USDA’s 501(c)(3) Nonprofit Group Exemption Program

Presented by:
Jim Maczko – Group Exemption Co-Administrator - Applications
Pat Inglis – Group Exemption Co-Administrator - Renewals
Background

- From 1981 – 2011: USDA was a 501(c)(4) social welfare organization.
- 2009: Applied for 501(c)(3) based on educational materials and Youth Scholarship program.
- Initial application denied due to lack of dissolution clause.
- June 2010 Annual Meeting: USDA bylaws amended to include dissolution clause.
Background

- 2010: 501(c)(3) application resubmitted
  - IRS requested additional information
  - USDA sought legal counsel
- November 2011: IRS recognized the United Square Dancers of America as a 501(c)(3) nonprofit.
Background

- June 2012: Board of Directors authorized USDA to pursue becoming 501(c)(3) Nonprofit Group Exemption Program Administrator
- 2012 – 2018:
  - Communicated with Affiliates about Group Exemption Program option
  - Identified affiliates interested in participating
- December 2018: Initial application submitted with three USDA Affiliates
- December 2019: IRS granted USDA Group Exemption Program Administrator status
Benefits of Nonprofit Status

- Relieved from filing separate/individual 501(c)(3) non-profit status applications
- Exempt from Federal income tax.
- Relieved from paying state corporate income, franchise, and excise taxes.
- Eligible to receive private foundation grants.
- Qualified to receive tax deductible bequests, devices, transfers, or gifts.
Benefits of Nonprofit Status

- Eligible to receive corporate donations.
- Contributors can deduct donations from income taxes.
- Potential to rent dance facilities below-market rates.
- Eligible for lower postal rates on third class bulk mailings.
- Entitled to Public Service Announcements (PSAs) on Radio and Television.
Benefits of Nonprofit Status

- USDA Affiliate Officers and Committee Chairs may deduct out-of-pocket expenses when serving the nonprofit entity.
- Designation is perpetual and needs to simply be renewed annually with USDA.
- 501(c)(3) status adds to organization’s legitimacy and credibility.
Who is Eligible

- **USDA Direct Affiliates**: State, Regional and Area Square Dance organizations that are members of USDA.
- **USDA Associate Members**: NEW!
  - Area Associations, Councils, and Clubs that are members of a direct USDA Affiliate may now become Associate Members of USDA
  - May also apply to USDA for 501(c)(3) nonprofit status.
Qualifications / Requirements

- Groups must follow all IRS guidelines for 501(c)(3) Nonprofit Status.

- Governing Documents must include:
  - Statement that they are organized exclusively for charitable, educational, purposes.
  - Agree to adhere to the USDA Bylaws and Standing Rules.
  - Agree to Subscribe to the USDA Code of Conduct and Code of Ethics.
  - Include an appropriate Dissolution Clause
Procedures


- For organizations that are not currently USDA Affiliates, these forms include:
  - Application forms for Affiliate or Associate Member.
  - Procedures for conforming to the Group Exemption Program Application Procedures / Requirements.
Application for Affiliate Membership

UNITED SQUARE DANCERS OF AMERICA

Application for Affiliate Membership

Live Lively—Square Dance!

The name of organization: ____________________________

Representing dancers in: ____________________________

State, Area, Region: ____________________________

Hereby applies for Affiliate Membership in the UNITED SQUARE DANCERS OF AMERICA, INC. (USDA).

We are a State: [] Region: [] Area: [] organization.

We represent ____% of the dancers in our state.

Our voting members are: (check appropriate space(s))

- Individual Dancers
- Associations, Federations, Councils, etc.
- Clubs

We represent: (give number in each space)

- Individual dancers: __
- Associations, Federations, Councils, etc.: __
- Clubs: __

We are a non-profit organization: [] Yes [] No

Pursuant to USDA Standing Rule No 4, we understand that we qualify for one of the following: (check applicable space)

- Dues: $100
- Dues: $75
- Dues: $50
- Dues: $25

Signed: ________________________ Date: ____________

Pursuant to USDA Standing Rule No 4, return completed Application for Affiliate Membership to the Vice President of the USDA Region from which the application originated together with copies of the following applicant's documents:

- Resolution (USDA Form 002)
- Articles of Incorporation (If any)
- Constitution and Bylaws (If any)
- Map showing organizational boundaries
- Roster of Organization Officers and Delegates to USDA Board of Directors

Signed: ________________________ Date: ____________
Application for Associate Membership

UNITED SQUARE DANCERS OF AMERICA
Application for Associate Membership

The ____________________________
Representing dancers in _____________
(St., City, Area, State)
Hereby applies for Associate Membership in the UNITED SQUARE DANCERS OF AMERICA, INC. (USDA).
We are a State: □ Region: □ Area: □ Club: □ organization.
A Requirement to become an Associate Member of USDA, your Organization Must Belong to an USDA Affiliate. Our Group is a Member in Good Standing of the Following USDA Affiliate Member Organization.

