

# **Tax Exempt Status Under IRS Section 501(c)(3) Local AVP Organization Guidelines\***



**\* doing it the easy way!**

# **Alternatives to Violence Project/USA, Inc.**

## **Instructions for applying to be included in the 501(c)(3) AVP/USA Group Exemption Letter**

Local and regional AVP organizations can apply to be included in AVP/USA, Inc.'s Group Exemption status under IRS section 501(c)(3) (<http://www.irs.gov/pub/irs-pdf/p557.pdf>). If your local AVP group is interested in tax exempt status please read this information and send the following documents to: Susie Dunn, 4000 Garfield St., Lincoln, NE 68506-1142 or avpnesmd@gmail.com.

- 1) Letter of request for 501c3, signed by your officer/s
- 2) Your organization's governing statement (e.g. By-Laws)
- 3) Income and expense statements for previous years
- 4) Employer Identification Number (EIN)
- 5) AVP workshop data (if available) and a
- 6) \$25 administration fee (write check to AVP/USA and mail to Gary Wolff, 1020 El Sur Ave Arcadia, CA 91006-4529 with a copy of the letter or include it with the information to Susan Dunn)

After this information is received, you will receive a copy of the AVP/USA Group Exemption Letter which you can use for banking, grant writing, and other financial matters.

### **Step One: Application Letter to AVP/USA with a \$25 Administration Fee**

Send a copy of the letter #1 above, signed by a duly authorized officer of your organization, to the AVP/USA Treasurer along with your check for \$25, as a one time administration fee. The letter should include the following:

*"We authorize you to include <<your group name here>> in your Group Exemption Letter which will provide us with tax exempt status under IRS section 501(c)(3). We are affiliated with AVP/USA, Inc.; subject to its general supervision and control as detailed in its By-Laws and Policy Statement; eligible to qualify for exemption under 501(c)(3); on a March 31 fiscal year; and willing to be recognized as exempt only from the date of this letter. The IRS has not issued any rulings or determination letters relating to exemption for our group. We are not a school.*

*We agree to file with the AVP/USA, Inc. Clerk of Finance no later than March 31, of each year, our financial statements for that current fiscal year, along with a \$25 annual administration fee, a data sheet tracking our workshop efforts, and a statement describing any changes during the year in the purposes, character, or method of operation of our organization."*

### **Step Two: Your Organization's Governing Statement**

Enclose a copy of your organization's "governing instrument" (e.g. your By Laws or Articles of Incorporation), which should include a description of your group's mission and activities. If your organization does not yet have a "governing instrument," prepare one. It should be signed by two officers and it should have the date and your organization's name at the top. At a minimum, the following language should be included in your governing document:

*"<<Your group name here>> is organized exclusively for charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code. Notwithstanding any other provisions of these Articles, the organization shall not carry on any other activities not permitted to be carried on by an organization exempt from Federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code (or corresponding section of any future federal tax code). Upon the dissolution and winding up of this organization, after paying or adequately providing for the debts and obligations of the organization, the remaining assets shall be distributed to a nonprofit fund, foundation or*

*corporation organized and operated exclusively for the purposes specified in section 501(c)(3) of the Internal Revenue Code and which has established its tax-exempt status under that section."*

To create your own By Laws, governing document, and other application materials, and to be sure that your group functions within the policies of AVP/USA, Inc., the national By-laws and Policy Statement can be found at [www.avpusa.org](http://www.avpusa.org). Your By-Laws do not have to be as lengthy and detailed as those of the national organization, but the outlined sections of the By-Laws are a good place to start to create your own. With these documents, also enclose copies of brochures, pamphlets, newsletters, advertisements, or other literature that you have produced to describe your organization's efforts.

### **Step Three: The Income and Expense Statements**

Also, enclose in the application packet your income and expense statements for the last three fiscal years, if applicable. Within the income and expense statements, please include simple annotations so that expenditures and sources of income are apparent. If these are not available because you are a new local group, just explain that in the cover letter. If you are newly formed, please submit a draft income and expense statement for the next fiscal year. Typical categories of income/expense categories are on page 4. What is important in this section is that we know if you anticipate earning more than \$25,000 per year

### **Step Four: The Employer Identification Number (EIN)**

Your group must also have an Employer Identification Number (EIN) provided by the US Department of Revenue. If you do not have an EIN, you should complete IRS form SS-4 and send it with your letter to AVP/USA. You can do this very easily on-line at [https://sa.www4.irs.gov/sa\\_vign/newFormSS4.do](https://sa.www4.irs.gov/sa_vign/newFormSS4.do). After completing the online form, you will have an immediate EIN. Be sure to enter the AVP/USA Group Exemption Number (GEN) 4196 on line 8a. See the attached document as a guide to complete the form.

### **Step Five: AVP Workshop Data**

Each local AVP group covered by the AVP/USA 501c3 tax exempt criteria are asked to submit information on the number of workshops, participants, and facilitators annually. The form for data collection is attached for your records. The information is to be entered on-line at [avp/usa.org](http://avp/usa.org).

### **Step Six: Submitting Completed 501c3 Materials to AVP USA**

Be sure to include your mailing address (and street address, if your mailing address is a PO Box) and phone number with all your materials. After we have received your materials and you have completed the EIN process, you will receive a letter from AVP/USA stating that you are covered by our 501c3. As such, you have all the rights and powers of a separate corporation.

### **Banking and Tax Responsibilities**

Each local AVP group is obligated to maintain their own banking accounts and to file their own Form 990 tax return when revenues exceed \$25,000 – this is different from the electronic filing requirement for groups with less than annual revenues of \$25,000. The IRS requires electronic filing (990-N) via the IRS website for all tax years beginning in 2007 even those covered under an umbrella; they call this e-filing and it takes only a few minutes but you'll need your income and expense statements as well as your tax ID numbers for the process. You'll find information on the IRS website ([www.irs.gov](http://www.irs.gov)).

### **Maintaining 501c3 Status**

AVP/USA will maintain your 501c3 status with the US IRS, annually, provided your purpose and method of operation remain as described in the AVP/USA Policy Statement and as you have described in your application materials. To remain under our umbrella, you are required to let us know if you want to retain 501c3 status for the following year (by December 31) and submit to the AVP Clerk of Finance(\*), by March 31 each year, the following; 1) the annual \$25 administration fee, 2) your income and expense

statements for the previous year, 3) workshop data, (entered on-line) and submitted paper, 4) documents describing any changes to the governance of your organization.

If you need help with any steps in this procedure, contact Susan Dunn at (402) 484-5202 or [avpnesmd@gmail.com](mailto:avpnesmd@gmail.com).

## **Completing Form SS-4, Application for Employer Identification Number**

Instructions <http://www.irs.gov/businesses/small/article/0,,id=102765,00.html>

On-line application for an immediate EIN number [https://sa.www4.irs.gov/sa\\_vign/newFormSS4.do](https://sa.www4.irs.gov/sa_vign/newFormSS4.do)

If you are not comfortable with sending information via the Internet, then download the form SS-4 PDF file from <http://www.irs.gov/pub/irs-pdf/fss4.pdf> and mail it to the address indicated on the form.

Other questions that you might need help with that relate to responses specific to AVP/USA are:

- 2 leave blank
- 7a leave blank
- 7b leave blank
- 8a check "Other (specify) and type in "education not school"  
Group Exemption No. (GEN) 4196
- 8b blank
- 9 check "Other (specify) and type in "subordinate status"
- 11 The AVP/USA closing month of accounting year is March 31.
- 12 & 13 leave blank
- 14 check "Other (specify) and type in "non-violence education"
- 15 "non-violence education programs"

Third Party Designee is:

Ann Ward, AVP/USA Clerk of Finance  
PO Box 355  
Lemont, PA 16851  
(814) 234 4978

## **Example Income and Expense Report Categories**

### Expenses

- Phone
- Copies
- Office Supplies
- Postage
- Travel
- Media
- Scholarships

### Income

- Participant fees
- Monetary contributions

