



CGCI Group Tax Exemption Program Handbook

2015 - 2017

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The information contained in this document is intended to provide guidance to those applying for or renewing GTEP membership. CGCI is neither a law firm (and thus is not giving legal advice) nor a tax advisory firm. The following information was compiled from publicly available documents and websites including the IRS and State of California, CGCI's Bylaws and CGCI's official calendar (for dues payments and other internal procedures).

CGCI is a member of National Garden Clubs, Inc., Pacific Region
and is a 501(c)(3) organization listed on the California Registry of Charitable Trusts

CGCI Group Tax Exemption Program (GTEP)

What is it?

- It is the opportunity for a member Garden Club or District to obtain Tax-Exempt Status under the CGCI exemption “umbrella”.

Why is this allowed?

- California Garden Clubs, Inc. is a not-for-profit educational organization under Section 501(c)(3) of the Internal Revenue Code. This section affords CGCI tax-exempt status.
- CGCI applied for and received a group exemption letter recognizing subordinate clubs and districts of the type described in
 - Section 501 (c)(3) of the Internal Revenue Code on November 15, 2006
 - Revenue and Tax Code Section 23701d of the California Franchise Tax Board on November 9, 2010, retroactive to November 15, 2006.
- By obtaining these Group Exemptions, CGCI is able to pass along to its subordinates its tax exemption status under both Federal and California codes.
- Thus, qualifying member clubs and districts are eligible to be considered tax-exempt organizations under the same status as CGCI, *as long as they follow the guidelines set by CGCI on the basis of IRS and California FTB requirements.*
- In order to continue in the CGCI Group Exemption, the member clubs and districts also need to meet all Federal and California tax form and filing requirements.

What are the benefits?

- By being included in the Group Exemption Letter
 - subordinates do not have to file an application for exemption
 - members of the Group Exemption can accept donations that are tax-deductible under the law
 - (Bequests, legacies, devises, transfers, or gifts are deductible for federal estate and gift tax purposes if they meet the applicable provisions of section 2055, 2106 and 2522 of the Code.)
 - members of the Group Exemption do not have to pay the fees to obtain an exemption letter

WHAT ARE THE GTEP REQUIREMENTS?

- Your club must
 - be federated as a member club and carry on the mission of CGCI.
 - have been ratified as a member of CGCI and have one or more objectives in common.
 - be a member of a CGCI district
 - be subject to, and participate in, CGCI's general supervision and control.
- In addition *according to the IRS, to qualify, your club must:*
 - have complied with the IRS requirement to file an annual information return or electronic notice [the *e-postcard* Form 990-N] for tax years beginning in 2007 and subsequently.
 - The Pension Protection Act of 2006 mandated annual reporting by non-profit organizations.
 - The IRS has begun to revoke the tax-exempt status of organizations that failed to file for three consecutive years.
 - be exempt under the same paragraph of IRC 501(c)(3) as CGCI
 - In other words, your club must qualify for tax exemption as an *educational and charitable organization*, having objectives and activities that are the same as those of CGCI. The MAJORITY of activities must be educational. (Flower shows, speakers, tours and the like are all “educational” activities.)
 - have club bylaws, which include the required IRS language
 - have articles of association/affiliation mirror with CGCI.
 - This is a form your club needs to read, discuss and agree to.
 - use the same accounting period as CGCI. (July 1– June 30)
 - maintain a detailed description of the purposes and activities of your club, including the sources of receipts and the nature of expenditures.
 - This description of activities shows that the majority of your club or district activities are educational.
 - renew this information with CGCI by FEBRUARY 1 of each year.
 - have an authorized officer of your club give permission on the appropriate form to CGCI IN WRITING, each year by February 1, that states your club wants to be included in the CGCI Group Tax Exemption Program for the next fiscal year.
 - *CGCI Districts are eligible to apply for membership in the CGCI Group Tax Exemption Program if they comply with the above procedures.*

PLEASE NOTE: The GTEP application form is submitted **ONLY ONE TIME...**
when initially applying for group membership
In subsequent years you submit the RENEWAL FORM

HOW DO WE APPLY?

PLEASE NOTE!!! Your club **must be a member in good-standing** of California Garden Clubs, Inc. and of your district **BEFORE** you can apply for this 501(c)(3) Group Exemption!

- We have tried to make the process as easy as possible.
- Every requirement your club or district must fulfill (except the application fee) is a requirement made by the Internal Revenue Service, not CGCI.
- The application fee is to defray the costs of administering the program and of professional assistance.

Complete and submit the following to the CGCI Group Tax Exemption Program Chairman

1. THE APPLICATION FORM (You submit this form **ONLY ONE TIME** when initially applying. In subsequent years you submit the RENEWAL FORM)
 - a. The form clearly lists all the steps needed to comply.
 - b. See Appendix A**
 - c. The form is also available on the CGCI website. Go to www.californiagardenclubs.com/gtep
 - i. The online form can be completed electronically, saved to your computer and printed when ready for mailing
 - ii. Forms are in pdf format.
2. ARTICLES OF AFFILIATION
 - a. Your club must be affiliated and subordinate to CGCI in the eyes of the IRS.
 - b. This form formally defines the relationship between CGCI and your club as required by the IRS
 - c. See Appendix B**
 - d. The form is also available on the CGCI website. Go to www.californiagardenclubs.com/gtep
 - i. The online form can be completed electronically, saved to your computer and printed when ready for mailing
 - ii. Forms are in pdf format.
3. A COPY OF YOUR BYLAWS
 - a. To be included in the Group Exemption, your club or district must be organized as a legitimate nonprofit, educational organization in the eyes of the IRS.
 - b. To determine if your organization complies with the IRS definition of a nonprofit, CGCI must review your organization's organizing document (its bylaws) to be sure it contains the specific language required by the IRS for the operation of a legitimate 501(c)(3) organization.
 - c. Make sure your bylaws
 - i. Are dated with the date these bylaws were legally approved by club membership/governing body
 - ii. Are signed by two (2) officers with the date they are signed to certify the copy is a true copy of the bylaws (governing document) of your organization.
 - iii. include the NAME of your organization
 - iv. must reflect the 501(c)(3) charitable and educational purpose of your organization in both the purpose and membership statements
 - d. See Appendix C for the IRS-approved language to be included in your bylaws**
4. LIST OF CLUB ACTIVITIES: The IRS has granted CGCI the non-profit exemption on the basis of CGCI being a non-profit education organization. The majority of your clubs activities must also be educational. Things like programs, speakers, tours and flower shows are all educational.
 - a. See Appendix D for sample activities form**
5. FINANCIAL STATEMENT:
 - a. The IRS requires that CGCI keep on file a yearly simple financial statement from your club.
 - b. It merely needs the amount of income your club received (itemized into broad categories....not transaction by transaction) and a list of expenses (also itemized into broad categories....not transaction.)
 - c. See Appendix E for sample financial statement**
6. FILING FEE
 - a. Check payable to CGCI for \$35
 - b. MAIL TO the CGCI Group Tax Exemption Program Chairman listed on the application form.

HOW DO WE RENEW?

- Once a club [or district] is included in the CGCI Group Tax Exemption Program and wishes to continue to do so from year to year
 - the IRS requires that the club [or district] inform CGCI in writing that they wish to be included, once again, in the Group Tax Exemption Program.
 - Renewals are for the July 1-June 30 fiscal year, and must be postmarked by February 1 prior to the July 1 date.
- **Your club [or district] must:**
 - have paid CGCI and District dues for the current fiscal year
 - maintain a description of the activities of your club [or district] in order to document that the majority of your club [or district] activities are educational
 - maintain a record of the sources of receipts and the nature of expenditures, and submit a financial report for the previously completed fiscal year
 - have filed all required Federal and California tax reports for the previous fiscal year
 - submit this information to CGCI by FEBRUARY 1 of each year
 - have an authorized officer of your club [or district] give permission to CGCI each year, IN WRITING, that states your club [or district] wants to be included in the CGCI group tax exemption
 - **ALL THE ABOVE INFORMATION WILL BE INCLUDED IN THE RENEWAL PACKET MAILED TO CLUB PRESIDENTS [or DISTRICT DIRECTORS].**

WHAT ARE THE IRS REQUIREMENTS?

