



STRATEGIES FOR DEVELOPING A NEIGHBORHOOD ASSOCIATION

A Neighborhood Association Reference Guide



Introduction

Dear Moline Resident:

Moline is blessed with many advantages ... a beautiful river setting, parks and recreational opportunities, areas of homes rich in history, and individuals like you that care about and wish to become more involved in your neighborhood.

Although the City organization is not in a position to independently organize associations for every neighborhood in Moline, we are interested in forming a partnership with groups that wish to actively work to improve their neighborhoods and the community. Toward that end, the City Council established the Neighborhood Partnership Committee (a/k/a "NPC"), a committee designed to foster a stronger tie between Moline residents and their city government. The Committee is staffed by City employees who work together to act as liaisons in providing information regarding association organization and issues that effect neighborhood improvement. With that in mind, NPC has compiled this reference guide as a helpful tool to assist residents and/or businesses that wish to form a neighborhood association.

The NPC believes that residents and the City can accomplish much more by working together. We look forward to partnering with you and thank you for your interest and efforts in making your neighborhood a quality place to live.

Sincerely,

Members of the Neighborhood Partnership Committee

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WHAT IS A NEIGHBORHOOD ASSOCIATION AND WHAT DOES IT DO?

A neighborhood association is a group of residents who meet regularly to accomplish neighborhood goals, namely to improve their neighborhood. The association may include homeowners, renters, apartment residents, business owners, school and church officials, and members of non-profit organizations. Depending on the organizational goals, meetings may be held twice a year, once a quarter, or every month.

Neighborhood associations facilitate communication between residents and local government to support change, help organize volunteers for community projects, and organize improvement efforts.

WHY ORGANIZE A NEIGHBORHOOD ASSOCIATION?

- ✓ **Neighborhood Associations Build Relationships**
A neighborhood association is one of the best ways to build relationships among neighbors. Members of a neighborhood may go years without knowing neighbors two doors away. A spirit of warmth and friendliness can be generated through the formation of an association. Additionally, through an association, neighbors can share concerns, needs and interests, which may lead to supportive and efficient problem solving.
- ✓ **For Neighborhood Improvement**
If neighborhood improvement is a goal, local neighboring residents are the best resources to help initiate change. Neighborhood associations are a great resource for City staff and residents in developing long-range improvement projects.
- ✓ **To Create an Organized, Unified Voice**
Through an association, your neighborhood has a unified voice in City government. The services that the City can provide to your neighborhood can be accessed efficiently through an association. Information on City services can also be provided to a greater number of neighbors through association meetings and communications, resulting in a benefit to the neighborhood as a whole.



A. ORGANIZING THE NEIGHBORHOOD



Step I: Defining and Introducing Benefits

In beginning communication with your neighbors, and in an effort to effect interest, the NPC suggests that you establish and provide some goals and benefits of forming a neighborhood association. Benefits may include:

- ✓ Residents working together for the preservation and improvement of the neighborhood
- ✓ A channel through which neighborhood goals can be met
- ✓ Facilitating neighborhood social activities
- ✓ A communication link with City government and other groups
- ✓ Unity and communication that allows for a voice and influence into what happens in surrounding areas

Step II: Developing the Core Group



To get started, you should identify a small group of committed neighbors who are willing to work to form a neighborhood association. Ask some neighbors you already know. Then knock on the doors of some you don't know and explain why you want to form a neighborhood association. When you find five to ten people who are interested, schedule a meeting with that group to further explain and discuss your ideas. This should be done quickly to avoid losing their interest. During this initial stage of organization, other residents in the neighborhood may be advised of the activities of the newly forming neighborhood association through one of the communication tools discussed later in this guide.

Step III: Developing a Neighborhood Plan



The health and vitality of a neighborhood depends on its ability to plan for the future. If the neighborhood is viewed as a permanent home for families and businesses and as a continuing investment, then steps should be taken to address changes that will occur. A neighborhood plan is a guide that provides a framework for future decision making.

A neighborhood plan should contain:

- ✓ Identification of resident issues and concerns
- ✓ Boundaries
- ✓ General goals (i.e., what the residents would like to see happen)
- ✓ General policies
- ✓ Suggestions for strategies on how to reach goals



Identification of resident issues and concerns: The identification of resident issues and concerns may be collected through surveys distributed to residents or through a series of neighborhood meetings. These processes may also identify additional residents who wish to join the core group as leaders of the association or who wish to donate time and effort to the association's formation. Issues and concerns may include crime intervention, neighborhood watch, property improvements and/or beautification, code regulations, preservation, rezoning, etc.



Boundaries: Neighborhood association boundaries identify the specific geographic area where neighbors want to focus their efforts. A number of factors may assist your group in defining the boundaries you wish to establish for the association. Those may include roads or natural features, architecture of homes, type of businesses, zoning, etc. A map review and/or a tour of the area may suggest logical boundaries for a manageable sized area. Associations may also want to consider eligibility requirements for grants in determining boundaries. City staff can assist in this area. Once boundaries are established, develop a list of residents and property owners in the area. This will help you get others involved in the association and its activities.



Goals: Goals should be specific, measurable, realistic, and achievable. Goals for improving a neighborhood may be:

- ✓ Helping neighbors get to know each other by holding social events
- ✓ Organizing workshops to educate residents about property maintenance
- ✓ Volunteering to assist neighbors with property maintenance
- ✓ Holding regular neighborhood clean-ups and distributing public education on City property codes and solid waste collection do's and don'ts.
- ✓ Forming a Neighborhood Watch to promote safety and reduce crime

Neighborhood Plan – Examples and Suggestions

1. Identify one to three issues that are major concerns to the neighborhood.
Examples:
 - a. Crime prevention / reduction / intervention
 - b. Neighborhood Watch
 - c. Traffic control issues
 - d. Neighborhood mediation
 - e. Code regulations
 - f. Property improvements

2. Form committees for major issues to spearhead the drive to resolve the issue.
Suggestions:
 - a. Appoint 3-4 persons / volunteers to committees
 - b. Appoint or elect chairperson(s)
 - c. Develop realistic timelines to resolve issues

3. Identify available resources that can be utilized to assist the committee.
Examples:
 - a. Various City departments (Police, Fire, Inspections)
 - b. Talents and skills of neighbors/residents
 - c. Local businesses and community services
4. Identify strategies and goals:
Examples:
 - a. Form block watch groups for every block
 - b. Coordinate neighborhood clean-up and distribution of public education on City property codes and solid waste collection do's and don'ts.
 - c. Hold association fundraisers
5. Establish goal timelines. Include times for different steps, as well as anticipated completion where/when appropriate.
6. Implement strategies.

**B. LEADERSHIP**

The importance of qualified leadership is often overlooked as a neighborhood association develops. Strong leadership gives an organization:

- ✓ Guidance
- ✓ Stability
- ✓ Continuity from year to year
- ✓ Motivation to take action
- ✓ Unity of purpose

Part of the job of a neighborhood organizer is to identify and develop neighborhood leaders. Individuals in leadership positions are responsible for coordinating the activities of a group, including activities designed to help the group achieve goals and feel good about working together. A leadership position within a neighborhood association is a serious commitment. A leader impacts the association and the neighborhood. A neighborhood leader needs to have the vision and the ability to build consensus, to delegate duties and authority to others, and to encourage neighbor involvement and maximize talent. A leader helps the association cultivate future leaders and recognizes the value in changing leadership.

Some general points to keep in mind are:

- ✓ Leadership contributions to the neighborhood are abilities and skills to organize. Try to delegate responsibilities that may be handled by others (for example, special events, meeting scheduling, etc.)

- ✓ Search continually for many “potential” leaders and identify individuals who have the time to devote to the work of the neighborhood association
- ✓ New leaders may develop as the concerns of the neighborhood association change. Keep your organization open and flexible enough to bring new members and leaders into your neighborhood association

Additionally, look for individuals who show that they:

- ✓ Want to succeed and want their group to succeed
- ✓ Communicate well with people
- ✓ Can motivate people to take collective action
- ✓ Have an allegiance to the neighborhood and the ideas/goals of the association
- ✓ Know how to share power

Duties and Responsibilities of Association Officers:

The association officers act as the executive committee and are often referred to as the Board. Association officers, and thus the Board, generally consist of a president, vice president, secretary and treasurer. These positions are appointed or elected.



President

- ✓ Chief executive officer of the association
- ✓ Assumes general charge of the day-to-day administration of the association
- ✓ Presides at all meetings
- ✓ Reserves the authority to authorize specific actions in promoting the Board’s policies

Vice President

- ✓ Performs the duties of the president in the absence of the president
- ✓ Coordinates committee chairmen and reports status to the Board
- ✓ Assumes duties as defined by the president

Secretary

- ✓ Maintains the records of the association including contact information of members
- ✓ Takes minutes of meetings and keeps a permanent, accurate record of the association
- ✓ Prepares written minutes for the board of directors and reads the minutes at meetings
- ✓ Receives and handles all correspondence addressed to the association

Treasurer

- ✓ Keeps accounts of all expenses, upon authorization of the board
- ✓ Collects membership dues
- ✓ Presents a written report each month to the board of directors and/or association

C. COMMITTEES



Organizations typically accomplish their objectives through the dedicated work of committees. The association's core group may find it beneficial to form some committees to manage beginning projects prior to the election or appointment of association officers. Then following the election or appointment of association officers, optional procedures regarding committee formations and functions may be implemented. The association's goals may define the types of committees formed. Some examples include:

- ✓ Beautification Committee
- ✓ Crime Reduction Committee
- ✓ Welcoming Committee
- ✓ Neighborhood Events Committee
- ✓ Government Liaisons
- ✓ Business Liaisons
- ✓ Youth Involvement Committee

To maintain active, productive and motivated members on the committees:

- ✓ Encourage members to participate in the association and the committee planning process
- ✓ Define and discuss the goals and objectives of the committee
- ✓ Provide reasons for the actions to be considered by the committee and the neighborhood association
- ✓ Give recognition to members and committees who have contributed to the advancement of the neighborhood association
- ✓ Make meeting time and committee work as productive as possible
- ✓ Develop and maintain communication between committees

D. ASSOCIATION BYLAWS

Bylaws are the "rules governing the internal affairs of an organization." They are the constitution of the organization that establishes the legal requirements for the group. Bylaws govern the way the neighborhood association functions and the roles and responsibilities of the association officers. Bylaws are an essential element to organizing a neighborhood association. Bylaws are also an integral part of the process for obtaining optional tax exempt status by the federal government. While most people see writing bylaws as a tedious, difficult procedure, they can be of great benefit to a new organization by helping members clearly define and understand the purpose and procedures of their neighborhood association. Bylaws should also be reviewed periodically. This will help orient new members to the purpose and processes of the organization and ensure that the bylaws continue to meet the association's needs and other legal requirements. Remember, bylaws are the governing set of rules for a particular neighborhood association. Therefore, it is important to think about the needs of the group by tailoring the bylaws to meet those needs. Bylaws should be as specific as possible, yet allow for flexibility within the organization.

Bylaws typically include:

- ✓ The number, qualifications, manner of election, powers, duties, and compensation of directors
- ✓ The qualifications for membership
- ✓ Different classifications for members
- ✓ The manner of admission, withdrawal, suspension and expulsion of members
- ✓ Property, voting, and other rights and privileges of members
- ✓ Appointment and authority of committees
- ✓ Appointment or election, duties, compensation and tenure of officers
- ✓ Time, place, and manner of calling, conducting, and giving notice of member, board, and committee meetings or of conducting mail ballots
- ✓ Making of reports and financial statements to members
- ✓ The numbers required to establish a quorum for meetings of members, committees, and the board

Sample Bylaws: See Appendix I to this Guide.

E. MEETINGS

Tip No. 1: Nobody likes to attend meetings that are a waste of time!



People will more likely attend meetings if they are organized, brief, productive and in a convenient location. The following is a general guide for meeting preparation:

- ✓ Decide on a convenient time and date to meet by consulting with your core group and neighbors
- ✓ If possible, choose a location that is centrally located and familiar to the neighbors (a home, school, church, or public building)
- ✓ Requests attendance RSVP's (Knowing or estimating the number of people who plan to be in attendance can be beneficial in selecting the meeting location as well. The meeting location should be accommodating and not so large as to make attendees feel lost.)
- ✓ Implement a follow-up reminder method by phone, e-mail, flyers, etc.
- ✓ Develop a well-planned agenda
- ✓ Set up the meeting room in advance
- ✓ Display a sign-up sheet and handouts near the entrance of the meeting room
- ✓ Allow time for a question and answer period
- ✓ Designate the association secretary as the minute-taker to take meeting notes for minutes preparation

The Meeting Chairperson:



The core group should select a person who will chair the initial neighborhood meeting. This leader may be the person who initiated efforts for beginning the group, or someone else. For all practical purposes, this person is usually viewed as the leader (unless the core group makes provisions to rotate chairpersons) until the group approves by-laws and holds an election or appoints officers. The chairperson's role is to make sure that the agenda is followed both in content and timing and to uphold the rights of individual members and of the association. The chairperson should never monopolize the floor or dominate the discussion and should make sure that others do not do the same.

The Meeting Agenda:



The agenda provides a list of discussion topics and is typically prepared and disseminated by the association president and secretary.

All meetings should have an agenda for the following reasons:

- ✓ It serves as a guide in leading the meeting
- ✓ It ensures that important issues are not overlooked

- ✓ It gives members/neighbors an opportunity to prepare for discussion

To prepare an agenda:

- ✓ Review the minutes of the last meetings and note any continuing or incomplete business
- ✓ Include committee chairmen, special meeting guests, and members who are to make reports
- ✓ Review for inclusion all new business that has come up since the association's last meeting

Sample agenda

Neighborhood Name: _____
Meeting Location: _____
Meeting Date and Time: _____

1. Call to Order
2. Neighborhood Introductions
3. Approval of minutes from previous meeting
4. Officer reports
5. Committee reports
6. Review events and programs
7. Old/unfinished business
8. New business
9. Adjourn meeting

Reminder: Next meeting: _____



The Meeting Minutes:

Minutes are the only record of association business. They should be kept for all meetings.

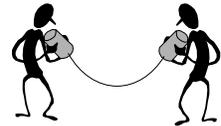
Guide for Taking and Maintaining Minutes

- ✓ Include the name of the association, committee name (if applicable), date, year, time and meeting location
- ✓ Name of presiding officer or chairperson
- ✓ Names/and or number of residents present (sign-in sheet may be used as attachment)
- ✓ Approval status of previous meeting's minutes
- ✓ Starting time of each meeting
- ✓ Summarization of each issue discussed
- ✓ Motions and amendments, including the name of the members who called and seconded the motion and the vote count
- ✓ Name of member who adjourned the meeting and time of adjournment

F. COMMUNICATION TOOLS

The association will be planning a lot of great programs in your neighborhood. Don't keep them a secret! Spread the word to neighborhood residents to join the efforts and take part in making a difference. Here are a few ways to get the word out:

- ✓ Neighborhood association newsletter (grant funds can be used for producing a newsletter)
- ✓ Schools, churches and club newsletters
- ✓ Door-to-door flyers / handouts
- ✓ Person-to-person by phone or telephone tree
- ✓ Bulletins, notices, pamphlets, posters and flyers placed with permission in schools, laundromats, libraries, supermarkets and stores
- ✓ A neighborhood web page
- ✓ Submissions to the City's web page and/or public access television, contact the Public Information Officer at 797-0462
- ✓ E-mail
- ✓ Letters
- ✓ Booths at local events
- ✓ Cooperative efforts with adjoining neighborhoods



CITY CONTACTS

City webpage: www.moline.il.us

NPC Chairpersons

K.J. Whitley, Neighborhood Improvement Officer 797-0443
E-Mail: kwhitley@moline.il.us

Scott Williams, Detective, Moline Police Department 797-0449
E-Mail: swilliams@moline.il.us

Public Information Officer

Candace Sountris 797-0462
E-Mail: csountris@moline.il.us

Community Development Manager

Frankie Atwater 797-0710
E-Mail: fatwater@moline.il.us



G. FINANCES

Over the course of time, every neighborhood association accumulates money for one reason or another, through membership dues, fundraisers, etc., and the association needs to establish a management system for those funds. What kind of bank account should be opened and how do you go about opening an account for your association? Either a person or a corporation can open a bank account. If you establish your association as a not-for-profit corporation through the State, you may be eligible to receive free banking privileges at some banks.

