

The ASG and its IRS 501(c)(3) Charity Status

□ INDEPENDENT EXEMPT STATUS

If your ASG already has 501(c)(3) Charity Status that you've obtained on your own, then you don't need to come under the UOAA Group Exemption umbrella, because you can already accept charitable donations. If you do come under the UOAA umbrella, you will lose your independent exempt status. IRS records can list you only one way or the other, not both.

We are aware of some ASGs who think they have independent exempt status, but actually they do not! For example, a number of groups had independent exempt status many years ago, but lost that status when they came under the old UOA umbrella. Therefore, if you think your group has independent 501(c)(3) Charity Status, you can check with the IRS to make sure, by calling them at 877-829-5500.

Now, you do have the option of obtaining Charity Status on your own. This requires that your group be incorporated. After you have engaged a lawyer, paid the necessary legal fees and processed the necessary incorporation papers with the State you elect to incorporate in, you must then make application to the IRS ... a very extensive application process again requiring legal counsel. This process can take, as with UOAA, up to nine months to finalize not to mention incurring a sizable expense.

□ BACKGROUND ON UOAA UMBRELLA

UOAA obtained its own IRS 501(c)(3) Charity Status in March 2006. UOAA's application for a Group Exemption was approved by the IRS in July 2007 providing coverage for the first group of ASGs that expressed an interest and completed the necessary documentation. Subsequent submissions to the IRS were made in November 2007 and July 2008.

In accordance with directives from the IRS, UOAA must file a report by September 30, 2009, listing any information changes it wants to make including the addition of new groups. UOAA is now accepting new applications from non-covered ASGs for inclusion in its Group Exemption coverage.

□ STATUS OF OLD UOA UMBRELLA

From examination of the various IRS websites we found that the IRS is unclear regarding the Charity Status of AGSs covered under the old UOA umbrella. The IRS knows that the UOA central organization doesn't exist anymore, but they haven't, as of yet, taken action to remove the exempt status from the 177 individual groups (including about 100 active groups who've affiliated with UOAA) still listed under the old UOA 501(c)(3) umbrella. This will happen, the question is when!

If your group is among those still listed under the UOA umbrella, but you haven't come under the UOAA umbrella yet, and you try submitting a 990-N based on your UOA identity (the EIN UOA gave you), the IRS may still accept it ... **but don't do it!!** ... it could raise a very red flag. Instead, if you are interested in maintaining an IRS Charity Status, now is your time to come under the UOAA umbrella!

□ UOAA GROUP EXEMPTION UMBRELLA

Coming under the UOAA umbrella is much easier than going the independent route. You don't need to get incorporated, you don't need to fill out a complicated application form and you will not incur a sizable expense. Your group does, however, need to have a certain amount of formal structure, including an official "organizing document" in the form of a Constitution or Bylaws. You must then do three things:

- 1) Request in writing that you be added to the UOAA Group Exemption list. This request may be made by sending an e-mail message to Joan McGorry at oa@uoaa.org.
- 2) Include in your message to Joan, your Federal EIN (Employer Identification Number). If you do not have an EIN you can obtain one simply by calling IRS at 800-829-4933 (they will give you the number while you hold ... the whole process takes less than 10 minutes). If your group already has an EIN due to inclusion under the old UOA umbrella, we will (at least for the time being) accept this number.
- 3) Amend your group's Bylaws or Constitution by adding several provisions that Joan can provide you with.

□ ANNUAL IRS FILING REQUIREMENTS

All groups with a valid IRS Charity Status must file information to the IRS annually. This includes both ASGs who have independent exempt status and ASGs under the UOAA umbrella. It doesn't include hospital-run groups since their IRS filing requirement is normally handled at a higher level in the hospital hierarchy. It also doesn't include groups who have had exempt status through only the old UOA umbrella but haven't come under the UOAA umbrella yet ... since, theoretically, you have no status or rights inherent with that Charity Status.

For ASGs under the umbrella, or ASGs with independent exempt status, the type of return to file depends on your income level. If gross receipts are greater than \$25,000, you must file form 990 or 990-EZ. Very few of our ASGs are in this category. If your income is under \$25,000, which applies to the vast majority of our ASGs, all you need to file is a 990-N (e-Postcard). The 990-N can only be filed electronically – at <http://epostcard.form990.org/> It is very easy to file because it doesn't require specifying any financial data. All it requires is some contact information and a statement confirming that your income is under \$25,000.

For all IRS information filings (990, 990-EZ or 990-N), you must use your group's correct EIN – not the EIN of the UOAA national body or of any other ASG.

If your group fails to file for three consecutive years, you'll lose your exempt status. Some ASGs are already in danger in this regard, because they haven't filed yet during either of the two years since the 990-N was introduced.

For those ASGs choosing to enroll now for UOAA's Group Exemption, we will tell you when your addition has been officially recognized by the IRS and you can file a 990-N.