

New Club Organization

The District will assign either 1 Lion or a team of Lions to assist each new Club to get started especially with Tax Compliance. As a new club gets its minimum of 20 members, this person will co-ordinate to file all paperwork with Lions Clubs International (LCI) (new Club Application). When LCI comes back with an ID number especially assigned to the new Club, the Club needs to file for an employer identification number (EIN).

Every organization must have an employer identification number (EIN), even if it will not have employees. The EIN is a unique number that identifies the organization to the Internal Revenue Service.

To apply for an employer identification number, you should obtain [Form SS-4 PDF](#) and its [Instructions PDF](#).

You can apply for an EIN on-line, by mail, or by fax. You may also apply by telephone if your organization was formed outside the U.S. or U.S. territories. Make sure that you select *organization* or *other nonprofit organization* as the **type of entity**. For more information about EIN application procedures, see [Question 4 of FAQs regarding Applying for Tax Exemption](#).

The EIN is not your *tax-exempt number*. That term generally refers to a number assigned by a state agency that identifies organizations as exempt from state sales and use taxes. You should contact your state revenue department for additional information about *tax-exempt numbers*.

Note: Don't apply for an EIN until your organization is legally formed. Nearly all organizations are subject to automatic revocation of their tax-exempt status if they fail to file a required return or notice for three consecutive years. When you apply for an EIN, we presume you're legally formed and the clock starts running on this three-year period.

Visit <https://www.irs.gov/charities-and-nonprofits> for filing annual return information.

To Close an Existing Account - