

# AMERICAN LEGION AUXILIARY

## Department of California

**Federal Employer Identification Number.** Federal Employer Identification Number (FEIN) is also known as a Federal Tax Identification Number, and is used to identify a business entity. All Units must have a FEIN and If you do not have a FEIN, you can obtain one online from the [Internal Revenue Service](#). All forms and instructions can be found on the Department Website [State and Federal Filing Requirements](#).

	<b>DEADLINE DATE FOR FILING</b>	<b>INCORPORATED UNITS</b>	<b>UNINCORPORATED UNITS</b>
<b>990N E-Postcard - Filed online with IRS annually NLT Nov 15th. IRS WILL REVOKE TAX EXEMPT STATUS of Units not filing 3 consecutive years in a row.</b>	5 Months from close of Fiscal Year on the 15th Day <a href="http://epostcard.form990.org/">http://epostcard.form990.org/</a>	Effective 2008, IRS requires all small tax exempt organizations with income less than \$25,000 to file a 990N E-Postcard. Income raised to \$50,000 in 2010. Must be submitted electronically. When you file 990N, note what date the IRS has for your fiscal year as this makes a difference when filing is due. The Auxiliary fiscal year is July 1 to June 30th. If your fiscal year appears as January to December, you need to write a letter requesting fiscal year be changed from January to December to July 1 to June 30th. Letter must be sent to: Internal Revenue Service, ATTN: EO Entity, MS 6273, Ogden, UT 84201	
<b>199N E-Postcard</b>	5 Months from close of Fiscal Year on the 15th Day. <a href="https://www.ftb.ca.gov/online/199NePostcard/index.asp">https://www.ftb.ca.gov/online/199NePostcard/index.asp</a>	Effective January 1, 2011, tax-exempt organizations that normally have annual gross receipts of \$25,000 or less must electronically submit information annually.	
<b>Attorney General's Office Registry of Charitable Trusts</b>	Within 30 days of receiving assets for charitable purposes <b>CT-1 Form</b> <a href="http://ag.ca.gov/charities/forms/charitable/ct1-form.pdf?">http://ag.ca.gov/charities/forms/charitable/ct1-form.pdf?</a> <b>RRF-1 Form:</b> <a href="http://ag.ca.gov/charities/forms/charitable/rrf1_form.pdf?">http://ag.ca.gov/charities/forms/charitable/rrf1_form.pdf?</a>	Both Incorporated and Unincorporated Units are required to register with the Attorney General Office - Registry of Charitable Trusts by initially filing the CT-1 Form which is the <i>Initial Registration Form State of California Office of the Attorney General Registry of Charitable Trusts</i> and the RRF-1 must be filled out and filed annually after that. A fee of \$25 must be submitted when you initially file but there are no fees for filing the RRF-1 with income less than \$25,000.	
<b>Secretary of State</b>	Every 2 years with \$20 filing fee. E-file: <b>Secretary of State Statement of Information Form (file online):</b> <a href="https://businessfilings.sos.ca.gov/LP/UNA Form:">https://businessfilings.sos.ca.gov/LP/UNA Form:</a> <a href="http://www.sos.ca.gov/business/other/forms/lp-una-128.pdf">http://www.sos.ca.gov/business/other/forms/lp-una-128.pdf</a>	Incorporated Units must file Statement of Information (Form #S1-100) listing contact information for Unit Officers	Unincorporated Units must register with the Secretary of State one time by filing Sec/State Form #LP/UNA and paying a \$10 fee. This is a one-time filing and Unit doesn't have to file anymore unless they want to alter previously submitted information or to cancel if the Unit turns their Charter in.

## Federal Compliance and Tax Laws

Even non-profits without employees are required to obtain a Federal Employee Identification Number (EIN), also referred to as a Federal ID number. Available from the IRS, the number is used to identify the organization when tax documents are filed. Form SS-4, Application for Employer Identification Number, is provided to each newly chartered Unit, with the request that the number be furnished to National Headquarters as soon as it is issued by the IRS. National Headquarters is required to supply to the IRS the complete mailing address and employer identification number (EIN) of each newly chartered Unit. The IRS further requires that the list of Unit EIN's be updated annually. National fulfills this requirement based upon the EIN's provided by Units to their Department Headquarters. If a Unit files a tax return annually, their EIN should not change. However, Units that fail to meet the annual filing requirement may lose their originally assigned EIN and will be required to apply to the IRS for a new number. Units must file Form 990 or 990EZ if their annual gross receipts are greater than \$25,000. Beginning in 2008, the IRS requires small tax-exempt organizations to file an annual electronic notice. The form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations not required To File Form 990 or 990-EZ, is required of tax-exempt organizations whose annual gross receipts are \$25,000 or less. The Pension Protection Act requires the IRS to revoke the tax-exempt status of any organization that fails to meet its annual filing requirement for three consecutive years. Organizations that do not file the notice will lose their tax-exempt status as of the filing due date of the third year. All organizations that file Form 990 (including 990EZ, 990-N, and 990T) are required by law to make the form available for public inspection upon request during regular business hours and at the organization's principal office or at a reasonable location if there is no office.

