



Tax -Exempt and Religious Organizations

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30 year career in the Army Corp of Engineers researching sea ice and mountain top icing

2019 – Opened CopperHill Tax Services

Non-Profit Experience:

In the mid-1990's I was guilted into becoming Treasurer of the Community Church, where I learned that "Separation of Church and State" is not quite true where the IRS is concerned.

Member of **Common Good Vermont**, a statewide organization for Vermont Non-Profits and the people who support them.

Tax -Exempt and Religious Organizations

- I.** What is a Non-Profit?
- II.** Starting a Non-Profit – IRS
- III.** Starting a Non-Profit – Vermont
- IV.** Vermont Taxes
- V.** Staying Exempt
Yearly IRS Filings – 990 Forms

I. What is a Non-Profit?

From Cornell Law School web page: “A **non-profit organization** is a group organized for purposes other than generating profit and in which **no part of the organization's income is distributed to its members, directors, or officers**. Non-Profits can take the form of a Corporation, an Unincorporated association, foundation.

Non-profit organizations include churches, public schools, public charities, public clinics and hospitals, amateur sports organizations, political organizations, legal aid societies, volunteer services, organizations, labor unions, professional associations, research institutes, museums, and some governmental agencies.

The IRS calls Non-Profit “Exempt Organizations”:

Organizations that meet the requirements of Internal Revenue Code section 501(a) are **exempt from federal income taxation**.

Charitable Organizations – Category of Non-Profit Organizations formed under **501(c)(3)**. Donations to these organizations-501(c)(3) are Tax Deductible.

Charitable contributions to governmental units are tax-deductible under section 170(c)(1) of the Internal Revenue Code if made for a public purpose.

Type	Description	Contributions Deductible?
501(c)(1)	Corporations Organized under Act of Congress (including Federal Credit Unions)	Yes
501(c)(2)	Title Holding Corporation For Exempt Organization	No

501(c)(3)	Religious, Educational, Charitable, Scientific, Literary, Testing for Public Safety, to Foster National or International Amateur Sports Competition, or Prevention of Cruelty to Children or Animals Organizations	Yes
501(c)(4)	Civic Leagues, Social Welfare Organizations, and Local Associations of Employees	No, Yes for Fire Departments
501(c)(5)	Labor, Agricultural, and Horticultural Organizations	No
501(c)(6)	Business Leagues, Chambers of Commerce, Real Estate Boards, etc.	No
501(c)(7)	Social and Recreational Clubs	No
501(c)(8)	Fraternal Beneficiary Societies and Associations	Yes, if for certain Sec. 501(c)(3) purposes
501(c)(9)	Voluntary Employees Beneficiary Associations	No
501(c)(10)	Domestic Fraternal Societies and Associations	Yes
501(c)(11)	Teachers' Retirement Fund Associations	No
501(c)(12)	Benevolent Life Insurance Associations, Mutual Ditch or Irrigation Companies, Mutual or Cooperative Telephone Companies, and Like Organizations	No
501(c)(13)	Cemetery Companies	Yes
501(c)(14)	State-Chartered Credit Unions, Mutual Reserve Funds	No

501(c)(15)	Mutual Insurance Companies or Associations	No
501(c)(16)	Cooperative Organizations to Finance Crop Operations	No
501(c)(17)	Supplemental Unemployment Benefit Trusts	No
501(c)(18)	Employee Funded Pension Trust (created before June 25, 1959)	No
501(c)(19)	Post or Organization of Past or Present Members of the Armed Forces	No
501(c)(21)	Black Lung Benefit Trusts	No
501(c)(22)	Withdrawal Liability Payment Fund	No
501(c)(23)	Veterans' Organization (created before 1880)	No
501(c)(25)	Title Holding Corporations or Trusts with Multiple Parent Corporations	No
501(c)(26)	State-Sponsored Organization Providing Health Coverage for High-Risk Individuals	No
501(c)(27)	State-Sponsored Workers' Compensation Reinsurance Organization	No
501(c)(28)	National Railroad Retirement Investment Trust	No
501(c)(29)	CO-OP health insurance issuers	No

Information from the Common Good Vermont presented at the Vermont Non-Profit Summit:

- **6409 Vermont nonprofits** serving all corners of the state.
- **Public Charities** generate **more than \$10 billion**.
- **Nonprofits** employ **1 in 5 Vermont workers**, making the nonprofit sector the largest industry in the state after the government.

