



CALIFORNIA GARDEN CLUBS, Inc.

Ilene Herringer, GTEP Chairman
PO Box 1414
Gridley, CA 95948-1414
530-300-1041
Email: gtep@cagardenclubs.org

October 14, 2018

Dear Garden Club President and Treasurer:

Your club is currently a member of the California Garden Clubs Inc. **Group Tax Exemption Program (known as GTEP)** for the 7/1/18-6/30/19 fiscal year. It is time to renew and whether your club wishes to continue to participate or to withdraw from GTEP for the next 2019/2020 fiscal year your response is required.

Even though this information was emailed to your club's president and treasurer of record, please confirm with your counterpart that they received this information as well and decide who will be responsible for submitting the renewal form and required documentation. Only upon special request will GTEP renewal information be mailed via USPS. Special request must be made by email sent to gtep@cagardenclubs.org.

Please do not set this information aside and then wait until the very last minute. Last year approximately 40% of the renewal forms and/or support documentation received by this chairman were either inaccurate or incomplete and additional follow-up and time was required before the renewal could be approved. This added well over one hundred hours of extra work for the GTEP Chairman and the clubs and districts involved. Please invest a little time now to avoid the stress and hassle of receiving your *returned* renewal application because something was missed or incorrect information was provided. If you have any questions, please contact this chairman before submitting your renewal form.

To submit your renewal form and the required support documentation please follow the instructions shown below as well as those included on the renewal form. This information must be submitted so CGCI has the information required to verify that your club continues to meet the eligibility requirements to participate in CGCI's Group Tax Exemption Program. The financial statement and the report of your club's activities provide documentation of actual activities and transactions that took place during this past fiscal year (2017-2018). They provide details, of how your club financially and with educational activities and programming fulfilled the requirements for participation as a 501(c)(3) non-profit organization. The renewal form once completed, provides the required information regarding your club's plan to continue participating in GTEP for the next 2019/2020 fiscal year.

- Complete the enclosed renewal form
- Prepare a brief financial statement for your club's fiscal year (7/1/17-6/30/18) that ended **June 30, 2018** (your statement must show actual income received and expenses paid and it is acceptable to sub-total by category, a sample statement is enclosed)
- Prepare a list of your club's activities that took place during your club's fiscal year (7/1/17-6/30/18) that ended **June 30, 2018**(a sample list is enclosed)
- Mail the renewal form, your club's financial statement (Profit and Loss), list of club activities and a check for \$15 payable to **CGCI** to this chairman no later than **February 1, 2019**. **The**

renewal packet must be returned by that date for your club to be included in the CGCI Group Tax Exemption Program in fiscal year 7/01/19-6/30/20.

In addition, it is necessary for your club to comply with IRS and California Franchise Tax Board requirements to file income tax returns or notices. Please see the information on the IRS website www.irs.gov under the Filing: Charities and Non-Profits link, and in the CA FTB website www.ftb.ca.gov in Publication 1068. Also be sure to file the Annual Registration Renewal Fee Report, Form RRF-1 with the Attorney General of California, website www.ag.ca.gov/charities . The deadline for filing these reports for most clubs is **November 15, 2018**.

When filing or communicating with the IRS or any other governmental entity, **please use your club's own EIN, the one issued to you by the IRS**. The same goes for your FTB Entity ID or any other ID numbers issued to your organization. **You should NEVER use CGCI's EIN or FTB Entity ID for any reason and should it occur it will be considered misuse.**

Update--A policy was amended in 2017 and this policy could have a significant impact on any organization that uses CGCI's EIN or FTB Entity ID. This policy appears on page 104 of the 2017-19 CGCI Yearbook, Manual and Roster as #8 in the CGCI Group Tax Exemption Program section. **"All expenses incurred due to the misuse of CGCI's EIN and/or Franchise Tax Board Entity ID number or any other tax identification number shall be charged to the offending organization."**

Yes, in the past somehow organizations have managed to use CGCI's EIN and CGCI's FTB Entity Number. In some cases CGCI incurred **substantial expenses** to regain control of its own tax identification numbers and to reverse the damage done during the time in between the misuse and rectifying the situation. If this should occur in the future, the offending organization will be required to reimburse CGCI for ALL expenses incurred due to the misuse. It is possible and not unreasonable, that this amount could be thousands of dollars. If you have CGCI's EIN or FTB # on any document, please black out that number immediately. If you are not sure of your club's EIN or FTB Entity number, please contact this chairman.

A garden club that has had its tax-exempt status revoked by the IRS cannot be included in or continue to participate in the CGCI Group Tax Exemption Program. If you have received a revocation notice within the last year, please contact this chairman immediately.

If your garden club *does not* want to continue in the CGCI Group Tax Exemption Program, please follow the instructions on the Renewal Form and mail it to the address shown on the form.

Please contact this chairman if you have questions about the renewal process.

Sincerely,

Ilene L. Herringer

Ilene Herringer, Chairman
CGCI Group Tax Exemption Program
gtep@cagardenclubs.org
530-300-1041

P.S. If you are no longer the club president or treasurer, please forward this letter and renewal form to your current club president or treasurer PLUS ask that they also update the club's contact information form online at <http://californiagardenclubs.com/content/contact-information-form-clubsaps>