All Units must have their own EIN#. **You can't use your Post EIN#.** Obtaining your own EIN# is very simple and easy to do and can be obtained online from the IRS web site. Fill out the information and submit to IRS and you will receive a letter from the IRS with your EIN# within a matter of minutes after submitting the application. Upon receipt of this letter, please forward a copy of the letter by email to Department Headquarters at [calegionaux@calegionaux.org](mailto:calegionaux@calegionaux.org).

- **Internal Revenue Service Filing Mandate.** In 2008 fiscal year the Internal Revenue Service (IRS) began requiring small charities, many of which previously were not required to file tax returns, to submit an annual electronic notice. **This is a mandate for every Unit.**
- The Form 990-N, entitled the *Electronic Notice for Tax-Exempt Organizations Not Required to File Form 990 or 990-EZ (and also known as the e-Postcard)* is required of charities whose annual gross receipts are \$25,000 or less.

NOTE: When you file 990N, note what date the IRS has for your fiscal year as this makes a difference when your filing is due. The Auxiliary fiscal year is July 1 to June 30th. If your fiscal year appears as January to December, you need to write a letter requesting fiscal year be changed from January to December to July 1 to June 30th. Letter must be sent to: Internal Revenue Service, ATTN: EO Entity, MS 6273, Ogden, UT 84201

- The first e-postcard was due in 2008 for tax year ending on or after December 31, 2007.
  - The e-Postcard is due every year by the 15<sup>th</sup> day of the fifth month after the close of your tax year. Our tax year is from July to June so e-postcard should be filed no later than November 15 of each year. Information you need to file
    - Employer identification number (EIN), also known as a Taxpayer Identification Number (TIN)
    - Tax year
    - Legal name and mailing address
    - Any other names the organization uses
    - Name and address of a principal officer
    - Web site address if the organization has one
    - Confirmation that the organization's annual gross receipts are normally \$25,000 or less
    - If applicable, a statement that the organization has terminated or is terminating (going out of business).

### How to File

- Hold your Ctrl button down and click on <http://epostcard.form990.org> and it will take you directly to the IRS Website to file or you can “control click” on links on the following page. When you access the system, you will leave the IRS site and file the e-Postcard with the IRS through their trusted partner, Urban Institute. **THE FORM MUST BE COMPLETED AND FILED ELECTRONICALLY. THERE IS NO PAPER FORM SO YOU CAN'T MAIL. IRS WILL REVOKE TAX EXEMPT STATUS OF UNITS WHO FAIL TO FILE THIS FORM FOR 3 CONSECUTIVE YEARS.**
- **STEP 1** Register as a New User. You must register and obtain a login ID. Your login ID will be emailed to you at the email address you provided.
- **STEP 2** Once you have a login ID, you can access the system and create your e-Postcard.
- **STEP 3** Submit your Form 990-N (e-Postcard)

## State Compliance and Tax Laws

### All Units are mandated to file the California e-Postcard 199N.

**Due date.** The California e-Postcard is due every year by the 15th day of the 5th month after the close of your tax year. For example, if your account period ended on December 31, the California e-Postcard is due May 15 of the following year.

If the due date falls on a weekend or state holiday, file by the next regular business day.

To determine your due date, use the due date chart. You cannot file the California e-Postcard until after your account period ends.

There is no extension of time to file.

**Information you need to file.** The California e-Postcard is easy to complete. All you need is basic information about your organization (also known as entity).

- Entity ID number or California Corporation number
- Entity name of the organization
- Federal employer identification number
- Account period beginning and ending (also known as your tax period / tax year)
- If your account period changed
- Entity's mailing address
- Any other names the organization uses (doing business as or DBA name) of a principal officer.

Differences	California	
Gross receipts average	<u>\$25,000 or less</u> For tax years beginning on or after January 1, 2010	<u>\$50,000</u> or less for tax years beginning on or after January 1, 2010
Gross receipts	Must give amount of total gross receipts for the year	Mark box that gross receipts are less than \$50,000
Items needed to complete e-postcard	<u>13 items</u>	<u>8 items</u>

- Name and address of point of contact
- Website address, if applicable
- Entity's amount of total gross receipts (the gross receipts must be normally \$25,000 or less)
- If the organization terminated or went out of business, if applicable
- If the entity started business within the current account period

- Contact person's name and telephone number

**Differences between state and federal requirements.** The requirements for filing the e-Postcard are different between state and federal:

**How to file.** Effective January 1, 2011, tax-exempt organizations that normally have annual gross receipts of \$25,000 or less must electronically submit information annually.