NOTE: For more information see the [IRS Compliance Guide for Public Charities](#) It can be downloaded from the GTEP page on the CGCI website.

YOU must file an annual Federal tax return:

1. **Who?** Any nonprofit organization whether it has received a federal tax exempt determination or not, and whose gross receipts are normally \$50,000 or less per tax year.
2. **What?** Electronic Form 990-N is for small nonprofits to use to satisfy a reporting rule for groups grossing \$50,000 or less. The “e-Postcard” is required of every exempt organization (except churches) that do not have to file (or choose to file) a Form 990 or a Form 990EZ.
3. **What else?**
 - a. Organizations that have **failed to file this form for three successive years** have had their tax-exempt status automatically **revoked by the IRS** and must apply to the IRS to reinstate their tax exempt status.
 - b. **If revoked, club is NO LONGER a member of GTEP and cannot re-apply to GTEP** should they receive IRS reinstatement
4. **When?** The e-Postcard is due every year by the 15th day of the 5th month after the close of your tax year.
 - a. The tax year for CGCI and most of the members of its Group Exemption is **July 1-June 30**. Filing is due by **November 15**.

5. Instructions for filing a Form 990-N?

- a. This can **only** be done on a computer (at home or public library, for example), it must not be downloaded and mailed in to the IRS.
- b. **You will need your club's EIN** as you use the road map below for filing.
- c. **Go to <http://epostcard.form990.org>**
 - i. click on "Register as a New User" the first time you file; (in the future you will just log in and file); click on "Next".
 - ii. On the "Request Login ID" page you will select "Exempt Organization", the program will provide you with your "Login ID" (**WRITE IT DOWN!!!**). See Appendix J
 - iii. It will ask for a Password (**MAKE UP YOUR OWN AND WRITE IT DOWN!!!**), Fill in the rest of the page and click on "next." See Appendix J
 - iv. You may get a message that "you will receive an email containing a link that will allow you to activate your login ID and create your e-postcard." (The email could arrive in as few as five minutes.)
 - v. When you click on the link in the email, you will follow the instructions to "Activate Login ID" **NOTE:** Because you are under the CGCI umbrella the "Org Name" may read "California Garden Clubs, Inc." (**NOT TO WORRY**, we will discuss this at item viii below); Enter the password you wrote down at #3 and click "Next".
 - vi. Click on "Create your Form 990-N (e-Postcard) Now."
 - vii. On the "Organization Information" page the IRS will provide the tax year period they have on file for you; you will click that you haven't gone out business and that your gross receipts are normally \$50,000 or less. (If normally **greater** than \$50,000 you need a different form [990 or 990-EZ] and cannot file the 990-N); again the "legal name" may show as California Garden Clubs, Inc.--Refer to viii; click "Next Page."
 - viii. On this page ("Organization Address and Principal Officer Information") you can **enter, in the DBA area, your club's name and fill in the rest of the information and click "Save Changes;"** Then click "Submit Filing to IRS." This completes the filing process.
 - ix. You should click on for a few screens. You will receive an email from Urban.org that the IRS has accepted your e-Postcard. Then you should click back through the process, entering your Login ID and Password and then view and print out the postcard (this is not a necessary part of the filing). **SAVE THIS PRINTOUT**, in case there is any question about whether you have filed. Again, **DO NOT mail the form to the IRS.**
 - x. Be sure to save your printouts, Login ID and Password for your Club officers now and in the future.

WHAT ARE THE CALIFORNIA REQUIREMENTS?

You **MUST** file an annual state tax return with the Franchise Tax Board (FTB)

Note: It is called an “Exempt Organization Annual Information Return”

1. **Who?** The requirements are similar to those of the IRS... Any nonprofit organization whether it has received a state tax exempt determination or not, and whose gross receipts are normally \$50,000 or less per tax year.
 - a. Go to https://www.ftb.ca.gov/businesses/Exempt_organizations for detailed information on FTB requirements.
2. **What?** Electronic form 199N is the FTB e-Postcard filed online.
 - a. Go to https://www.ftb.ca.gov/online/199N_ePostcard for complete instructions and to start the filing process
 - b. You will need your 7 digit California Corporation Number or ID number assigned by the state. (Ex: 1234567)
 - c. You may elect to file Form 199

Registry of Charitable Trusts (ROCT) Initial Registration

All charitable corporations, unincorporated associations, trustees, or other persons holding assets in trust for charitable purposes must register with the Attorney General’s Registry of Charitable Trusts **within 30 days** of initially receiving assets (funds, property, etc.). NOTE: For more information see the **California Attorney General Guide for Charities**. It can be downloaded from the GTEP page on the CGCI website.

To complete initial registration, **submit the following documents and information to the Registry:**

1. Form CT-1 (available for download from <http://oag.ca.gov/charities/forms>)
 - a. A sample copy of CT-1 may be found in Appendix F
2. Founding documents, as follows:
 - a. Corporations: articles of incorporation and all amendments and current bylaws.
 - b. Associations: instrument creating the organization (bylaws, constitution, and/or articles of association).
 - c. Trusts: trust instrument or will and decree of final distribution.
 - d. Trustees for charitable purposes: statement describing your operations and charitable purpose.
3. IRS Form 1023, if submitted to IRS.
4. IRS determination letter, if received from IRS.
5. \$25.00 initial registration fee.
6. Upon completion of filing the CT-1 you will receive a CT ID number, i.e. CT-012345

Mail the above to:

California Attorney General’s Office
Registry of Charitable Trusts
P.O. Box 903447
Sacramento, CA 94203-4470

ROCT Annual Filing

Every charitable nonprofit corporation, unincorporated association or trustee holding assets for charitable purposes that is required to register with the Attorney General’s Office **is also required to annually file Form RRF-1** regardless of whether the corporation files Form 990s annually or is on extended reporting.

- A sample copy of RRF-1 may be found in Appendix G

Raffles:

In California, charities and certain other private nonprofit organizations may conduct raffles to raise funds for beneficial or charitable purposes in the state. California requires that at least 90 percent of the gross receipts from these raffles go directly to the beneficial or charitable purposes of the organization (i.e. NO 50/50 raffles).

Unless specifically exempted, a nonprofit organization **must register with the Attorney General's Registry of Charitable Trusts prior to conducting the raffle and file an aggregate financial disclosure report for all raffles held during the reporting year.** Forms for registering and reporting activities are available for download at <http://oag.ca.gov/charities/forms>.

- A sample copy of CT-NRP 1 – Registration is Appendix H
 - Registration fee is \$20 per year
- CT-NRP 2 – Annual Filing is Appendix I (This is a single **aggregate** report for all raffles held during the reporting year --September 1 through August 31-- regardless of the number of raffles held)

The registration period for conducting raffles is September 1 through August 31 annually. Registration must be completed prior to conducting raffle-related activities, including the selling of raffle tickets. An organization must file the raffle registration form at least 60 days before the scheduled date of the raffle in order to give Registry staff sufficient time to process the form. The Registry does not confirm receipt of raffle registration forms. An organization that wants confirmation that the Registry has received a form must submit the form to the Registry by requesting "certified receipt," a service available at the U.S. Post Office.

