

COMPLIANCE

990S

STATE
TAXES

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Treasurer's Reports

I know that emphasis on the importance of accurate Treasurer's reports has not been stressed enough lately. But, let me emphasize that the information the Treasurer provides in her reporting (and the accuracy of the minutes of the Secretary) are very critical to your Unit remaining afloat.

An Excel spreadsheet sample of a Treasurer's report follows this page. You do not have to use Excel, QuickBooks or any other software. You can purchase a 12 or 13 column Analysis tablet from any office supply store which will do nicely. Or you can purchase a Treasurer's book from Emblem Sales (emblem.legion.org). The Treasurer's report is given monthly at your Unit meetings. If you cannot attend, provide the report to the President for presentation to the Unit.

TIPS

Suggested accounts have been shown on the Treasurer's Report. Only funds from the Miscellaneous account can be transferred to another account. Example 1: If you have a fundraiser for your AEF, the funds are placed in the column under the account heading "AEF". Those funds **MUST** be used for AEF purposes **only**. Example 2: Funds raised for Veterans (VA&R) are recorded under the Welfare heading and are used **only** for Veterans and Veterans families.

A receipt should be issued for all monies received. You can purchase receipt books at the Dollar store and office supply store.

A word of caution. Do **not** leave copies of your treasurer's report lying around. The financial status of your Unit is your business only. Yes, we are guests of our Post home, but, if you are asked by your home Post to show or turn over your books, **REFUSE!** The Auxiliary is a **separate entity with its own charter.**

A copy of a Treasurer's Due Date List is also included in this packet. If you are not the Treasurer, please pass it on to her so she may reference it and assist you with being compliant on all taxes and licensing.

The checkbook **does not** belong to the Treasurer. If the Treasurer will be away, it should be given to or accessible to another authorized signer on the account.

Note: If you host bingo games, the proceeds (donations collected) should be kept in a separate column i.e. deposits would be shown under the column header for the program funds will be used for such as Welfare fund to be used for Veterans projects. You do not need a separate bank account. A copy of the Florida Charitable Gaming Laws and IRS Publication 3079, Tax Exempt Organizations and Gaming are accessible on line.

Treasurer's Important Dates

A Budget must be established for the upcoming year. This is done with a committee including yourself and others appointed by the President following installation of officers. The budget must be approved by the General Membership at the first meeting of the New Year or a motion must be made at first meeting to "pay the recurring bills". Nothing can be paid without its approval or you will need to make a motion for every expense.

Monthly Report: Prepare monthly spreadsheet report for membership showing beginning balance, income on one side of sheet, disbursements on other side and ending balance. Note: This report should equal your check book balance at month end. Remember, the Treasurer's reports are filed for audit. A motion to approve is not needed. (See Roberts Rules of Order Newly Revised 11th Edition Page 479.)

Reconcile Bank Statements monthly. Bank statements must reflect the reconciliation (bank statement balance + deposits in transit – checks outstanding = check book balance).

Income: Do not leave cash laying around. Make a bank deposit every week or more often if substantial cash has been given to you.

Registration and Tax Forms

FL Dept of Corporations

Late if not filed by May 1st

\$61.25

(Done electronically. You will probably have to use a personal credit card and request reimbursement for yourself (do not sign a check payable to yourself) or the person who provided payment.

990-N (IRS tax form)

File before November 15

This is done electronically only. File this return if your gross income is less than \$50,000 (as of 2010).

Unit Obligations

Poppies

Veterans Day (November) **Order 90 days prior (August)** (If you distribute on this event)

Memorial Day (May) **Order 90 days prior (February)** (If you distribute on this event)

Poppy Proceeds Report must be submitted for each distribution separately.

25% of proceeds (Collection – costs including postage = proceeds x 25%) must be sent within 30 days of each distribution to Department Headquarters.

Girls State Registration

All quotas (rehabilitation, education, Girls State and undergarment) must be paid to Department by January 31.

Registration fee for each delegate (# of delegates should be in your budget) will be paid when Dept. sends the form to the Unit.

Other

It is advised when signing checks, write your officer title next to your name to reduce your liability exposure.