Not-For-Profit Corporation. Establishing the association as a not-for-profit corporation is optional and not necessary. The primary benefits of establishing such status are financial. All or most of the money made by a tax-exempt, non-for-profit corporation is free from federal, state and local taxation, so the association can devote a larger share of its funds to the purpose for which it was formed. Additionally, donors are more likely to contribute financially to tax-exempt, not-for-profit corporations than to non-exempt organizations because donors can write off the donations on their tax returns. The Illinois Secretary of State's office provides excellent information resources on these topics, including "A Guide for Organizing Not-For-Profit Corporations." The guide can be found on the Secretary of State's website at www.sos.state.il.us or by contacting the Illinois Secretary of State, Department of Business Services, 328 Howlett Building, Springfield, IL 62756, (217) 782-1834. Additionally, attached to this handbook is a guide to registering as a nonprofit corporation with sample forms.



Banking

Step I: Obtain Information on Types of Accounts, Fees and Charges



Checking and savings accounts that are open to individual customers are open to neighborhood associations. Research the fees and charges assessed at different banks and credit unions. Some have better programs than others. Banks may waive or reduce services charges to organizations that provide a necessary public service or organizations/associations that are non-profit. The decision to waive the charge is at the discretion of the individual bank.

Two things to consider when determining the type of account for your neighborhood association are:

- ✓ How often withdrawals will be made
- ✓ The amount of money or estimated amount of money versus minimum balance fee (if any).

A savings account or a savings account with checking privileges may be preferred if limited withdrawals will be made. If a checking account is opened for the association, pre-numbered checks should be used; the use of non-numbered checks is not an acceptable practice for neighborhood associations.

Step II: Obtain Important Documentation

If the neighborhood association is a non-profit corporation, a copy of the Articles of Incorporation, stamped “Filed” by the Illinois Secretary of State, should be provided to the bank. If the association has not established non-profit status, the following documents should be provided for reference: a copy of the association’s bylaws or minutes from the first meeting and names and titles of individuals authorized to conduct business for the association. Personal identification, such as a driver’s license, credit cards or a passport, is required to open any type of account.

Step III: Obtain Signature Cards

Signature cards must be signed by the secretary of the neighborhood association along with anyone else who will be signing on the account. If a copy of the association’s bylaws is provided to the bank, it allows greater ease in obtaining new signature cards.

Step IV: Obtain and Adopt Resolution

The bank may provide a card with wording for a resolution authorizing the bank account. The resolution must be adopted by the Board of a non-profit organization or by the members of an unincorporated organization/association.

H. EXPANDING AND MAINTAINING MEMBERSHIP

Keeping the interest and involvement of neighbors in an association is an ongoing challenge in every neighborhood. Here are some pointers and ideas that will hopefully stimulate other ideas:

- ✓ Be realistic in your expectation of the members. Many neighbors have other priorities that may limit participation to a minimum.
- ✓ Stay focused on a few well-defined goals or projects. Identify individual and/or committee responsibilities.
- ✓ Celebrate each success, even if it means doing it one step at a time.
- ✓ Ask specific neighbors for help or their involvement. Sometimes all it takes is asking a neighbor to do something. They may be willing if asked, but may not volunteer or speak up when an “all call” for help is issued.
- ✓ Organize a list of volunteer activities and have those who want to help sign their names next to activities, current or future, that they are interested in.
- ✓ Find out what is important to the association members and try to get them involved in committees or projects involving their interest.
- ✓ Host community gatherings or other events to recruit new members. Sponsor a booth at a community festival or event. This is a great opportunity to talk to people in your area. Have membership sign-up sheets available.
- ✓ Make sure to welcome new neighbors and help them find a place in the association. Many communities have a welcoming committee that visits or calls each new resident.
- ✓ Avoid the appearance of favoritism. New members who see the same people running every project may feel excluded.
- ✓ Organize a social function by delegating the event to a special committee. Sponsor clean-up days, taking one street at a time so that the clean-up seems manageable and can be accomplished in the morning.
- ✓ Create a telephone chain or communication system that makes it possible for the association to keep its members informed.
- ✓ Maintain current membership records of members’ names, addresses, phone numbers, family member names, occupations, special interests/talents, etc.
- ✓ Recognize volunteers. Some examples are: recognizing and thanking a specific person or persons at a general meeting; acknowledging efforts in the association newsletter; etc.
- ✓ Sponsor parties and celebrations to get to know neighbors and members better. The events should appeal to all ages. This will foster a strong sense of community spirit among your neighbors.



I. NEIGHBORHOOD PROJECTS / IDEAS

In developing your neighborhood projects, focus on a specific issue that will demonstrate action and results and that will be visible in the neighborhood. Promote the issue as much as possible. If the association is successful in achieving its goals or effecting change on a single issue, it demonstrates that the association is an effective group. This further establishes the credibility and worthiness of your association, characteristics which are important to long-term survival.

In planning projects, keep the ball rolling with a list of projects and activities that will maintain participation and interest. This requires a lot of anticipation and organization by association members. The best approach is to plan around a calendar. Do not suffocate your members with more projects than time will allow. Choose a place and stay consistent. Slow progress is often better than no progress at all, but keep in mind that one large gap in activity could cost you the participation of members due to lack of interest. Be careful how you plan and coordinate all projects. Keep people involved in all levels and give people specific jobs (with specific time frames). All members are most likely willing to contribute a little bit of time. Do not give too much responsibility to one person when it can be easily delegated to several.

Project Ideas

The following is a list of possible short- and long-term projects:

- ✓ Neighborhood clean-up and distribution of public education on City property codes and solid waste collection do's and don'ts.
- ✓ Neighborhood entrance signs
- ✓ Security lighting
- ✓ Neighborhood Watch / Crime watch program
- ✓ Tool lending libraries
- ✓ Paint swap
- ✓ Paint / fix up projects
- ✓ Yard of the month award
- ✓ Community beautification – flower planting, tree planting
- ✓ Block party or festival
- ✓ Neighborhood newsletter, web site, directory, telephone tree
- ✓ Speakers on topics of interest to the neighborhood
- ✓ Representatives to attend City Council, school board, planning commission meetings, etc.
- ✓ Philanthropic projects, such as “adopting” a family who needs help with Christmas dinner, etc.
- ✓ Back to school party and school supply drive
- ✓ Neighborhood cook-out, picnic, potluck
- ✓ National night-out celebration
- ✓ Holiday celebration

- ✓ Adopt A Street Program
- ✓ Adopt A Park Program

Monetary Resources: Contributions, Fees, and Fund-raising Strategies and Ideas



Finding resources to implement the goals and priorities set by the neighborhood association can be a challenge. Two assets for finding resources are enthusiasm and support for your effort to build a stronger, improved neighborhood.

Consider what types of goods, services and funds your neighborhood association will need to accomplish its goals. Fund raising may be for any of the following:

- ✓ Association start up costs
- ✓ Supplies for a neighborhood beautification project
- ✓ Newsletter printing
- ✓ Postage
- ✓ Prizes at meetings
- ✓ Refreshments for meetings

In-Kind Contributions

Instead of money, some stores or companies may be willing to donate something that they sell.



For business owners, in-kind donations usually are easier to donate than cash. Churches may also provide meeting space and perhaps access to computers and copiers. To make a request from a business, consider sending a letter that includes your association and logo and a description of how the donation will be used. Send a follow-up thank you letter or card following the project/event.

Association Fees



Neighborhood associations may choose to adopt a small membership fee, a voluntary membership fee or a “pass the hat” contribution at neighborhood meetings.

Fund-raising Strategies and Ideas



For one-time projects, association officers may ask members for a special donation. People are often willing to donate to a project they believe will improve the neighborhood.

Some projects require a fund raiser. Fund raising can be a fun way to develop teamwork, get better acquainted, spread the word about the neighborhood association and make your neighborhood more visible to the community. Good fund raising depends on creativity, hard work and fun. Following are a few examples.

- ✓ Garage Sale, Bake Sale, Craft Sale. Plan a sale and put the proceeds or a percentage of the proceeds toward the association.

- ✓ Holiday Home Tours. Ask six or seven members/neighbors to participate in a holiday open house/walking tour and sell tickets to the event with a map and information about each home (historical information, decorating and remodeling information, etc.). Treats may be sold along the way. Children could participate by setting up hot chocolate stands.
- ✓ Sell Labor. Neighbors may have projects that they wish to pay to have completed. Enlist the help of qualified volunteers to complete the projects.
- ✓ Mother’s Day muffin baskets
- ✓ Valentine candy-grams

J. GRANT FUNDING



How to Obtain Grant Funding

The U. S. Department of Housing and Urban Development designates a certain amount of Community Development Block Grant (CDBG) funds to the City of Moline for distribution to neighborhood associations that meet low to moderate income guidelines. These funds are distributed by the Neighborhood Partnership Committee based on applications submitted by the neighborhood associations. Applications may be downloaded from the City website located at www.moline.il.us. Completed applications should be returned to the City of Moline Planning and Development Department, Attn. K. J. Whitley, 1616 6th Avenue, Moline, Illinois 61265, prior to the specified application deadline.

Requirements for Grant Funding

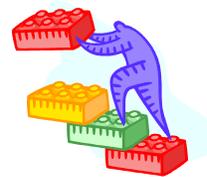
Once a neighborhood association has received grant funding, it must comply with certain requirements. The grant recipient must provide the City with quarterly reports by specific dates. Each quarterly report shall contain neighborhood association information that demonstrates the recipient’s eligibility for services provided. Such data shall include the neighborhood association’s name, address, actions taken during the quarter (description of projects, activities, etc.) and sums expended for actions taken during the quarter. Failure to submit quarterly reports within thirty (30) days of the due date will result in a finding against the neighborhood association and will result in a recapture of the remaining funds for the year. Such a finding may affect funding opportunities in future years.

K. STUMBLING BLOCKS

Unproductive Association or Committee

Look for the following conditions:

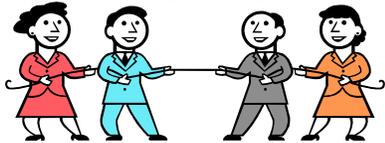
- ✓ Poor leadership
- ✓ Interpersonal conflicts
- ✓ Conflicting loyalties of some members
- ✓ Rigid decision-making methods, not allowing for open discussion



When such problems occur, encourage open, respectful discussion. Let the members try to identify the obstacles in their way.

Understanding and Managing Conflict

One of the primary benefits of forming a neighborhood association is the improvement in communication between neighbors. However, there will be times, in spite of best efforts, when communication may break down and a conflict will develop. A simple unresolved conflict can escalate and cause serious damage to relationships and to a neighborhood association, so it is very important that neighbors do their best to handle these situations constructively.



One of the biggest obstacles to managing conflict well is that most of us find conflict to be very uncomfortable. As a result, we either try to avoid dealing with it, or we approach the conflict as if we were going to battle, determined to “win.” There is, however, another approach to this common dilemma, one that accepts conflict as a normal aspect of any relationship or organization. Seen in this light, one can approach conflict resolution as an opportunity for growth, change and new understandings.

Consider using the following tips the next time you are faced with the challenge of effectively resolving a conflict:

- ✓ Talk directly. Direct conversation is much more effective than sending a letter or complaining to others about the situation.
- ✓ Choose a good time. Try to talk in a quiet place where all parties can be comfortable and undisturbed for as long as the discussion takes.
- ✓ Plan ahead. Plan out what you want to say ahead of time. State clearly what the problem is and how it affects you.
- ✓ Don't blame or name call. Antagonizing the other person only makes it harder for her or him to hear you.
- ✓ Listen. Give the other person a chance to tell his or her side of the conflict completely. Relax and listen; try to learn how the other person feels.
- ✓ Talk it all through. Get all the issues and feelings out in the open. Don't leave out the part that seems too difficult to discuss.
- ✓ Work on a joint resolution. Two or more people cooperating are much more effective than one person telling another to change. Be specific.
- ✓ Follow through. Agree to check with each other at specific times to make sure that the agreement is still working.



APPENDIX I

**PROCEDURE FOR REGISTERING AS A NON-PROFIT CORPORATION
AND OTHER DETAILS**

MAY 28, 2004

Prepared by Maureen E. Riggs, Deputy City Attorney, City of Moline

DISCLAIMER

This hand-out is meant to be a guide for newly created neighborhood associations to gain basic knowledge about the rules and procedures applicable to non-profit corporations in Illinois. This hand-out is by no means all encompassing and should not be construed to be advice given by an attorney to a client. The City of Moline cannot provide legal nor financial advice to your neighborhood association. Rather, the City seeks only to provide you with general information about how to obtain a taxpayer identification number and how to incorporate as a nonprofit corporation in Illinois as well as to inform you of other potential regulations that may apply to your organization.

INTRODUCTION

A non-profit organization does not have to incorporate to exist but may want to incorporate to avoid certain liabilities and to become eligible for certain funds. At the least, all neighborhood associations should obtain a taxpayer identification number ("TIN") for banking purposes. I would recommend doing this right away and then waiting until your association becomes more established and active before deciding whether to pursue nonprofit status.

After obtaining a TIN, an association may thereafter choose to incorporate as a non-profit, and further, may choose to apply for tax-exempt status. Each process is more difficult to obtain than the previous, so it may be wise for a neighborhood association to take these steps slowly.

Once your association becomes established and grows in scope, you may wish to consider applying for tax-exempt status on both a federal and state level. This process is expensive and can be difficult so it should only be done if truly warranted. This process also requires the assistance of a private attorney.

STARTING THE PROCESS

**Step One: Obtain an Employer's Identification Number "EIN"
(also known as a Taxpayer Identification Number "TIN").**

For an individual, a TIN is the person's social security number. For a corporation, a TIN is an EIN.

This step is not part of the process for becoming a non-profit corporation, but it is a necessary first step for banking purposes. Such a number will allow a bank account to be opened in the name of your neighborhood association.

To obtain an EIN, fill out IRS form SS-4 and submit online or by fax, telephone, or mail. The attached Instructions for Form SS-4 explain how to apply and state exactly which portions of the form need to be filled out if the number is to be used for banking purposes only. A copy of this form and the instructions are attached as Exhibit A.

Step Two: Register as A Non Profit Corporation

1. Before filling out the paperwork to become a registered non-profit corporation, consider the following:

Who will be the registered agent?

Who will be the directors?

