

# Lions Clubs International

We make a difference.

300 W 22ND STREET • OAK BROOK ILLINOIS 60523-8842 USA • 630.571.5466



## Instructions for Reinstatement of Tax-Exempt Status

Dear Lions Club:

Recently, the IRS issued letters revoking the tax-exempt status of numerous organizations, including several Lions Clubs, for failure to file information returns for three consecutive years. In particular, the revocations resulted from a failure to file required annual electronic notices, known as the Form 990-N e-Postcard, for taxable years 2007, 2008, and 2009. Many smaller organizations were not required to file annual information returns prior to 2007. Every exempt organization must now file a return annually.

If your Club received a letter from the IRS stating that your tax-exempt status has been revoked, please follow the instructions in the attachment to this letter to reinstate your Club's tax-exempt status. If your application is accepted, the IRS will issue a letter reinstating your Club's tax exemption retroactive to the date of the revocation.

The packet you send to the IRS must include:

1. Cover letter to the IRS
2. IRS Form 1024 (Application for Recognition of Exemption under Section 501(a))
3. Attachments to IRS Form 1024
4. Check in the amount of \$100

Please follow the attached instructions carefully to complete the IRS Form 1024 and attachments. Please carefully review the portions of the form already completed, and make changes to any responses that are incorrect. Please note that this information is provided as a guide and should you have specific questions related to your Lions Club, we recommend that you seek a tax professional for further guidance.

**Important Note:** Your Lions Club is only eligible to participate in this reinstatement program if its annual gross receipts were **less than \$25,000 in 2007, 2008, and 2009**. If this does not apply to your Lions Club, you will need to seek additional guidance through a tax professional to assist you with this process.

Very truly yours,

A handwritten signature in black ink that reads "Amy J. Peña".

Amy J. Peña  
Attorney

## Instructions for Reinstatement of Lions Club Tax Exemption

Please follow these instructions carefully. These instructions will help you complete the IRS Form 1024 and required attachments. **Do not submit these instructions to the IRS. Please review any already completed responses on Form 1024 for accuracy and make any necessary changes.** Complete instructions can be obtained by searching “Form 1024 Instructions” at [www.irs.gov](http://www.irs.gov).

1. IRS Cover Letter – Complete the blanks by filling in the date, name of the Club, and the title of the Club officer submitting the application for exemption to the IRS. The officer should sign the letter.
2. Part I, Item 1 – Insert the exact legal name of the Club as it appears on the Club’s articles of incorporation filed with the state of incorporation if incorporated, or as stated on the Lions Clubs International Charter if not incorporated. Also insert the Club’s mailing address and website address, if any.
3. Part I, Item 2 – Insert the Club’s 9-digit Employer Identification Number. (If your club does not have an EIN number, instructions for **Form SS-4** on the IRS website describes different ways to apply for an EIN. **DO NOT use the EIN of LCI (parent organization) or other organization.**)
4. Part I, Item 3 – Insert the Club’s contact person name and telephone number. You may use the current president or another officer as the primary contact.
5. Part I, Item 5 – Insert the date the Club was incorporated or chartered.
6. Part I, Item 7 – If the Club has previously filed any federal income or exempt organization returns, check “Yes” and provide the details on a separate sheet of paper. If no returns have been filed, check “No.”
7. Part I, Item 8 – Check “Corporation” if the Club is incorporated. Check “Association” if the Club is not incorporated. Attach a copy of the Club’s filed **Articles of Incorporation**, if any. If you cannot locate a copy, contact the Secretary of State of the state of incorporation to order a copy on file. If the Club is not incorporated, attach an organizational document indicating the Club’s name and purpose signed by two members and dated. A sample is attached.

Also attach a copy of the Club’s **Bylaws**. (If your club has not adopted your own Club Constitution and By-Laws, use the Standard Form Club Constitution (LA-2) located on the LCI website at [www.lionsclubs.org](http://www.lionsclubs.org)) Complete the enclosed **Bylaws Certification**, obtain the signature of an officer, and attach it to the front of the Bylaws.

8. Part I, Signature – **Type in the Club officer’s name and title and have the Club officer sign the form at the bottom of the first page.**
9. Part II, Item 3 – **Attach a separate sheet of paper** listing all officers and all directors, their respective titles, and mailing addresses. For example, indicate “John Smith, President and Director, 123 Main Street, Chicago, Illinois 60606.” Indicate any annual compensation for the directors and officers.