Installation of New Officers:

Does your Unit budget allow for a gift or corsage for the installing District President?

\$20 District Dues payable to the District President. Be sure to make it out in her name only.

Unit Bonding Fee of \$6.00 _____, included with Unit quota invoice.

Unit Quotas / Obligations – **Pay when invoice received from Department by Sept. 30**

Balance of Obligations – **Pay by January 31**

Dispatch Newsletter subscription fee – **Pay when invoice received**

P O Box Rent – Pay when bill received around end of year if applicable

Florist – Terms are _____(enter terms here i.e. Net 30, Net 10 or 1% 10 Days).

Project Graduation – Do you have a donation to the local high schools in your budget? If so, this is usually paid in March or April. The high schools may request your donation.

Awards Day:

Do you present a gift to your Post home for allowing you to utilize their building? Is it in the budget?

Do you present a gift to your Post Commander i.e. paid bar tab or a check? Is it in your budget?

Other \$\$ if voted by membership.

Check to Unit President for purchase of appreciation gifts to officers, chairmen and volunteers. (See budget)

Check to Unit President as gift of (?) or gift may be purchased and presented. This can be included in your budget.

Florida Sales Tax:

Register tapes from sale of lunches or special dinners should be placed in the Treasurer’s bag at the end of the event. Most often, sales tax is not shown as separate item and, therefore, must be “backed out” of total sales. To do this, Total sales / 1.06 = Taxable Sales. (Example: \$100 / 1.06 = 94.34. \$94.34 x .06 = 5.66. \$94.34 + 5.66 = \$100)

Note: When possible, set up for Electronic filing. This allows you to take a discount of 2.5% when filing if filed timely. Returns are due by the 20th of the month following the end of the quarter i.e. July-Sept will be due by Oct 20. If your tax liability is higher or your have been penalized in the past, your may have to file a return monthly.

Go to www.myflorida.com/dor

Login by using _____ Password _____

Select Sales & Use Tax

Select the correct quarter you are reporting for

Enter the information in the signature window

Complete the form with the appropriate amounts

Follow instructions to complete the transaction/payment

Be sure to print returns for audit purposes and proof of filing

PREPARING YOUR BUDGET

Your budget should be prepared and approved at your first Unit meeting in the new fiscal year of July 1 thru June 30. To prepare it, arrange a meeting with your incoming Executive Board and Chairmen to prepare the budget prior to your first fiscal general membership meeting. Having the Chairmen present allows them to request the amounts they feel they will need to carry out successful programs. If preparing and getting approval is not possible in July, a motion should be made to allow paying of the usual bills until the budget is approved or motions will have to be made to pay each bill.

An aid to preparing your budget for the next fiscal year follows this page. The sample budget has been created in Excel format. If you wish the sample emailed to you or your treasurer so it can be adapted to your Unit, please send your request to cathiemcmullin@yahoo.com or call 610-715-2237.

		2017-18 Projected	Sub-Total	Balance	2016-2017 Actual	Sub-Total	Balance
	Unit Member of Year Plaque						
	Publicity		6.00			5.50	(25.50)
	Office Supplies			(26.00)			
	Postage (w/o special mailings)						
	Treasury Materials						
	Post Office Box Rental						
	Historian Supplies						
	License Fees						
	Unit Guides						
	Check ReOrder		-			-	(25.50)
	Convention Fees			(26.00)			
	Delegate Fees						
	Convention Fees		-			-	(25.50)
				(26.00)			
	<u>Dept. & National Programs Donations</u>						
AEF	Dept Auxiliary Emergency Fund						
AEF	National Auxiliary Emergency Fund						
Americanism	Dispatch Subscription						
Americanism	Freedoms Foundation Seminar						
Chaplain	Department or Memorial (in memory of deceased members)						
Chaplain	Scholarship Contribution						
C&Y	Mailman's Center for Child Development - Miami						
C&Y	John Hopkins All Children's Hospital						
C&Y	Northview Community Center, Pensacola						
C&Y	Camp Boggy Creek						
C&Y	COTA						
C&Y	Children's Miracle Network						
C&Y	Special Olympics						
C&Y	American Legion Child Welfare Foundation						
Community Svc	Send donations to Local Organizations, i.e. Heart, Lung, etc.						