FREQUENTLY ASKED QUESTIONS (FAQS):

1. **If our club is a member of CGCI, are we automatically included in the CGCI Group Tax Exemption Program as a non-profit 501(c)(3) club?**
 - a. NO. The IRS has specific requirements that make a club eligible to be deemed a 501(c)(3) non-profit organization. Not all clubs qualify.
2. **Does our club have to be in the Group Tax Exemption Program to belong to CGCI?**
 - a. NO. Participation in the program is strictly optional.
 - b. **But your club MUST BE A MEMBER OF CGCI and the local district to apply for participation in the Group Tax Exemption Program.**
3. **Our club has a fundraiser coming up. How long does it take to be approved?**
 - a. That depends. According to the IRS, if a club meets all the requirements and completes the necessary paperwork, the club will then be presented for approval as a new member of the CGCI Group Tax Exemption Program at the next meeting of the CGCI Board of Directors.
 - b. But the important thing to know is that no matter what actual date your club is approved, your exemption will be in effect for the entire calendar year.
 - c. Your club does not have to be a member of GTEP in order to conduct the event.
4. **Why do you want a list of our club activities?**
 - a. Not all "non-profits" qualify for 501(c)(3) status .
 - b. The IRS has only a few, specific categories it will allow.
 - i. The IRS granted CGCI its 501(c)(3) status as an **educational** non-profit organization. To be included under the CGCI exemption, it only follows that the club must also be an **"educational"** non-profit organization.
 - ii. Therefore, a club must demonstrate that its activities are mainly educational. Tours, speakers, programs, flower shows, scholarships and all like activities are considered "educational" and should be prominent in your list of activities for your IRS file.

5. **What kind of financial statement is required?**

- a. The IRS wants a general idea of where your club gets its income and how it spends its money.
 - i. Please do not send a list of checks and deposits. This does not help!
- b. A simple list of categories is much more appropriate.
 - i. For income the list could include categories such as dues, fundraiser, donations, etc. The expenses could include rental, postage, programs, office supplies, etc.
 - ii. Appropriate reimbursements for services and travel are allowed. Even salaries are allowed. It must just be evident that funds do not accrue to one or a few select people who are skimming funds for their self-aggrandizement.

6. **If we are a non-profit, do we still have to pay sales tax?**

- a. Absolutely! 501(c)(3) status is granted by the US Federal government Internal Revenue Service.
 - i. It applies to Federal income tax. It also applies to state income tax in that state income tax returns are based on federal returns.
- b. It has nothing to do with state sales tax as these rules differ from state to state.
 - i. Sales tax applies to the revenue from plant/craft sales (any items sold), silent and live auctions etc.
- c. For complete information see the **Board of Equalization Pub 18**. It can be downloaded from the GTEP page on the CGCI website.

7. **Once accepted, what do we have to do?**

- a. Each club or district in the CGCI Group Tax Exemption Program is required to file an annual information return or notice with the **IRS** by November 15 (or the 15th day of the 5th month after the close of their fiscal year).
 - i. Organizations with gross receipts normally less than or equal to \$50,000 file the electronic postcard **Form 990-N**, but may choose to file a full return.
 - ii. Those with gross receipts more than \$50,000 but less than \$200,000 and with assets less than \$500,000 must file **Form 990-EZ** or **Form 990**.
 - iii. It can only be done on a computer and must not be mailed to the IRS.
 - iv. The IRS will revoke the tax-exempt status of an organization that fails to file a return or notice for three consecutive years.
- b. Starting January 1, 2011, the State of California required each club or district in the CGCI Group Tax Exemption Program to file an annual information return or notice with the **State of California Franchise Tax Board** by November 15 (or the 15th day of the fifth month after the close of their fiscal year).
 - i. Organizations with gross receipts normally less than or equal to \$50,000 file the California electronic postcard **FTB Form 199N** but if eligible may choose to file a complete **FTB Form 199**.
 - ii. Those with gross receipts more than \$50,000 must file FTB Form 199.
- c. Please be aware that a member of the CGCI Group Tax Exemption Program may also be responsible for any Federal or State of California applicable filing requirements and taxes on unrelated business income.
- d. The IRS and California Franchise Tax Board require that CGCI check with each member of the Group Tax Exemption Program each year to verify that they want to remain in the Group Tax Exemption Program.
 - i. Each member of the Group will receive a renewal form during the first quarter of the CGCI fiscal year.
 - ii. It asks that you indicate that your club or district wishes to continue in the Group Tax Exemption Program and the dates the required IRS and CA FTB returns or notices were filed, include an updated financial report and an updated list of club activities.
 - iii. These papers will be filed in case of audit of CGCI's records. A \$15 fee is charged to defray administrative and professional expenses.

8. **We are already a member of the CGCI Group Tax Exemption Program. Must we "renew" each year?**
 - a. **Yes.** This is a requirement of the IRS and the CA FTB.
 - b. Renewal forms are sent out during the first quarter of CGCI's fiscal year.
 - c. They must be completed and returned to the Group Tax Exemption Program chairman by February 1 for the club or district to be included in the Group Tax Exemption Program for the following fiscal year.
9. **Once we become a nonprofit, are there any other requirements?**
 - a. Our mailing address and/or officer has changed. Should we notify the IRS?
 - i. You can file IRS Form 8822-B (business) and FTB form 3533. Once the form is on your computer screen, you can fill in the blanks and then print out and mail. (Note: Suggest you attach a copy of the minutes from meeting when elections held)
 - ii. Or, when you file your annual 990-N form, enter the new address and new principal officer information and the IRS will eventually recognize the change.
 - b. Our officers have changed in mid-term. What do we do?
 - i. Notify the GTEP Chairman
 - c. We don't know what our EIN is (or have never applied for one). What do we do?
 - i. The easiest way to find out what your EIN is to look at your bank statement or ask the bank where you have your checking account.
 - ii. If you've never had an EIN, you can apply online.
 - d. OK, we've applied to the CGCI program, have been ratified by the CGCI Board of Directors and have received our letter of acceptance. We contacted the IRS, and they don't show our group as a 501(c)(3) tax-exempt organization. Why not and what do we tell our donors?
 - i. The IRS has directed that **CGCI can only make one filing annually**, reporting renewing Clubs/Districts and newly recognized Clubs/Districts since the last annual filing.
 - ii. However, in its group exemption letter, the IRS has granted to CGCI the authority to confer tax-exempt status to its approved members between CGCI's annual filing.
 - iii. Clubs and Districts that are part of CGCI's Tax-Exempt Group are listed on the CGCI website on the Tax-Exempt Group List after they have been ratified by the CGCI Board of Directors.
10. **If we have questions, whom do we contact?**
 - a. Contact the Chairman of the CGCI Group Tax Exemption Program as listed on the cover of this Handbook.

IMPORTANT DATES TO REMEMBER

- January 15 – deadline to submit premiums for liability insurance
- February 1 – deadline to submit renewal form for CGCI Group Tax Exemption Program
- July 1 – dues due to CGCI and your district
- July 31 – California sales tax due to **CA Board of Equalization** for fiscal year ending June 30
- September 1 – deadline for
 - ROCT raffle registration (CT-NRP-1 + \$20) for the coming year
- October 1 – deadline for
 - ROCT raffle report (CT-NRP-2 no fee) of raffles held previous year.
- November 15 – the following are due for organizations whose fiscal year ended June 30
 - IRS tax return (form 990N or 990)
 - FTB tax return (form 199N)
 - ROCT annual report (form RRF-1)



California Garden Clubs Inc.