II. Starting a Non-Profit - IRS

Form	Type of Non-Profit	Web Link	Fee
1023-EZ	Charitable Organizations 501(c)3	https://www.irs.gov/forms-pubs/about-form-1023-ez	\$275
1023	Charitable Organizations 501(c)3	https://www.irs.gov/forms-pubs/about-form-1023	\$600
1024-A	Civic Leagues, Social Welfare Organizations, and Local Associations of Employees -- 501(c)4	https://www.irs.gov/forms-pubs/about-form-1024-A	\$600
1024	All other Exempt Organizations	https://www.irs.gov/forms-pubs/about-form-1024	\$600

Qualifying for Form 1023-EZ instead of Form 1023 the organization will have **less than \$50,000** in yearly income in the next three years and Current assets **less than \$250,000**

The complete Eligibility test (all 34 questions) for using the 1023-EZ Form:

https://www.irs.gov/instructions/i1023ez#en_US_202501_publink1000102370

III. Starting a Non-Profit – Vermont SOS Office

<https://sos.vermont.gov/business-services/> Types of Organizations available:

Domestic Nonprofit Corporation

Domestic Unincorporated Nonprofit Association

Foreign Nonprofit Corporation

Foreign Unincorporated Nonprofit Association

Domestic Cooperative Association

Important: The formation of a non-profit organization is something that the organization should do with the **help of a lawyer** – there is a lot involved including the writing of the **Articles of Formation/Articles of Incorporation**.

Domestic Nonprofit Corporation status must be renewed (updated) every two years.

To check on the status of a Non-Profit organization:
<https://bizfilings.vermont.gov/business/businesssearch>

Business Name	Record Number	Business Type	Status
RICHFORD LIONS CLUB, INC.	044272	Domestic Nonprofit Corporation	Active - In Good Standing
CASTLETON LIONS CLUB, INC.	041574	Domestic Nonprofit Corporation	Active - In Good Standing
NORSHAFT LIONS CLUB, INC.	043752	Domestic Nonprofit Corporation	Active - In Good Standing
BARRE LIONS, INC.	090655	Domestic Nonprofit Corporation	Active - NOT In Good Standing
LYNDONVILLE LIONS, INC.	046931	Domestic Nonprofit Corporation	Inactive - Administratively Terminated
DERBY LIONS CLUB, INC.	042083	Domestic Nonprofit Corporation	Inactive - Administratively Terminated
INTERNATIONAL ASSOCIATION OF LIONS CLUBS	046219	Foreign Nonprofit Corporation	Active - In Good Standing

II. & III. Review -- Starting a Non-Profit

1. Register the Organization with the Vermont Secretary of State's Office
Includes writing the Articles of Incorporation or Association

2. Apply for an EIN Number:

<https://www.irs.gov/businesses/small-businesses-self-employed/get-an-employer-identification-number>

3. Apply for non-profit Status: Form 1023-EZ, Form 1023, Form 1024-A, Form 1024

4. Apply for a Vermont Business Account

Four Vermont Taxes to worry about:

<https://tax.vermont.gov/business/start-a-nonprofit>

Vermont Withholding -- Any nonprofit organization employing paid staff must withhold federal – including Social Security and Medicare taxes -- and **Vermont state income taxes** from employee paychecks and remit the taxes to the IRS and to the **Vermont Department of Taxes**.