		2017-18 Projected	Sub-Total	Balance	2016-2017 Actual	Sub-Total	Balance
Education	Education Quota ___ @ _____						
Education	Member to Dept. Scholarship Fund						
Education	Guide for Parents & Seniors 1,000 @ \$39.50 (See National Emblem Catalog for prices)						
Girls State	Girls State Quot ___ @ _____ per senior member						
Girls State	Registration for each qualified girl @ \$400						
Legislative	"How a thought becomes a bill - How a bill becomes a law"		-	(26.00)	-	-	(25.50)
	TO BE PAID FROM WELFARE FUND						
VA&R	Rehabilitation Quote ___ @ _____ per senior member						
VA&R	Sock Quota (from Unit Guide)						
VA&R	Florida Creative Arts						
VA&R	National Creative Arts						
VA&R	Veterans Admin Medical Centers						
	Bay Pines						
	Gainesville						
	Lake City						
	Orlando (Lake Nona facility will replace)						
	Tampa						
	West Palm Beach						
	State VA Nursing Homes						
	Baldomero Lopez - Land O Lakes						
	Douglas Jackson - Port Charlotte						
	Emory Bennett - Daytona						
	Robert Jenkins - Lake City						
	Clyde E Lassen - St Augustine						
	Sandy Nininger - Pembroke Pines						
	Clifford Sims - Springfield						

		2017-18 Projected	Sub-Total	Balance	2016-2017 Actual	Sub-Total	Balance
	VA Outpatient Clinics						
	Lee County						
	Daytona						
	Broward County						
	Tallahassee						
	Jacksonville						
	Fisher Houses						
	Fisher Houses						
	Bay Pines						
	Tampa						
	Miami						
	Gainesville						
	West Palm Beach						
	Orlando						
	Ft Walton Beach		-	(26.00)		-	(25.50)
	Unit Programs In House Budget						
	Americanism						
	Flags						
	Spirit of Youth						
	Essay Contest		-	(26.00)		-	(25.50)
	Chaplain						
	Cards, Flowers, etc. for family of deceased members		-	(26.00)		-	(25.50)
	C&Y						
	Parties - Halloween, Christmas, Easter						
	St. Judes, Shriners, Ronald McDonald House (optional)						
	Christmas gifts for Holiday Baskets						
	School Supplies		-	(26.00)		-	(25.50)

		2017-18 Projected	Sub-Total	Balance	2016-2017 Actual	Sub-Total	Balance
Community Svc	Holiday Baskets to Needy Families						
	Chamber of Commerce Dues		-			-	
				(26.00)			(25.50)
Dance	Dance gifts/expenses		-			-	
				(26.00)			(25.50)
Educations	Project Graduation						
	Scholarships _____ @ \$ _____		-			-	
				(26.00)			(25.50)
Girls State	Transportation _____ @ ** _____ (**varies per District)	-					
	Spending Money _____ @ \$ _____						
	Tea						
	Breakfast/Lunch		-			-	
				(26.00)			(25.50)
Membership	Continuous Membership Certificates	-					
	Auxiliary Pins _____ @ _____ (Nat'l Emblem Sales)	-					
	Junior Attachment _____ @ _____	-	-			-	
				(26.00)			(25.50)
National Security	Recruit Ditty Bags						
	USO						
Fund TBD	National or Dept. President's Project						
			-			-	
				(26.00)			(25.50)
Poppies	WELFARE FUND ADD'L Poppy Distributions Income		-			-	
				(26.00)			(25.50)