10. Part II, Item 7 – **Attach a separate sheet of paper** describing the membership qualifications and rights for the Club and explain any different classes of membership.
11. Part II, Item 8 – Describe how the Club’s assets will be distributed upon dissolution. The distribution of assets upon dissolution should be described in your articles of incorporation and/or bylaws. For example, your assets may be required to be distributed to any organization engaged in charitable, educational, religious, and/or scientific purposes.
12. Part II, Item 16 – Include a sample copy of newsletters or other printed materials published by the Club, if any.
13. Part III – Complete the **statement of revenues and expenses for the current year thus far and the three preceding tax years, along with the balance sheet**. The statement of revenues and expenses for the most recent year and the balance sheet should be as of date within 60 days of when the application for exemption is submitted. A template for the statements of revenue and expenses, and balance sheet, is attached.
14. Part IV – Do not check any boxes in Part IV.
15. Schedule B – Include Schedule B as part of the Form 1024. Do not include the other schedules (Schedules A, C, D, E, F, G, H, I, or K).
16. Check – Make out a check payable to the Internal Revenue Service in the amount of \$100. You are eligible for this reduced fee because you meet the requirements explained in the IRS Cover Letter.
17. Assemble Documents in the Following Order:
  - a. Check made payable to the IRS in the amount of \$100.
  - b. Cover letter from Club to IRS.
  - c. IRS Form 1024 Including Schedule C – **Signed by Officer**.
  - d. Attachment to Form 1024.
  - e. Articles of Incorporation, or other organizational document.
  - f. Bylaws Certification **Signed by Officer** followed by Bylaws.
  - g. List of Officers and Directors.
  - h. Copy of Published Materials.
  - i. Statements of Revenues and Expenses and Balance Sheet.
18. Mailing – Mail the documents and attachments, along with the check, to the address in the IRS cover letter. **Write “Notice 2011-43” on the top of the envelope**. This is required to indicate to the IRS that you are eligible for the reduced \$100 fee.
19. IRS Processing – Within a few weeks after your package is sent to the IRS, you should receive a notification letter from the IRS indicating your materials have been received and are being reviewed. IRS processing times for applications for tax exemption vary from several months to a year or more. You may be contacted by the IRS if they need additional information to make a determination. Once your Club’s tax exemption has been reinstated, you will receive an IRS determination letter.

Date: \_\_\_\_\_

Internal Revenue Service  
P.O. Box 12192  
Covington, KY 41012-0192

Name: \_\_\_\_\_

Dear Sir/Madam:

On behalf of the Lions Club of \_\_\_\_\_, enclosed herewith are the following documents:

1. Form 1024 – Application for Recognition of Exemption;
2. Attachment to Form 1024;
3. Articles of Incorporation, if any, or other organizational document;
4. Constitution and By-laws and Constitution and By-laws Certification;
5. List of Officers and Directors;
6. Description of Membership Qualifications;
7. Statements of Revenue and Expenses; and
8. \$100 Check – User Fee Payable to Internal Revenue Service.

The Lions Club was not required to file annual information returns for taxable years beginning before 2007; was eligible in each of its taxable years beginning in 2007, 2008, and 2009 to file a Form 990-N e-Postcard; and had annual gross receipts of normally not more than \$25,000 in each of its taxable years beginning in 2007, 2008 and 2009. As a result, by filing this application, the Club is seeking transitional relief under IRS Notice 2011-43. Under IRS Notice 2011-43, the Club is eligible for a reduced fee of \$100, and therefore, Form 8718 (User Fee for Exempt Organization) is not included with the above materials.

Sincerely,

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Enclosures

**Organizational Document of (Insert Club Name)**

We are an unincorporated association organized exclusively for service club purposes within the meaning of Section 501(c)(4) of the Internal Revenue Code of 1986, as amended, to organize, charter and supervise service clubs to be known as Lions Clubs; to coordinate the activities and standardize the administration of Lions Clubs; to create and foster a spirit of understanding among the peoples of the world; to promote the principles of good government and good citizenship; to take an active interest in the civic, cultural, social and moral welfare of the community; to unite the clubs in the bonds of friendship, good fellowship and mutual understanding; to provide a forum for the open discussion of all matters of public interest; provided, however, that partisan politics and sectarian religion shall not be debated by club members; and to encourage service-minded people to serve their community without personal financial reward, and to encourage efficiency and promote high ethical standards in commerce, industry, professions, public works and private endeavors.

1. No part of the net earnings of the association shall inure to the benefit of any private individual.
2. Upon the dissolution of the association, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the association, dispose of all the assets of the association exclusively for the purposes of the association in such manner, or to such organization or organizations which are then qualified as exempt within the meaning of Section 501(c)(4) or Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Law), as the Board of Directors shall determine.

Date Formed: \_\_\_\_\_

\_\_\_\_\_  
Member

\_\_\_\_\_  
Member

## Attachment to Form 1024

Note: The Club was not required to file annual information returns for taxable years beginning before 2007; was eligible in each of its taxable years beginning in 2007, 2008 and 2009 to file a Form 990-N e-Postcard; and had annual gross receipts of normally not more than \$25,000 in each of its taxable years beginning in 2007, 2008, and 2009. As a result, by filing this application, the Club is seeking transitional relief under IRS Notice 2011-43.

### **Part I**

Item 6. The Club previously applied for and received tax-exempt status under Section 501(c)(4) of the Internal Revenue Code. The status was recently revoked for failure to file Form 990-N for three consecutive years.

### **Part II**

Item 1. The Club was organized by an association for service clubs by the International Association of Lions Clubs (Lions Clubs International). The purposes of Lions Clubs International are: to organize, charter and supervise service clubs to be known as Lions Clubs; to coordinate the activities and standardize the administration of Lions Clubs; to create and foster a spirit of understanding among the peoples of the world; to promote the principles of good government and good citizenship; to take an active interest in the civic, cultural, social and moral welfare of the community; to unite the clubs in the bonds of friendship, good fellowship and mutual understanding; to provide a forum for the open discussion of all matters of public interest; provided, however, that partisan politics and sectarian religion shall not be debated by club members; and to encourage service-minded people to serve their community without personal financial reward, and to encourage efficiency and promote high ethical standards in commerce, industry, professions, public works and private endeavors. The Club offers educational programs, networking events, humanitarian relief efforts for the community and other community related programs.

### **Part III**

See attached financial statements and balance sheet.