Property Tax Exemption can be applied for by Non-Profit organizations. Non-Profits need to check with the Town Listers to see if they can be exempted from Property Tax.

Sales and Use Tax – Meals and Rooms Taxes: You must register for a **Vermont Business Tax Account** and to take advantage of these exemptions and to collect **Sales and Meals Tax** when required.

<https://tax.vermont.gov/sites/tax/files/documents/BR-400.pdf>

Sales Tax (including Local Options Tax) on tangible personal property:

501(c)3 organizations are exempt from paying Vermont Sales and Use Tax.

A filled out Form S-3 is presented to the vender so they know not to charge Sales Tax.

<https://tax.vermont.gov/instructions/form-S-3>

Collecting Sales Tax on Taxable Property:

A 501(c)(3) tax-exempt nonprofit organization does NOT have to collect sales tax UNLESS the nonprofit organization's total sales of taxable property exceeded \$20,000 in the prior year.

Sales Tax on Charges for Admission to Events:

Charges for admission to a place of entertainment provided by a 501(c)(3) tax-exempt nonprofit organization are exempt from collecting sales tax.

UNLESS the nonprofit organization's total sales of admissions exceeded \$100,000 in the prior year.

Rooms and Meals Tax:

All federally designated tax-exempt nonprofit organizations, no matter their IRS exempt designations, must pay tax when buying meals.

When selling meals, nonprofits must charge, collect, and pay Vermont Meals and Rooms Tax unless specifically exempted:

- meals served on the premises of a religious or charitable organization in **furtherance of the organization's purposes** and with the net proceeds used exclusively for the purposes of the organization.
- meals served on the premises of a school.
- meals sold by nonprofit organizations at special events constituting **no more than four days in a calendar year**.

IV. Staying Exempt (Yearly Filings)

<https://www.irs.gov/charities-non-profits/stay-exempt/virtual-small-to-mid-size-tax-exempt-organization-workshop>

This **small to mid-size 501(c)(3) organization workshop** will guide you through the courses here at Stay Exempt.

After viewing each of the interactive presentations below, your organizational leadership will understand the benefits, limitations and expectations for exempt organizations.

Applying for Section 501(c)(3) status

<https://www.irs.gov/charities-non-profits/stay-exempt/applying-for-section-501c3-status-course>

Ensure your organization is eligible for tax exemption before applying. This course discusses eligibility, the benefits of exemption, applying and what you should know while waiting for a determination letter.

Maintaining 501(c)(3) tax-exempt status

<https://www.irs.gov/charities-non-profits/stay-exempt/maintaining-501c3-tax-exempt-status-course>

Now that your organization has Section 501(c)(3) tax-exempt status, let's review the activities that can jeopardize your exemption.

Employment issues

<https://www.irs.gov/charities-non-profits/stay-exempt/employment-issues-course>

If your organization has employees or volunteers, it may have tax responsibilities. This course explains how to report employee wages and the rules about volunteer gifts.

Required disclosures

<https://www.irs.gov/charities-non-profits/stay-exempt/required-disclosures-course>

This course discusses which documents must be provided upon request and the penalties for noncompliance.

Form 990 overview course -- Form 990, Form 990-EZ, Form 990-N (E-Postcard)

<https://www.irs.gov/charities-non-profits/stay-exempt/form-990-overview-course>

Completing a Form 990-series return each year can be a daunting task. This course offers tips on which form to file and how to prepare during the year.

Unrelated business income

<https://www.irs.gov/charities-non-profits/stay-exempt/unrelated-business-income-course>

This course discusses how to determine if your exempt organization has taxable income and how to report it.

Political campaigns and charities: The ban on political campaign intervention

<https://www.irs.gov/charities-non-profits/stay-exempt/political-campaigns-and-charities-the-ban-on-political-campaign-intervention-course>

Political campaign activity can jeopardize a 501(c)(3) organization's exempt status. This course provides examples of prohibited activities and explains steps an organization should take to avoid an inadvertent violation.