		2017-18 Projected	Sub-Total	Balance	2016-2017 Actual	Sub-Total	Balance
	PAID FROM WELFARE FUND						
Poppies	Assistance for Veterans' Childrens	-			-		
	Field Service	-					
	Nursing Home Parties, etc.						
	Past Presidents' Parley						
	Gifts/cards for Women Veterans						
	Unit donation to Memorial Fund						
	Poppy Purchase _____ @ \$75 per 1,000						
	25% of poppy proceeds to Dept.						
	Poppy Canisters _1____ @ \$14.95 per dz						
	Poppy Letter Expenses						
	Poppy Seals _____ @ \$6 per 1,000						
	Poppy Poster Contest						
	Miss Poppy						
	Poppy Certificates _____ @ \$1.00 ea		-	(26.00)	-	(25.50)	
VA&R	Homeless Veterans						
	Stand Down Contributions		-				
	ENDING BUDGET BALANCE			(26.00)			(25.50)

Auditing Your Treasurer's Records

Please use the Audit Outline to guide you through this very important, very tedious process of verifying that your treasurer's records are correct. Did I mention Very Important? This must be done every 3 months and at the end of the year. If the Unit's income is very small, you may want to stipulate in your Standing Rules that the audits should be conducted semi-annually.

Be sure to appoint 3 members to the Audit Committee who are **not** authorized signers on the bank account/accounts. The current Treasurer should be available to answer any questions.

During the year-end audit, the incoming Treasurer should be present as well for learning purposes. If one member of the Audit Committee cannot attend and no one else is available, reschedule the audit ASAP.

Verify, Verify, Verify

Verify all checks (disbursements) are valid. Do the expense receipts match the total check? Do the debit card receipts contain amounts for "Cash Back"? Only reimburse for the actual items purchased, not the total receipt. Do the minutes reflect a motion approving the disbursement? If it is not a budgeted expense or minutes do not include approval of the disbursement, a check should NOT be written.

Do all checks written contain two signatures? If not, WHY not?

Do the cash receipts, reports of events, match the amount deposited? Are the deposits being made timely i.e. more than once a month? If the money is sitting around for a couple of weeks or a month, mistakes can happen.

REMEMBER!!!!

Never, Never, Never, Ever give a member or another officer a "signed blank check" (no payee). This can and has led to improper use! Unfortunately, it sometimes becomes necessary to give a member a check payable to her for the purpose of purchasing items for a function such as toys for the children's Christmas party. Be diligent in following up with this member to receive the receipts and/or unused funds.

Make sure you, as Treasurer, or your Treasurer is reconciling the bank account/accounts every month. Errors can be found quickly this way.

If she does not, assign someone to do it.

Be sure you have online access to your accounts so you can monitor the activity.

Be on guard for "creative accounting".

Audit Outline

1. Gather the following materials for Year End Audit:
 - a. 12 Bank Statements July 1-June 30 of fiscal year auditing.
 - b. Bank Statement Reconciliations for each month of the fiscal year or period being audited.
 - c. Check Book or check stubs
 - d. Credit or Debit Card statements and receipts (if your Unit has one)
You are **STRONGLY ADVISED NOT TO HAVE A DEBIT CARD.**
 - e. Minutes
 - f. Approved Budget
 - g. Expense Receipts
 - h. Deposits information (Bank deposit receipts and cash receipts for amounts deposited)
 - i. Treasurer's Reports
 - j. Calculator, notepad, pens or pencils

2. Schedule enough time for appointed audit committee members (at least 3 and do not include authorized signers on the bank account) and the outgoing Treasurer (in case of questions) to meet. The incoming Treasurer may want to observe.

3. Verify all totals on the treasurer's reports are accurate. If recording is done using QuickBooks or Excel spreadsheets, verify check book balance matches the check register balance. If recording is done using Excel, verify additions and subtractions by selecting a few columns and using a calculator.

4. Verify the ending reconciled bank balance matches the check book balance and the reports balance.

5. Verify checks written have been signed by **two** authorized signers.

6. Verifying expense checks (disbursements):
 - a. Does each check have two authorized signatures?

- b. Does the name of the payee match the expense receipt/invoice? If not, why?
 - c. Are there expense receipt/receipts for each check written?
 - d. Does the amount of the check match the receipt?
 - e. When verifying receipt amounts, look closely at debit card receipts to be sure the person submitting the receipt did not also receive “cash back” (withdraw from their bank account) to confirm amount reimbursed was for Unit purchases only.
 - f. Have the expenses or checks written been approved in the budget or by motion contained in the minutes?
7. Verifying deposits:
- a. Do the recorded deposit amounts match the bank deposit slips?
 - b. Are there copies of cash receipts attached to the deposit slips or reports of an event showing the amount being submitted for deposit?
 - c. Do the reports and/or receipts match the amount deposited?