**Constitution and By-laws Certification**

THE UNDERSIGNED hereby confirms that attached hereto is a true and correct copy of the Constitution and By-laws, as of the date hereof.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



**Statement of Revenue and Expenses**

	<b>Year Ending 12/31/2008</b>	<b>Year Ending 12/31/2009</b>	<b>Year Ending 12/31/2010</b>	<b>Year Ending 12/31/2011</b>
<b>Revenues</b>				
Contributions, Gifts, Grants, etc.				
Membership Dues				
<b>TOTAL REVENUE</b>				
<b>Expenses</b>				
Bank Fees				
Insurance				
Miscellaneous				
Newsletter				
Printing, Publi- cations, Postage				
Supplies				
Telephone				
Webpage				
<b>TOTAL EXPENSES</b>				
<b>NET INCOME</b>				

Balance Sheet as of \_\_\_\_\_, 2011

Assets:

Cash \_\_\_\_\_

Other Assets \_\_\_\_\_

Liabilities:

Accounts Payable \_\_\_\_\_

Other Liabilities \_\_\_\_\_

## Application for Recognition of Exemption Under Section 501(a)

If exempt status is approved, this application will be open for public inspection.

Read the instructions for each Part carefully. **A User Fee must be attached to this application.**

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to the organization.

**Complete the Procedural Checklist on page 6 of the instructions.**

**Part I. Identification of Applicant** (Must be completed by all applicants; also complete appropriate schedule.)  
 Submit only the schedule that applies to your organization. Do not submit blank schedules.

Check the appropriate box below to indicate the section under which the organization is applying:

- a  Section 501(c)(2)—Title holding corporations (Schedule A, page 7)
- b  Section 501(c)(4)—Civic leagues, social welfare organizations (including certain war veterans' organizations), or local associations of employees (Schedule B, page 8)
- c  Section 501(c)(5)—Labor, agricultural, or horticultural organizations (Schedule C, page 9)
- d  Section 501(c)(6)—Business leagues, chambers of commerce, etc. (Schedule C, page 9)
- e  Section 501(c)(7)—Social clubs (Schedule D, page 11)
- f  Section 501(c)(8)—Fraternal beneficiary societies, etc., providing life, sick, accident, or other benefits to members (Schedule E, page 13)
- g  Section 501(c)(9)—Voluntary employees' beneficiary associations (Parts I through IV and Schedule F, page 14)
- h  Section 501(c)(10)—Domestic fraternal societies, orders, etc., not providing life, sick, accident, or other benefits (Schedule E, page 13)
- i  Section 501(c)(12)—Benevolent life insurance associations, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations (Schedule G, page 15)
- j  Section 501(c)(13)—Cemeteries, crematoria, and like corporations (Schedule H, page 16)
- k  Section 501(c)(15)—Mutual insurance companies or associations, other than life or marine (Schedule I, page 17)
- l  Section 501(c)(17)—Trusts providing for the payment of supplemental unemployment compensation benefits (Parts I through IV and Schedule J, page 18)
- m  Section 501(c)(19)—A post, organization, auxiliary unit, etc., of past or present members of the Armed Forces of the United States (Schedule K, page 19)
- n  Section 501(c)(25)—Title holding corporations or trusts (Schedule A, page 7)

<b>1a</b> Full name of organization (as shown in organizing document)	<b>2</b> Employer identification number (EIN) (if none, see <b>Specific Instructions</b> on page 2)  : : :		
<b>1b</b> c/o Name (if applicable)	<b>3</b> Name and telephone number of person to be contacted if additional information is needed  (       )		
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"><b>1c</b> Address (number and street)</td> <td style="width: 50%;">Room/Suite</td> </tr> </table>	<b>1c</b> Address (number and street)	Room/Suite	<b>4</b> Month the annual accounting period ends
<b>1c</b> Address (number and street)	Room/Suite		
<b>1d</b> City, town or post office, state, and ZIP + 4 If you have a foreign address, see <b>Specific Instructions</b> for Part I, page 2.			
<b>1e</b> Web site address	<b>5</b> Date incorporated or formed		

**6** Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code?  **Yes**  **No**  
 If "Yes," attach an explanation.

**7** Has the organization filed Federal income tax returns or exempt organization information returns? . . . . .  **Yes**  **No**  
 If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.

**8** Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING.

- a  Corporation— Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also attach a copy of the bylaws.
- b  Trust— Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.
- c  Association— Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence that the organization was formed by adoption of the document by more than one person. Also include a copy of the bylaws.

If this is a corporation or an unincorporated association that has not yet adopted bylaws, check here . . . . .

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) (Type or print name and title or authority of signer) (Date)

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**Part II. Activities and Operational Information** (Must be completed by all applicants)

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- 1** Provide a detailed narrative description of all the activities of the organization—past, present, and planned. Do not merely refer to or repeat the language in the organizational document. List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: **(a)** a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; **(b)** when the activity was or will be initiated; and **(c)** where and by whom the activity will be conducted.

- 
- 2** List the organization's present and future sources of financial support, beginning with the largest source first.
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**Part II. Activities and Operational Information** (continued)

**3** Give the following information about the organization's governing body:

<b>a</b> Names, addresses, and titles of officers, directors, trustees, etc.	<b>b</b> Annual compensation

**4** If the organization is the outgrowth or continuation of any form of predecessor, state the name of each predecessor, the period during which it was in existence, and the reasons for its termination. Submit copies of all papers by which any transfer of assets was effected.

**5** If the applicant organization is now, or plans to be, connected in any way with any other organization, describe the other organization and explain the relationship (e.g., financial support on a continuing basis; shared facilities or employees; same officers, directors, or trustees).