Will the association have registered members? (It doesn't have to, but you may choose for members to be part of the governance structure of your organization. The more powers given to the members, the more cumbersome the decision making process will be. I would suggest that your organization be governed by a self-perpetuating board of directors.)

What is the purpose of the association? (Be specific as this information is necessary for registering and will help steer the direction of the organization.)

What is the association's plan for operation?

2. Draft Articles of Incorporation

The articles of incorporation is the organizational document for your association. Secretary of State form NFP-102.10 is the form to use for drafting them. This form is attached as Exhibit B. (I already checked the correct boxes in Article 4 of this form for your organization as these questions are somewhat confusing.)

Components:

- a. *Name of organization*

You can check the Illinois Secretary of State website:

http://www.cyberdriveillinois.com/cgiin/business_services/corpsrch.s or call the Secretary of State at 217/782-9520 to make sure that the name of your association has not already been used.

- b. *Registered agent and address*

The president or other officer of your association should be named the registered agent of your association. That person's home address should be used as the address for the registered agent. It is the responsibility of the registered agent to receive legal notices and to prepare or process the annual report to the Secretary of State

(as discussed below.) The address may not be an office or P.O. Box address.

c. *Initial Board of Directors*

The articles of incorporation should list the name and home addresses (again, no P.O. Box or office addresses are allowed) of the directors of the association. At least three directors must be named. Directors must be individuals who can interact with each other and make policies and decisions.

The articles of incorporation do not list any officers because, technically, officers should be named after the association is incorporated. The Secretary of State will reject any articles of incorporation that refer to an initial director as an officer as well.

d. *Purpose*

Article 4 of the articles of incorporation sets forth a statement of the purposes for which the corporation is organized. The articles of incorporation must include at least one (but may include more than one) of the purposes set forth in the Illinois "Not-For-Profit Corporate Act." The following is the list of qualified not-for-profit purposes in Illinois:

- (1) Charitable.
- (2) Benevolent.
- (3) Eleemosynary. (meaning relating to charity, alms, or alms giving; intended for the distribution of charity)
- (4) Educational.
- (5) Civic.
- (6) Patriotic.
- (7) Political.
- (8) Religious.
- (9) Social.
- (10) Literary.
- (11) Athletic.
- (12) Scientific.
- (13) Research.
- (14) Agricultural.
- (15) Horticultural.
- (16) Soil improvement.
- (17) Crop improvement.
- (18) Livestock or poultry improvement.
- (19) Professional, commercial, industrial, or trade association.
- (20) Promoting the development, establishment, or expansion of industries.

beneficial services for low-income residents located in Westside neighborhood of Chicago.

e. *Limitations of Corporate Authority*

If you think your organization may wish to seek tax exempt status in the future, then you should include an addendum containing additional provisions that set forth special powers and limitations which will qualify your organization to seek IRS recognition as tax exempt. The special issues to be addressed are described in IRS Publication 557, Tax Exempt Status for Your Organization. The following is a paraphrase of language that has been accepted by the IRS for the past several years:

ARTICLE 5

Limitations of Corporate Authority

A. The Corporation, being organized exclusively for religious, charitable, and educational purposes, may make distributions to organizations that qualify as exempt organizations under §501(c)(3) of the Code.

B. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its members, directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 4 above.

C. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements concerning), any political campaign on behalf of any candidate for public office.

D. Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under §501(c)(3) of the Code or (2) by a corporation contributions to which are deductible under §170(c)(2) of the Code.

E. Upon dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under §501(c)(3) of the Code, as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the appropriate court of law of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for exempt purposes.

Paragraph E, the dissolution clause, is analogous to a last will and testament. It states that in the event of the termination of the organization, assets will go to another qualified §501(c)(3) organization. If the organization is a subsidiary of another exempt organization, or if the founders know of a specific existing tax-exempt organization that should take assets upon dissolution, then the practitioner should use the following paragraph instead:

E. Upon dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, distribute all assets, both real and personal, to _____, being qualified as an exempt organization or organizations under §501(c)(3) of the Code, or if such organization or organizations have dissolved or are unwilling or unable to accept said assets under the conditions of §501(c)(3) of the Code, to another such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under §501(c)(3) of the Code, and shall use said assets exclusively for the purposes of the Corporation in such manner, or as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the appropriate court of law of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for exempt purposes.

Membership corporations may use this section to include special rights and powers reserved to their members, such as the rights to elect directors, to sell property, or to amend the articles of incorporation or bylaws.

f. *Incorporators*

Article 6 of the articles of incorporation identifies the incorporators as the persons who sign the articles of incorporation and swear to the truthfulness of the information therein. NFPCA §102.05 requires no more than the signature of a single person who is 18 years of age. The incorporator need not be a resident of Illinois nor a resident or citizen of the United States. Usually one of the founders will sign the articles and give his or her personal address as the return address.

g. *Filing and Recording the Articles of Incorporation*

When the articles of incorporation are completed, they are filed with the Secretary of State's Office in Springfield. The filing fee is \$50, which must be paid by money order or cashier's or certified check. If the filer does not designate a return address for the certified articles of incorporation, the Secretary of State will return the document to the registered agent. The Secretary of State's Office usually carefully reviews Form NFP-102.10 and its attachments and will return any document that does not comply with the NFPCA's specific requirements. The usual turnaround time by regular mail is three to four weeks (express mail will shorten the processing time, but only minimally). For an additional fee of \$25, the Secretary of State will expedite the filing process and reduce the time to a week or ten days. Occasionally, an incorporator will want articles of incorporation to be certified in less than a week.

When the articles of incorporation have been filed, certified, and returned, they must be recorded in the office of the recorder *of the county in which the registered office of the corporation is located*. For your organization, the articles should be filed with the Recorder of Deed's Office, 210 15th Street, Rock Island. The recorded articles are a public record available to anyone who wishes to know the information contained on them. If there are subsequent changes of the registered agent or address and/or if the articles are amended, Form NFP-105.10/105.20 or Form NFP-110.30, must also be filed with the same recorder after being filed with the Secretary of State. These forms are available from the Secretary of State's website at:

http://www.cyberdriveillinois.com/departments/business_services/publications_and_forms/nfp.html

If the registered office is moved to another county, the notice (after being filed with the Secretary of State) is recorded in the new county of record along with a certified copy of the articles of incorporation including subsequent amendments.

h. *By-laws*

The NFPCA requires that all not-for-profits shall have a set of bylaws. The statute is liberal in allowing flexibility on how bylaws are to be written and does not specify bylaw contents. Unless an organization's directors develop and approve its bylaws, the statute serves as a default set of bylaws.

Just as articles of incorporation are essential to establishing a not-for-profit's corporate status, its bylaws are essential to its governance structure. The proper formation of an Illinois not-for-profit corporation begins with a careful evaluation of the planned organizational structure and a skillful drafting of bylaws. Bylaws are certain to be an important document in an organization's long-term success. Without a good set of bylaws, the directors, officers, members, committees, advisory boards, and other agents of the corporation may have inadequate understanding of how authority flows through the organization.

The founders should develop a proposed set of bylaws before the initial meeting of the board. Once the initial directors have met and approved bylaws, the corporate structure becomes more precise, relationships and procedures become set, and participants take on a sense of entitlement to the powers, rights, and authority. I have attached a set of sample by-laws as Exhibit C that have been used by Illinois attorneys for years, but these by-laws will likely be more involved and detailed than is necessary for your organization so feel free to delete sections that are unnecessary. The idea is to write up a document that accurately reflects your organization's structure, purpose and goals.

Step 3: Determine whether your organization must pay income tax.

According to IRS rules, organizations with gross receipts of \$25,000 or less are not required to file tax returns. See General Instructions for Form 990 and 990-EZ, Section (B)(15) attached as Exhibit D. If more donations are sought, additional IRS requirements may apply regarding status and reporting. Additionally, your organization may be required to file Illinois tax returns,

although most Illinois requirements mirror or follow the federal rules. To be exempt from sales tax, you must obtain tax exempt status and then apply for exemption from sales tax. As we all know, the tax rules can be complex so it is best to consult a private attorney or accountant for verification/clarification of the tax rules applicable to your organization.

Step 4: Determine whether your organization must register with the Illinois Attorney General

If your organization has assets less than \$4,000 or does not solicit from the public, then it need not register with the Attorney General. If however, assets are greater than \$4,000 or your organization solicits from the public, then you must register with the Bureau of Charitable Trusts and Solicitations pursuant to the Charitable Trust Act or Charitable Solicitations Act. Registration must be done within 30 days of incorporation. Forms for registering may be obtained from the AG's website at http://www.ag.state.il.us/charities/register_report.html.

Step 5: Maintain Non-Profit Status By Filing Annual Reports

To maintain your non-profit status, your organization must file an annual report with the Secretary of State's office. The form for this report is attached as Exhibit E. This report is due before the first date of the corporation's anniversary month. Thus, if you incorporated on June 15, then your annual reports are due by June 1 every year. The form to be used will be sent by the Secretary of State's Office approximately 60 days prior to the due date. Failure to file the annual report will result in dissolution of the corporation.

REFERENCES

"A GUIDE FOR ORGANIZING NOT-FOR-PROFIT CORPORATIONS," Jesse White, Illinois Secretary of State.

"NOT-FOR-PROFIT CORPORATIONS," Illinois Institute for Continuing Legal Education, 2001 Edition.

"TAX TOPICS," Internal Revenue Service.

"ORGANIZING AN ILLINOIS NOT FOR PROFIT CORPORATION," Kathryn M. Vanden Berk, Chicago Bar Association.

Application for Employer Identification Number
 (For use by employers, corporations, partnerships, trusts, estates, churches,
 government agencies, Indian tribal entities, certain individuals, and others.)
 ▶ See separate instructions for each line. ▶ Keep a copy for your records.

EIN _____
 OMB No. 1545-0003

Type or print clearly.

1 Legal name of entity (or individual) for whom the EIN is being requested	
2 Trade name of business (if different from name on line 1)	3 Executor, trustee, "care of" name
4a Mailing address (room, apt., suite no. and street, or P.O. box)	5a Street address (if different) (Do not enter a P.O. box.)
4b City, state, and ZIP code	5b City, state, and ZIP code
6 County and state where principal business is located	
7a Name of principal officer, general partner, grantor, owner, or trustee	7b SSN, ITIN, or EIN

8a Type of entity (check only one box)

<input type="checkbox"/> Sole proprietor (SSN) _____	<input type="checkbox"/> Estate (SSN of decedent) _____
<input type="checkbox"/> Partnership	<input type="checkbox"/> Plan administrator (SSN) _____
<input type="checkbox"/> Corporation (enter form number to be filed) ▶ _____	<input type="checkbox"/> Trust (SSN of grantor) _____
<input type="checkbox"/> Personal service corp.	<input type="checkbox"/> National Guard <input type="checkbox"/> State/local government
<input type="checkbox"/> Church or church-controlled organization	<input type="checkbox"/> Farmers' cooperative <input type="checkbox"/> Federal government/military
<input type="checkbox"/> Other nonprofit organization (specify) ▶ _____	<input type="checkbox"/> REMIC <input type="checkbox"/> Indian tribal governments/enterprises
<input type="checkbox"/> Other (specify) ▶ _____	<input type="checkbox"/> Group Exemption Number (GEN) ▶ _____

8b If a corporation, name the state or foreign country (if applicable) where incorporated

State _____	Foreign country _____
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9 Reason for applying (check only one box)

<input type="checkbox"/> Started new business (specify type) ▶ _____	<input type="checkbox"/> Banking purpose (specify purpose) ▶ _____
<input type="checkbox"/> Hired employees (Check the box and see line 12.)	<input type="checkbox"/> Changed type of organization (specify new type) ▶ _____
<input type="checkbox"/> Compliance with IRS withholding regulations	<input type="checkbox"/> Purchased going business
<input type="checkbox"/> Other (specify) ▶ _____	<input type="checkbox"/> Created a trust (specify type) ▶ _____
	<input type="checkbox"/> Created a pension plan (specify type) ▶ _____

10 Date business started or acquired (month, day, year) _____

11 Closing month of accounting year _____

12 First date wages or annuities were paid or will be paid (month, day, year). *Note: If applicant is a withholding agent, enter date income will first be paid to nonresident alien. (month, day, year)* ▶

13 Highest number of employees expected in the next 12 months. *Note: If the applicant does not expect to have any employees during the period, enter "-0-."* ▶

	Agricultural	Household	Other
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14 Check one box that best describes the principal activity of your business.

<input type="checkbox"/> Construction	<input type="checkbox"/> Rental & leasing	<input type="checkbox"/> Transportation & warehousing	<input type="checkbox"/> Health care & social assistance	<input type="checkbox"/> Wholesale-agent/broker
<input type="checkbox"/> Real estate	<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Finance & insurance	<input type="checkbox"/> Accommodation & food service	<input type="checkbox"/> Wholesale-other
			<input type="checkbox"/> Other (specify)	<input type="checkbox"/> Retail

15 Indicate principal line of merchandise sold; specific construction work done; products produced; or services provided.

16a Has the applicant ever applied for an employer identification number for this or any other business? Yes No
Note: If "Yes," please complete lines 16b and 16c.

16b If you checked "Yes" on line 16a, give applicant's legal name and trade name shown on prior application if different from line 1 or 2 above.

Legal name ▶ _____	Trade name ▶ _____
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16c Approximate date when, and city and state where, the application was filed. Enter previous employer identification number if known.

Approximate date when filed (mo., day, year) _____	City and state where filed _____	Previous EIN _____
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Third Party Designee

Complete this section only if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of this form.

Designee's name	Designee's telephone number (include area code) ()
Address and ZIP code	Designee's fax number (include area code) ()

Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.

Name and title (type or print clearly) ▶ _____	Applicant's telephone number (include area code) ()
Signature ▶ _____	Applicant's fax number (include area code) ()
Date ▶ _____	

Do I Need an EIN?

File Form SS-4 if the applicant entity does not already have an EIN but is required to show an EIN on any return, statement, or other document.¹ **See also the separate instructions for each line on Form SS-4.**

IF the applicant...	AND...	THEN...
Started a new business	Does not currently have (nor expect to have) employees	Complete lines 1, 2, 4a-6, 8a, and 9-16c.
Hired (or will hire) employees, including household employees	Does not already have an EIN	Complete lines 1, 2, 4a-6, 7a-b (if applicable), 8a, 8b (if applicable), and 9-16c.
Opened a bank account	Needs an EIN for banking purposes only	Complete lines 1-5b, 7a-b (if applicable), 8a, 9, and 16a-c.
Changed type of organization	Either the legal character of the organization or its ownership changed (e.g., you incorporate a sole proprietorship or form a partnership) ²	Complete lines 1-16c (as applicable).
Purchased a going business ³	Does not already have an EIN	Complete lines 1-16c (as applicable).
Created a trust	The trust is other than a grantor trust or an IRA trust ⁴	Complete lines 1-16c (as applicable).
Created a pension plan as a plan administrator ⁵	Needs an EIN for reporting purposes	Complete lines 1, 2, 4a-6, 8a, 9, and 16a-c.
Is a foreign person needing an EIN to comply with IRS withholding regulations	Needs an EIN to complete a Form W-8 (other than Form W-8ECI), avoid withholding on portfolio assets, or claim tax treaty benefits ⁶	Complete lines 1-5b, 7a-b (SSN or ITIN optional), 8a-9, and 16a-c.
Is administering an estate	Needs an EIN to report estate income on Form 1041	Complete lines 1, 3, 4a-b, 8a, 9, and 16a-c.
Is a withholding agent for taxes on non-wage income paid to an alien (i.e., individual, corporation, or partnership, etc.)	Is an agent, broker, fiduciary, manager, tenant, or spouse who is required to file Form 1042 , Annual Withholding Tax Return for U.S. Source Income of Foreign Persons	Complete lines 1, 2, 3 (if applicable), 4a-5b, 7a-b (if applicable), 8a, 9, and 16a-c.
Is a state or local agency	Serves as a tax reporting agent for public assistance recipients under Rev. Proc. 80-4, 1980-1 C.B. 581 ⁷	Complete lines 1, 2, 4a-5b, 8a, 9, and 16a-c.
Is a single-member LLC	Needs an EIN to file Form 8832 , Classification Election, for filing employment tax returns, or for state reporting purposes ⁸	Complete lines 1-16c (as applicable).
Is an S corporation	Needs an EIN to file Form 2553 , Election by a Small Business Corporation ⁹	Complete lines 1-16c (as applicable).

