

# **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 as a “subordinate” (this is the word used by the IRS) of AVP/USA, please prepare an Application Packet of documents including:

- 1) Application Letter
- 2) Governing Statement and Supporting Documents
- 3) Income and Expense Statements
- 4) Employer Identification Number (EIN)
- 5) AVP workshop data
- 6) Administration fee

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.

### **1) Application Letter**

The Application Letter for inclusion in the AVP/USA 501(c)(3) Group Exemption should include the following:

*"We authorize AVP/USA, Inc. 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. and subject to its general supervision and control as detailed in its Bylaws and Policies. We are eligible to qualify for exemption under 501(c)(3) 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. no later than February 28 of each year the following: our financial statements for our most recently closed fiscal year; information on the number of workshops, participants, and facilitators; and a statement describing any changes during the year in the purposes, character, or method of operation of our organization. In addition we agree to pay AVP/USA, Inc. an annual \$25 fee for the purposes of processing the Group Exemption with the IRS."*

The Application Letter should also include your organization's:

- Employer Identification Number (see #4, below)
- Mailing address (this may be a PO Box)
- Contact name for obtaining additional information with a phone number and e-mail address.

The Application Letter should be signed by a duly authorized officer of your organization.

### **2) Governing Statement and Supporting Documents**

Enclose a copy of your organization's governing statement (e.g. By-laws or Articles of Incorporation). This should include a description of your organization's mission and activities. If your organization does not yet have a governing statement, please 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."*

When creating your governing statement and other application materials, be sure that your organization functions within the policies of AVP/USA, Inc. The AVP/USA, Inc. By-laws and Policy Statement can be found at [www.avpusa.org](http://www.avpusa.org). Your organization's 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, it is helpful to also enclose copies of brochures, pamphlets, newsletters, advertisements, or other literature that you have produced to describe your organization's efforts.

### **3) Income and Expense Statements**

Enclose your organization income and expense statements for the last three fiscal years, if applicable. Within the income and expense statements, please include simple annotations so that the sources of income and types expenditures are apparent. If these statements 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 for income are: participant fees, donations, and grants. Typical categories for expenses are: phone, copies, office supplies, postage, travel, workshop supplies, and scholarships.

### **4) Employer Identification Number (EIN)**

Your organization must also have an Employer Identification Number (EIN) provided by the IRS. 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:

<http://www.irs.gov/uac/Form-SS-4,-Application-for-Employer-Identification-Number-%28EIN%29>

Here are some suggested responses that relate to AVP/USA:

- 7a leave blank
- 7b leave blank
- 9a check "Other (specify)" and enter "education not school" and then enter the Group Exemption Number (GEN) which is "4196".
- 10 check "Other (specify)" and enter "subordinate status"
- 16 check "Other (specify)" and enter "non-violence education"
- 17 enter "non-violence education programs"

Be sure to enter the AVP/USA Group Exemption Number (GEN) as "**4196**" in 9a. After completing the on-line form, you will have an immediate EIN.

### **5) AVP Workshop Data**

Each local AVP group covered by the AVP/USA 501(c)(3) Group Exemption is asked to submit on an annual basis information on the number of workshops, participants, and facilitators. The information is to be entered on-line at [www.avpusa.org](http://www.avpusa.org).

## 6) **Administration Fee**

AVP/USA collects a \$25 Administration Fee (initially and with each annual renewal) from each organization that wishes to be under AVP/USA, Inc. Group Exemption. Include a check for \$25 payable to AVP/USA, Inc.

The Application Packet should be mailed to:

AVP/USA Group Exemption Coordinator  
Attn: Gary A Wolff  
1020 El Sur Ave  
Arcadia, CA 91006-4529

The documents may also be emailed to [501c3@avpusa.org](mailto:501c3@avpusa.org) with the check sent by regular mail.

## **Additional Considerations**

- **Banking**

Each local AVP group is obligated to maintain its own banking accounts using its own EIN. It should not use the EIN for AVP/USA, Inc.

- **Tax Reporting Responsibilities**

Each local AVP group is obligated to file its own tax returns. If your organization has annual gross receipts up to \$50,000 it may file the e-Postcard (Form 990-N). This e-filing takes only a few minutes but you will need your income and expense statement as well as your EIN. Your organization may need to file an IRS Form 990 or 990-EZ if your annual gross receipts and assets exceed certain amounts. More information is available at:

<http://www.irs.gov/uac/e-file-for-Charities-and-Non-Profits>

- **Maintaining 501(c)(3) status under AVP/USA Group Exemption**

AVP/USA will maintain your 501(c)(3) status with the IRS on an annual basis provided your organization's purpose and method of operation remain as described the application materials and your organization completes the annual renewal process with AVP/USA. More information about the annual renewal process can be found at [www.avpusa.org](http://www.avpusa.org). Under the tab "Resources", click on "Maintaining Status" under the heading "IRS 501(c)(3)".

If you have questions, please e-mail the AVP/USA Group Exemption Coordinator at [501c3@avpusa.org](mailto:501c3@avpusa.org).