TO: (insert county name) County 4-H Club Leaders and Council President

FROM: (insert staff person name)

RE: Nebraska 4-H Application for Group Exemption

DATE: October XX, 2013

Nebraska 4-H, in partnership with the Nebraska 4-H Foundation, is applying to the Internal Revenue Service for a Group Exemption Number (GEN) to provide 4-H clubs and councils exemption from paying federal income tax on funds raised and received on behalf of 4‑H; and allows donors to deduct contributions to 4-H clubs.

Until recently, federal income tax exempt status of 4-H groups was provided through a GEN held by 4-H National Headquarters. That GEN has been eliminated and in order for Nebraska 4-H clubs and councils to maintain exemption from federal income tax, we must secure our own GEN.

To be eligible for inclusion, a club/council must meet the following requirements:

* Have an **Employer Identification Number** (EIN)
* Have a **Constitution/Bylaws** with specific language required by IRS
* Complete the **Group Exemption Authorization** form

To complete the application, we need your help in gathering the required pieces of information. Please submit the following to the extension office by (insert the date information is due to your office). A club/council cannot be included in the request for exemption if any of these are missing.

**Provide the club/council EIN number to the extension office**

* If a club handles finances, it must have its own EIN. If a club handles finances and does not have an EIN, then it MUST apply for one.
* 4-H clubs/councils need an EIN to open a bank account. Personal social security numbers of volunteers should never be used to open 4-H bank accounts.

**Complete the Group Exemption Authorization form**

This authorization is required as part of the application process. Complete and return the form to the extension office.

**Amend or develop the club/council constitution/bylaws**

The IRS requires certain information to be included in constitution/bylaws for groups included in a group tax exemption. Because the amended constitution/bylaws is a required component of the application process and because we know that clubs may not be meeting prior to the due date, it is not necessary for the entire club to vote to approve the amendments.

* If your club currently has a constitution/bylaws on file with the extension office
	+ the club leader and club president are to sign and return the **Amendments to Constitution** form.
* If your club currently has a constitution/bylaws, but it is not on file at the extension office
	+ The club may choose to make the required amendments directly to the constitution/bylaws before submitting; OR
	+ Submit existing constitution/bylaws along with the Amendments to Constitution form.
* If your club does not have a constitution/bylaws:
	+ A constitution/bylaws must be developed and submitted to the extension office. Use the **Template Constitution & Bylaws for 4-H Clubs**.

In order to retain the tax-exempt status, the following is required each year from the club/council.

* Submit a year-end financial report to the extension office.
* Provide information as needed to the extension office for us to file an IRS Form 990-N on your behalf.
* Clubs/councils who file Form 990 or 990-EZ are responsible for those filings.
* A club/council will be excluded from exemption if it fails to comply with the above.

Documents and forms referenced in this letter can be found the Nebraska 4-H website at <http://4h.unl.edu/web/4h/clubresources>. Please contact (insert contact information) with questions.

Thank you for your cooperation in ensuring that the 4-H clubs of this county continue to operate in a tax-exempt status.