This is a guideline which also can be used for the quarterly audits. Be sure to appoint committee members who not authorized signers on the bank account.

A verbal report is to be submitted by the audit committee at the next general membership meeting which will become part of the minutes of the meeting.

Please remember that is **strongly** recommended you do not have any more than **3** authorized signers on your checking account. Having more than three may lead to serious problems with your treasury.

This outline has been prepared as an aid only for individuals without a financial background.

TO BE COMPLIANT WITH DEPT. OF FL, YOU MUST ABIDE BY AND PROVIDE THE FOLLOWING:

- 1. Fiscal year MUST be July 1-June 30 (See Page 23 for instructions to correct.)**
- 2. You cannot have more than one TIN (Taxpayer Identification Number- Same as EIN) (See Page 22 for instructions to correct.)**
- 3. Copy of current Form 990-N, 990EZ or 990 filing**
- 4. Copy of current annual FL Corp. Return filing**
- 5. Copy of current FL dept. of Agriculture Solicitation License**
- 6. Copy of Constitution, Bylaws and Standing Rules updated within last 10 years.**

STATE GOVERNMENT FORMS AND TAXES

REMEMBER TO KEEP COPIES OF TAX FORMS!!! AND SEND A COPY TO DEPARTMENT

FL DEPT OF CORPORATIONS

Your Unit is required to be incorporated in the State of FL. Each year, you must file your annual report on line between January 1 and May 1. “Non-profit corporations do not have a late or penalty fee as long as the report is filed before the last Friday in September, which is when we, FL Dept. of Corporations, dissolve all entities that have not filed for the year.”

To do so, access www.sunbiz.org.

Click on “Electronic Filing” on the left side of the screen.

Click on “Annual Report Filing”.

You will need the following to complete the report:

1. Your entity’s **document number** issued by the state of FL.

This can be found on your Annual Report filing notice or by searching the Division of Corporations’ records at www.sunbiz.org.

2. Your entity’s **Federal Employer Identification number (FEI or FEIN or TIN)**

3. A current list of your officers and their addresses.

4. A **valid email address** that is regularly monitored.

5. A major credit card, if paying online. Cost is \$61.25.

Please verify the information you submit for accuracy. The filing information will be added exactly as you enter it. Once you submit the information, it cannot be changed, removed, cancelled, or refunded.

FL SALES TAX

If you host more than 2 dinners/events per year, you must remit FL sales tax to FL Dept. of Revenue. Raffles and 50/50s do not apply.

To register for a sales tax account, access dor.myflorida.com. Click on “Businesses and Employers” on the left side of your screen. Click on “Sales & Use Tax” on the right. Scroll down to “Registration”, Click on “register”, Click on “Sales and Use Tax”, Scroll down and click on “Start a New Registration”.

Answer the questions at each pop up. You can either enroll for electronic filing at this time or you can file using the booklet you will receive.

You will file based on the amount of your liability. It usually falls into the following limits.

<u>Annual Sales Tax Collected</u>	<u>File/Payment Frequency</u>
Over \$1,000	Monthly
\$500 - \$1,000	Quarterly
\$250 - \$500	Semi-Annually
Under \$250	Annually

Since most Units do not add the sales tax to their food sales due to the increased time of calculating and adding, it is usually easier to price your meal with the tax included. But, do **not** take the total amount collected and multiply by the tax %. You will be reducing your fundraising income. The method of calculating your sales tax liability has been explained in the Treasurer’s Due Dates 2015-16 included in your packet. But, just to give you a brief explanation of the process, I will use the following example:

Register tapes from sale of lunches or special dinners should be placed in the Treasurer’s bag at the end of the event. Most often, sales tax is not shown as separate item and, therefore, must be “backed out” of total sales. To do this, Total sales / 1.06 = Taxable Sales. (Example: \$100 / 1.06 = 94.34. \$94.34 x .06 = 5.66. \$94.34 + 5.66 = \$100)

If your county has a surtax (such as Brevard which has .005%, you would use the following formula: Total sales / 1.065 = Taxable Sales. (Example: \$100 / 1.065 = \$93.90. \$93.90 x .065 = \$6.10. \$93.90 + \$6.10 = \$100.00.

