



OREGON UTILITIES COORDINATING COUNCIL March 10, 2020

Presented by Wicks Emmett LLP – Certified Public Accountants



OVERVIEW

- ▶ 1. Forming a New Entity
- ▶ 2. Applying for Non-Profit/Tax-Exempt Status
- ▶ 3. Staying in Compliance to Maintain Tax-Exempt Status
- ▶ 4. How Wicks Emmett LLP can assist you with any or all of these tasks



Forming a New Entity



Forming a New Entity

- Registering with the Oregon Secretary of State's Office & filing articles of incorporation
- Establishing written bylaws
- Applying for a federal identification number (EIN)
- Establishing bank account



Registering with the Oregon Secretary of State & Filing Articles of Incorporation

- ▶ The Secretary of State Business Registration page can be found here:
 - ▶ <https://sos.oregon.gov/business/Pages/register.aspx>
- ▶ In order to register online, you will need to either log in or create a new user account
- ▶ You will need the following information:
 - ▶ Legal name of organization
 - ▶ Name of the registered agent and a physical address (no PO box is allowed for the registered agent)
 - ▶ Type of Corporation (Public Benefit is likely the best choice)
 - ▶ Whether or not your corporation will have members
 - ▶ Where will your assets go upon dissolution
 - ▶ Names of the incorporators
 - ▶ Names and addresses of Initial President and Secretary



Registering with the Oregon Secretary of State & Filing Articles of Incorporation

- Forms to register as an Oregon Nonprofit Corporation can be found here:
 - <https://sos.oregon.gov/business/Pages/domestic-nonprofit-corporation-forms.aspx>
 - This is where you will also find the forms to reinstate if your corporation needs to be reinstated
- Articles of Incorporation Form can be found here:
 - <https://sos.oregon.gov/business/Documents/business-registry-forms/np-articles.pdf>
 - There is a \$50 fee to file your articles of incorporation



Establishing Written Bylaws

- ▶ All organizations need bylaws
- ▶ If you are unsure if your council has bylaws, you can check here:
 - ▶ <http://www.oucc.net/councils.asp>
 - ▶ Based upon our review of the information posted on OUCC's website, several councils do not have their bylaws posted, and one council is using another council's bylaws



Applying for a Federal ID Number (EIN) and Establishing a Bank Account

- ▶ All organizations will need to have their own unique Employer Identification Number (EIN). This number is issued by the Internal Revenue Service (IRS) and is your organization's federally recognized ID number.
- ▶ EIN's are obtained by filing Form SS-4
 - ▶ <https://www.irs.gov/pub/irs-pdf/fss4.pdf>
 - ▶ For paper filing
 - ▶ <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>
 - ▶ For online filing – online filing is strongly recommended
- ▶ Why get an EIN?
 - ▶ Your council will need its own EIN to be able to open a bank account in its name
 - ▶ Your council will need its own EIN to apply for tax-exempt status



Applying for an EIN and Establishing a Bank Account

- ▶ You will need the following information when applying for an EIN:
 - ▶ Legal name of entity
 - ▶ Mailing and Street Address (if different)
 - ▶ County and State where principal business is located
 - ▶ Name and Social Security Number (SSN) of responsible party
 - ▶ Type of entity
 - ▶ Reason for applying
 - ▶ Date business started
 - ▶ Closing month of accounting year (if not December)
 - ▶ How many employees expected in the next 12 months
 - ▶ Principal activity of business
 - ▶ Whether or not the entity has had an EIN before, and if so, what it is
 - ▶ Name, address, and phone number of any third party designee



Applying for Non-Profit/ Tax-Exempt Status



Applying for Non-Profit/Tax-Exempt Status

- Federal Registration
 - Completing Form 1024, 1024-A or Form 1023-EZ, and paying the applicable user fee
- Registering with the Oregon Department of Justice, Charitable Activities Division

Federal Registration: Which Form Should I Use?

- ▶ 501(c)(6)
 - ▶ “Section 501(c)(6) of the Internal Revenue Code provides for the exemption of business leagues, chambers of commerce, real estate boards, boards of trade and professional football leagues, which are not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual”
- ▶ If you are applying to be a 501(c)(6) organization, use form 1024
 - ▶ Form: <https://www.irs.gov/pub/irs-pdf/f1024.pdf>
 - ▶ Instructions: <https://www.irs.gov/pub/irs-pdf/i1024.pdf>
 - ▶ Form 8718 (user fee): <https://www.irs.gov/pub/irs-pdf/f8718.pdf>
 - ▶ Current user fee is \$600 https://www.irs.gov/irb/2020-01_IRB#idm139960914697360, see appendix A

Federal Registration: Which Form Should I Use?

- ▶ 501(c)(4)
 - ▶ “To be tax-exempt as a social welfare organization described in Internal Revenue Code (IRC) section 501(c)(4), an organization must not be organized for profit and must be operated exclusively to promote social welfare.”
 - ▶ If you are applying to be a 501(c)(4) organization, use form 1024-A
 - ▶ Form: <https://www.irs.gov/pub/irs-pdf/f1024a.pdf>
 - ▶ Instructions: <https://www.irs.gov/pub/irs-pdf/i1024a.pdf>
 - ▶ Form 8718 (user fee): <https://www.irs.gov/pub/irs-pdf/f8718.pdf>
 - ▶ Current user fee is \$ 600 https://www.irs.gov/irb/2020-01_IRB#idm139960914697360, see appendix A
 - ▶ Form 8976, Notice of Intent to Operate Under Section 501(c)(4)
 - ▶ Must be filed within 60 days of formation
 - ▶ \$50 fee
 - ▶ Must be filed electronically: <https://services.irs.gov/datamart/login.do>

Federal Registration: Which Form Should I Use?