Group Tax Exemption Program

APPLICATION FORM

NOTE: Your club must be a member of CGCI and a CGCI District with dues paid in full for the current year BEFORE submitting this application. The club must also have complied with IRS and California filing and reporting requirements.

1. Garden club name: _____

CGCI District: _____

2. Federal Employer Identification Number (EIN): _____ - _____

(Note: Your garden club must have an EIN assigned by the IRS in order to complete this form.)

3. California Franchise Tax Board Entity Number: _____

4. Is your garden club a private foundation? Please initial the appropriate box below.

(Note: Garden clubs are generally NOT a "private foundation" within the meaning of the tax code. A determination by the IRS that your garden club is a private foundation will jeopardize your ability to receive tax-exempt status.)

Our garden club is **not** a private foundation

Our garden club is a private foundation

5. Contact information. (Please Print)

The IRS requires the listing of an address for each local garden club for which the 501(c)(3) tax exempt status is sought. If the club does not have a permanent address, the address of the current president should be used.

Name/Title _____

Address _____

City _____ State ____ ZIP _____

Telephone number _____ Email _____

6. Club Bylaws. Please attach a copy of your club bylaws and initial the box to indicate compliance.

We have reviewed the **IRS-APPROVED LANGUAGE** document and have checked to make sure that our club bylaws have all the language required by the IRS. **A copy of our Club Bylaws, as approved by our club and signed and dated by our club president and another officer, is attached to this document.**

7. Club activities. Please initial each box below.

a. Our club has agreed to the Articles of Affiliation. **A copy of the Articles of Affiliation, as approved by our club and signed by our club president, is attached to this document.**

b. We affirm that the major portion of our garden club's activities in the past year have been to pursue nonprofit, educational purposes as stated in the Articles of Affiliation.

c. **Attached is a list with descriptions of the activities** of our garden club that relate to the primary purpose of our non-profit organization as outlined in the Articles of Affiliation.

NOTE: Attach a detailed description of the club's activities including how each activity furthers the EDUCATIONAL purpose(s) of your 501(c)(3) affiliation. (Include such things as educational programs/tours, scholarships, awards, flower shows or other projects that educate the public and civic projects that beautify the community.)

8. As the authorized representative for this garden club, I affirm that our garden club understands that: *Please initial the appropriate box below.*

- a. Our club will be relieved from having to file IRS Form 1023, *Application for Recognition of Exemption Under Section 501(c)(3) of the IRC*, and Form 1024 *Application for Recognition of Exemption Under Section 501(a)*.
- 1b. Our club will be subject to the general supervision of California Garden Clubs, Inc. as outlined in the Articles of Affiliation.
- 2c. Our club will be required to submit a financial report for its most recently ended fiscal year to CGCI on or before the deadline specified by the CGCI Group Tax Exemption Chairman.
- 3d. Our club will be responsible for its own Federal and California tax return filings. California Garden Clubs, Inc. does not file group tax returns.

Yes, I understand

No, I do not understand

9. Financial information. Please indicate fiscal year_____.

Attached is the financial report for our garden club's latest fiscal year.

10. Application fee.

Attached is the non-refundable application fee of \$35.00, made payable to CGCI.

11. Signature:

I attest that to the best of my knowledge, the above information is correct.

With the submission of this application, I affirm that our garden club wishes to be included in the California Garden Clubs Inc. Group Tax Exemption Program. (This form must be signed by the club president.)

Signature: _____

Print name: _____

Title: _____ Date: _____

12. Submit this application with the attachments listed below.

- Signed copy of the **CLUB BYLAWS** as stated in item 6 above
- Signed copy of the **ARTICLES OF AFFILIATION** as stated in item 7(a) above
- LIST/ DESCRIPTION OF ACTIVITIES** as stated in item 7(c) above
- FINANCIAL REPORT** as stated in item 9 above
- APPLICATION FEE** of \$35.00 as stated in item 10 above

Mail to: GTEP Chairman (listed on form)



California Garden Clubs Inc.

Articles of Affiliation

Garden Club: _____

District: _____

Date: _____

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day associated ourselves together voluntarily under these Articles of Affiliation.

Article I – Affiliation

1. Agreement of Affiliation.

Acceptance of these Articles of Affiliation shall constitute a formal affiliation between California Garden Clubs, Inc., hereinafter referred to as CGCI, and the garden club seeking affiliation with CGCI.

2. Record of Affiliation.

- a. A copy of the bylaws of the AFFILIATED GARDEN CLUB shall be attached to the Agreement of Affiliation to establish a full record of the affiliation.
- b. To maintain a full and lawful record of affiliation, an “*Annual Affiliation Renewal Packet*” shall be completed by the AFFILIATED GARDEN CLUB each year and filed with the CGCI Affiliated Garden Clubs Chairman.
 - (1) All parts of the packet must be properly completed
 - (2) Supporting documents as indicated in the instructions on the “*Annual Affiliation Renewal Packet*” shall be attached
 - (3) Signatures of officers authorized by the AFFILIATED GARDEN CLUB shall be affixed in the appropriate places
 - (4) The completed packet shall be returned to the Affiliated Garden Clubs Chairman of CGCI by February 1 of each year.
- c. The AFFILIATED GARDEN CLUB shall maintain a detailed description of its purposes and activities, including the sources of receipts and the nature of expenditures, to comply with the rules set forth by the IRS.

3. Terms of Affiliation.

These Articles of Affiliation, along with the Bylaws and Articles of Incorporation of CGCI, shall govern the communication and collaboration between CGCI and the AFFILIATED GARDEN CLUB.

4. Duration.

The AFFILIATED GARDEN CLUB shall maintain affiliation with CGCI until such time as the affiliation is terminated, according to the conditions set forth in Article VII.

Article II - Purpose

1. The primary purpose of the AFFILIATED GARDEN CLUB shall be the same as the primary purpose of CGCI:
 - a) To create, promote and further interest in horticulture, gardening, floral and landscape design, plant and bird life, and appreciation of the natural beauties of the State of California.
 - b) To encourage civic beautification and roadside development.
 - c) To assist in projects for the conservation of our natural resources.
 - d) To educate the public in matters relating to horticulture, gardening, floral and landscape design, civic beautification and resource conservation.
2. The primary purpose of the Affiliation between CGCI and the AFFILIATED GARDEN CLUB shall be to coordinate and centralize the work of the various California garden clubs and associations, now or hereafter organized, under the general supervision of CGCI.

Article III - Governing Authority

1. Organization.

CGCI is incorporated under the laws of the state of California pursuant to Articles of Incorporation filed May 13, 1936. The provisions of the Bylaws of the AFFILIATED GARDEN CLUB shall not be in conflict with Bylaws and Articles of Incorporation of CGCI.
2. Affiliate.
 - a. The AFFILIATED GARDEN CLUB is an autonomous entity and is responsible for maintaining records in compliance with these Articles of Affiliation and all applicable Federal, state and local laws and regulations, including tax laws.
 - b. The Board of Directors of the AFFILIATED GARDEN CLUB shall have the final authority in all matters pertaining to the operations of the AFFILIATED GARDEN CLUB which are not governed by these Articles of Affiliation.
 - c. The AFFILIATED GARDEN CLUB shall be subject to and participate in CGCI's general supervision and control.
 - d. The AFFILIATED GARDEN CLUB shall participate in CGCI governance through membership at the District level and through voting delegates at the annual CGCI conventions as prescribed in the Bylaws of CGCI.

Article IV - Limitations of Activity

1. The AFFILIATED GARDEN CLUB shall not conduct or carry out any activities not permitted to be conducted or carried on by an organization exempt under Section 501 (c)(3) of the U.S. Internal Revenue Code and its Regulations as they now exist or as they may be amended.

