985-2 C.B. 717, for additional information.
- f** If you provide scholarships, fellowships, or educational loans to attend an educational institution to *children of employees of a particular employer* without regard to either the 25% limitation described in line 4d, or the 10% limitation described in line 4e, will you award grants based on facts and circumstances that demonstrate that the grants will not be considered compensation for past, present, or future services or otherwise provide a significant benefit to the particular employer? If "Yes," describe the facts and circumstances that you believe will demonstrate that the grants are neither compensatory nor a significant benefit to the particular employer. In your explanation, describe why you cannot satisfy either the 25% test described in line 4d or the 10% test described in line 4e. ☐ **Yes** ☐ **No**

Form 1023 Checklist

(Revised June 2006)

Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code

Note. Retain a copy of the completed Form 1023 in your permanent records. Refer to the General Instructions regarding Public Inspection of approved applications.

Check each box to finish your application (Form 1023). Send this completed Checklist with your filled-in application. If you have not answered all the items below, your application may be returned to you as incomplete.

- ☐ Assemble the application and materials in this order:
- Form 1023 Checklist
 - Form 2848, *Power of Attorney and Declaration of Representative* (if filing)
 - Form 8821, *Tax Information Authorization* (if filing)
 - Expedite request (if requesting)
 - Application (Form 1023 and Schedules A through H, as required)
 - Articles of organization
 - Amendments to articles of organization in chronological order
 - Bylaws or other rules of operation and amendments
 - Documentation of nondiscriminatory policy for schools, as required by Schedule B
 - Form 5768, *Election/Revocation of Election by an Eligible Section 501(c)(3) Organization To Make Expenditures To Influence Legislation* (if filing)
 - All other attachments, including explanations, financial data, and printed materials or publications. Label each page with name and EIN.
- ☐ User fee payment placed in envelope on top of checklist. DO NOT STAPLE or otherwise attach your check or money order to your application. Instead, just place it in the envelope.
- ☐ Employer Identification Number (EIN)
- ☐ Completed Parts I through XI of the application, including any requested information and any required Schedules A through H.
- You must provide specific details about your past, present, and planned activities.
 - Generalizations or failure to answer questions in the Form 1023 application will prevent us from recognizing you as tax exempt.
 - Describe your purposes and proposed activities in specific easily understood terms.
 - Financial information should correspond with proposed activities.
- ☐ Schedules. Submit only those schedules that apply to you and check either "Yes" or "No" below.
- | | | | |
|------------|-------------|------------|-------------|
| Schedule A | Yes___No___ | Schedule E | Yes___No___ |
| Schedule B | Yes___No___ | Schedule F | Yes___No___ |
| Schedule C | Yes___No___ | Schedule G | Yes___No___ |
| Schedule D | Yes___No___ | Schedule H | Yes___No___ |

- ☐ An exact copy of your complete articles of organization (creating document). Absence of the proper purpose and dissolution clauses is the number one reason for delays in the issuance of determination letters.
- Location of Purpose Clause from Part III, line 1 (Page, Article and Paragraph Number) _____
 - Location of Dissolution Clause from Part III, line 2b or 2c (Page, Article and Paragraph Number) or by operation of state law _____
- ☐ Signature of an officer, director, trustee, or other official who is authorized to sign the application.
- Signature at Part XI of Form 1023.
- ☐ Your name on the application must be the same as your legal name as it appears in your articles of organization.

Send completed Form 1023, user fee payment, and all other required information, to:

Internal Revenue Service
P.O. Box 192
Covington, KY 41012-0192

If you are using express mail or a delivery service, send Form 1023, user fee payment, and attachments to:

Internal Revenue Service
201 West Rivercenter Blvd.
Attn: Extracting Stop 312
Covington, KY 41011