Note: When possible, set up for Electronic filing. This allows you to take a discount of 2.5% when filing. Returns are due by the 20th of the month following the end of the quarter i.e. July-Sept will be due by Oct 20. If your tax liability is higher or your have been penalized in the past, your may have to file a return monthly.

Go to www.myflorida.com/dor

Login by using _____ Password_____

Select Sales & Use Tax

Select the correct quarter you are reporting for

Enter the information in the signature window

Complete the form with the appropriate amounts

Follow instructions to complete the transaction/payment

Be sure to print returns for audit purposes and proof of filing

A bill was signed by Governor Scott stating “sales tax exemption on sales for food or drinks by qualified veterans’ organizations in connection with customary veterans’ organization activities would be extended to **MEMBERS** of qualified veterans’ organizations.” Note: **MEMBERS** only.

FL CONSUMERS EXEMPTION CERTIFICATE

The FL Consumers Exemption Certificate is used to avoid having to pay sales tax on items you purchase and will consume while carrying out the purposes of the Auxiliary. Office supplies, school supplies or toys for Christmas presents can be purchased tax free. You can even use it to eliminate the sales tax from your hotel bill if you are paying with a check from your Unit. If you solicit items from local vendors for raffles or fundraisers, the vendor will request a copy of this form. To attain a Certificate, access the website of dor.myflorida.com, click on “Forms and Publications” on the left side of the screen. Click on “Account Management and Registration”. Click on “DR-5” and download the .pdf form. Print out the form, complete it and mail it to the address indicated in the instructions. Note, you must send a copy of your Unit’s charter and the IRS determination letter.

The Certificate is valid for 5 years. Be sure to begin the renewal process prior to the expiration date.

FL DEPT. OF AGRICULTURE SOLICITATION LICENSE

Because we are a non-profit organization, we must apply for a LICENSE TO SOLICIT DONATIONS and renew it annually. **Even if you are only requesting donations for Poppies within your Post home, you are required to have a license since members from other Posts, Units or visitors could be present.**

Registering for and renewing your annual license can be done online. However, if you have income of \$25,000 or more (not the balance in your check book at the end of the year but the total of money you received and deposited), you will need to pay a fee of \$75, or higher depending on your income, using a VISA or Master Card credit or debit card. You can print the completed form out and mail it with your check if you prefer not to use your personal credit card.

Whether you are registering for the first time or renewing, you will need the following information to proceed:

A copy of the Treasurer’s reports for the most recent fiscal year just ended..

From that report, you will need the beginning bank account balance as of July 1 and the ending balance as of June 30.

Total of the amount of income collected and deposited into your bank account.

Total of the amount of the expenses paid out for your programs and the total amount paid for Management (office) supplies.

The names of the current Unit officers and addresses.

The Unit Corporate name and TIN (Taxpayer Identification Number).

If you have income over \$25,000, you must submit the annual certification regarding conflict of interest policy. This can be scanned and uploaded during the renewal process online. “The conflict of interest policy must be certified annually by all directors, officers and trustees of the organization. A copy of the annual certification must be submitted to the FDOA as part of the organization’s annual registration.”

To register or renew online:

www.freshfromflorida.com

Click “Search” on right side of screen

Click “Charitable Organization”

Click “Online Registration” on left side of screen

Click “Create Account” if registering. Otherwise, login.

Supply the requested information on each window.

I recommend you print out the forms for your records and future reference towards the end of the process.

You will receive an e-mail verification.

IRS FORMS 990

Which is the right tax form for your Unit to file? Should you file a 990-N, 990-EZ or Form 990?

Some items that need to be addressed before we proceed:

Do you have your own TIN (Taxpayer Identification Number)?