**6** If the organization has capital stock issued and outstanding, state: **(1)** class or classes of the stock; **(2)** number and par value of the shares; **(3)** consideration for which they were issued; and **(4)** if any dividends have been paid or whether your organization's creating instrument authorizes dividend payments on any class of capital stock.

**7** State the qualifications necessary for membership in the organization; the classes of membership (with the number of members in each class); and the voting rights and privileges received. If any group or class of persons is required to join, describe the requirement and explain the relationship between those members and members who join voluntarily. Submit copies of any membership solicitation material. Attach sample copies of all types of membership certificates issued.

**8** Explain how your organization's assets will be distributed on dissolution.

**Part II. Activities and Operational Information (continued)**

9 Has the organization made or does it plan to make any distribution of its property or surplus funds to shareholders or members? . . . . .  Yes  No  
 If "Yes," state the full details, including: (1) amounts or value; (2) source of funds or property distributed or to be distributed; and (3) basis of, and authority for, distribution or planned distribution.

10 Does, or will, any part of your organization's receipts represent payments for services performed or to be performed? .  Yes  No  
 If "Yes," state in detail the amount received and the character of the services performed or to be performed.

11 Has the organization made, or does it plan to make, any payments to members or shareholders for services performed or to be performed? . . . . .  Yes  No  
 If "Yes," state in detail the amount paid, the character of the services, and to whom the payments have been, or will be, made.

12 Does the organization have any arrangement to provide insurance for members, their dependents, or others (including provisions for the payment of sick or death benefits, pensions, or annuities)? . . . . .  Yes  No  
 If "Yes," describe and explain the arrangement's eligibility rules and attach a sample copy of each plan document and each type of policy issued.

13 Is the organization under the supervisory jurisdiction of any public regulatory body, such as a social welfare agency, etc.? . . . . .  Yes  No  
 If "Yes," submit copies of all administrative opinions or court decisions regarding this supervision, as well as copies of applications or requests for the opinions or decisions.

14 Does the organization now lease or does it plan to lease any property? . . . . .  Yes  No  
 If "Yes," explain in detail. Include the amount of rent, a description of the property, and any relationship between the applicant organization and the other party. Also, attach a copy of any rental or lease agreement. (If the organization is a party, as a lessor, to multiple leases of rental real property under similar lease agreements, please attach a single representative copy of the leases.)

15 Has the organization spent or does it plan to spend any money attempting to influence the selection, nomination, election, or appointment of any person to any Federal, state, or local public office or to an office in a political organization? . .  Yes  No  
 If "Yes," explain in detail and list the amounts spent or to be spent in each case.

16 Does the organization publish pamphlets, brochures, newsletters, journals, or similar printed material? . . . . .  Yes  No  
 If "Yes," attach a recent copy of each.

**Part III. Financial Data** (Must be completed by all applicants)

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. **If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.**

**A. Statement of Revenue and Expenses**

Revenue	(a) Current Tax Year	3 Prior Tax Years or Proposed Budget for Next 2 Years			(e) Total
	From _____ To _____	(b) .....	(c) .....	(d) .....	
1 Gross dues and assessments of members . . . . .					
2 Gross contributions, gifts, etc. . . . .					
3 Gross amounts derived from activities related to the organization's exempt purpose (attach schedule) (Include related cost of sales on line 9.)					
4 Gross amounts from unrelated business activities (attach schedule)					
5 Gain from sale of assets, excluding inventory items (attach schedule) . . . . .					
6 Investment income (see page 3 of the instructions)					
7 Other revenue (attach schedule). . . . .					
8 Total revenue (add lines 1 through 7) . . . . .					
<b>Expenses</b>					
9 Expenses attributable to activities related to the organization's exempt purposes. . . . .					
10 Expenses attributable to unrelated business activities					
11 Contributions, gifts, grants, and similar amounts paid (attach schedule). . . . .					
12 Disbursements to or for the benefit of members (attach schedule)					
13 Compensation of officers, directors, and trustees (attach schedule)					
14 Other salaries and wages. . . . .					
15 Interest . . . . .					
16 Occupancy . . . . .					
17 Depreciation and depletion . . . . .					
18 Other expenses (attach schedule) . . . . .					
19 Total expenses (add lines 9 through 18) . . . . .					
20 Excess of revenue over expenses (line 8 minus line 19) . . . . .					

**B. Balance Sheet (at the end of the period shown)**

		Current Tax Year as of .....
<b>Assets</b>		
1	Cash . . . . .	1
2	Accounts receivable, net . . . . .	2
3	Inventories . . . . .	3
4	Bonds and notes receivable (attach schedule) . . . . .	4
5	Corporate stocks (attach schedule). . . . .	5
6	Mortgage loans (attach schedule) . . . . .	6
7	Other investments (attach schedule) . . . . .	7
8	Depreciable and depletable assets (attach schedule) . . . . .	8
9	Land . . . . .	9
10	Other assets (attach schedule) . . . . .	10
11	<b>Total assets</b> . . . . .	11
<b>Liabilities</b>		
12	Accounts payable . . . . .	12
13	Contributions, gifts, grants, etc., payable . . . . .	13
14	Mortgages and notes payable (attach schedule) . . . . .	14
15	Other liabilities (attach schedule) . . . . .	15
16	<b>Total liabilities</b> . . . . .	16
<b>Fund Balances or Net Assets</b>		
17	Total fund balances or net assets . . . . .	17
18	<b>Total liabilities and fund balances or net assets</b> (add line 16 and line 17) . . . . .	18

If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation. ▶

**Part IV. Notice Requirements (Sections 501(c)(9) and 501(c)(17) Organizations Only)**

**1** Section 501(c)(9) and 501(c)(17) organizations:

Are you filing Form 1024 within 15 months from the end of the month in which the organization was created or formed as required by section 505(c)? . . . . .  Yes  No

If "Yes," skip the rest of this Part.