¹ For example, a sole proprietorship or self-employed farmer who establishes a qualified retirement plan, or is required to file excise, employment, alcohol, tobacco, or firearms returns, must have an EIN. A partnership, corporation, REMIC (real estate mortgage investment conduit), nonprofit organization (church, club, etc.), or farmers' cooperative must use an EIN for any tax-related purpose even if the entity does not have employees.

² However, do not apply for a new EIN if the existing entity only (a) changed its business name, (b) elected on Form 8832 to change the way it is taxed (or is covered by the default rules), or (c) terminated its partnership status because at least 50% of the total interests in partnership capital and profits were sold or exchanged within a 12-month period. (The EIN of the terminated partnership should continue to be used. See Regulations section 301.6109-1(d)(2)(iii).)

³ Do not use the EIN of the prior business unless you became the "owner" of a corporation by acquiring its stock.

⁴ However, IRA trusts that are required to file **Form 990-T**, Exempt Organization Business Income Tax Return, must have an EIN.

⁵ A plan administrator is the person or group of persons specified as the administrator by the instrument under which the plan is operated.

⁶ Entities applying to be a Qualified Intermediary (QI) need a QI-EIN even if they already have an EIN. See Rev. Proc. 2000-12.

⁷ See also *Household employer* on page 4. (Note: State or local agencies may need an EIN for other reasons, e.g., hired employees.)

⁸ Most LLCs do not need to file Form 8832. See **Limited liability company (LLC)** on page 4 for details on completing Form SS-4 for an LLC.

⁹ An existing corporation that is electing or revoking S corporation status should use its previously-assigned EIN.



Instructions for Form SS-4

(Rev. September 2003)



Department of the Treasury
Internal Revenue Service

For use with Form SS-4 (Rev. December 2001)

Application for Employer Identification Number.

Section references are to the Internal Revenue Code unless otherwise noted.

General Instructions

Use these instructions to complete **Form SS-4**, Application for Employer Identification Number. Also see **Do I Need an EIN?** on page 2 of Form SS-4.

Purpose of Form

Use Form SS-4 to apply for an employer identification number (EIN). An EIN is a nine-digit number (for example, 12-3456789) assigned to sole proprietors, corporations, partnerships, estates, trusts, and other entities for tax filing and reporting purposes. The information you provide on this form will establish your business tax account.



An EIN is for use in connection with your business activities only. Do not use your EIN in place of your social security number (SSN).

Items To Note

Apply online. You can now apply for and receive an EIN online using the internet. See **How To Apply** below.

File only one Form SS-4. Generally, a sole proprietor should file only one Form SS-4 and needs only one EIN, regardless of the number of businesses operated as a sole proprietorship or trade names under which a business operates. However, if the proprietorship incorporates or enters into a partnership, a new EIN is required. Also, each corporation in an affiliated group must have its own EIN.

EIN applied for, but not received. If you do not have an EIN by the time a return is due, write "Applied For" and the date you applied in the space shown for the number. **Do not** show your SSN as an EIN on returns.

If you do not have an EIN by the time a tax deposit is due, send your payment to the Internal Revenue Service Center for your filing area as shown in the instructions for the form that you are filing. Make your check or money order payable to the "United States Treasury" and show your name (as shown on Form SS-4), address, type of tax, period covered, and date you applied for an EIN.

How To Apply

You can apply for an EIN online, by telephone, by fax, or by mail depending on how soon you need to use the EIN. Use only one method for each entity so you do not receive more than one EIN for an entity.

Online. You can receive your EIN by internet and use it immediately to file a return or make a payment. Go to the

IRS website at www.irs.gov/businesses and click on **Employer ID Numbers** under **topics**.

Telephone. You can receive your EIN by telephone and use it immediately to file a return or make a payment. Call the IRS at **1-800-829-4933**. (International applicants must call 215-516-6999.) The hours of operation are 7:00 a.m. to 10:00 p.m. The person making the call must be authorized to sign the form or be an authorized designee. See **Signature** and **Third Party Designee** on page 6. Also see the **TIP** below.

If you are applying by telephone, it will be helpful to complete Form SS-4 before contacting the IRS. An IRS representative will use the information from the Form SS-4 to establish your account and assign you an EIN. Write the number you are given on the upper right corner of the form and sign and date it. Keep this copy for your records.

If requested by an IRS representative, mail or fax (facsimile) the signed Form SS-4 (including any Third Party Designee authorization) within 24 hours to the IRS address provided by the IRS representative.



Taxpayer representatives can apply for an EIN on behalf of their client and request that the EIN be faxed to their client on the same day.

Note: By using this procedure, you are authorizing the IRS to fax the EIN without a cover sheet.

Fax. Under the Fax-TIN program, you can receive your EIN by fax within 4 business days. Complete and fax Form SS-4 to the IRS using the Fax-TIN number listed on page 2 for your state. A long-distance charge to callers outside of the local calling area will apply. Fax-TIN numbers can only be used to apply for an EIN. **The numbers may change without notice.** Fax-TIN is available 24 hours a day, 7 days a week.

Be sure to provide your fax number so the IRS can fax the EIN back to you. **Note:** By using this procedure, you are authorizing the IRS to fax the EIN without a cover sheet.

Mail. Complete Form SS-4 at least 4 to 5 weeks before you will need an EIN. Sign and date the application and mail it to the service center address for your state. You will receive your EIN in the mail in approximately 4 weeks. See also **Third Party Designee** on page 6.

Call 1-800-829-4933 to verify a number or to ask about the status of an application by mail.

Where To Fax or File

If your principal business, office or agency, or legal residence in the case of an individual, is located in:	Call the Fax-TIN number shown or file with the "Internal Revenue Service Center" at:
Connecticut, Delaware, District of Columbia, Florida, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia	Attn: EIN Operation P. O. Box 9003 Holtsville, NY 11742-9003 Fax-TIN 631-447-8960
Illinois, Indiana, Kentucky, Michigan	Attn: EIN Operation Cincinnati, OH 45999 Fax-TIN 859-669-5760
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, Puerto Rico, South Dakota, Tennessee, Texas, Utah, Washington, Wisconsin, Wyoming	Attn: EIN Operation Philadelphia, PA 19255 Fax-TIN 215-516-3990
If you have no legal residence, principal place of business, or principal office or agency in any state:	Attn: EIN Operation Philadelphia, PA 19255 Telephone 215-516-6999 Fax-TIN 215-516-3990

How To Get Forms and Publications

Phone. You can order forms, instructions, and publications by phone 24 hours a day, 7 days a week. Call 1-800-TAX-FORM (1-800-829-3676). You should receive your order or notification of its status within 10 workdays.

Personal computer. With your personal computer and modem, you can get the forms and information you need using the IRS website at www.irs.gov or File Transfer Protocol at [ftp.irs.gov](ftp://ftp.irs.gov).

CD-ROM. For small businesses, return preparers, or others who may frequently need tax forms or publications, a CD-ROM containing over 2,000 tax products (including many prior year forms) can be purchased from the National Technical Information Service (NTIS).

To order **Pub. 1796**, Federal Tax Products on CD-ROM, call 1-877-CDFORMS (1-877-233-6767) toll free or connect to www.irs.gov/cdorders.

Tax Help for Your Business

IRS-sponsored Small Business Workshops provide information about your Federal and state tax obligations.

For information about workshops in your area, call 1-800-829-4933.

Related Forms and Publications

The following forms and instructions may be useful to filers of Form SS-4:

- **Form 990-T**, Exempt Organization Business Income Tax Return
 - **Instructions for Form 990-T**
 - **Schedule C (Form 1040)**, Profit or Loss From Business
 - **Schedule F (Form 1040)**, Profit or Loss From Farming
 - **Instructions for Form 1041 and Schedules A, B, D, G, I, J, and K-1**, U.S. Income Tax Return for Estates and Trusts
 - **Form 1042**, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons
 - **Instructions for Form 1065**, U.S. Return of Partnership Income
 - **Instructions for Form 1066**, U.S. Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return
 - **Instructions for Forms 1120 and 1120-A**
 - **Form 2553**, Election by a Small Business Corporation
 - **Form 2848**, Power of Attorney and Declaration of Representative
 - **Form 8821**, Tax Information Authorization
 - **Form 8832**, Entity Classification Election
- For more information about filing Form SS-4 and related issues, see:

- **Circular A**, Agricultural Employer's Tax Guide (Pub. 51)
- **Circular E**, Employer's Tax Guide (Pub. 15)
- **Pub. 538**, Accounting Periods and Methods
- **Pub. 542**, Corporations
- **Pub. 557**, Exempt Status for Your Organization
- **Pub. 583**, Starting a Business and Keeping Records
- **Pub. 966**, Electronic Choices for Paying ALL Your Federal Taxes
- **Pub. 1635**, Understanding Your EIN
- **Package 1023**, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code
- **Package 1024**, Application for Recognition of Exemption Under Section 501(a)

Specific Instructions

Print or type all entries on Form SS-4. Follow the instructions for each line to expedite processing and to avoid unnecessary IRS requests for additional information. Enter "N/A" (nonapplicable) on the lines that do not apply.

Line 1—Legal name of entity (or individual) for whom the EIN is being requested. Enter the legal name of the entity (or individual) applying for the EIN exactly as it appears on the social security card, charter, or other applicable legal document.

Individuals. Enter your first name, middle initial, and last name. If you are a sole proprietor, enter your

individual name, not your business name. Enter your business name on line 2. Do not use abbreviations or nicknames on line 1.

Trusts. Enter the name of the trust.

Estate of a decedent. Enter the name of the estate.

Partnerships. Enter the legal name of the partnership as it appears in the partnership agreement.

Corporations. Enter the corporate name as it appears in the corporation charter or other legal document creating it.

Plan administrators. Enter the name of the plan administrator. A plan administrator who already has an EIN should use that number.

Line 2—Trade name of business. Enter the trade name of the business if different from the legal name. The trade name is the "doing business as" (DBA) name.



Use the full legal name shown on line 1 on all tax returns filed for the entity. (However, if you enter a trade name on line 2 and choose to use the trade name instead of the legal name, enter the trade name on all returns you file.) To prevent processing delays and errors, always use the legal name only (or the trade name only) on all tax returns.

Line 3—Executor, trustee, "care of" name. Trusts enter the name of the trustee. Estates enter the name of the executor, administrator, or other fiduciary. If the entity applying has a designated person to receive tax information, enter that person's name as the "care of" person. Enter the individual's first name, middle initial, and last name.

Lines 4a-b—Mailing address. Enter the mailing address for the entity's correspondence. If line 3 is completed, enter the address for the executor, trustee or "care of" person. Generally, this address will be used on all tax returns.



File Form 8822, Change of Address, to report any subsequent changes to the entity's mailing address.

Lines 5a-b—Street address. Provide the entity's physical address **only** if different from its mailing address shown in lines 4a-b. **Do not** enter a P.O. box number here.

Line 6—County and state where principal business is located. Enter the entity's primary physical location.

Lines 7a-b—Name of principal officer, general partner, grantor, owner, or trustor. Enter the first name, middle initial, last name, and SSN of (a) the principal officer if the business is a corporation, (b) a general partner if a partnership, (c) the owner of an entity that is disregarded as separate from its owner (disregarded entities owned by a corporation enter the corporation's name and EIN), or (d) a grantor, owner, or trustor if a trust.

If the person in question is an **alien individual** with a previously assigned individual taxpayer identification number (ITIN), enter the ITIN in the space provided and submit a copy of an official identifying document. If

necessary, complete **Form W-7**, Application for IRS Individual Taxpayer Identification Number, to obtain an ITIN.

You are **required** to enter an SSN, ITIN, or EIN unless the only reason you are applying for an EIN is to make an entity classification election (see Regulations sections 301.7701-1 through 301.7701-3) and you are a nonresident alien with no effectively connected income from sources within the United States.

Line 8a—Type of entity. Check the box that best describes the type of entity applying for the EIN. If you are an alien individual with an ITIN previously assigned to you, enter the ITIN in place of a requested SSN.



*This is not an election for a tax classification of an entity. See **Limited liability company (LLC)** on page 4.*

Other. If not specifically listed, check the "Other" box, enter the type of entity and the type of return, if any, that will be filed (for example, "Common Trust Fund; Form 1065" or "Created a Pension Plan"). Do not enter "N/A." If you are an alien individual applying for an EIN, see the **Lines 7a-b** instructions above.

- **Household employer.** If you are an individual, check the "Other" box and enter "Household Employer" and your SSN. If you are a state or local agency serving as a tax reporting agent for public assistance recipients who become household employers, check the "Other" box and enter "Household Employer Agent." If you are a trust that qualifies as a household employer, you do not need a separate EIN for reporting tax information relating to household employees; use the EIN of the trust.
- **QSub.** For a qualified subchapter S subsidiary (QSub) check the "Other" box and specify "QSub."
- **Withholding agent.** If you are a withholding agent required to file Form 1042, check the "Other" box and enter "Withholding Agent."

Sole proprietor. Check this box if you file Schedule C, C-EZ, or F (Form 1040) and have a qualified plan, or are required to file excise, employment, alcohol, tobacco, or firearms returns, or are a payer of gambling winnings. Enter your SSN (or ITIN) in the space provided. If you are a nonresident alien with no effectively connected income from sources within the United States, you do not need to enter an SSN or ITIN.

Corporation. This box is for any corporation **other than a personal service corporation**. If you check this box, enter the income tax form number to be filed by the entity in the space provided.



*If you entered "1120S" after the "Corporation" checkbox, the corporation **must** file Form 2553 no later than the 15th day of the 3rd month of the tax year the election is to take effect.*

Until Form 2553 has been received and approved, you will be considered a Form 1120 filer. See the Instructions for Form 2553.

Personal service corp. Check this box if the entity is a personal service corporation. An entity is a personal service corporation for a tax year only if:

- The principal activity of the entity during the testing period (prior tax year) for the tax year is the performance of personal services substantially by employee-owners, and
- The employee-owners own at least 10% of the fair market value of the outstanding stock in the entity on the last day of the testing period.

Personal services include performance of services in such fields as health, law, accounting, or consulting. For more information about personal service corporations, see the Instructions for Forms 1120 and 1120-A and Pub. 542.

Other nonprofit organization. Check this box if the nonprofit organization is other than a church or church-controlled organization and specify the type of nonprofit organization (for example, an educational organization).