Are you incorporated?

Do you have the IRS Determination Letter stating you are a Non-Profit Organization?

Have you filed your 990N return every year? If you missed 3 or more years, the IRS will revoke your Non-Profit status and you will need to complete and file form 1024 to have your non-profit status reinstated. If you missed one year, you will not be able to file the 990-N for that year. But, you can file the 990-N for the current year ended and you will again be compliant.

Does your fiscal year match the Department and National fiscal year of July 1-June 30? If not, see pages 22-23 for instructions on how to correct.

Remember, the Auxiliary is an entirely separate entity from the American Legion. You should **never** use their TIN, FL Consumers Exemption Certificate or bank account.

990-N

Do you have \$50,000 or less in Gross Receipts? “Gross receipts are the total amounts the organization received from all sources during its annual accounting period, without subtracting any costs or expenses.”

You are required to use the Form 990-N Electronic Filing system (E-Postcard) to electronically submit the 990-N. You must first register at IRS.gov prior to filing the next Form 990-N. It is a one-time registration. If you have difficulty with the registration, call the IRS at 877-829-5500. Please close multiple browsers when registering.

Go to <https://sa.www4.irs.gov/epostcard/secure/home/>

Click on “Manage E-Postcard Profile”

Click “Get Started”

Fill in your first and last name and email address

Click “Send Code”

Check your e-mail for the “Code”

Enter the Code and go to the next window

Be sure to write down the information you enter so it can be passed on to the next Treasurer.

You will need to provide the following information:

1. User name. Suggestion TreasurerUnit (insert your Unit #) No spaces allowed.
2. Password: _____ (Letters, Numbers & Special Characters except for ^)
3. Phrase: _____ (I used “For God & Country”)
4. Site Image. Select one and make a note of it for future use.
5. Select 4 Security Questions and provide the answers. I would recommend not using or answering with personal information but rather Unit related information.
6. “User Profile successfully created” will appear. Select continue.
7. Select continue on the “Online Security Info” page.
8. You will then select the button to enter your EIN (same as TIN) and will be able to file your 990-N Return.

When you are filing the E-Postcard, you will see the name **American Legion Auxiliary**. Be sure to **enter the name of your Unit on the second line (doing business as)**.

Example: American Legion Auxiliary and in DBA field “Titusville Unit 1, Inc.”.

DUE DATE IS THE 15 DAY OF THE 5TH MONTH AFTER THE FISCAL YEAR ENDS.

**NOVEMBER 15 for the 990-N, 990-EZ and 990 if you are using the correct
fiscal year of July 1 – June 30.**

If not, you will need to correct it. Please see pages 22-23.

990-EZ

The guidelines for filing the 990-EZ are if you have “less than \$200,000 Gross Receipts and total assets of less than \$500,000”, you should file a 990-EZ.

However, you can elect to file a 990-EZ rather than a 990-N but you will have to maintain complete records of member and non-member income. “All organizations filing Form 990-EZ must complete Parts 1 through V and any required schedules. You can file electronically.

Note: If you host bingo games and have gross revenue (amounts collected before payouts) over \$15,000, you will need to complete a Schedule G also.

990

Most Units will not be required to file a 990. However, if you meet the requirements of “either gross receipts greater than or equal to \$200,000 or total assets greater than or equal to \$500,000 at end of tax year, I strongly advise having a CPA prepare it for you as it is significantly more complex.

How to Resolve IRS Issues

Loss of Tax Exemption Status

If you failed to file your 990-N, 990EZ or 990 for 3 consecutive years, your tax exempt status will be revoked by the IRS. To have it reinstated, you will need to complete Form 1024, Form 8718 and pay \$600. Please follow the directions online at <https://www.irs.gov/Charities-&-Non-Profits/Automatic-Revocation-of-Exemption>.

Mail to: Internal Revenue Service
Attn: EO Determination Letters
Stop 31
P O Box 12192
Covington KY 41012-0192

Once you receive your reinstatement from the IRS, you will have your own unique tax exempt determination which you may keep. Or you can request to be included back under the ALA National group exemption (GEN) by submitting an “Inclusion Letter” to ALA NHQ.