2. The AFFILIATED GARDEN CLUB certifies by signing this agreement that it is not currently nor shall it become a private foundation during its period of affiliation.
3. Notwithstanding any other provision of these Articles or CGCI Bylaws, neither CGCI nor the AFFILIATED GARDEN CLUB shall be precluded from affiliating or collaborating with any other individuals or organizations.

Article V – Financial Relationship

1. Budgetary Independence.
The revenue and expenditures for CGCI and the AFFILIATED GARDEN CLUB shall be separate and independent in nature, except for any specific collaborations for which a distinct funding stream has been identified for the purpose of a collaborative activity between CGCI and the AFFILIATED GARDEN CLUB.
2. Affiliate Membership Dues.
The AFFILIATED GARDEN CLUB will be liable for any and all membership dues to CGCI. Dues will be levied on an annual basis, the exact amount of which will be set forth in the Bylaws of CGCI.
3. Tax reporting.
The AFFILIATED GARDEN CLUB is responsible for its own tax return filings, if necessary. California Garden Clubs, Inc. does not file group tax returns.

Article VI - Amendment of the Articles of Affiliation

1. Proposing Amendments.
 - a. Amendment of these Articles of Affiliation may be proposed by a resolution of the CGCI Board of Directors.
 - b. The AFFILIATED GARDEN CLUB may submit proposed Amendments to these Articles of Affiliation through the CGCI Executive Committee.
2. Acceptance of Amendments.
These Articles of Affiliation may be amended at an annual CGCI convention by a two-thirds vote, provided that at least 45 days prior to convention all voting members shall have been sent a copy of the proposed amendments with rationale.

Article VII – Termination of Affiliation

1. Automatic Termination.
The Affiliation as defined herein these Articles of Affiliation will be deemed terminated if the “*Annual Affiliation Renewal Packet*” is not submitted as set forth in these Articles of Affiliation, Article II, Section 2(b).
2. Proposing Termination.
The Affiliation as defined in these Articles of Affiliation may be terminated at any time by
 - a. recommendation of the CGCI Membership Chairman due to the non-receipt of

- annual dues
- b. recommendation of the CGCI Affiliated Garden Clubs Chairman because conditions for the continued effectiveness of a group exemption have not been fulfilled by the AFFILIATED GARDEN CLUB
- c. written letter from the AFFILIATED GARDEN CLUB stating it wishes to terminate the affiliation
- d. resolution of the CGCI Board of Directors.

3. Resolution of Termination.

- a. Upon termination of the affiliation between CGCI and the AFFILIATE, the CGCI Affiliated Garden Clubs Chairman will issue a written acknowledgement of said termination, one copy of which will be sent to the AFFILIATED GARDEN CLUB and one copy included with the record of the affiliation thereby closing the file.
- b. Upon termination of the affiliation between CGCI and the AFFILIATED GARDEN CLUB, the CGCI Affiliated Garden Clubs Chairman will include the AFFILIATED GARDEN CLUB on the list of subordinates no longer to be included in the group exemption letter to the Internal Revenue Service.
- c. The AFFILIATED GARDEN CLUB will cease to claim itself a non-profit, 501(c)3 organization under the CGCI group exemption letter.

IN WITNESS WHEREOF, we, the undersigned, pursuant to the authority conferred upon us by California Garden Clubs, Inc. or the garden club seeking affiliation with California Garden Clubs, Inc., have executed these Articles of Affiliation upon this, the

_____ day of _____, 201__.

Date Month

Signed,

by _____
(Please print your name)

Signature

Title

for _____
Garden Club

Address:

by:

Signature
Chairman, CGCI Group Tax
Exemption Program

for California Garden Clubs, Inc.



California Garden Clubs, Inc.

Appendix C

CGCI 501(c)(3) Group Tax Exemption Information

Revising club bylaws to contain the IRS-approved language.

Instructions for amending your club bylaws to include the
“Requirements to be Exempt as an Organization described in section 501(c)(3) of the Internal Revenue Code”

The Internal Revenue Service requires that club bylaws include specific language in order for the club to be considered a nonprofit, exempt organization as described in section 501(c)(3) of the Internal Revenue Code. The five (5) paragraphs in the box below are the IRS-approved 501(c)(3) language that needs to be included in your clubs bylaws (organizing document) to demonstrate that your organization is, indeed, a non-profit public-benefit organization.

The **exact wording** in the five sections below are **all** required by the Internal Revenue Service: they include purpose, inurement, lobbying, notwithstanding, and dissolution clauses. The sections may be included separately within different articles of your bylaws or they may be added as one, complete amendment as appears below.

Contact the CGCI Group Tax Exemption Program Chairman if you have any questions: taxexemptgroup@cagardenclubs.org

DIRECTIONS: Submit a full copy of your clubs bylaws (governing document) to CGCI. Make sure your bylaws are

- a. dated with the date these bylaws were legally approved by club membership/governing body
- b. signed by two (2) officers with the date they are signed to certify the copy is a true copy of the bylaws (governing document) of your organization.

•••PLEASE make sure the NAME of your organization is also included in the bylaws. •••

Please note that both the purpose and membership statements of your bylaws must reflect the 501(c)(3) charitable and educational purpose of your organization.

(If using the Article below as one unit, please give this article a new number to consistent with the numbering in your bylaws)

Article _____ Amendment to the By-laws Requirements to be exempt as an Organization described in section 501(c)(3) of the Internal Revenue Code

Section 1. Said organization is organized exclusively for charitable, educational, or scientific purposes, including, for such purposes, the making of distributions to organizations that qualify under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Section 2. No part of the net earnings of the organization 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 purpose clause hereof.

Section 3. 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 or in opposition to any candidate for public office.

Section 4. Notwithstanding any other provision of these articles, 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, or the corresponding section of any future federal tax code, or (b) by an organization, 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.

Section 5. Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction 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.

What does the required language mean?

Below is a brief and very unprofessional explanation of what each section means in common language.

Section 1: This paragraph promises that the club or district was formed with the purpose of being “charitable” or “not-for-profit.” The government approves several types of activities as “charitable.” “Education” is an approved activity that is most applicable to garden clubs and districts. “Science” applies to a lesser degree. This paragraph promises that the majority of the effort put forth by the club or district will be educational and perhaps also scientific, as far as the science of gardening goes.

Section 2: This paragraph promises that the organization will not act to benefit an individual(s). In other words, no individual(s) will make money off this club or district. Members or others may be paid a “reasonable” compensation for services and expenses, but no one will personally profit (as in “get-something-for-nothing,” “skim money off the top” or charge unacceptable expenses to the organization.)

Section 3: This means that the **major part** of the club or district business will be for carrying on educational activities, but not activities of a political nature. Politics & promoting political candidates may **not** be a major activity of the club or district. Of course we all have freedom of speech in this country and we are not precluded from expressing our opinions. But to be a 501(c)(3) club or district, political posturing must be kept to a very small part of the day-to-day business of the club or district.

Section 4: This paragraph is basically stating that this club or district will behave as the IRS, and the public in general, expects a non-profit organization to behave.

Section 5: The IRS is giving a break to people who donate to your club or district. The government agrees to **not** charge the donor income tax on the amount of money given to your club or district. In effect, the government, itself, is giving-up the income it would have gotten from the taxes on the donation amount. So, the government rightly believes the money received by the club or district is “special.” (It wasn’t taxed.) Therefore, if the club or district decides to shut down, the government wants this “special” untaxed money to go to some other non-profit that has the same non-profit status [501(c)(3)] as your club or district. If your club or district can’t find another non-profit to give its money to if/when it closes down, the government says it will take the money and distribute it for you. That’s the deal. After legitimate expenses, donated money must stay in the hands of approved non-profit organizations or it all gets turned over to the government and the government will see that it gets used for charitable purposes.