*If the organization also seeks tax-exempt status, you **must** file either Package 1023 or Package 1024. See Pub. 557 for more information.*

If the organization is covered by a group exemption letter, enter the four-digit **group exemption number (GEN)**. (Do not confuse the GEN with the nine-digit EIN.) If you do not know the GEN, contact the parent organization. Get Pub. 557 for more information about group exemption numbers.

Plan administrator. If the plan administrator is an individual, enter the plan administrator's SSN in the space provided.

REMIC. Check this box if the entity has elected to be treated as a real estate mortgage investment conduit (REMIC). See the Instructions for Form 1066 for more information.

Limited liability company (LLC). An LLC is an entity organized under the laws of a state or foreign country as a limited liability company. For Federal tax purposes, an LLC may be treated as a partnership or corporation or be disregarded as an entity separate from its owner.

By default, a domestic LLC with only one member is **disregarded** as an entity separate from its owner and must include all of its income and expenses on the owner's tax return (e.g., **Schedule C (Form 1040)**). Also by default, a domestic LLC with two or more members is treated as a partnership. A domestic LLC may file Form 8832 to avoid either default classification and elect to be classified as an association taxable as a corporation. For more information on entity classifications (including the rules for foreign entities), see the instructions for Form 8832.



Do not file Form 8832 if the LLC accepts the default classifications above. However, if the LLC will be electing S Corporation status, it must timely file both Form 8832 and Form

2553.

Complete Form SS-4 for LLCs as follows:

- A single-member domestic LLC that accepts the default classification (above) does not need an EIN and generally should not file Form SS-4. Generally, the LLC

should use the name and EIN of its **owner** for all Federal tax purposes. However, the reporting and payment of employment taxes for employees of the LLC may be made using the name and EIN of **either** the owner or the LLC as explained in Notice 99-6. You can find Notice 99-6 on page 12 of Internal Revenue Bulletin 1999-3 at www.irs.gov/pub/irs-irbs/irb99-03.pdf. (**Note:** If the LLC applicant indicates in box 13 that it has employees or expects to have employees, the owner (whether an individual or other entity) of a single-member domestic LLC will also be assigned its own EIN (if it does not already have one) even if the LLC will be filing the employment tax returns.)

- A single-member, domestic LLC that accepts the default classification (above) and wants an EIN for filing employment tax returns (see above) or non-Federal purposes, such as a state requirement, must check the "Other" box and write "Disregarded Entity" or, when applicable, "Disregarded Entity—Sole Proprietorship" in the space provided.
- A multi-member, domestic LLC that accepts the default classification (above) must check the "Partnership" box.
- A domestic LLC that will be filing Form 8832 to elect corporate status must check the "Corporation" box and write in "Single-Member" or "Multi-Member" immediately below the "form number" entry line.

Line 9—Reason for applying. Check only **one** box. Do not enter "N/A."

Started new business. Check this box if you are starting a new business that requires an EIN. If you check this box, enter the type of business being started. **Do not** apply if you already have an EIN and are only adding another place of business.

Hired employees. Check this box if the existing business is requesting an EIN because it has hired or is hiring employees and is therefore required to file employment tax returns. **Do not** apply if you already have an EIN and are only hiring employees. For information on employment taxes (e.g., for family members), see Circular E.



You may be required to make electronic deposits of all depository taxes (such as employment tax, excise tax, and corporate income tax) using the Electronic Federal Tax Payment System (EFTPS). See section 11, Depositing Taxes, of Circular E and Pub. 966.

Created a pension plan. Check this box if you have created a pension plan and need an EIN for reporting purposes. Also, enter the type of plan in the space provided.



Check this box if you are applying for a trust EIN when a new pension plan is established. In addition, check the "Other" box in line 8a and write "Created a Pension Plan" in the space provided.

Banking purpose. Check this box if you are requesting an EIN for banking purposes only, and enter the banking purpose (for example, a bowling league for

depositing dues or an investment club for dividend and interest reporting).

Changed type of organization. Check this box if the business is changing its type of organization. For example, the business was a sole proprietorship and has been incorporated or has become a partnership. If you check this box, specify in the space provided (including available space immediately below) the type of change made. For example, "From Sole Proprietorship to Partnership."

Purchased going business. Check this box if you purchased an existing business. Do not use the former owner's EIN unless you became the "owner" of a corporation by acquiring its stock.

Created a trust. Check this box if you created a trust, and enter the type of trust created. For example, indicate if the trust is a nonexempt charitable trust or a split-interest trust.

Exception. Do not file this form for certain grantor-type trusts. The trustee does not need an EIN for the trust if the trustee furnishes the name and TIN of the grantor/owner and the address of the trust to all payors. See the Instructions for Form 1041 for more information.



Do not check this box if you are applying for a trust EIN when a new pension plan is established. Check "Created a pension plan."

Other. Check this box if you are requesting an EIN for any other reason; and enter the reason. For example, a newly-formed state government entity should enter "Newly-Formed State Government Entity" in the space provided.

Line 10—Date business started or acquired. If you are starting a new business, enter the starting date of the business. If the business you acquired is already operating, enter the date you acquired the business. If you are changing the form of ownership of your business, enter the date the new ownership entity began. Trusts should enter the date the trust was legally created. Estates should enter the date of death of the decedent whose name appears on line 1 or the date when the estate was legally funded.

Line 11—Closing month of accounting year. Enter the last month of your accounting year or tax year. An accounting or tax year is usually 12 consecutive months, either a calendar year or a fiscal year (including a period of 52 or 53 weeks). A calendar year is 12 consecutive months ending on December 31. A fiscal year is either 12 consecutive months ending on the last day of any month other than December or a 52-53 week year. For more information on accounting periods, see Pub. 538.

Individuals. Your tax year generally will be a calendar year.

Partnerships. Partnerships must adopt one of the following tax years:

- The tax year of the majority of its partners,
- The tax year common to all of its principal partners,
- The tax year that results in the least aggregate deferral of income, or
- In certain cases, some other tax year.

See the Instructions for Form 1065 for more information.

REMICs. REMICs must have a calendar year as their tax year.

Personal service corporations. A personal service corporation generally must adopt a calendar year unless:

- It can establish a business purpose for having a different tax year, or
- It elects under section 444 to have a tax year other than a calendar year.

Trusts. Generally, a trust must adopt a calendar year except for the following:

- Tax-exempt trusts,
- Charitable trusts, and
- Grantor-owned trusts.

Line 12—First date wages or annuities were paid or will be paid. If the business has or will have employees, enter the date on which the business began or will begin to pay wages. If the business does not plan to have employees, enter "N/A."

Withholding agent. Enter the date you began or will begin to pay income (including annuities) to a nonresident alien. This also applies to individuals who are required to file Form 1042 to report alimony paid to a nonresident alien.

Line 13—Highest number of employees expected in the next 12 months. Complete each box by entering the number (including zero ("0-")) of "Agricultural," "Household," or "Other" employees expected by the applicant in the next 12 months. For a definition of agricultural labor (farmwork), see Circular A.

Lines 14 and 15. Check the **one** box in line 14 that best describes the principal activity of the applicant's business. Check the "Other" box (and specify the applicant's principal activity) if none of the listed boxes applies.

Use line 15 to describe the applicant's principal line of business in more detail. For example, if you checked the "Construction" box in line 14, enter additional detail such as "General contractor for residential buildings" in line 15.

Construction. Check this box if the applicant is engaged in erecting buildings or other structures, (e.g., streets, highways, bridges, tunnels). The term "Construction" also includes special trade contractors, (e.g., plumbing, HVAC, electrical, carpentry, concrete, excavation, etc. contractors).

Real estate. Check this box if the applicant is engaged in renting or leasing real estate to others; managing, selling, buying or renting real estate for others; or providing related real estate services (e.g., appraisal services).

Rental and leasing. Check this box if the applicant is engaged in providing tangible goods such as autos, computers, consumer goods, or industrial machinery and equipment to customers in return for a periodic rental or lease payment.

Manufacturing. Check this box if the applicant is engaged in the mechanical, physical, or chemical transformation of materials, substances, or components

into new products. The assembling of component parts of manufactured products is also considered to be manufacturing.

Transportation & warehousing. Check this box if the applicant provides transportation of passengers or cargo; warehousing or storage of goods; scenic or sight-seeing transportation; or support activities related to these modes of transportation.

Finance & insurance. Check this box if the applicant is engaged in transactions involving the creation, liquidation, or change of ownership of financial assets and/or facilitating such financial transactions; underwriting annuities/insurance policies; facilitating such underwriting by selling insurance policies; or by providing other insurance or employee-benefit related services.

Health care and social assistance. Check this box if the applicant is engaged in providing physical, medical, or psychiatric care using licensed health care professionals or providing social assistance activities such as youth centers, adoption agencies, individual/family services, temporary shelters, etc.

Accommodation & food services. Check this box if the applicant is engaged in providing customers with lodging, meal preparation, snacks, or beverages for immediate consumption.

Wholesale-agent/broker. Check this box if the applicant is engaged in arranging for the purchase or sale of goods owned by others or purchasing goods on a commission basis for goods traded in the wholesale market, usually between businesses.

Wholesale-other. Check this box if the applicant is engaged in selling goods in the wholesale market generally to other businesses for resale on their own account.

Retail. Check this box if the applicant is engaged in selling merchandise to the general public from a fixed store; by direct, mail-order, or electronic sales; or by using vending machines.

Other. Check this box if the applicant is engaged in an activity not described above. Describe the applicant's principal business activity in the space provided.

Lines 16a-c. Check the applicable box in line 16a to indicate whether or not the entity (or individual) applying for an EIN was issued one previously. Complete lines 16b and 16c **only** if the "Yes" box in line 16a is checked. If the applicant previously applied for **more than one** EIN, write "See Attached" in the empty space in line 16a and attach a separate sheet providing the line 16b and 16c information for each EIN previously requested.

Third Party Designee. Complete this section **only** if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of Form SS-4. The designee's authority terminates at the time the EIN is assigned and released to the designee. **You must complete the signature area for the authorization to be valid.**

Signature. When required, the application must be signed by (a) the individual, if the applicant is an individual, (b) the president, vice president, or other

principal officer, if the applicant is a corporation, (c) a responsible and duly authorized member or officer having knowledge of its affairs, if the applicant is a partnership, government entity, or other unincorporated organization, or (d) the fiduciary, if the applicant is a trust or an estate. Foreign applicants may have any duly-authorized person, (e.g., division manager), sign Form SS-4.

Privacy Act and Paperwork Reduction Act Notice.

We ask for the information on this form to carry out the Internal Revenue laws of the United States. We need it to comply with section 6109 and the regulations thereunder which generally require the inclusion of an employer identification number (EIN) on certain returns, statements, or other documents filed with the Internal Revenue Service. If your entity is required to obtain an EIN, you are required to provide all of the information requested on this form. Information on this form may be used to determine which Federal tax returns you are required to file and to provide you with related forms and publications.

We disclose this form to the Social Security Administration for their use in determining compliance with applicable laws. We may give this information to the Department of Justice for use in civil and criminal litigation, and to the cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to Federal and state agencies to enforce Federal nontax criminal laws and to combat terrorism.

We will be unable to issue an EIN to you unless you provide all of the requested information which applies to your entity. Providing false information could subject you to penalties.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	6 min.
Learning about the law or the form	22 min.
Preparing the form	46 min.
Copying, assembling, and sending the form to the IRS	20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Products Coordinating Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **Do not** send the form to this address. Instead, see **How To Apply** on page 1.

ARTICLES OF INCORPORATION

General Not For Profit Corporation Act

Jesse White, Secretary of State
Department of Business Services
Springfield, IL 62756
Telephone (217) 782-9522
www.cyberdriveillinois.com

Remit payment in the form of a cashier's
check, certified check, money order
or an Illinois attorney's or CPA's check
payable to the Secretary of State.

File # Filing Fee: \$ 50.00 Approved:
Submit in duplicate Type or Print clearly in black ink Do not write above this line

Article 1. The name of the corporation is:

Article 2: The name and address of the initial registered agent and registered office are:

Registered Agent First Name Middle Name Last Name
Registered Office Number Street (Suite #) (A.P.O. Box alone is not acceptable)
City IL ZIP Code County

Article 3: The first Board of Directors shall be in number, their names and addresses
being as follows: (Not less than three)

Table with 5 columns: Directors Names, Street Address, City, State, ZIP Code

Article 4. The purposes for which the corporation is organized are:

(over)

Article 4. (continued)

Is this corporation a Condominium Association as established under the Condominium Property Act?
 Yes No (Check one)

Is this corporation a Cooperative Housing Corporation as defined in Section 216 of the Internal Revenue Code of 1954? Yes No (Check one)

Is this corporation a Homeowner's Association which administers a common-interest community as defined in subsection (c) of Section 9-102 of the code of Civil Procedure? Yes No

Article 5. Other provisions (please use separate page if additional space is needed):

Article 6.

NAMES & ADDRESSES OF INCORPORATORS

The undersigned incorporator(s) hereby declare(s), under penalties of perjury, that the statements made in the foregoing Articles of Incorporation are true.

Dated _____, _____
(Month & Day) (Year)

SIGNATURES AND NAMES

POST OFFICE ADDRESS

1. _____
Signature

Name (please print)

2. _____
Signature

Name (please print)

3. _____
Signature

Name (please print)

4. _____
Signature

Name (please print)

5. _____
Signature

Name (please print)

1. _____
Street

City/Town State ZIP

2. _____
Street

City/Town State ZIP

3. _____
Street

City/Town State ZIP

4. _____
Street

City/Town State ZIP

5. _____
Street

City/Town State ZIP

(Signatures must be in **BLACK INK** on original document. Carbon copied, photocopied or rubber stamped signatures may only be used on the duplicate copy.)

- If a corporation acts as incorporator, the name of the corporation and the state of incorporation shall be shown and the execution shall be by a duly authorized corporate officer. Please print name and title beneath the officer's signature.
- The registered agent cannot be the corporation itself.
- The registered agent may be an individual, resident in this State, or a domestic or foreign corporation, authorized to act as a registered agent.
- The registered office may be, but need not be, the same as its principal office.
- A corporation which is to function as a club, as defined in Section 1-3.24 of the "Liquor Control Act" of 1934, must insert in its purpose clause a statement that it will comply with the State and local laws and ordinances relating to alcoholic liquors.

FOR INSERTS - USE WHITE PAPER - SIZE 8 1/2 x 11

**BYLAWS
OF
[Name of Corporation]**

**ARTICLE I
Offices**

The corporation shall continuously maintain in the State of Illinois a registered office and a registered agent whose business office is identical with such registered office and may have other offices within or without the state.

**ARTICLE II
Members**

SECTION 1. CLASSES OF MEMBERS. The corporation shall have _____ classes of members. The designation of each class and the qualifications of the members of each class shall be as follows:

[describe]

SECTION 2. ELECTION OF MEMBERS. Members shall be elected by the board of directors. An affirmative vote of two thirds of the directors shall be required for election.

SECTION 3. VOTING RIGHTS. Each member shall be entitled to one vote on each matter submitted to a vote of the members.

SECTION 4. TERMINATION OF MEMBERSHIP. The board of directors by affirmative vote of two thirds of all of the members of the board may suspend or expel a member for cause after an appropriate hearing, and may, by a majority vote of those present at any regularly constituted meeting, terminate the membership of any member who becomes ineligible for membership or suspend or expel any member who shall be in default in the payment of dues, if any.