If "No," answer question 2.

**2** If you answer "No" to question 1, are you filing Form 1024 within 27 months from the end of the month in which the organization was created or formed? . . . . .  Yes  No

If "Yes," your organization qualifies under Regulation section 301.9100-2 for an automatic 12-month extension of the 15-month filing requirement. Do not answer questions 3 and 4.

If "No," answer question 3.

**3** If you answer "No" to question 2, does the organization wish to request an extension of time to apply under the "reasonable action and good faith" and the "no prejudice to the interest of the government" requirements of Regulations section 301.9100-3? . . . . .  Yes  No

If "Yes," give the reasons for not filing this application within the 27-month period described in question 2. See Specific Instructions, Part IV, Line 3, page 4, before completing this item. Do not answer question 4.

If "No," answer question 4.

**4** If you answer "No" to question 3, your organization's qualification as a section 501(c)(9) or 501(c)(17) organization can be recognized only from the date this application is filed. Therefore, does the organization want us to consider its application as a request for recognition of exemption as a section 501(c)(9) or 501(c)(17) organization from the date the application is received and not retroactively to the date the organization was created or formed? . . . . .  Yes  No

**Schedule A Organizations described in section 501(c)(2) or 501(c)(25) (Title holding corporations or trusts)**

1 State the complete name, address, and EIN of each organization for which title to property is held and the number and type of the applicant organization's stock held by each organization.

2 If the annual excess of revenue over expenses has not been or will not be turned over to the organization for which title to property is held, state the purpose for which the excess is or will be retained by the title holding organization.

3 In the case of a corporation described in section 501(c)(2), state the purpose of the organization for which title to property is held (as shown in its governing instrument) and the Code sections under which it is classified as exempt from tax. If the organization has received a determination or ruling letter recognizing it as exempt from taxation, please attach a copy of the letter.

4 In the case of a corporation or trust described in section 501(c)(25), state the basis whereby each shareholder is described in section 501(c)(25)(C). For each organization described that has received a determination or ruling letter recognizing that organization as exempt from taxation, please attach a copy of the letter.

5 With respect to the activities of the organization.

- a Is any rent received attributable to personal property leased with real property? . . . . .  Yes  No  
If "Yes," what percentage of the total rent, as reported on the financial statements in Part III, is attributable to personal property?
- b Will the organization receive income which is incidentally derived from the holding of real property, such as income from operation of a parking lot or from vending machines? . . . . .  Yes  No  
If "Yes," what percentage of the organization's gross income, as reported on the financial statements in Part III, is incidentally derived from the holding of real property?
- c Will the organization receive income other than rent from real property or personal property leased with real property or income which is incidentally derived from the holding of real property? . . . . .  Yes  No  
If "Yes," describe the source of the income.

**Instructions**

**Line 1.**—Provide the requested information on each organization for which the applicant organization holds title to property. Also indicate the number and types of shares of the applicant organization's stock that are held by each.

**Line 2.**—For purposes of this question, "excess of revenue over expenses" is all of the organization's income for a particular tax year less operating expenses.

**Line 3.**—Give the exempt purpose of each organization that is the basis for its exempt status and the Internal Revenue Code section

that describes the organization (as shown in its IRS determination letter).

**Line 4.**—Indicate if the shareholder is one of the following:

- 1. A qualified pension, profit-sharing, or stock bonus plan that meets the requirements of the Code;
- 2. A government plan;
- 3. An organization described in section 501(c)(3); or
- 4. An organization described in section 501(c)(25).

**Schedule B** Organizations Described in Section 501(c)(4) (Civic leagues, social welfare organizations (including posts, councils, etc., of veterans' organizations not qualifying or applying for exemption under section 501(c)(19)) or local associations of employees.)

1 Has the Internal Revenue Service previously issued a ruling or determination letter recognizing the applicant organization (or any predecessor organization listed in question 4, Part II of the application) to be exempt under section 501(c)(3) and later revoked that recognition of exemption on the basis that the applicant organization (or its predecessor) was carrying on propaganda or otherwise attempting to influence legislation or on the basis that it engaged in political activity? . . .  Yes  No

If "Yes," indicate the earliest tax year for which recognition of exemption under section 501(c)(3) was revoked and the IRS district office that issued the revocation.

2 Does the organization perform or plan to perform (for members, shareholders, or others) services, such as maintaining the common areas of a condominium; buying food or other items on a cooperative basis; or providing recreational facilities or transportation services, job placement, or other similar undertakings? . . .  Yes  No

If "Yes," explain the activities in detail, including income realized and expenses incurred. Also, explain in detail the nature of the benefits to the general public from these activities. (If the answer to this question is explained in Part II of the application (pages 2, 3, and 4), enter the page and item number here.)

3 If the organization is claiming exemption as a homeowners' association, is access to any property or facilities it owns or maintains restricted in any way? . . .  Yes  No

If "Yes," explain.

4 If the organization is claiming exemption as a local association of employees, state the name and address of each employer whose employees are eligible for membership in the association. If employees of more than one plant or office of the same employer are eligible for membership, give the address of each plant or office.

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**Schedule C** Organizations described in section 501(c)(5) (Labor, agricultural, including fishermen's organizations, or horticultural organizations) or section 501(c)(6) (business leagues, chambers of commerce, etc.)

