



## LEAGUE OF UNITED LATIN AMERICAN CITIZENS

### TAX COMPLIANCE CHECKLIST

For all new and chartering LULAC Councils that wish to be covered by LULAC's group exemption under §501(c)4, this checklist must be completed in full and returned to Lupe Morales, Director of Membership Services, at 9206 McCombs Street, Room 5, El Paso, Texas 79924.

#### Group Exemption

#### I Understand

- The Council will obtain an EIN (see [www.lulac.org/ein](http://www.lulac.org/ein))
- The Council will report any changes in the purpose, character, or method of operation of the Council to LULAC
- The Council will report a termination or dissolution of the organization to LULAC

#### Tax Filings:

- The Council will have an annual tax filing requirement with the IRS.
- If gross receipts normally\* less than or equal to \$50,000, file a [Form 990-N](#)
- If gross receipts greater than \$50,000 but less than \$200,000 and total assets less than \$500,000, file a [Form 990-EZ](#)
- If gross receipts greater than or equal to \$200,000 or total assets greater than or equal to \$500,000, file a [Form 990](#)

*\*Please note this amount is calculated by taking gross proceeds from the last three years, including the current year, and taking an average of that amount. Gross proceeds include revenue from all sources, including sales of investments.*

#### Your council will be classified as a §501(c) 4 organization. As such:

- The Council should be operated exclusively for the promotion of social welfare, the net earnings of which be devoted to exclusively furthering the exempt mission of the organization
- The net earnings of the Council should not inure to the benefit of any private member or individual
- Donations are not tax deductible for the donor as a charitable contribution
- The Council will be exempt from federal income tax but may still need to register with the state
- Lobbying may be conducted, although registration requirements may apply ([Lobby Disclosure Act](#))
- LULAC Councils are forbidden from participating in political activities

Please sign to affirm that you understand the above information and agree to operate the Council in full compliance with applicable rules and regulations.

\_\_\_\_\_  
Council President

\_\_\_\_\_  
Date



## ANNUAL IRS FILING REQUIREMENTS

All new and existing LULAC Councils in good standing are considered tax-exempt organizations and therefore must file an annual return with the IRS. A council whose annual gross receipts are \$50,000 or less are required to file a Form 990-N (e-Postcard) or a complete Form 990 or Form 990-EZ.

Failure to file will cause your Council's nonprofit status to be revoked by IRS and may result in tax liability for your council. Please read below the IRS filing requirements:

### **Annual Electronic Filing Requirement for Small Exempt Organizations Form 990-N (e-Postcard)**

Most small tax-exempt organizations whose annual gross receipts are normally \$50,000 or less must electronically submit Form 990-N, also known as the *e-Postcard*, unless they choose to file a complete Form 990 or Form 990-EZ instead.

If you do not file your *e-Postcard* on time, the IRS will notify you. There is no penalty assessment for late filing the *e-Postcard*. Still, an organization that fails to file required *e-Postcards* (or information returns – Forms 990 or 990-EZ) for three consecutive years will automatically lose its tax-exempt status. The revocation of the organization's tax-exempt status will not occur until the filing due date of the third year. Watch the IRS YouTube presentation.

#### **Due Date of the e-Postcard**

The *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 tax year ended on December 31, the *e-Postcard* is due May 15 of the following year. If the due date falls on a Saturday, Sunday, or legal holiday, the due date is the next business day. **You cannot file the *e-Postcard* until after your tax year ends.**

#### **How to File**

Use this link to file the *e-Postcard*. If you have trouble accessing the system using that link, you may be able to access the filing site directly by typing or pasting the following address into your Internet browser: <http://epostcard.form990.org>. When you access the system, you will leave the IRS site and file the *e-Postcard* with the IRS through our trusted partner, Urban Institute. The form must be completed and filed electronically. There is no paper form.

#### **Information You Will Need to File the e-Postcard**

The *e-Postcard* is easy to complete. All you need is eight items of basic information about your organization.

#### **Who Must File**

Most small tax-exempt organizations with gross receipts normally \$50,000 or less (\$25,000 for tax years ending on or after December 31, 2007 and before December 31, 2010) must file the *e-Postcard*. Exceptions to this requirement include:

- Organizations that are included in a group return,
- Churches, their integrated auxiliaries, and conventions or associations of churches, and
- Organizations required to file a different return