SECTION 5. RESIGNATION. Any member may resign by filing a written resignation with the secretary, but such resignation shall not relieve the member so resigning of the obligation to pay any dues, assessments, or other charges theretofore accrued and unpaid.

SECTION 6. REINSTATEMENT. Upon written request signed by a former member and filed with the secretary, the board of directors may, by the affirmative vote of two thirds of the members of the board, reinstate such former member to membership on such terms as the board of directors may deem appropriate.

SECTION 7. TRANSFER OF MEMBERSHIP. Membership in this corporation is not transferable or assignable.

SECTION 8. NO MEMBERSHIP CERTIFICATES. No membership certificates of the corporation shall be required.

ARTICLE III
Meetings of Members

SECTION 1. ANNUAL MEETING. An annual meeting of the members shall be held on the [day] of [month] of each year for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If such day is a Sunday or a legal holiday, the meeting shall be held at the same hour on the next succeeding business day.

SECTION 2. SPECIAL MEETING. Special meetings of the members may be called either by the president or the board of directors, or by not less than 1/20 of the members having voting rights, for the purpose or purposes stated in the call of the meeting.

SECTION 3. PLACE OF MEETING. The board of directors may designate any place as the place of meeting for any annual meeting or for any special meeting called by the board of directors. If no designation is made or if a special meeting is otherwise called, the place of meeting shall be the registered office of the corporation in the State of Illinois.

SECTION 4. NOTICE OF MEETINGS. Written notice stating the place, date, and hour of any meeting of members shall be delivered to each member entitled to vote at such meeting not less than 5 nor more than 60 days before the date of such meeting, or, in the case of a removal of one or more directors, a merger, consolidation, or dissolution, or a sale, lease, or exchange of assets, not less than 20 nor more than 60 days before the date of the meeting. In case of a special meeting or when required by statute or by these bylaws, the purpose for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail addressed to the member at his or her address as it appears on the records of the corporation, with postage thereon prepaid. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken.

SECTION 5. INFORMAL ACTION BY MEMBERS. Any action required to be taken at a meeting of the members of the corporation, or any other action that may be taken at a meeting of members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed either (a) by all the members entitled to vote with respect to the subject matter thereof or (b) by the members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all members entitled to vote thereon were present and voting. If such consent is signed by less than all of the members entitled to vote, then such consent shall become effective only (a) if, at least five days prior to the effective date of such consent, a notice in writing of the proposed action is delivered to all of the members entitled to vote with respect to the subject matter thereof, and (b) if, after the effective date of such consent, prompt notice in writing of the taking of the corporate action without a meeting is delivered to those members entitled to vote who have not consented in writing.

SECTION 6. FIXING OF RECORD DATE. For the purpose of determining the members entitled to notice of or to vote at any meeting of members, or in order to make a determination of members for any other proper purpose, the board of directors of the corporation may fix in advance a date as the record date for any such determination of

members, such date in any case to be no more than 60 days and, for a meeting of members, not less than 5 days, or in the case of a merger, consolidation, or dissolution or a sale, lease, or exchange of assets, not less than 20 days before the date of such meeting. If no record date is fixed for the determination of members entitled to notice of or to vote at a meeting of members, the date on which notice of the meeting is delivered shall be the record date for such determination of members. When determination of members entitled to vote at any meeting of members has been made, such determination shall apply to any adjournment of the meeting.

SECTION 7. QUORUM. The holders of 1/10 of the votes that may be cast at a meeting of the corporation, represented in person or by proxy, shall constitute a quorum for consideration of such matter at any meeting of members; provided that, if less than 1/10 of the outstanding votes are represented at said meeting, a majority of the votes so represented may adjourn the meeting at any time without further notice. If a quorum is present, the affirmative vote of a majority of the votes represented at the meeting shall be the act of the members, unless the vote of a greater number or voting by classes is required by the General Not For Profit Corporation Act, the articles of incorporation, or these bylaws. At any adjourned meeting at which a quorum shall be present, any business may be transacted that might have been transacted at the original meeting. Withdrawal of members from any meeting shall not cause failure of a duly constituted quorum at that meeting.

SECTION 8. PROXIES. Each member entitled to vote at a meeting of members or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him or her by proxy, but no such proxy shall be voted or acted on after 11 months from its date, unless the proxy provides for a longer period.

SECTION 9. VOTING. Each member, regardless of class, shall be entitled to one vote in each matter submitted to vote at a meeting of members. Each member may vote either in person or by proxy as provided in Section 8 of this Article.

SECTION 10. INSPECTORS. At any meeting of members, the chair of the meeting may, or upon the request of any member shall, appoint one or more persons as inspectors for such meeting.

Such inspectors shall ascertain and report the number of votes represented at the meeting, based on their determination of the validity and effect of proxies; count all votes and report the results; and do such other acts as are proper to conduct the election and voting with impartiality and fairness to all the members.

Each report of an inspector shall be in writing and signed by him or her or by a majority of them if there be more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the inspector or inspectors on the number of votes represented at the meeting and the results of the voting shall be prima facie evidence thereof.

SECTION 11. VOTING BY BALLOT. Voting on any question or in any election may be by voice unless the chair of the meeting shall order or any member shall demand that voting be by ballot.

ARTICLE IV
Board of Directors

SECTION 1. GENERAL POWERS. The affairs of the corporation shall be managed by or under the direction of its board of directors. A majority of the board of directors may establish reasonable compensation for their services and the services of other officers, irrespective of any personal interest.

SECTION 2. NUMBER, TENURE, AND QUALIFICATIONS. The number of directors shall be _____. Each director shall hold office until the next annual meeting of members and until his or her successor shall have been elected and qualified. Directors need not be residents of Illinois or members of the corporation. The number of directors may be decreased to not fewer than three or increased to any number from time to time by amendment of this section, unless the articles of incorporation provide that a change in the number of directors shall be made only by amendment of the articles of incorporation. No decrease shall have the effect of shortening the term of an incumbent director.

SECTION 3. REGULAR MEETINGS. A regular annual meeting of the board of directors shall be held without other notice than these bylaws immediately after, and at the same place as, the annual meeting of members. The board of directors may provide, by resolution, the time and place for the holding of additional regular meetings of the board without other notice than such resolution.

SECTION 4. SPECIAL MEETINGS. Special meetings of the board of directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the board may fix any place as the place for holding any special meeting of the board called by them.

SECTION 5. NOTICE. Notice of any special meeting of the board of directors shall be given at least 2 days previous thereto by written notice to each director at his or her address as shown by the records of the corporation except that no special meeting of directors may remove a director unless written notice of the proposed removal is delivered to all directors at least 20 days prior to such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegram company. Notice of any special meeting of the board of directors may be waived in writing signed by the person or persons entitled to the notice either before or after the time of the meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws.

SECTION 6. QUORUM. A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the board of directors, provided that if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting to another time without further notice.

SECTION 7. MANNER OF ACTING. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by statute, these bylaws, or the articles of incorporation. No director may act by proxy on any matter.

SECTION 8. VACANCIES. Any vacancy occurring in the board of directors or any directorship to be filled by reason of an increase in the number of directors shall be filled by the board of directors unless the articles of incorporation, a statute, or these bylaws provide that a vacancy or a directorship so created shall be filled in some other manner, in which case such provision shall control. A director elected or appointed, as the case may be, to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

SECTION 9. RESIGNATION AND REMOVAL OF DIRECTORS. A director may resign at any time upon written notice to the board of directors. A director may be removed with or without cause, as specified by statute.

SECTION 10. INFORMAL ACTION BY DIRECTORS. The authority of the board of directors may be exercised without a meeting if a consent in writing, setting forth the action taken, is signed by all of the directors entitled to vote.

SECTION 11. COMPENSATION. The board of directors, by the affirmative vote of a majority of directors then in office, and irrespective of any personal interest of any of its members, shall have authority to establish reasonable compensation of all directors for services to the corporation as directors, officers, or otherwise notwithstanding any director's conflict of interest. By resolution of the board of directors, the directors may be paid their expenses, if any, of attendance at each meeting of the board. No such payment previously mentioned in this section shall preclude any director from serving the corporation in any other capacity and receiving reasonable compensation therefor.

SECTION 12. PRESUMPTION OF ASSENT. A director of the corporation who is present at a meeting of the board of directors at which action on any corporation matter is taken shall be conclusively presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered or certified mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

ARTICLE V

Officers

SECTION 1. OFFICERS. The officers of the corporation shall be a president, one or more vice presidents (the number thereof to be determined by the board of directors), a treasurer, a secretary, and such other officers as may be elected or appointed by the board

of directors. Officers whose authority and duties are not prescribed in these bylaws shall have the authority and perform the duties prescribed, from time to time, by the board of directors. Any two or more offices may be held by the same person.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of the corporation shall be elected annually by the board of directors at the regular annual meeting of the board of directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the board of directors. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified, until his or her death, or until he or she shall resign or shall have been removed in the manner hereinafter provided. Election of an officer shall not of itself create contract rights.

SECTION 3. REMOVAL. Any officer elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

SECTION 4. PRESIDENT. The president shall be the principal executive officer of the corporation. Subject to the direction and control of the board of directors, he or she shall be in charge of the business and affairs of the corporation; he or she shall see that the resolutions and directives of the board of directors are carried into effect except in those instances in which that responsibility is assigned to some other person by the board of directors; and, in general, he or she shall discharge all duties incident to the office of president and such other duties as may be prescribed by the board of directors. He or she shall preside at all meetings of the members and of the board of directors. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the corporation or a different mode of execution is expressly prescribed by the board of directors or these bylaws, he or she may execute for the corporation any contracts, deeds, mortgages, bonds, or other instruments that the board of directors has authorized to be executed, and he or she may accomplish such execution either under or without the seal of the corporation and either individually or with the secretary, any assistant secretary, or any other officer thereunto authorized by the board of directors, according to the requirements of the form of the instrument.

He or she may vote all securities that the corporation is entitled to vote except as and to the extent such authority shall be vested in a different officer or agent of the corporation by the board of directors.

SECTION 5. VICE PRESIDENT. The vice president (or in the event there be more than one vice president, each of the vice presidents) shall assist the president in the discharge of his or her duties as the president may direct and shall perform such other duties as from time to time may be assigned to him or her by the president or the board of directors. In the absence of the president or in the event of his or her inability or refusal to act, the vice president (or in the event there be more than one vice president, the vice presidents, in the order designated by the board of directors, or by the president if the board of directors has not made such a designation, or in the absence of any designation, then in the order of their seniority of tenure) shall perform the duties of the president and, when so acting, shall have all the powers of and be subject to all the restrictions on the

president. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the corporation or a different mode of execution is expressly prescribed by the board of directors or these bylaws, the vice president (or any of them if there is more than one) may execute for the corporation any contracts, deeds, mortgages, bonds, or other instruments that the board of directors has authorized to be executed, and he or she may accomplish such execution either under or without the seal of the corporation and either individually or with the secretary, any assistant secretary, or any other officer thereunto authorized by the board of directors, according to the requirements of the form of the instrument.

SECTION 6. TREASURER. The treasurer shall be the principal accounting and financial officer of the corporation. He or she shall (a) have charge of and be responsible for the maintenance of adequate books of account for the corporation; (b) have charge and custody of all funds and securities of the corporation, and be responsible therefor, and for the receipt and disbursement thereof; and (c) perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him or her by the president or by the board of directors. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the board of directors shall determine.

SECTION 7. SECRETARY. The secretary shall (a) record the minutes of the meetings of the members and of the board of directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (c) be a custodian of the corporate records and of the seal of the corporation; (d) keep a register of the post office address of each member which shall be furnished to the secretary by such member; and (e) perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the president or by the board of directors.

SECTION 8. ASSISTANT TREASURERS AND ASSISTANT SECRETARIES. The assistant treasurers and assistant secretaries shall perform such duties as shall be assigned to them by the treasurer or the secretary, respectively, or by the president or the board of directors. If required by the board of directors, the assistant treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the board of directors shall determine.

SECTION 9. SALARIES. The salaries of the officers shall be fixed from time to time by the board of directors, and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a director of the corporation.

ARTICLE VI

Committees, Commissions, and Advisory Boards

SECTION 1. COMMITTEES. The board of directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, each of which will consist of two or more directors and such other persons as the board of directors designates, provided that a majority of each committee's members are directors. The

committees, to the extent provided in said resolution and not restricted by law, shall have and exercise the authority of the board of directors in the management of the corporation; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the board of directors, or any individual director, of any responsibility imposed on it, him, or her by law.

SECTION 2. COMMISSIONS OR ADVISORY BODIES. Commissions or advisory bodies not having and exercising the authority of the board of directors in the corporation may be designated or created by the board of directors and shall consist of such persons as the board of directors designates. A commission or advisory body may or may not have directors as members, as the board of directors determines. The commission or advisory body may not act on behalf of the corporation or bind it to any actions but may make recommendations to the board of directors or to the officers of the corporation.

SECTION 3. TERM OF OFFICE. Each member of a committee, advisory board, or commission shall continue as such until the next annual meeting of the members of the corporation and until his or her successor is appointed, unless the committee, advisory board, or commission shall be sooner terminated, or unless such member be removed from such committee, advisory board, or commission by the board of directors, or unless such member shall cease to qualify as a member thereof.

SECTION 4. CHAIR. One member of each committee, advisory board, or commission shall be appointed chair.

SECTION 5. VACANCIES. Vacancies in the membership of any committee, advisory board, or commission may be filled by appointments made in the same manner as provided in the case of the original appointments.

SECTION 6. QUORUM. Unless otherwise provided in the resolution of the board of directors designating a committee, advisory board, or commission, a majority of the whole committee, advisory board, or commission shall constitute a quorum, and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee, advisory board, or commission.

SECTION 7. RULES. Each committee, advisory board, or commission may adopt rules for its own government not inconsistent with these bylaws or with rules adopted by the board of directors.

SECTION 8. INFORMAL ACTION. The authority of a committee may be exercised without a meeting if a consent in writing, setting forth the action taken, is signed by all the members entitled to vote.

ARTICLE VII

Contracts, Checks, Deposits, and Funds

SECTION 1. CONTRACTS. The board of directors may authorize any officer or officers or agent or agents of the corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name

of and on behalf of the corporation, and such authority may be general or confined to specific instances.

SECTION 2. CHECKS, DRAFTS, ETC. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers or agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the board of directors. In the absence of such determination by the board of directors, such instruments shall be signed by the treasurer or an assistant treasurer and countersigned by the president or a vice president of the corporation.

SECTION 3. DEPOSITS. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

SECTION 4. GIFTS. The board of directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the corporation.

Membership certificates are optional under the NFPCA. If this section is used, be sure to conform Article II, Section 8.

ARTICLE VIII

Certificates of Membership

SECTION 1. CERTIFICATES OF MEMBERSHIP. The board of directors may provide for the issuance of certificates evidencing membership in the corporation, which shall be in such form as may be determined by the board. Such certificates shall be signed by the president or a vice president and by the secretary or an assistant secretary and may bear the corporation's seal, which may be in facsimile. The name and address of each member shall be entered on the records of the corporation. If any certificate shall become lost, mutilated, or destroyed, a new certificate may be issued therefor on such terms and conditions as the board of directors may determine.

SECTION 2. ISSUANCE OF CERTIFICATES. When a member has been elected to membership and has paid any initiation fee and dues that may then be required, a certificate of membership shall be issued in his or her name and delivered to him or her by the secretary, if the board of directors shall have provided for the issuance of certificates of membership under the provisions of Section 1 of this Article.