Charitable gaming for exempt organizations -- Form 990 Schedule G

<https://www.irs.gov/charities-non-profits/stay-exempt/charitable-gaming-for-exempt-organizations-course>

Exempt organizations often generate income through gaming. This course discusses gaming rules, documentation and possible tax implications.

Can I deduct my charitable contributions? – Form 990 Schedule B

<https://www.irs.gov/charities-non-profits/stay-exempt/can-i-deduct-my-charitable-contributions-course>

This course explains what is deductible, which records to keep and how to report contributions.

Yearly Required Forms

<https://www.irs.gov/charities-non-profits/required-filing-form-990-series>

Non-Profit Status	Form to file	Due Date
Gross receipts normally \leq \$50,000	990-N or 990-EZ or 990	Five and a half Months after end of fiscal year Y.E. June 30th Due Date Nov. 15th
Gross receipts < \$200,000, and Total assets < \$500,000	990-EZ or 990	
Gross receipts \geq \$200,000, or Total assets \geq \$500,000	990	
Private foundation - regardless of financial status	990-PF	Late Filing Penalty \$20 per Day

Form 990-N also known as **the e-Postcard**

<https://www.irs.gov/charities-non-profits/annual-electronic-filing-requirement-for-small-exempt-organizations-form-990-n-e-postcard>

- 1. Organizations with less than \$50,000 yearly income**
- 2. Must be filed on the IRS web site**
- 3. Asks for a small amount of information:**
 - Employer identification number (EIN)
 - Tax year (calendar or fiscal filer)
 - Legal name and mailing address
 - Other names the organization uses
 - Name and address of a principal officer
 - Website address if the organization has one
 - Confirmation that the organization's annual gross receipts are \$50,000 or less
 -

- **Strafford Area Lions Club -- Tax Year 2024 Form 990-N (e-Postcard)**
- **Tax Period:**
- 2024 (07/01/2024-06/30/2025)
- **EIN:**
- 03-0304353
- **Organization Name (Doing Business as):**
- INTERNATIONAL ASSOCIATION OF LIONS CLUB
- **Mailing Address:**
- PO Box 266
South Strafford, VT 05070
United States
- **Principal Officer's Name and Address:**
- First Last Name - Secretary
- Address
Thetford Center, VT 05075
United States
- **Gross receipts not greater than:**
- \$50,000
- **Organization has terminated:**
- No
- **Website URL:**
- https://e-clubhouse.org/sites/strafford_area/

Schedule A	Public Charity Status and Public Support
Schedule B	Schedule of Contributors – Listing of Contributors giving over \$5,000
Schedule C	Political Campaign and Lobbying Activities
Schedule D	Supplemental Financial Statements
Schedule E	Schools
Schedule F	Statement of Activities Outside the United States
Schedule G	Supplemental Information Regarding Fundraising or Gaming Activities
Schedule H	Hospitals

Schedule I	Supplemental Information on Grants and Other Assistance to Organizations, Governments, and Individuals in the United States
Schedule J	Compensation Information
Schedule K	Supplemental Information on Tax-Exempt Bonds
Schedule L	Transactions with Interested Persons
Schedule M	Non-Cash Contributions
Schedule N	Liquidation, Termination, Dissolution, or Significant Disposition of Assets
Schedule O	Supplemental Information to Form 990
Schedule R	Related Organizations and Unrelated Partnerships

“All” 990 Forms, 990, 990-EZ, 990-N Forms are on the IRS web site:

<https://www.irs.gov/charities-non-profits/search-for-tax-exempt-organizations>

On this page you can search by Non-Profit Name or EIN Number OR

You can search for multiple Non-Profits by Town or by State --

There are 9,439 Non-Profit Organizations listed in Vermont.

(Only 6,049 are active)

There are 269 Non-Profit Organizations listed in

Rutland and West Rutland.

What does a 990/990-EZ Form Look Like?