Our voting members are: (check appropriate space/s)
□ Individual Dancers
□ Associations, Federations, Councils, etc.
□ Clubs
We represent: (give number in each space)
□ Individual dancers
□ Associations, Federations, Councils, etc.
□ Clubs
We are a non-profit organization: □ Yes □ No
Pursuant to USDA Standing Rule No 5, we understand that as an Associate Member of USDA we are required to pay Annual dues of $25 with No Voting Rights
Signed ___________________________ Date ___________________________
Signed ___________________________ Date ___________________________

Return completed Application for Associate Membership to the Vice President of the USDA Region from which application originated together with copies of the following applicant’s documents:
□ Resolution (USDA Form 002A) □ Articles of Incorporation (if any)
□ Constitution (if any) □ Bylaws and Standing Rules
□ Check for Dues □ Map showing organizational boundaries
□ Roster of Organization Officers and Delegates to USDA Board of Directors.
(Include names, addresses, city, state, zip, area code, phone numbers & e-mail addresses)
Group Exemption Applicant Organization Letter
Requesting to be Included

Applicant Organization Letterhead

UNITED SQUARE DANCERS OF AMERICA, INC.
Non-Profit Group Exemption Program
Post Office Box 712918
San Diego, California 92171-2918

Attention: USDA Group Exemption Co-Administrators:

This will serve to confirm that the ____________________________
Name of Applicant Organization - USDA Affiliate / Member Organization
seeks to be included in the United Square Dancers of America's (USDA) 501(c)(3) Non-
Profit Group Exemption Program.

In addition, the ____________________________ agrees to continue
Name of Applicant Organization - USDA Affiliate / Member Organization
to abide by the United Square Dancers of America's Code of Ethics and Code of Conduct
and comply with the USDA's Bylaws and Standing Rules, which were among the original
terms of affiliation between the ____________________________ and the
Name of Applicant Organization - USDA Affiliate / Member Organization
United Square Dancer of America, and is reiterated within the ____________________________
governing documents.

Respectfully,

______________________________
Signature of duly authorized Officer or Other Representative of the Applicant Organization

______________________________
Name of Applicant Organization - USDA Affiliate / Member Organization
Group Exemption Program Application
Group Exemption Program Financial Certificate
Group Exemption Program Financial Certificate (cont)

- UNITED SQUARE DANCERS OF AMERICA
- 501 (C)(3) Non-Profit
- Group Exemption Program
- Annual Report
- Financial Certificate / Balance Sheet

**Name of USDA Group Affiliate / Member:**

**Employer Identification Number (EIN):**

**Balance Sheet:**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>Payables</td>
</tr>
<tr>
<td>Equipment</td>
<td>Unpaid Bills</td>
</tr>
<tr>
<td>Receivables</td>
<td>Other liabilities</td>
</tr>
<tr>
<td>Other assets</td>
<td>Total Liabilities</td>
</tr>
</tbody>
</table>

**July 1, 20____ through December 31, 20____**

**Total Assets**

**Total Liabilities**

**GENERAL FUND**

Net Balance From Last Year $________

Net Surplus / Loss From Current Year $________

**Total General Fund / Liabilities Balance $________**

(General Fund balance and Liabilities should equal Assets; if not, something is wrong.)

**Signatures:**

Please read and sign the following statements:

I am a duly authorized officer / Treasurer of the USDA Group Affiliate / Member.

I attest that to the best of my knowledge; the above financial information is correct.

Name of USDA Affiliate / Member: __________________________

Signature: __________________________

Print Name: __________________________

Title: __________________________

Date: __________________________

Return completed forms to:

Jim Marzilo - Co-Administrator
USDA Group Exemption Program
Post Office Box 712918
San Diego, California 92171-2918
619-296-2625, 619-296-2626
jmarzilo@yahoo.com, 712918@optonline.net
jmarzilo@usa.net

Pam Ingles - Co-Administrator
USDA Group Exemption Program
1348 Universal Drive
Stone Mountain, Georgia 30083
678-294-0260
pingles@usa.net
712918@optonline.net
Program Costs

USDA Affiliate Members
- Annual membership dues of $25 - $100
- Initial application fee of $100
- Annual renewal fee of $50

USDA Associate Members
- Annual membership dues of $25
- Initial application fee of $100
- Annual renewal fee of $50

File annual financial reports with USDA
File Form 990-N or 990-EZ annually with IRS
Future USDA Webinar Topics

► December: USDA Youth Program and Youth Scholarship
► January: Do You Hear What I Hear: Getting the Word Out
► February: Promoting Square Dancing During the Most Challenging of Times with Mike Hogan
► March: USDA Educational Materials
► April: USDA at the National Convention
► May: USDA Handicapable Program
► June: USDA Specialty Programs and Honors
THANK YOU!
Q & A