More Than One Tax Identification Number

Some Units are using two different EIN (same as TIN) numbers. If you are, you must consolidate the numbers and use only one EIN for everything. Write a letter with the numbers, state which one you prefer to keep and mail to:

Internal Revenue Service
Ogden UT 84201
Or FAX to 855-214-7520

Incorrect Fiscal Year

To correct your fiscal year filing dates to July 1-June 30, you must first file a “short tax period” (less than 12 months) return on form 990-EZ or 990 (if applicable). It **cannot** be a 990-N. You must write “Change in Accounting Period” at the top of the Form 990-EZ or 990. The return for the new fiscal year dates may be filed using the 990-N E-Postcard for the new fiscal year on or before the 15th day of the 5th month (November 15) after the end of the fiscal year ending June 30.

Example: If you currently use a calendar year for filing of your Form 990-N, 990 EZ or 990, file a short tax period return ending June 30. Write “Change in Accounting Period” at the top of the short year return. Your next Form 990-N, 990 EZ or 990 return would cover the period beginning July 1 and ending June 30.

If you have requested a fiscal year change within the last 10 years, received approval and but have now determined it is incorrect, you must file Form 1128 and mail to:

Internal Revenue Service
1973 N Rulon White Blvd M/S 6273
Ogden UT 84201

Note: IRS information is constantly changing and therefore, please refer to www.irs.gov to verify the above information is still valid.

Change of Address or Responsible Party – Form 8822-B

The easiest form for you to complete is the IRS Form 8822-B. When you have a change of President, you should complete this form and submit it within 60 days of the change. A copy of the form and instructions are available for pick up after this session. You can access additional forms by going to www.irs.gov/forms.

New Unit Start Up Procedures

When National Headquarters receives your documentation for your charter, they will forward a Form SS-4, application for Tax Identification Number (TIN, a unique 9-digit identification number). Submission of the Form SS-4 can be done online, fax or regular mail. Be sure to state your fiscal year as July 1 to June 30. When you receive a letter from the IRS verifying your TIN, you **must** send a copy to National Headquarters along with your letter to become included the National Group 0964. See below..

Non-Profit Corporation

“Incorporation provides legal protection for an organization by limiting the liability of the individual members of the organization. The American Legion Auxiliary’s Counsel General strongly recommends incorporation.”

This is done through the FL Dept. of Corporations. You may register as a Non-Profit organization but that does not automatically mean you are a tax exempt entity. Go online to <https://dos.myflorida.com/sunbiz>, click on “Start a Business and click on Non-Profit Corporation. Follow the easy to follow instructions. The cost will be \$35 filing fee, \$35 Registered Agent fee (person registering the corporation which can be the Unit member completing the information), \$8.75 for a certified copy which I recommend.

How to become a Tax Exempt Entity

To obtain exemption from federal income taxes, submit a completed “Inclusion Letter” (see sample following this page) to be included under the umbrella of the American Legion Auxiliary National Group Identification Number 0964. Mail to:

American Legion Auxiliary
Attn: Compliance
3450 Founders Rd.
Indianapolis IN 46268

You will receive verification from National or the IRS once processed. Be sure to maintain a copy of this in your Very Important Files.

Once all of the above has been completed, you **MUST** file form 990-N (as long as gross income before expenses) is less than \$50,000 per year. It must be filed not later than May 15.

INCLUSION LETTER

(Date)

The American Legion Aux.NHQ
3450 Founders Road
Indianapolis, IN 46268
Fax: 317-569-4502

ATTN: Membership Division

Dear Madam:

The undersigned, a duly authorized officer of _____

Unit No _____

Department of _____, does hereby authorize the National Organization of the American Legion Auxiliary to include it in its application to the Department of Internal Revenue for a group exemption letter so that this Unit may be exempt from the payment of Federal Income Tax under the provisions of Section 501 (c) (19) of the Internal Revenue Code of 1954, as amended.

UNIT EMPLOYER IDENTIFICATION NUMBER

Sincerely,

Unit President

Unit Name

Address