ARTICLE IX

Books and Records

The corporation shall keep correct and complete books and records of account. It shall also keep minutes of the proceedings of its members, board of directors, and committees

having any of the authority of the board of directors and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member, or his or her agent or attorney, for any proper purpose at any reasonable time.

ARTICLE X
Fiscal Year

The fiscal year of the corporation shall be fixed by resolution of the board of directors.

ARTICLE XI
Dues

SECTION 1. ANNUAL DUES. The board of directors may determine from time to time the amount of initiation fee, if any, and annual dues payable to the corporation by members of each class.

SECTION 2. PAYMENT OF DUES. Dues shall be payable in advance on the first day of [month] in each year. Dues of a new member shall be prorated from the first day of the month in which such new member is elected to membership, for the remainder of the fiscal year of the corporation.

SECTION 3. DEFAULT AND TERMINATION OF MEMBERSHIP. When any member of any class shall be in default in the payment of dues for a period of ____ months from the beginning of the period for which such dues became payable, his or her membership may thereupon be terminated by the board of directors in the manner provided in Article II of these bylaws.

ARTICLE XII
Seal

The corporate seal shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Illinois." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced, provided that the affixing of the corporate seal to an instrument shall not give the instrument additional force or effect, or change the construction thereof, and the use of the corporate seal is not mandatory.

ARTICLE XIII
Waiver of Notice

Whenever any notice is required to be given under the provisions of the General Not For Profit Corporation Act of Illinois or under the provisions of the articles of incorporation or the bylaws of the corporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance at any meeting shall constitute waiver of notice thereof unless the person at the meeting objects to the holding of the meeting because proper notice was not given.

ARTICLE XIV Indemnification

SECTION 1. INDEMNIFICATION IN ACTIONS OTHER THAN BY OR IN THE RIGHT OF THE CORPORATION. The corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the corporation) by reason of the fact that he or she is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit, or proceeding, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation or, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his or her conduct was unlawful.

SECTION 2. INDEMNIFICATION IN ACTIONS BY OR IN THE RIGHT OF THE CORPORATION. The corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, provided that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the corporation, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

SECTION 3. RIGHT TO PAYMENT OF EXPENSES. To the extent that a director, officer, employee, or agent of the corporation has been successful, on the merits or otherwise, in the defense of any action, suit, or proceeding referred to in Sections 1 and 2 of this Article, or in defense of any claim, issue, or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

SECTION 4. DETERMINATION OF CONDUCT. Any indemnification under Sections 1 and 2 of this Article (unless ordered by a court) shall be made by the corporation only as authorized in the specific case, upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Sections 1 or 2 of this Article. Such determination shall be made (a) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding; (b) if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; or (c) by the members entitled to vote, if any.

SECTION 5. PAYMENT OF EXPENSES IN ADVANCE. Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the corporation in advance of the final disposition of such action, suit, or proceeding, as authorized by the board of directors in the specific case, upon receipt of an undertaking by or on behalf of the director, officer, employee, or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the corporation as authorized in this Article.

SECTION 6. INDEMNIFICATION NOT EXCLUSIVE. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of members or disinterested directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, or agent, and shall inure to the benefit of the heirs, executors, and administrators of such a person.

SECTION 7. INSURANCE. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation, or who is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of this Article.

SECTION 8. NOTICE TO MEMBERS. If the corporation has paid indemnity or has advanced expenses under this Article to a director, officer, employee, or agent, the corporation shall report the indemnification or advance in writing to any members entitled to vote with or before the notice of the next meeting of the members entitled to vote.

SECTION 9. REFERENCES TO CORPORATION. For purposes of this Article, references to "the corporation" shall include, in addition to the surviving corporation, any merging corporation (including any corporation having merged with a merging corporation) absorbed in a merger that, if its separate existence had continued, would have had the power and authority to indemnify its directors, officers, employees, or agents, so that any person who was a director, officer, employee, or agent of such merging corporation, or was serving at the request of such merging corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, shall stand in the same position under the provisions of this Article with respect to the surviving corporation as such person would have with respect to such merging corporation if its separate existence had continued.

SECTION 10. OTHER REFERENCES. For purposes of this Article, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee, or agent of the corporation that imposes duties on or involves services by such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries. A person who acted in good faith and in a manner he or she reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Article.

ARTICLE XV

Amendments

The power to alter, amend, or repeal the bylaws or adopt new bylaws shall be vested in the board of directors unless otherwise provided in the articles of incorporation or the bylaws. Such action may be taken at a regular or special meeting for which written notice of the purpose shall be given. The bylaws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with law or the articles of incorporation.

Alternative Indemnification Provisions

The following shorter form of indemnification provision distinguishes between officer and director indemnification (mandatory) and employee indemnification (discretionary) on the basis that only the latter are compensated.

(a) The corporation shall indemnify any person who was or is a party or is threatened to be made a party to or witness in any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was a member, director, or officer of the corporation against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by that person in connection with such action, suit, or proceeding to the fullest extent and in the manner set forth in and permitted by the Illinois General Not

For Profit Corporation Act and any other applicable law, as from time to time in effect. Such right of indemnification shall not be deemed exclusive of any other rights to which such member, director, or officer may be entitled apart from the foregoing provisions. The foregoing provisions of this Article shall be deemed to be a contract between the corporation and each member, director, and officer who serves in such capacity at any time while this Article and the relevant provisions of the Illinois General Not For Profit Corporation Act and other applicable law, if any, are in effect, and any repeal or modification thereof shall not affect any rights or obligations then existing, with respect to any state of facts then or theretofore existing, or any action, suit, or proceeding theretofore, or thereafter brought or threatened based in whole or in part on any such state of facts.

(b) The corporation may indemnify any person who was or is a party or is threatened to be made a party to or witness in any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was an employee or agent of the corporation, or is or was serving at the request of the corporation as a member, director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by that person in connection with such action, suit, or proceeding to the extent and in the manner set forth in and permitted by the Illinois General Not For Profit Corporation Act and any other applicable law, as from time to time in effect. Such right of indemnification shall not be deemed exclusive of any other rights to which any such person may be entitled apart from the foregoing provisions.

An indemnification bylaw recommended by special counsel of the American Bar Association for adoption by the American Bar Association in August 1992 follows:

(a)(1) The Association shall indemnify any person who serves the Association without compensation, who was or is a party or is threatened to be made a party to or witness in any threatened, pending, or completed action, suit, or proceeding, whether civil or criminal, administrative or investigative, by reason of the fact that he or she is or was a member, governor, delegate, director, or officer of the Association, or is serving at the request of the Association without compensation as a member, governor, delegate, director, or officer of another corporation, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding to the fullest extent and in the manner set forth in and permitted by the Illinois General Not for Profit Corporation Act and any other applicable law, as may from time to time be in effect. Neither payment of indemnification nor reimbursement of expenses shall be deemed compensation.

(2) Such right of indemnification shall not be deemed exclusive of any other rights to which such member, governor, delegate, director, or officer of the corporation may be entitled. The foregoing provisions of this Article shall be deemed to be a contract between the Association and each member, governor, delegate, director, and officer who serves in such capacity at any time while this Article and the relevant portions of the Illinois General Not for Profit Corporation Act and other applicable law, if any, are in effect, and any repeal or modification thereof shall not affect any right or obligations then existing, with respect to any state of facts then or theretofore existing, or any action, suit, or proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts.

(b) Expenses actually and reasonably incurred in defending a civil or criminal action, suit, or proceeding shall be paid by the Association in advance of the final disposition of such action, suit, or proceeding, upon receipt of an undertaking by or on behalf of the member, governor, delegate, director, or officer to repay such amount, if it shall ultimately be determined that such person is not entitled to be indemnified by the Association.

(c) Any right of indemnification shall continue as to a person who has ceased to be such a member, governor, delegate, director, or officer of the Association and shall inure to the benefit of the heirs and personal representatives of such person.

(d) Any employee may be indemnified by the Association pursuant to action of the Board of Governors.

Sample Bylaw for Director Conflicts of Interest — Nonmember Corporation

a. If a transaction is fair to the corporation at the time it is authorized, approved, or ratified, the fact that a director of the corporation is directly or indirectly a party to the transaction is not grounds for invalidating the transaction.

b. In a proceeding contesting the validity of a transaction described in subsection a of this Article, the person asserting validity has the burden of proving fairness unless the material facts of the transaction and the director's interest or relationship were disclosed or known to the board of directors and the board or committee authorized, approved, or ratified the transaction by the affirmative votes of a majority of disinterested directors even though the disinterested directors were less than a quorum.

c. The presence of a director who is directly or indirectly a party to the transaction described in subsection a of this Article or a director who is otherwise not disinterested may be counted in determining whether a quorum is present but may not be counted when the board of directors or a committee then takes action on the transaction.

d. For purposes of this Article, a director is "indirectly" a party to a transaction if the other party to the transaction is an entirety in which the director has a material financial interest or of which the director is an officer, director, or general partner.



Instructions for Form 990 and Form 990-EZ

Return of Organization Exempt From Income Tax and Short Form Return of Organization Exempt From Income Tax

Under Section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Note: Form 990-EZ is for use by organizations with gross receipts of less than \$100,000 and total assets of less than \$250,000 at the end of the year.

Section references are to the Internal Revenue Code unless otherwise noted.

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C Exempt Organization Reference Chart	3	A Change To Note	
D Forms and Publications To File or Use	3	Line 9 of Form 990 (line 6 of Form 990-EZ) now contains a check box for gaming. Check the box if any special-event amount is from gaming. See page 21 of the instructions for more information	
E Use of Form 990, or Form 990-EZ, To Satisfy State Reporting Requirements	4		
F Other Forms as Partial Substitutes for Form 990 or Form 990-EZ	5	Purpose of Form	
G Accounting Periods and Methods	5	• Form 990 and Form 990-EZ are used by tax-exempt organizations, nonexempt charitable trusts, and section 527 political organizations to provide the IRS with the information required by section 6033.	
H When and Where To File	6	• An organization's completed Form 990, or Form 990-EZ, is available for public inspection as required by section 6104. Schedule B (Form 990, 990-EZ, or 990-PF) , Schedule of Contributors, is open for public inspection for section 527 organizations filing Form 990 or Form 990-EZ. For other organizations that file Form 990 or Form 990-EZ, parts of Schedule B may be open to public inspection. See the instructions to Schedule B for more details.	
I Extension of Time To File	6	• Some members of the public rely on Form 990, or Form 990-EZ, as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is	
J Amended Return/Final Return	6		
K Penalties	6		
L Contributions	6		
M Public Inspection of Returns, etc.	8		
N Disclosures Regarding Certain Information and Services Furnished	11		
O Disclosures Regarding Certain Transactions and Relationships	11		
P Intermediate Sanction Regulations—Excess Benefit Transactions	11		
Q Erroneous Backup Withholding	13		
R Group Return	13		
S Organizations in Foreign Countries and U.S. Possessions	14		
T Public Interest Law Firms	14		

complete and accurate and fully describes the organization's programs and accomplishments.

• Use the Form 990, and Form 990-EZ, to send a required election to the IRS, such as the election to capitalize costs under section 266.

Phone Help

If you have questions and/or need help completing Form 990, or Form 990-EZ, please call 1-877-829-5500. This toll-free telephone service is available Monday through Friday from 8:00 a.m. to 6:30 p.m. Eastern time.

Photographs of Missing Children

The Internal Revenue Service is a proud partner with the National Center for Missing and Exploited Children. Photographs of missing children selected by the Center may appear in instructions on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

General Instructions

Note: The General Instructions apply to both Form 990 and Form 990-EZ. See also the Specific Instructions for each of these forms.

A. Who Must File

Filing tests

If the organization does not meet any of the exceptions listed in General Instruction B, and its annual gross receipts are normally more than \$25,000, it must file Form 990 or Form 990-EZ. See the gross receipts discussion in General Instruction B.

If the organization's gross receipts during the year are less than \$100,000 and its total assets at the end of the year are less than \$250,000, it may file Form 990-EZ instead of Form 990. Even if the organization meets this test, it can still file Form 990.

Organizations required to file Schedule A (Form 990 or 990-EZ), Organization Exempt Under Section 501(c)(3), that do not meet the support tests discussed in the instructions for

Part IV of that schedule should contact the Service at the following address to re-evaluate their determination-of-filing requirements.

Internal Revenue Service
TE/GE Customer Account Services Office
P.O. Box 2508
Cincinnati, OH 45201

Combined Federal Campaign. Smaller organizations applying to participate in the Combined Federal Campaign may submit a completed Form 990-EZ (instead of Form 990) to the Office of Personnel Management (OPM).

However, these organizations must also submit to OPM, attached to the Form 990-EZ, pages 1 and 2 of Form 990 with the following completed: Part I, lines 1a-1d and 13-15; Part II, all lines. These organizations should not send this Form 990 attachment to the IRS.

Section 501(a), (e), (f), (k), and (n) organizations

Except for those types of organizations listed in General Instruction B, an annual return on Form 990, or Form 990-EZ, is required from every organization exempt from tax under section 501(a), including foreign organizations and cooperative service organizations described in sections 501(e) and (f); child care organizations described in section 501(k); and charitable risk pools described in section 501(n).

Section 501(c)(3), 501(e), (f), (k), and (n) organizations must also attach a completed Schedule A (Form 990 or 990-EZ) to their Form 990 or Form 990-EZ.

For purposes of these instructions, the term "section 501(c)(3)" includes organizations exempt under sections 501(e), (f), (k), and (n).

Political Organizations

In general, tax-exempt political organizations that have gross receipts of \$25,000 or more for the tax year must file Form 990 or Form 990-EZ. However, see General Instruction B for a list of tax-exempt political organizations that are excepted from filing Form 990 or Form 990-EZ. A **qualified state or local political organization** (defined below) must file Form 990 (not Form 990-EZ) **only** if it has gross receipts of \$100,000 or more.

A **qualified state or local political organization** is a political organization that meets **all** of the following requirements:

1. The organization's exempt functions are solely for the purpose of influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any state or local public office or office in a state or local political organization.
2. The organization is subject to state law that requires it to report the information that is similar to that required on Form 8872.
3. The organization files the required reports with the state.
4. The state makes such reports public and the organization makes them open to public inspection in the same manner that organizations must make Form 8872 available for public inspection.

For additional information, including the prohibition of involvement in the organization of a Federal candidate or office holder, see section 527(e)(5).

Disregarded Entities

A disregarded entity, as described in Regulations sections 301.7701-1 through 301.7701-3, is treated as a branch or division of its parent organization for Federal tax purposes. Therefore, financial and other information applicable to a disregarded entity

must be reported as the parent organization's information.

Section 4947(a)(1) nonexempt charitable trusts

Any nonexempt charitable trust (described in section 4947(a)(1)) not treated as a private foundation is also required to file Form 990, or Form 990-EZ, along with a completed Schedule A (Form 990 or 990-EZ). See the discussion in General Instruction D for exceptions to filing **Form 1041**, U.S. Income Tax Return for Estates and Trusts.

If an organization's exemption application is pending

If the organization's application for exemption is pending, check the "application pending" box in the heading of the return and complete the return.

If the organization received a Form 990 Package but is not required to file

If the organization received a Form 990 Package with a preaddressed label, we ask that the organization file a return even if it is not required to do so.