My Town Garden Club

Fiscal Year July 1, 20xx-June 30, 20xx

Sample Activities Report

Held 8 educational monthly meetings open to the public, covering conservation, horticulture and other educational topics

Promoted CGCI educational projects

Awarded 2 Club educational scholarships

Gave horticulture scholarship money to District to deserving students to help with studies and books; donated to local 501(c)(3) nonprofit botanical garden .

Held plant sales open to the public

Maintained City Hall planter boxes, demonstrating proper pruning and care

Conducted flower arranging classes at Library, educating public and presented arrangements to library for decorations

SAMPLE

My Town Garden Club

Fiscal Year July 1, 20xx-June 30, 20xx

Sample Financial Report

Revenues

Membership Dues	\$1,840.00
Plant Sales	450.75
Spring Tea	66.50
Home Tour	2,200.00
Donations	<u>66.43</u>
Total Revenue	\$4,623.68

Expenses

Dues: CGCI & District	\$ 225.00
Rent	600.00
Insurance	125.00
Golden Gardens	180.00
Publications/Newsletter	84.33
Program Speakers	75.00
Flower Arrangements-Library	133.33
City Hall Beautification	250.00
District Expenses	30.00
Scholarships	500.00
CGCI President's project	<u>300.00</u>
Total Expenditures	\$2,502.66
Excess of Revenues over Expenses	\$2,121.02

SAMPLE

Registry of Charitable Trusts
 P.O. Box 903447
 Sacramento, CA 94203-4470
 Telephone: (916) 445-2021

WEBSITE ADDRESS:
<http://ag.ca.gov/charities/>

**INITIAL
 REGISTRATION FORM
 STATE OF CALIFORNIA
 OFFICE OF THE ATTORNEY GENERAL
 REGISTRY OF CHARITABLE TRUSTS**
 (Government Code Sections 12580-12599.7)



NOTE: A \$25.00 REGISTRATION FEE MUST ACCOMPANY THIS REGISTRATION FORM. MAKE CHECK PAYABLE TO DEPARTMENT OF JUSTICE.

Pursuant to Section 12585, registration is required of every trustee subject to the Supervision of Trustees and Fundraisers for Charitable Purposes Act within thirty days after receipt of assets (cash or other forms of property) for the charitable purposes for which organized.

Every charitable (public benefit) corporation, association and trustee holding assets for charitable purposes or doing business in the State of California must register with the Attorney General, except those exempted by California Government Code section 12583. Corporations that are organized primarily as a hospital, a school, or a religious organization are exempted by Section 12583.

Name of Organization: _____

The name of the organization should be the legal name as stated in the organization's organizing instrument (i.e., articles of incorporation, articles of association, or trust instrument).

Official Mailing Address for Organization:

Address: _____

City: _____

State: _____

ZIP Code: _____

Organization's telephone number: _____

Organization's e-mail address: _____

Organization's fax number: _____

Organization's website: _____

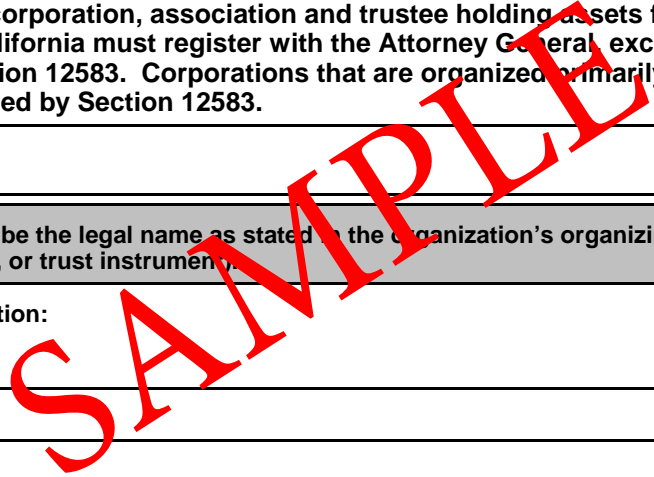
All organizations must apply for a Federal Employer Identification Number from the Internal Revenue Service, including organizations that have a group exemption or file group returns.

Federal Employer Identification Number (FEIN): _____

Group Exemption FEIN (if applicable): _____

All California corporations and foreign corporations that have qualified to do business in California will have a corporate number. Unincorporated organizations are assigned an organization number by the Franchise Tax Board upon application for California tax exemption.

Corporate or Organization Number: _____



Names and addresses of ALL trustees or directors and officers (attach a list if necessary):

Name		Position
Address		
City	State	ZIP Code
Name		Position
Address		
City	State	ZIP Code
Name		Position
Address		
City	State	ZIP Code
Name		Position
Address		
City	State	ZIP Code
Name		Position
Address		
City	State	ZIP Code

Describe the primary activity of the organization. (A copy of the material submitted with the application for federal or state tax exemption will normally provide this information.) If the organization is based outside California, comment fully on the extent of activities in California and how the California activities relate to total activities. In addition, list all funds, property, and other assets held or expected to be held in California. Indicate whether you are monitored in your home state, and if so, by whom. Attach additional sheets if necessary.

The organization will be required to file financial reports annually. All organizations must file the Annual Registration/Renewal Fee Report (RRF-1) within four months and fifteen days after the end of the organization's accounting period. Organizations with \$25,000 or more in either gross receipts or total assets are also required to file either the IRS Form 990, 990-EZ, or 990-PF. Forms can be found on the Charitable Trusts' website at <http://ag.ca.gov/charities/>.

If assets (funds, property, etc.) have been received, enter the date first received: Date assets first received: _____	Registration with the Attorney General is required within <u>thirty</u> days of receipt of assets.
---	--

What annual accounting period has the organization adopted?

Fiscal Year Ending _____ Calendar Year

Attach your founding documents as follows:		
A) Corporations - Furnish a copy of the articles of incorporation and all amendments and current bylaws. If incorporated outside California, enter the date the corporation qualified through the California Secretary of State's Office to conduct activities in California.		
B) Associations - Furnish a copy of the instrument creating the organization (bylaws, constitution, and/or articles of association).		
C) Trusts - Furnish a copy of the trust instrument or will and decree of final distribution.		
D) Trustees for charitable purposes - Furnish a statement describing your operations and charitable purpose.		
Has the organization applied for or been granted IRS tax exempt status Yes No		
Date of application for Federal tax exemption: _____		
Date of exemption letter: _____ Exempt under Internal Revenue Code section 501(c) _____		
If known, are contributions to the organization tax deductible? Yes No		
Attach a copy of the Application for Recognition of Exemption (IRS Form 1023) and the determination letter issued by the IRS.		
Does your organization contract with or otherwise engage the services of any commercial fundraiser for charitable purposes, fundraising counsel, or commercial coventurer? If yes, provide the name(s), address(es), and telephone number(s) of the provider(s):		
Commercial Fundraiser	Fundraising Counsel	Commercial Coventurer
Name _____		
Address _____		
City _____	State _____	ZIP Code _____
Telephone Number _____		
Commercial Fundraiser	Fundraising Counsel	Commercial Coventurer
Name _____		
Address _____		
City _____	State _____	ZIP Code _____
Telephone Number _____		
Commercial Fundraiser	Fundraising Counsel	Commercial Coventurer
Name _____		
Address _____		
City _____	State _____	ZIP Code _____
Telephone Number _____		
I declare under penalty of perjury that I have examined this registration form, including accompanying documents, and to the best of my knowledge and belief, the form and each document are true, correct, and complete.		
Signature _____ Title _____ Date _____		
If additional information is required, please refer to the Supervision of Trustees and Fundraisers for Charitable Purposes Act (Government Code sections 12580-12599.7), the Administrative Rules and Regulations pursuant to the Act (California Code of Regulations, Title 11, Sections 300-312.1).		
If you have questions regarding registration, or need assistance, information is available on our website at http://ag.ca.gov/charities/ or you can reach us by telephone at (916) 445-2021 or fax at (916) 444-3651.		