File online: [199N California e-Postcard](#)

Organizations eligible to submit an e-Postcard may choose to complete and file a paper Form 199.

**No cost to file.** Filing the California e-Postcard is free.

**Filing confirmation page.** You will receive a confirmation page to print once the California e-Postcard is completed. Print this page and keep it for your records.

**Entity ID or California Corporation number does not match name of organization.** When entering the California e-Postcard information, if the [Entity ID](#) or [California Corporation number](#) and organization name do not match, do the following to find your correct Entity ID number or California Corporation:

- Verify that the Entity ID or [California Corporation number](#) was entered correctly.
- If the organization is incorporated with Secretary of State, check the [Secretary of State's website](#) to locate your entity's correct number.
- Check the [Exempt Organizations List](#).

If you still cannot locate your Entity ID number or California Corporation number, call the Exempt Organizations Unit at 916.845.4171 from 7 a.m. to 4:30 p.m. weekdays, except [state holidays](#).

**Organization with exempt application pending.** Organizations with a pending exemption application can file the California e-Postcard if the organization's [gross receipts](#) are [normally \\$25,000 or less](#).

### **Consequences of not filing**

**Reminder notice.** If you do not file your California e-Postcard on time, we will send you a reminder notice but you will not be assessed a penalty for filing the California e-Postcard late.

**Automatically lose tax-exempt status.** An organization that fails to file the required e-Postcard for 3 consecutive years will automatically lose its tax-exempt status. The revocation of the organization's tax-exempt status is effective as of the filing due date of the third year.

Loss of tax-exempt status means an organization must file Form 100, California Corporation Franchise or Income Tax Return. The entity would be subject to the

franchise tax that is equal to the larger of your California income multiplied by the appropriate tax rate or the \$800 minimum franchise tax.

All non tax-exempt corporations incorporated or qualified in California are required to pay at least the \$800 minimum franchise tax whether they are active, inactive, operate at a loss, or file a short period return (less than 12 months).

Under existing law, we may revoke an organization's California tax-exempt status if the Internal Revenue Service suspends or revokes the organization's tax-exempt status.

The revocation of an organization's California tax-exempt status will not take place until the filing due date of the third year. Example: Your first California e-Postcard is due on May 15, 2011 (for the tax year 2010) and you do not file in 2011, 2012, or by May 15, 2013, you will lose your tax-exempt status effective on May 15, 2013.

**Notification of revocation.** Once your organization's tax-exempt status is revoked, the State will send you a letter stating that you have not filed the California e-Postcard for 3 consecutive years, and your tax-exempt status has been automatically revoked for failure to file.

A list of revoked organizations will be available to the public on our website.

**How to reapply for tax-exempt status.** If an organization loses its California tax-exempt status, it must reapply using FTB 3500, Exemption Application and have it approved to regain its tax-exempt status. Any income received between the revocation date and renewed exemption date may be taxable.

Reinstatement of tax-exempt status may be retroactive if you can show that you had reasonable cause for not filing, and show that you were active and operating for your exempt purpose.

**Revocation in error.** If you believe your organization is automatically revoked in error due to an administrative or similar type error, write to the Exempt Organizations Unit. Make sure you include the following information:

- Your Entity ID number or California Corporation number
- Entity name
- Give the reason why the automatic exemption revocation was in error and include any documentation to substantiate your position.

**Amended filing.** If your information changes or you make a mistake, you cannot file an amended California e-Postcard. To amend your filing, you must file the paper Form 199.

**Prior year filing.** You cannot file the California e-Postcard for a tax year prior to 2010. If you need to file for a tax year prior to 2010, you must file the paper Form 199.

**Normally less than or equal to \$25,000 means:**

<b>If in existence for...</b>	<b>Then gross receipts/pledges equal...</b>
1 year or less	\$37,500 or less
More than 1 year, but less than 3 years	\$30,000 or less (average for current year and immediately preceding year)
3 years or more	\$25,000 or less (average for current year and immediately preceding 2 prior years)

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.

**Due date chart**

<b>Income year month ending</b>	<b>199/199N current year due date</b>	<b>199 next year extended due date</b>
January	06/15	01/15
February	07/15	02/15
March	08/15	03/15
April	09/15	04/15
May	10/15	05/15
June	11/15	06/15
July	12/15	07/15
August	01/15	08/15
September	02/15	09/15
October	03/15	10/15
November	04/15	11/15
December	05/15	12/15

**Entity ID number.** If your organization is not incorporated or qualified with the California Secretary of State and you received tax-exempt status or filed returns with us, we would have assigned a 7-digit Entity ID number to your organization.

This number is on your exempt determination or acknowledgement letter we mailed to your organization when it received tax-exempt status.