- Attach the label to the name and address space on the return. See the Specific Instructions for Item C of Form 990 or Form 990-EZ.
- Check box K in the heading of the Form 990, or Form 990-EZ, to indicate that the organization's gross receipts are normally not more than \$25,000;
- Sign the return; and
- Send it to the Ogden Service Center. See General Instruction H.
- The organization does not have to complete Parts I through X of the Form 990, or Parts I through V of the Form 990-EZ.

Following the above instructions will help us to update our records, and we will not have to contact the organization later to ask why no return was filed.

If the organization files a return this way, it will not be mailed a Form 990 Package in later years and does not have to file Form 990, or Form 990-EZ, again until its gross receipts are normally more than \$25,000. If the organization terminates or undergoes a substantial contraction, see the instructions for line 79 of Form 990, or line 36 of Form 990-EZ.

Exempt organizations that filed Form 990, or Form 990-EZ, but are no longer required to file because they meet a specific exemption (other than exemption 15 in General Instruction B) should advise their area office so their filing status can be updated.

Exempt organizations that are not sure of their area office may call the IRS at the **Phone Help** line, 1-877-829-5500. Exempt organizations that stop filing Form 990, or Form 990-EZ, without notifying their area office may receive service center correspondence inquiring about their returns. When responding to these inquiries, these organizations should give the specific reason for not filing.

Failure to file and its effect on contributions

Organizations that are eligible to receive tax deductible contributions are listed in **Publication 78**, Cumulative List of Organizations described in Section 170(c) of the Internal Revenue Code of 1986. An organization may be removed from this listing if our records show that it is required to file Form 990, or Form 990-EZ, but it does not file a return or advise us that it is no longer required to file. However, contributions to such an organization may continue to be deductible by the general public until the IRS publishes a

notice to the contrary in the Internal Revenue Bulletin.

B. Organizations Not Required To File

Note: Organizations not required to file this form with the IRS may wish to use it to satisfy state reporting requirements. For details, see *General Instruction E*.

The following types of organizations exempt from tax under section 501(a) (section 527 for political organizations) do not have to file Form 990, or Form 990-EZ, with the IRS. However, if the organization chooses to file a Form 990 or Form 990-EZ, it must also attach the schedules and statements described in the instructions for these forms.

1. A church, an interchurch organization of local units of a church, a convention or association of churches, an integrated auxiliary of a church (such as a men's or women's organization, religious school, mission society, or youth group).
2. Church-affiliated organizations that are exclusively engaged in managing funds or maintaining retirement programs and are described in Rev. Proc. 96-10, 1996-1 C.B. 577.
3. A school below college level affiliated with a church or operated by a religious order.
4. A mission society sponsored by, or affiliated with, one or more churches or church denominations, if more than half of the society's activities are conducted in, or directed at, persons in foreign countries.
5. An exclusively religious activity of any religious order.
6. A state institution whose income is excluded from gross income under section 115.
7. An organization described in section 501(c)(1). Section 501(c)(1) organizations are corporations organized under an Act of Congress that are:
 - Instrumentalities of the United States, and
 - Exempt from Federal income taxes.
8. A private foundation exempt under section 501(c)(3) and described in section 509(a). Use **Form 990-PF**, Return of Private Foundation.
9. A black lung benefit trust described in section 501(c)(21). Use **Form 990-BL**, Information and Initial Excise Tax Return for Black Lung Benefit Trusts and Certain Related Persons.
10. A stock bonus, pension, or profit-sharing trust that qualifies under section 401. Use **Form 5500**, Annual Return/Report of Employee Benefit Plan.
11. A religious or apostolic organization described in section 501(d). Use **Form 1065**, U.S. Return of Partnership Income.
12. A foreign organization whose annual gross receipts from sources within the U.S. are normally \$25,000 or less (Rev. Proc. 94-17, 1994-1 C.B. 579). See the \$25,000 gross receipts test in 15c. See also General Instruction A, if the organization received a Form 990 Package.
13. A governmental unit or affiliate of a governmental unit described in Rev. Proc. 95-48, 1995-2 C.B. 418.
14. A political organization that is:
 - A state or local committee of a political party;
 - A political committee of a state or local candidate;
 - A caucus or association of state or local officials;
 - An authorized committee (as defined in section 301(6) of the Federal Election

Campaign Act of 1971) of a candidate for federal office;

- A national committee (as defined in section 301(14) of the Federal Election Campaign Act of 1971) of a political party;

- A United States House of Representatives or United States Senate campaign committee of a political party committee;

- Required to report under the Federal Election Campaign Act of 1971 as a political committee (as defined in section 301(4) of such Act); or

- An organization described under section 6033(g)(3)(G).

15. An organization whose annual gross receipts are normally \$25,000 or less (but see General Instruction A, if the organization received a Form 990 Package).

a. **Calculating gross receipts.** The organization's gross receipts are the total amount it received from all sources during its annual accounting period, without subtracting any costs or expenses.

i. **Form 990.** Gross receipts are the sum of lines 1d, 2, 3, 4, 5, 6a, 7, 8a (both columns), 9a, 10a, and 11 of Part I. Gross receipts can also be calculated by adding back the amounts on lines 6b, 8b, 9b, and 10b to the total revenue reported on line 12.

ii. **Form 990-EZ.** Gross receipts are the sum of lines 1, 2, 3, 4, 5a, 6a, 7a, and 8 of Part I. Gross receipts can also be calculated by adding back the amounts on lines 5b, 6b, and 7b to the total revenue reported on line 9.

Example. On line 9 of its Form 990-EZ for the year 2003, Organization M reported \$50,000 as total revenue. M added back the costs and expenses it had deducted on lines 5b (\$2,000); 6b (\$1,500); and 7b (\$500) to its total revenue of \$50,000 and determined that its gross receipts for the tax year were \$54,000.

b. **Gross receipts when acting as agent.** If a local chapter of a section 501(c)(8) fraternal organization collects insurance premiums for its parent lodge and merely sends those premiums to the parent without asserting any right to use the funds or otherwise deriving any benefit from collecting them, the local chapter should not include the premiums in its gross receipts. The parent lodge should report them instead. The same treatment applies in other situations in which one organization collects funds merely as an agent for another.

c. **\$25,000 gross receipts test.** An organization's gross receipts are considered normally to be \$25,000 or less if the organization is:

i. Up to a year old and has received, or donors have pledged to give, \$37,500 or less during its first tax year;

ii. Between 1 and 3 years old and averaged \$30,000 or less in gross receipts during each of its first 2 tax years; or

iii. Three (3) years old or more and averaged \$25,000 or less in gross receipts for the immediately preceding 3 tax years (including the year for which the return would be filed).

C. Exempt Organization Reference Chart

Note: To determine how the instructions for Form 990 and Form 990-EZ apply to you, you must know the Code section under which you are exempt.

Type of Organization	I.R.C. Section
Corporations Organized Under Act of Congress	501(c)(1)
Title Holding Corporations	501(c)(2)
Charitable, Religious, Educational, Scientific, etc., Organizations	501(c)(3)
Civic Leagues and Social Welfare Organizations	501(c)(4)
Labor, Agricultural, and Horticultural Organizations	501(c)(5)
Business Leagues, etc.	501(c)(6)
Social and Recreation Clubs	501(c)(7)
Fraternal Beneficiary and Domestic Fraternal Societies and Associations	501(c)(8) & (10)
Voluntary Employees' Beneficiary Associations	501(c)(9)
Teachers' Retirement Fund Associations	501(c)(11)
Benevolent Life Insurance Associations, Mutual Ditch or Irrigation Companies, Mutual or Cooperative Telephone Companies, etc.	501(c)(12)
Cemetery Companies	501(c)(13)
State Chartered Credit Unions, Mutual Reserve Funds	501(c)(14)
Mutual Insurance Companies or Associations	501(c)(15)
Cooperative Organizations To Finance Crop Operations	501(c)(16)
Supplemental Unemployment Benefit Trusts	501(c)(17)
Employee Funded Pension Trusts (created before 6/25/59)	501(c)(18)
Organizations of Past or Present Members of the Armed Forces	501(c)(19) & (23)
Black Lung Benefit Trusts	501(c)(21)
Withdrawal Liability Payment Funds	501(c)(22)
Title Holding Corporations or Trusts	501(c)(25)
State-Sponsored Organizations Providing Health Coverage for High-Risk Individuals	501(c)(26)
State-Sponsored Workmen's Compensation and Insurance and Reinsurance Organizations	501(c)(27)
Religious and Apostolic Associations	501(d)
Cooperative Hospital Service Organizations	501(e)
Cooperative Service Organizations of Operating Educational Organizations	501(f)
Child Care Organizations	501(k)
Charitable Risk Pools	501(n)
Political Organizations	527

D. Forms and Publications To File or Use

Personal computer. You can access the IRS website 24 hours a day, 7 days a week at www.irs.gov to:

- Download forms, instructions, and publications.
- See answers to frequently asked tax questions.
- Order IRS products online.
- Search publications online by topic or keyword.
- Send us comments or request help via email.

- Sign up to receive local and national tax news by email.

You can also reach us using file transfer protocol at ftp.irs.gov.

CD-ROM. Order Pub. 1796, IRS Federal Tax Products on CD-ROM, and get:

- Current year forms, instructions, and publications.
- Prior year forms, instructions, and publications.
- Frequently requested forms that may be filled in electronically, printed out for submission, and saved for recordkeeping.
- The Internal Revenue Bulletin.

Buy the CD-ROM on the Internet at www.irs.gov/cdorders from the National Technical Information Service (NTIS) for \$22 (no handling fee), or call 1-877-CDFORMS (1-877-233-6767) toll free to buy the CD-ROM for \$22 (plus a \$5 handling fee).

By phone and in person. You can order forms and publications 24 hours a day, 7 days a week, by calling 1-800-TAX-FORM (1-800-829-3676). You can also get most forms and publications at your local IRS office.

Schedule A (Form 990 or 990-EZ). Organization Exempt Under Section 501(c)(3) (Except Private Foundation), 501(e), 501(f), 501(k), 501(n), or Section 4947(a)(1) Nonexempt Charitable Trust. The Schedule A (Form 990 or 990-EZ) is filed with Form 990, or Form 990-EZ, for a section 501(c)(3) organization that is not a private foundation (and including an organization described in section 501(e), 501(f), 501(k), or 501(n)). It is also filed with Form 990, or Form 990-EZ, for a section 4947(a)(1) nonexempt charitable trust that is not treated as a private foundation. An organization is not required to file Schedule A (Form 990 or 990-EZ) if its gross receipts are normally \$25,000 or less. See the gross receipts discussion in General Instruction B.

Schedule B (Form 990, 990-EZ, or 990-PF). Schedule of Contributors. Schedule B (Form 990, 990-EZ, or 990-PF) is used by all organizations required to file Form 990, 990-EZ, or 990-PF, to provide the contributor information required for line 1 of those forms.

Forms W-2 and W-3. Wage and Tax Statement and Transmittal of Wage and Tax Statements.

Form W-9. Request for Taxpayer Identification Number and Certification.

Form 940. Employer's Annual Federal Unemployment (FUTA) Tax Return.

Form 941. Employer's Quarterly Federal Tax Return. Used to report social security, Medicare, and income taxes withheld by an employer and social security and Medicare taxes paid by an employer.

Form 943. Employer's Annual Tax Return for Agricultural Employees.

Trust Fund Recovery Penalty. If certain excise, income, social security, and Medicare taxes that must be collected or withheld are not collected or withheld, or these taxes are not paid to the IRS, a Trust Fund Recovery Penalty may apply. The Trust Fund Recovery Penalty may be imposed on all persons (including volunteers) who the IRS determines were responsible for collecting, accounting for, and paying over these taxes, and who acted willfully in not doing so.

This penalty does not apply to volunteer, unpaid members of any board of trustees or directors of a tax-exempt organization, if these members are solely serving in an honorary capacity, do not participate in the day-to-day or financial activities of the organization, and do not have actual knowledge of the failure to collect, account for, and pay over these taxes.

JESSE WHITE, SECRETARY OF STATE

DOMESTIC/FOREIGN CORPORATION
ANNUAL REPORT
GENERAL NOT FOR PROFIT
CORPORATION ACT

Filing Fee: \$5
If late, add penalty of \$3

Do Not Write Above This Line Year: File #

1. Corporation Name

2(a). Registered Agent
Registered Office
City, IL, ZIP, County

2(b). Changes
Registered Agent
Registered Office
City, IL, ZIP, County

3(a). Date of Incorporation/Qualification

3(b). State of Incorporation

4.) The names and respective addresses of the corporation's officers and directors are:

NAME	OFFICE	NUMBER & STREET	CITY	STATE	ZIP
	President				
	Secretary				
	Treasurer				
	Director				
	Director				
	Director				

NOTE: List all officers and directors above or list them on an additional sheet: Illinois corporations must have three directors.

5. The following is a brief statement of the character of the affairs which the corporation is actually conducting:

6. Is this corporation a Condominium Association as established under the Condominium Property Act?
Yes No (Check One)

Is this corporation a Cooperative Housing Corporation defined in Section 216 of the Internal Revenue Code of 1954?
Yes No (Check One)

Is this corporation a Homeowner's Association which administers a common-interest community as defined in subsection (c) of Section 9-102 of the Code of Civil Procedure?
Yes No (Check One)

7. The address, including street and number of the corporation's principal office:

(Number and Street) (City) (State) (Zip Code)

(Please read reverse side of this report before signing below)

8.) BY (Authorized Officer's Signature) (Title) (Date)

Under the penalty of perjury and as an authorized officer, I declare that this annual report, pursuant to provisions of the General Not For Profit Corporation Act, has been examined by me and is, to the best of my knowledge and belief, true, correct, and complete.

ITEM 8 MUST BE SIGNED

NOTICE

Under the General Not For Profit Corporation Act, this Annual Report must be properly executed and filed in the Office of the Secretary of State prior to the first day of the corporation's anniversary month each year. If filed on time, a filing fee of \$5.00 only is required by statute. If filed later, a statutory penalty of \$3.00 must be added.

This Report must be properly completed and submitted to the Office of the Secretary of State.

Item 1: In the event of a change of corporate name, Articles of Amendment (form NFP 110.30) must be filed in this office.

Item 2: To change the Registered Agent/Office, complete parts (a) and (b) in their entirety. The corporation cannot act as its own Registered Agent. The Registered Office may be, but need not be, the same as its principal office, but the address of the Registered Office and the address of the Registered Agent must be the same, must be located in Illinois, and must include a street number. A P.O. Box may only be used in addition thereto.

- * The information requested must be given as the date of the execution of this report.
- * This report must be signed by an authorized officer of the corporation.
- * If this report is not filed, the corporation, if domestic, is subject to dissolution or if foreign, is subject to having its authority revoked.

DEFINITIONS

"Anniversary" means that day each year exactly one year or more years after:

- (1) The date on the articles of incorporation issued under Section 102.15 of this Act, in the case of a domestic corporation.
- (2) The date on the application for authority issued under Section 113.20 of the Act, in the case of a foreign corporation.

"Anniversary month" means the month in which the anniversary of the corporation occurs.

NOTICE

QUESTION NUMBER 6 MUST BE ANSWERED!

Failure to answer any question may result in late penalty, involuntary dissolution or revocation.

RETURN TO:

Department of Business Services
Secretary of State
Springfield, IL 62756
Telephone (217) 782-7808
www.cyberdriveillinois.com

Make checks payable to Secretary of State