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- 1 Describe any services the organization performs for members or others. (If the description of the services is contained in Part II of the application, enter the page and item number here.)

- 
- 2 Fishermen's organizations only.—What kinds of aquatic resources (not including mineral) are cultivated or harvested by those eligible for membership in the organization?

- 
- 3 Labor organizations only.—Is the organization organized under the terms of a collective bargaining agreement? . . .  Yes  No

If "Yes," attach a copy of the latest agreement.

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**Schedule D** Organizations described in section 501(c)(7) (Social clubs)

1 Has the organization entered or does it plan to enter into any contract or agreement for the management or operation of its property and/or activities, such as restaurants, pro shops, lodges, etc.?  Yes  No

If "Yes," attach a copy of the contract or agreement. If one has not yet been drawn up, please explain the organization's plans.

2 Does the organization seek or plan to seek public patronage of its facilities or activities by advertisement or otherwise?  Yes  No

If "Yes," attach sample copies of the advertisements or other requests.

If the organization plans to seek public patronage, please explain the plans.

3a Are nonmembers, other than guests of members, permitted or will they be permitted to use the club facilities or participate in or attend any functions or activities conducted by the organization?  Yes  No

If "Yes," describe the functions or activities in which there has been or will be nonmember participation or admittance.

(Submit a copy of the house rules, if any.)

b	State the amount of nonmember income included in Part III of the application, lines 3 and 4, column (a)	_____
c	Enter the percent of gross receipts from nonmembers for the use of club facilities	_____ %
d	Enter the percent of gross receipts received from investment income and nonmember use of the club's facilities	_____ %

4a Does the organization's charter, bylaws, other governing instrument, or any written policy statement of the organization contain any provision that provides for discrimination against any person on the basis of race, color, or religion?  Yes  No

b If "Yes," state whether or not its provision will be kept.

c If the organization has such a provision that will be repealed, deleted, or otherwise stricken from its requirements, state when this will be done. \_\_\_\_\_

d If the organization formerly had such a requirement and it no longer applies, give the date it ceased to apply \_\_\_\_\_

e If the organization restricts its membership to members of a particular religion, check here and attach the explanation specified in the instructions

## Instructions

**Line 1.**—Answer “Yes,” if any of the organization’s property or activities will be managed by another organization or company.

**Lines 3b, c, and d.**—Enter the figures for the current year. On an attached schedule, furnish the same information for each of the prior tax years for which you completed Part III of the application.

**Line 4e.**—If the organization restricts its membership to members of a particular religion, the organization must be:

1. An auxiliary of a fraternal beneficiary society that:

a. Is described in section 501(c)(8) and exempt from tax under section 501(a), and

b. Limits its membership to members of a particular religion; or

2. A club that, in good faith, limits its membership to the members of a particular religion in order to further the teachings or principles of that religion and not to exclude individuals of a particular race or color.

If you checked **4e**, your explanation must show how the organization meets one of these two requirements.

**Schedule E** Organizations described in section 501(c)(8) or 501(c)(10) (Fraternal societies, orders, or associations)

1 Is the organization a college fraternity or sorority, or chapter of a college fraternity or sorority? . . . . .  Yes  No  
If "Yes," read the instructions for Line 1, below, before completing this schedule.

2 Does or will your organization operate under the lodge system? . . . . .  Yes  No  
If "No," does or will it operate for the exclusive benefit of the members of an organization operating under the lodge system? . . . . .  Yes  No

3 Is the organization a subordinate or local lodge, etc.? . . . . .  Yes  No  
If "Yes," attach a certificate signed by the secretary of the parent organization, under the seal of the organization, certifying that the subordinate lodge is a duly constituted body operating under the jurisdiction of the parent body.

4 Is the organization a parent or grand lodge? . . . . .  Yes  No  
If "Yes," attach a schedule for each subordinate lodge in active operation showing: (a) its name and address; (b) the number of members in it; and (c) how often it holds periodic meetings.

**Instructions**

**Line 1.**—To the extent that they qualify for exemption from Federal income tax, college fraternities and sororities generally qualify as organizations described in section 501(c)(7). Therefore, if the organization is a college fraternity or sorority, refer to the discussion of section 501(c)(7) organizations in Pub. 557. If section 501(c)(7) appears to apply to your organization, complete Schedule D instead of this schedule.

**Line 2.**—Operating under the lodge system means carrying on activities under a form of organization that is composed of local branches, chartered by a parent organization, largely self-governing, and called lodges, chapters, or the like.

**Schedule F** Organizations described in section 501(c)(9) (Voluntary employees' beneficiary associations)

1 Describe the benefits available to members. Include copies of any plan documents that describe such benefits and the terms and conditions of eligibility for each benefit.

2 Are any employees or classes of employees entitled to benefits to which other employees or classes of employees are not entitled?  Yes  No  
If "Yes," explain.

3 Give the following information for each plan as of the last day of the most recent plan year and enter that date here. If there is more than one plan, attach a separate schedule . . . . . / /  
(mo.) (day) (yr.)  
a Total number of persons covered by the plan who are highly compensated individuals (See instructions below.) . . . \_\_\_\_\_  
b Number of other employees covered by the plan. . . . . \_\_\_\_\_  
c Number of employees not covered by the plan . . . . . \_\_\_\_\_  
d Total number employed\* . . . . . \_\_\_\_\_

\* Should equal the total of a, b, and c—if not, explain any difference. Describe the eligibility requirements that prevent those employees not covered by the plan from participating.