MAIL TO:

Registry of Charitable Trusts
P.O. Box 903447
Sacramento, CA 94203-4470
Telephone: (916) 445-2021

WEB SITE ADDRESS:

<http://ag.ca.gov/charities/>

ANNUAL REGISTRATION RENEWAL FEE REPORT TO ATTORNEY GENERAL OF CALIFORNIA

Sections 12586 and 12587, California Government Code
11 Cal. Code Regs. sections 301-307, 311 and 312

Failure to submit this report annually no later than four months and fifteen days after the end of the organization's accounting period may result in the loss of tax exemption and the assessment of a minimum tax of \$800, plus interest, and/or fines or filing penalties as defined in Government Code section 12586.1. IRS extensions will be honored.



State Charity Registration Number _____ Name of Organization _____ Address (Number and Street) _____ City or Town, State and ZIP Code _____	Check if: <input type="checkbox"/> Change of address <input type="checkbox"/> Amended report Corporate or Organization No. _____ Federal Employer I.D. No. _____
--	---

ANNUAL REGISTRATION RENEWAL FEE SCHEDULE (11 Cal. Code Regs. sections 301-307, 311 and 312)
Make Check Payable to Attorney General's Registry of Charitable Trusts

Gross Annual Revenue	Fee	Gross Annual Revenue	Fee	Gross Annual Revenue	Fee
Less than \$25,000	0	Between 100,001 and \$250,000	\$50	Between \$1,000,001 and \$10 million	\$150
Between \$25,000 and \$100,000	\$25	Between \$250,001 and \$1 million	\$75	Between \$10,000,001 and \$50 million	\$225
				Greater than \$50 million	\$300

PART A - ACTIVITIES

For your most recent full accounting period (beginning _____ / _____ / _____ ending _____ / _____ / _____) list:

Gross annual revenue \$ _____ Total assets \$ _____

PART B - STATEMENTS REGARDING ORGANIZATION DURING THE PERIOD OF THIS REPORT

Note: If you answer "yes" to any of the questions below, you must attach a separate sheet providing an explanation and details for each "yes" response. Please review RRF-1 instructions for information required.

	Yes	No
1. During this reporting period, were there any contracts, loans, leases or other financial transactions between the organization and any officer, director or trustee thereof either directly or with an entity in which any such officer, director or trustee had any financial interest?	<input type="checkbox"/>	<input type="checkbox"/>
2. During this reporting period, was there any theft, embezzlement, diversion or misuse of the organization's charitable property or funds?	<input type="checkbox"/>	<input type="checkbox"/>
3. During this reporting period, did non-program expenditures exceed 50% of gross revenues?	<input type="checkbox"/>	<input type="checkbox"/>
4. During this reporting period, were any organization funds used to pay any penalty, fine or judgment? If you filed a Form 4720 with the Internal Revenue Service, attach a copy.	<input type="checkbox"/>	<input type="checkbox"/>
5. During this reporting period, were the services of a commercial fundraiser or fundraising counsel for charitable purposes used? If "yes," provide an attachment listing the name, address, and telephone number of the service provider.	<input type="checkbox"/>	<input type="checkbox"/>
6. During this reporting period, did the organization receive any governmental funding? If so, provide an attachment listing the name of the agency, mailing address, contact person, and telephone number.	<input type="checkbox"/>	<input type="checkbox"/>
7. During this reporting period, did the organization hold a raffle for charitable purposes? If "yes," provide an attachment indicating the number of raffles and the date(s) they occurred.	<input type="checkbox"/>	<input type="checkbox"/>
8. Does the organization conduct a vehicle donation program? If "yes," provide an attachment indicating whether the program is operated by the charity or whether the organization contracts with a commercial fundraiser for charitable purposes.	<input type="checkbox"/>	<input type="checkbox"/>
9. Did your organization have prepared an audited financial statement in accordance with generally accepted accounting principles for this reporting period?	<input type="checkbox"/>	<input type="checkbox"/>

Organization's area code and telephone number (_____) _____ - _____

Organization's e-mail address _____

I declare under penalty of perjury that I have examined this report, including accompanying documents, and to the best of my knowledge and belief, it is true, correct and complete.

Signature of authorized officer

Printed Name

Title

Date

Save As

Print

Reset Form

**APPLICATION FOR REGISTRATION
 NONPROFIT RAFFLE PROGRAM**
 (California Penal Code section 320.5)



The registration period is September 1 to August 31.
 After August 31, a new registration is required.

**A CHECK IN THE AMOUNT OF \$20 MADE PAYABLE TO
 DEPARTMENT OF JUSTICE MUST ACCOMPANY THIS
 REGISTRATION FORM**

MAIL TO:
 Office of the Attorney General
 Registry of Charitable Trusts
 P.O. Box 903447
 Sacramento, CA 94203-4470

STREET ADDRESS:
 1300 I Street
 Sacramento, CA 95814
 Telephone: (916) 445-2021

WEBSITE ADDRESS:
 www.oag.ca.gov/charities

Proof of California Franchise Tax Board exempt status must be attached to this registration application. This application will otherwise be deemed deficient and returned to the organization.

(For Registry Use Only)

Raffle Registration Number: _____

Name of Organization _____

Provide at least one of the following:

Address of Organization _____

Federal Employer Identification Number (FEIN):

City or Town, State and ZIP Code _____

Corporate Number: _____

E-mail Address _____

Organization Number: _____

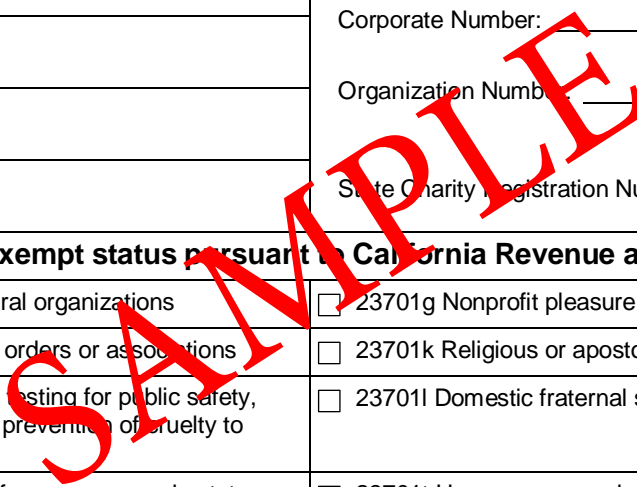
Telephone Number _____

State Charity Registration Number: _____

Fax Number _____

Specify the organization's tax - exempt status pursuant to California Revenue and Taxation Code section:

- | | |
|--|--|
| <input type="checkbox"/> 23701a Labor, agricultural, or horticultural organizations | <input type="checkbox"/> 23701g Nonprofit pleasure and recreation clubs |
| <input type="checkbox"/> 23701b Fraternal beneficiary societies, orders or associations | <input type="checkbox"/> 23701k Religious or apostolic corporations having common or |
| <input type="checkbox"/> 23701d Religious, charitable, scientific, testing for public safety, literary, educational, amateur sports or prevention of cruelty to children or animals organization | <input type="checkbox"/> 23701l Domestic fraternal societies, orders or associations |
| <input type="checkbox"/> 23701e Business leagues, chambers of commerce, real estate boards, and boards of trade | <input type="checkbox"/> 23701t Homeowners and associations |
| <input type="checkbox"/> 23701f Civic leagues, social welfare organizations and local employee organizations | <input type="checkbox"/> 23701w Veterans organizations |



Proposed date(s) of raffle(s) [REQUIRED] _____
 (month/day/year)

By signing this application for registration, I hereby certify all of the following:

1. Applicant is a private, nonprofit organization, 2. Applicant has been qualified to conduct business in the State of California for at least one year prior to the raffle first held and 3. all information provided on this application is true and correct.