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Form **990**
 Department of the Treasury
 Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.
 ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047
2021
Open to Public Inspection

A For the 2021 calendar year, or tax year beginning 07-01-2021, and ending 06-30-2022

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization Trustees of Dartmouth College Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 7 Lebanon Street Suite 302 6015 City or town, state or province, country, and ZIP or foreign postal code Hanover, NH 03755	D Employer identification number 02-0222111 E Telephone number (603) 646-3011 G Gross receipts \$ 8,828,054,119
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	F Name and address of principal officer: Philip Hanlon 7 Lebanon Street Suite 302 6015 Hanover, NH 03755	H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. See instructions. H(c) Group exemption number ▶ 8204
J Website: ▶ https://home.dartmouth.edu	K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	L Year of formation: 1769 M State of legal domicile: NH

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: Dartmouth College educates the most promising students and prepares them for a lifetime of learning and of responsible leadership, through a faculty dedicated to teaching and the creation of knowledge.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	25
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	24
	5 Total number of individuals employed in calendar year 2021 (Part V, line 2a)	5	9,263
	6 Total number of volunteers (estimate if necessary)	6	11,500
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	47,445,891
	b Net unrelated business taxable income from Form 990-T, Part I, line 11	7b	12,321,868
Revenue		Prior Year	Current Year
	8 Contributions and grants (Part VIII, line 1h)	403,735,770	445,153,269
	9 Program service revenue (Part VIII, line 2g)	496,729,583	613,551,135
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	927,880,529	838,297,879
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	22,215,712	55,189,513
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,850,561,594	1,952,191,796
Expenses			
	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	193,491,316	227,730,569
	14 Benefits paid to or for members (Part IX, column (A), line 4)		0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	517,500,050	561,150,065
	16a Professional fundraising fees (Part IX, column (A), line 11e)	167,041	202,919
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 50,392,064		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	371,550,758	411,730,105
	18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	1,082,709,165	1,200,813,658
	19 Revenue less expenses. Subtract line 18 from line 12	767,852,429	751,378,138
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	11,884,162,956	11,447,539,519
	21 Total liabilities (Part X, line 26)	1,863,509,418	1,678,474,980
	22 Net assets or fund balances. Subtract line 21 from line 20	10,020,653,538	9,769,064,539

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Dianne J Ingalls VP Finance and Controller Type or print name and title	2023-05-12 Date
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Return of Organization Exempt From Income Tax

2023

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form, as it may be made public.

Go to www.irs.gov/Form990EZ for instructions and the latest information.

Open to Public Inspection

Department of the Treasury Internal Revenue Service

A For the 2023 calendar year, or tax year beginning 07/01/2023 and ending 06/30/2024

B Check if applicable: [] Address change [] Name change [] Initial return [] Final return/terminated [] Amended return [] Application pending
C Name of organization: INTERNATIONAL ASSOCIATION OF LIONS CLUBS
D Employer identification number: 45-2924248
E Telephone number: 802-333-3860
F Group Exemption Number: 0239

G Accounting Method: [x] Cash [] Accrual Other (specify):
H Check [x] if the organization is not required to attach Schedule B (Form 990).

I Website:
J Tax-exempt status (check only one) - [] 501(c)(3) [x] 501(c) (4) (insert no.) [] 4947(a)(1) or [] 527

K Form of organization: [] Corporation [] Trust [x] Association [] Other:

L Add lines 5b, 6c, and 7b to line 9 to determine gross receipts. If gross receipts are \$200,000 or more, or if total assets (Part II, column (B)) are \$500,000 or more, file Form 990 instead of Form 990-EZ \$ 67,703

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (see the instructions for Part I)
Check if the organization used Schedule O to respond to any question in this Part I [x]

Table with 3 columns: Line number, Description, and Amount. Rows include Revenue (1-9), Expenses (10-17), and Net Assets (18-21). Total revenue is 57,295 and total expenses is 50,777, resulting in a net asset of 13,715.