**California Corporation number.** If your organization incorporated or qualified with the California Secretary of State a 7-digit number would have been assigned to your organization. If you are unsure if you are incorporated or qualified in California, go to the [Secretary of State's website](#) and complete a [business search](#) using your organization's name.

**Federal Employer Identification Number.** Federal Employer Identification Number (FEIN) is also known as a Federal Tax Identification Number, and is used to identify a business entity.

If you do not have a FEIN, you can obtain a FEIN from the [Internal Revenue Service](#).

**Account period.** An account period (tax period / tax year) is usually 12 consecutive months. There are two kinds of account periods:

- Calendar: This is a period of 12 consecutive months beginning January 1 and ending December 31.
- Fiscal: This is a period of 12 consecutive months ending on the last day of any month except December.

Generally, your account period can be found in the following documents:

- Your entity's bylaws.
- Your application for California state tax-exempt status (Form 3500 or Form 3500A) or the letter you received approving your tax-exempt status.
- The application, Form SS-4, your organization filed to obtain its employer identification number (EIN).
- A copy of a prior year return Form 199 that you filed with FTB, or Form 990, 990-EZ, or 990-N that you filed with the IRS.
- [Exempt Organizations List](#)

If this is your first year filing, your account period beginning will be:

- Your date of incorporation/qualification if you are incorporated/qualified in California.
- Your begin business date if you are not incorporated/qualified in California.

**Account period change.** Within the last year, you changed your account period ending date (also known as your tax year). When you change your account period year-end, you file for a short period (less than 12 months) to establish a new tax year-end.

**Doing business as.** Is a name, other than your legal business entity name, that you use to conduct business.

**Principal officer.** A principal officer is an authorized individual, such as:

- An elected officer
- A director
- An authorized representative
- A trustee (if the organization is a trust)

**Website address.** Your website address is the domain name of your entity's website.

Example: www.ca.gov is the website address for the State of California.

**Subordinate organization included in the parent's group return.** If your organization is a subordinate of a parent organization and is included on the parent's group return, you are not required to file the California e-Postcard. The group return satisfies your reporting requirement. If you do not file as part of a group return and your annual gross receipts are normally \$25,000 or less, you must file the California e-Postcard or a yearly paper return (Form 199) with us.

If your parent organization failed to include your organization in the list of subordinates provided to us, your organization will not be recognized that the filing requirement was satisfied. To resolve this, have the parent organization ask us to update our records by writing to the following address:

ATTN: GROUP TECHNICIAN  
EXEMPT ORGANIZATIONS UNIT MS F120  
FRANCHISE TAX BOARD  
PO BOX 1286  
RANCHO CORDOVA CA 95741-1286

**ADDITIONAL STATE REQUIREMENTS FOR UNITS WITH LESS THAN \$25,000 INCOME** (Fillable forms can be found on the ALA Department web site)

**Attorney General Office - Registry of Charitable Trusts.** In addition to filing the 199N with the State Franchise Tax Board, all Units are also required to register with the Attorney General Office - Registry of Charitable Trusts by initially filing the CT-1 Form which is the *Initial Registration Form State of California Office of the Attorney General Registry of Charitable Trusts* and the RRF-1 must be filled out and filed annually after that. A fee of \$25 must be submitted when you initially file but there are no fees for filing the RRF-1 with income less than \$25,000. Following document explains what documents must be submitted with the initial registration Form, CT-1.



## **General Guide for Initial Registration with the Attorney General's Registry of Charitable Trusts**

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.).

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

1. Form CT-1 (available for download on this website).
2. Founding documents, as follows:
  - Corporations: articles of incorporation and all amendments and current bylaws.
  - Associations: instrument creating the organization (bylaws, constitution, and/or articles of association).
  - Trusts: trust instrument or will and decree of final distribution.
  - 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.

### **MAILING ADDRESS**

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

**Secretary of State - *Incorporated Units*** must file the Statement of Information (Form #S1-100) listing contact information for Unit Officers is required every 2 year with \$20 filing fee. E-file: File the required Statement of Information *for most corporations* online. Statements that are not filed online can be mailed or delivered in person to the Secretary of State's Sacramento office. ***Unincorporated Units*** must register with the Secretary of State one time by filing Sec/State Form #LP/UNA and paying a \$10 fee. This is a one-time filing and Unit doesn't have to file anymore unless they want to alter previously submitted information or to cancel if the Unit turns their Charter in.

### **Units Exceeding Income Limit for Filing 199N E-postcard**

**IRS** - Must file annually a 990 or 990EZ with IRS

**Franchise Tax Board** - CA 199 with Franchise Tax Board (CA199 first page only needs to be filled out with copy of 990 attached to 199).

**Registry of Charitable Trusts** - (Attorney General's Office) with a copy of 990. Fees depend upon income and are listed on form.

**CA Secretary of State** - Statement of Information listing Officers is required every 2 years with a \$20 filing fee.