▶ 501(c)(3)

- ▶ “To be tax-exempt under section 501(c)(3) of the Internal Revenue Code, an organization must be organized and operated exclusively for exempt purposes set forth in section 501(c)(3), and none of its earnings may inure to any private shareholder or individual. In addition, it may not be an **action organization**, i.e., it may not attempt to influence legislation as a substantial part of its activities and it may not participate in any campaign activity for or against political candidates.”
- ▶ If you are applying to be a 501(c)(3) organization, use form 1023-EZ
 - ▶ Must be filed online: <https://pay.gov/public/form/start/62759871>
 - ▶ Instructions: <https://www.irs.gov/pub/irs-pdf/i1023ez.pdf>
 - ▶ Current user fee is \$275 https://www.irs.gov/irb/2020-01_IRB#idm139960914697360



Registering with the Oregon Department of Justice

- Oregon Department of Justice, Charitable Activities Section registration page can be found here: <https://www.doj.state.or.us/charitable-activities/starting-or-closing-a-charity/registering-a-new-charity/>
- You will need to file Form RF-C
 - Fillable PDF: https://www.doj.state.or.us/wp-content/uploads/2017/06/2011_rfcweb.pdf
 - Word Document: https://www.doj.state.or.us/wp-content/uploads/2017/06/2011_rfcweb.doc
 - No fee is due with Form RF-C
 - Oregon law requires public benefit corporations to have a minimum of 3 directors.
 - You must have the following officers:
 - President, Secretary, and Treasurer (the same person cannot be all 3)
 - An officer may be, does not need to be, a member of the board of directors



Staying in Compliance to Maintain Tax-Exempt Status


Staying in Compliance to Maintain Tax-Exempt Status

- ▶ Filing the 990-N or 990-EZ with the Federal government
 - ▶ Due each year by May 15
 - ▶ No extensions are available if you file a 990-N; if you miss the deadline, you must file a 990-EZ, and pay late filing fees (unless you've chosen to extend the 990-EZ)
 - ▶ 990-N is for organizations whose average gross receipts over the last 3 years are less than \$50,000
- ▶ 990-N
 - ▶ 990-N must be e-filed. More information can be found here: <https://www.irs.gov/charities-non-profits/annual-electronic-notice-form-990-n-for-small-organizations-faqs-how-to-file>
 - ▶ File the 990-N here:
<https://sa.www4.irs.gov/eauth/pub/login.jsp?Data=VGFyZ2V0TG9BPUI%253D&TYPE=33554433&REALMOID=06-000ca231-ad53-16bc-8663-483c0adb40e7&GUID=&SMAUTHREASON=0&METHOD=GET&SMAGENTNAME=UOkC7yx4eMTO24FGxPfBRb5q3Mj3Xh3pyXfBEjYyHJ97nGCXu16wx5MzFHjZmlG&TARGET=-SM-https%3a%2f%2fsa%2ewww4%2eirs%2egov%2fepostcard%2fsecure%2fhome%2f>
 - ▶ You will need to create an account if you don't have one already
- ▶ 990-EZ
 - ▶ Form: <https://www.irs.gov/pub/irs-pdf/f990ez.pdf>
 - ▶ Instructions: <https://www.irs.gov/pub/irs-pdf/i990ez.pdf>



Staying in Compliance to Maintain Tax-Exempt Status

- Filing the CT-12 with the Oregon Department of Justice, with payment
 - Due each year by May 15
 - A 6 month extension to file and pay is available upon request
 - CT-12 Form and Instructions can be found here:
<https://www.doj.state.or.us/charitable-activities/annual-reporting-for-charities/file-your-annual-report/>
 - Request an extension here: <https://www.doj.state.or.us/charitable-activities/annual-reporting-for-charities/request-filing-extension-annual-reports/>
- Filing the annual business registration renewal with the Oregon Secretary of State, with payment (\$50 for a nonprofit corporation)
 - Due each year on the anniversary date of the original filing
 - Secretary of State's office typically sends renewal notices 45 days in advance of due date
 - File online here: <https://secure.sos.state.or.us/cbrbr/renewal.action#stay>



What Happens if You Fail to File Annual Reports?

- Failure to file 990-N or 990-EZ for three consecutive years will lead to automatic revocation of tax-exempt status by the IRS
- Failure to file the CT-12 will result in penalties being imposed by the Oregon Department of Justice, Charitable Activities section, and could lead to charitable status in Oregon being revoked
- Failure to renew with the Secretary of State will lead to an administrative dissolution by the State. There is an extra fee to be reinstated



How Wicks Emmett LLP can Assist Your Council with Any or All of These Tasks



How Wicks Emmett LLP can assist you with any or all of these tasks:

- ▶ Wicks Emmett LLP can assist you with the following:
 - ▶ Registering with the Oregon Secretary of State's Office
 - ▶ Applying for a Federal EIN
 - ▶ Completing or reviewing the Form 1024, 1024-A or 1023-EZ
 - ▶ Completing or reviewing the Form RF-C
 - ▶ Filing the 990-N, or 990-EZ, as applicable
 - ▶ Filing the CT-12
 - ▶ Filing the annual business registration renewal with the Oregon Secretary of State and acting as your registered agent

**Thank you for your time
and for making our community
a safer place to live.**

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We succeed when you succeed



Questions?

We'd be happy to answer them!

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