 Signature of Authorized Officer or Director Who Prepared This Form

 Date

 Printed Name of Authorized Officer or Director

 Title of Authorized Officer or Director

NONPROFIT RAFFLE REPORT



A report must be completed for each year in which a raffle was conducted (September 1 through August 31).

Reports are due on or before October 1. (California Penal Code section 320.5)

MAIL TO:
Office of the Attorney General
Registry of Charitable Trusts
P.O. Box 903447
Sacramento, CA 94203-4470

STREET ADDRESS:
1300 I Street
Sacramento, CA 95814
Telephone: (916) 445-2021

WEBSITE ADDRESS:
www.oag.ca.gov/charities/

PART A: General Organization Reporting Information

Name of Organization	Provide at least one of the following: Raffle Registration Number: _____ Federal Employee Identification Number (FEIN): _____ Corporate Number: _____ Organization Number: _____ State Charity Registration Number: _____
Address of Organization	
City or Town, State and ZIP Code	
E-mail Address	
Telephone Number	
Fax Number	



Part B: Raffle Information

- Raffle year ending August 31, _____ (Year)
- Aggregate gross receipts from the operation of raffle(s): \$ _____
- Aggregate direct costs incurred by the organization from the operation of raffle(s): \$ _____
- Were funds *from sources other than ticket sales* used to pay for administration or other costs of conducting the raffle(s)? Yes No
If yes,
4(A) Total funds *from sources other than ticket sales* used for the administration or other costs of conducting the raffle(s)? _____
4(B) What was the source of these funds? _____
- Describe the charitable or beneficial purpose for which the raffle proceeds were used. _____
- Were some or all of the raffle proceeds used for the benefit of another eligible organization? Yes No
6(A) If the answer to 6 above is yes, provide the following information for each organization for which the proceeds were used. Attach additional sheets of paper, if necessary.

NONPROFIT RAFFLE REPORT

Recipient Organization Address of Recipient Organization City, State, and ZIP Code	\$ _____ Exact Dollar Amount of Proceeds to Recipient Organization Contact Person for Recipient Organization Telephone Number of Recipient Organization
--	--

Part C: Certification by Authorized Officer or Director of Reporting Organization

For the raffle(s) held during the year ending August 31, _____, I hereby certify that: <div style="text-align: center;">(Year)</div>				
	True	False		
1) At least 90% of the gross receipts (total dollar amount prior to deduction of expenses) received from the sale of raffle tickets was used for the beneficial or charitable purposes of the eligible organization conducting the raffle or for the benefit of another eligible organization.	<input type="checkbox"/>	<input type="checkbox"/>		
2) None of the funds required to be used for beneficial or charitable purposes were provided to an officer, director or member (as defined by Corporations Code section 5056) of the organization which conducted the raffle(s).	<input type="checkbox"/>	<input type="checkbox"/>		
3) No person involved in or connected with the conduct of the raffle(s) was compensated by the organization conducting the raffle(s) from raffle proceeds required to be used for beneficial or charitable purposes.	<input type="checkbox"/>	<input type="checkbox"/>		
4) No gaming machine, apparatus or device, including but not limited to one which meets the definition of a slot machine as described in California Penal Code sections 330a, 330b, or 330.1, was used in conducting the raffle(s).	<input type="checkbox"/>	<input type="checkbox"/>		
5) No individual corporation, partnership or other legal entity has or holds a financial interest in the conduct of the raffle(s) other than the organization conducting the raffle(s) or any private, nonprofit eligible organization which received funds from the raffle(s).	<input type="checkbox"/>	<input type="checkbox"/>		
6) No raffle was conducted, and no raffle tickets were sold, traded, or redeemed, within an operating racetrack enclosure, satellite wagering facility, or gambling establishment.	<input type="checkbox"/>	<input type="checkbox"/>		
7) Tickets were not sold, traded or redeemed over the Internet.	<input type="checkbox"/>	<input type="checkbox"/>		

If the answer to any question in Part C, Items 1 through 7, was "False", please explain the circumstances that support the answer. Use additional sheets of paper, if necessary, for the explanation. If the answer to more than one question in Part C was "False", reference the question number next to each explanation.

In signing this Nonprofit Raffle Report, I hereby certify that all of the information contained herein is true and correct.

 Signature of Authorized Officer or Director Who Prepared the Report

 Date

 Printed Name of Authorized Officer or Director

 Title of Authorized Officer or Director

Organization Information Sheet

The following information is required to file annual reports with the IRS and/or the state of California.

*****Please keep with your important papers and share with all appropriate officers*****

Organization Name: _____

For Club or APS: Your District's Name: _____

*Our **Federal Employer Identification Number**: _____

- An Employer Identification Number (EIN) is also known as a Federal Tax Identification Number, Federal Employer Identification Number (FEIN), Tax Identification Number TIN or Tax ID that the Government assigns to an entity to identify the business (including non-profit organizations).
- It is a 9 digit number (for example, 12-3456789) assigned to sole proprietors, corporations, partnerships, estates, trusts, and other entities for tax filing and reporting purposes.

*Our **California Corporation or Franchise Tax Board** entity number: _____

- Like the EIN, it is a 7 digit number (1234567) assigned by the Attorney General (for corporations) or FTB for filing and reporting purposes

*Our **California Registry of Charitable Trust** registration number _____

- It is a 6 digit number (example: CT 012345) assigned by the Attorney General's office when the initial registration application is approved.
- Your organization will be listed on the California Registry which is available to the public

*Our **California Registry of Charitable Trust Raffle** registration number _____

- It is a 4 digit number assigned by the Attorney General's office when the initial raffle registration application is approved.

*Our **California Board of Equalization Seller's Permit** number _____

- Any organization conducting sales (plants, logo items, cookbooks etc.) are required to register with BOE and pay sales tax annually. A xxx-xxxxxx number is issued by the BOE

**PLEASE NOTE: Each of the above numbers must be unique to your organization. DO NOT use a number assigned to California Garden Clubs, Inc. or to your District.*

- If you have a number and are unsure of its owner, go to <http://oag.ca.gov/charities>, click on Registry Search and enter the number in the appropriate field.
- If it is a valid number the owner's record will be displayed.

Organizations must file annually by November 15th following the close of the fiscal year June 30th

Those organizations with total annual revenue of \$50,000 or less may file IRS 990-N and FTB 199N online.

- You will need a password to complete and submit the IRS 990-N form.
- Choose a password for the organization NOT one that is personal to an individual. And NEVER ONE THAT IS USED FOR ANOTHER ACCOUNT.
- The password should be known to at least the President and Treasurer.
- When officers change at the end of a term, the password should be passed to the new officers.

IRS filing:

LogIn ID (it's the IRS EIN) _____

Our password _____

California FTB filing:

LogIn ID (it's the CA FTB entity #) _____

Registry of Charitable Trusts (filings and annual reports): Go to the California Attorney General's website:

[www.oag.ca.gov/charities/forms and download CT-1](http://www.oag.ca.gov/charities/forms%20and%20download%20CT-1), RRF-1, CT-NRP-1 and CT-NRP-2