4 State the number of persons, if any, other than employees and their dependents (e.g., the proprietor of a business whose employees are members of the association) who are entitled to receive benefits . . . . . ►

**Instructions**

**Line 3a.**—A "highly compensated individual" is one who:  
(a) Owned 5% or more of the employer at any time during the current year or the preceding year.

(b) Received more than \$80,000 (adjusted for inflation) in compensation from the employer for the preceding year, and  
(c) Was among the top 20% of employees by compensation for the preceding year. However, the employer can choose not to have (c) apply.

**Schedule G Organizations described in section 501(c)(12) (Benevolent life insurance associations, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations)**

- 1 Attach a schedule in columnar form for each tax year for which the organization is claiming exempt status. On each schedule:
  - a Show the total gross income received from members or shareholders.
  - b List, by source, the total amounts of gross income received from other sources.

- 2 If the organization is claiming exemption as a local benevolent insurance association, state:
  - a The counties from which members are accepted or will be accepted.

b Whether stipulated premiums are or will be charged in advance, or whether losses are or will be paid solely through assessments.

- 3 If the organization is claiming exemption as a "like organization," explain how it is similar to a mutual ditch or irrigation company, or a mutual or cooperative telephone company.

- 4 Are the rights and interests of members in the organization's annual savings determined in proportion to their business with it?  Yes  No  
 If "Yes," does the organization keep the records necessary to determine at any time each member's rights and interests in such savings, including assets acquired with the savings?  Yes  No

- 5 If the organization is a mutual or cooperative telephone company and has contracts with other systems for long-distance telephone services, attach copies of the contracts.

### Instructions

Mutual or cooperative electric or telephone companies should show income received from qualified pole rentals separately. Mutual or cooperative telephone companies should also show separately the gross amount of income received from nonmember telephone companies for performing services that

involve their members and the gross amount of income received from the sale of display advertising in a directory furnished to their members.

Do not net amounts due or paid to other sources against amounts due or received from those sources.

**Schedule H Organizations described in section 501(c)(13) (Cemeteries, crematoria, and like corporations)**

1 Attach the following documents:

- a Complete copy of sales contracts or other documents, including any "debt" certificates, involved in acquiring cemetery or crematorium property.
- b Complete copy of any contract your organization has that designates an agent to sell its cemetery lots.
- c A copy of the appraisal (obtained from a disinterested and qualified party) of the cemetery property as of the date acquired.

2 Does your organization have, or does it plan to have, a perpetual care fund? . . . . .  Yes  No  
 If "Yes," attach a copy of the fund agreement and explain the nature of the fund (cash, securities, unsold land, etc.)

3 If your organization is claiming exemption as a perpetual care fund for an organization described in section 501(c)(13), has the cemetery organization, for which funds are held, established exemption under that section? . . . . .  Yes  No  
 If "No," explain.

**Schedule I Organizations described in section 501(c)(15) (Small insurance companies or associations)**

**1** Is the organization a member of a controlled group of corporations as defined in section 831(b)(2)(B)(ii)? (Disregard section 1563(b)(2)(B) in determining whether the organization is a member of a controlled group.) . . . . .  **Yes**  **No**

If "Yes," include on lines 2 through 5 the total amount received by the organization and all other members of the controlled group.

If "No," include on lines 2 through 5 only the amounts that relate to the applicant organization.

**2** Direct written premiums . . . . .  
**3** Reinsurance assumed . . . . .  
**4** Reinsurance ceded . . . . .  
**5** Net written premiums ((line 2 plus line 3) minus line 4) . . . . .  
**6** If you entered an amount on line 3 or line 4, attach a copy of the reinsurance agreements the organization has entered into.

(a) Current Year	3 Prior Tax Years		
From _____ To _____	(b) -----	(c) -----	(d) -----

**Instructions**

**Line 1.**—Answer "Yes," if the organization would be considered a member of a controlled group of corporations if it were not exempt from tax under section 501(a). In applying section 1563(a), use a "more than 50%" stock ownership test to determine whether the applicant or any other corporation is a member of a controlled group.

**Line 2.**— In addition to other direct written premiums, include on line 2 the full amount of any prepaid or advance premium in the year the prepayment is received. For example, if a \$5,000 premium for a 3-year policy was received in the current year, include the full \$5,000 amount in the Current Year column.

**Schedule J** Organizations described in section 501(c)(17) (Trusts providing for the payment of supplemental unemployment compensation benefits)

1 If benefits are provided for individual proprietors, partners, or self-employed persons under the plan, explain in detail.

2 If the plan provides other benefits in addition to the supplemental unemployment compensation benefits, explain in detail and state whether the other benefits are subordinate to the unemployment benefits.

3 Give the following information as of the last day of the most recent plan year and enter that date here . . . . . \_\_\_\_\_  
a Total number of employees covered by the plan who are shareholders, officers, self-employed persons, or highly compensated (See Schedule F instructions for line 3a on page 14.) . . . . . \_\_\_\_\_  
b Number of other employees covered by the plan . . . . . \_\_\_\_\_  
c Number of employees not covered by the plan . . . . . \_\_\_\_\_  
d Total number employed\*. . . . . \_\_\_\_\_  
\* Should equal the total of a, b, and c—if not, explain the difference. Describe the eligibility requirements that prevent those employees not covered by the plan from participating.

