

Filing Requirements (Federal, State, and local)

- IRS regulations require us to file a Form 990 or 990EZ and a schedule A tax return in any year in which we have gross receipts of at least \$25,000. If we have at least \$25,000 but less than \$100,000 and we have assets totaling less than \$250,000 we can use the 990EZ. In years prior to 2003, we did not have the minimum \$25,000 in revenue that would require filing the 990.
- Note that only income generated by the organization for exclusive use in connection with its stated purpose will be considered for exemption from taxes. If we have unrelated income in excess of \$1,000, we will need to file form 990-T. The 990, 990EZ, and 990-T are due by May 15 for the previous calendar year. The finance committee recommends that as soon as you sense that the organization may exceed \$25,000 in gross income, you seek competent advice from a CPA firm (see Resources section). The annual budgeting process should provide early notice of the gross income level. The IRS Form 990 or 990Z must be available for public inspection for three years following the filing date of the form during regular business hours at the organization's principal and branch offices. All parts of the return, schedules and attachments, except for the list of contributions, is public information. Once the form is filed, we will post it on our website to meet the requirement to make it publicly available.
- Also note that the IRS has very specific tests regarding preferential treatment for public charity foundations versus private foundations and so should we undertake a large fund raising or capital campaign we will want to seek guidance beforehand from a knowledgeable CPA firm.
- IRS regulations require us to file 1099 forms and an associated summary form for any individual whom we pay \$600 or more in any one fiscal year. One copy of the 1099 is mailed to the individual by the end of January and a second copy along with the summary form is mailed to the IRS by the end of February. This means each committee that puts on events with paid performers must report the amounts and first and last names of those paid, regularly and accurately.
- A nonprofit tax-exempt organization must notify the IRS of any changes in the organization's character, operations, or purposes even if the organization is not required to file an annual return. The IRS office that handles such notices is: IRS, Ogden, UT 84201-0027.
- Nonprofits with IRS tax-exempt status are not required to file State of Michigan Single Business Tax (SBT) or any municipal corporate returns. All employers must file payroll tax returns.
- Form C&S 2000, the annual information report, is mailed to the registered agent and the registered office (Peter Baker as of 2004) by the State of Michigan about three months before the due date of October 1, of each year. Filing fee: \$20. ***corporation is automatically dissolved if it fails to file or pay the fee for two consecutive years.***
- Form C&S 520, Certificate of Change of Registered Office and/or Registered Agent. Filing fee: \$20.
- Form C&S 541, Certificate of Assumed Name. Filing fee: \$20.
- Within 60 days from the time it first receives funds for charitable purposes, AACTMAD must file a questionnaire with the Michigan Attorney General (the Initial Charitable Trust/Charitable Solicitation Questionnaire). The Charitable Trust Section will determine whether registration and/or a solicitation license is required. Charitable organizations that expect to or annually receive \$8,000 or more per year within the State of Michigan from donations, except for grants from foundations or governmental bodies, must obtain a license unless specifically exempt from the Solicitations License Act. Solicitation license applications must be submitted to the Attorney General, Charitable Trust Section, (517-373-1152), within 30 days of reaching the limit. There is no fee. A license and a solicitation license number (MICS#####) will be issued. Annual renewals are due by May 31.
- Charitable contributions of \$250 or more in cash must be substantiated by AACTMAD to be deductible by an individual or business on their income tax return. Charitable contributions of non-cash properties in excess of \$5,000 require a signature from AACTMAD on the donor's Form 8283 and require certification by a qualified appraiser.
- 501(c)(3) organizations are exempt from paying Michigan Sales or Use taxes on purchases that are to be used for exempt purposes.
- Sales taxes must be collected and paid if retail sales exceed \$5,000 per year. This includes selling prepared food, greeting cards, calendars, T-shirts, etc. If more than two special sales events are held a year, or if sales are ongoing, a sales tax license is required.
- AACTMAD may be liable for personal property tax on its tangible personal property. Nonprofit corporations do not automatically qualify for property tax exemption. Exemption is granted if the property is owned and occupied solely for its incorporated purpose. For application for exemption, contact the local city and county tax departments and/or assessor's office. Should we acquire substantial property in the future, we may wish to seek advice from a competent CPA.