4 At any time after December 31, 1959, did any of the following persons engage in any of the transactions listed below with the trust: the creator of the trust or a contributor to the trust; a brother or sister (whole or half blood), a spouse, an ancestor, or a lineal descendant of such a creator or contributor; or a corporation controlled directly or indirectly by such a creator or contributor?

**Note:** If you know that the organization will be, or is considering being, a party to any of the transactions (or activities) listed below, check the "Planned" box. Give a detailed explanation of any "Yes" or "Planned" answer in the space below.

- a Borrow any part of the trust's income or corpus? . . . . .  Yes  No  Planned
- b Receive any compensation for personal services? . . . . .  Yes  No  Planned
- c Obtain any part of the trust's services? . . . . .  Yes  No  Planned
- d Purchase any securities or other properties from the trust? . . . . .  Yes  No  Planned
- e Sell any securities or other property to the trust? . . . . .  Yes  No  Planned
- f Receive any of the trust's income or corpus in any other transaction? . . . . .  Yes  No  Planned

5 Attach a copy of the Supplemental Unemployment Benefit Plan and related agreements.

**Schedule K**

**Organizations described in section 501(c)(19)—A post or organization of past or present members of the Armed Forces of the United States, auxiliary units or societies for such a post or organization, and trusts or foundations formed for the benefit of such posts or organizations.**

1 To be completed by a post or organization of past or present members of the Armed Forces of the United States.

- a Total membership of the post or organization . . . . . \_\_\_\_\_
- b Number of members who are present or former members of the U.S. Armed Forces . . . . . \_\_\_\_\_
- c Number of members who are cadets (include students in college or university ROTC programs or at armed services academies only), or spouses, widows, or widowers of cadets or past or present members of the U.S. Armed Forces . . . . . \_\_\_\_\_
- d Does the organization have a membership category other than the ones set out above? . . . . .  Yes  No  
 If "Yes," please explain in full. Enter number of members in this category . . . . . \_\_\_\_\_

e If you wish to apply for a determination that contributions to your organization are deductible by donors, enter the number of members from line 1b who are war veterans, as defined below. . . . . \_\_\_\_\_

A war veteran is a person who served in the Armed Forces of the United States during the following periods of war: April 21, 1898, through July 4, 1902; April 6, 1917, through November 11, 1918; December 7, 1941, through December 31, 1946; June 27, 1950, through January 31, 1955; and August 5, 1964, through May 7, 1975.

2 To be completed by an auxiliary unit or society of a post or organization of past or present members of the Armed Forces of the United States.

- a Is the organization affiliated with and organized according to the bylaws and regulations formulated by such an exempt post or organization? . . . . .  Yes  No  
 If "Yes," submit a copy of such bylaws or regulations.
- b How many members does your organization have? . . . . . \_\_\_\_\_
- c How many are themselves past or present members of the Armed Forces of the United States, or are their spouses, or persons related to them within two degrees of blood relationship? (Grandparents, brothers, sisters, and grandchildren are the most distant relationships allowable.) . . . . . \_\_\_\_\_
- d Are all of the members themselves members of a post or organization, past or present members of the Armed Forces of the United States, spouses of members of such a post or organization, or related to members of such a post or organization within two degrees of blood relationship? . . . . .  Yes  No

3 To be completed by a trust or foundation organized for the benefit of an exempt post or organization of past or present members of the Armed Forces of the United States.

a Will the corpus or income be used solely for the funding of such an exempt organization (including necessary related expenses)? . . . . .  Yes  No  
 If "No," please explain.

b If the trust or foundation is formed for charitable purposes, does the organizational document contain a proper dissolution provision as described in section 1.501(c)(3)-1(b)(4) of the Income Tax Regulations? . . . . .  Yes  No



# Procedural Checklist

## Make sure the application is complete.

If you do not complete all applicable parts or do not provide all required attachments, we may return the incomplete application for the organization to resubmit with the missing information or attachments. This will delay the processing of the application and may delay the effective date of your organization's exempt status. The organization may also incur additional user fees.

### Have you . . .

- \_\_\_\_\_ Attached **Form 8718** (User Fee for Exempt Organization Determination Letter Request) and the appropriate fee?
- \_\_\_\_\_ Prepared the application for mailing? (See **Where To File** addresses in Form 8718.)
- \_\_\_\_\_ Completed all Parts and Schedules that apply to the organization?
- \_\_\_\_\_ Shown your organization's **Employer Identification Number (EIN)**?
  - a. If your organization has an EIN, write it in the space provided.
  - b. If this is a newly formed organization and does not have an Employer Identification Number, obtain an EIN by telephone. (See Specific Instructions, Part I, Line 2, on page 2.)
- \_\_\_\_\_ If applicable, described your organization's **specific activities** as directed in Part II, question 1 of the application?
- \_\_\_\_\_ Included a **conformed copy** of the complete organizing instrument? (Part I, question 8 of the application.)
- \_\_\_\_\_ Had the application signed by one of the following:
  - a. An officer or trustee who is authorized to sign (e.g., president, treasurer); **or**
  - b. A person authorized by a power of attorney (submit Form 2848 or other power of attorney)?
- \_\_\_\_\_ If applicable, enclosed **financial statements** (Part III)?
  - a. Current year (must include period up to within 60 days of the date the application is filed) and 3 preceding years.
  - b. Detailed breakdown of revenue and expenses (no lump sums).
  - c. If the organization has been in existence less than 1 year, it must also submit proposed budgets for 2 years showing the amounts and types of receipts and expenditures anticipated.

**Note:** *During the technical review of a completed application, it may be necessary to contact the organization for more specific or additional information.*

**Do not send this checklist with the application.**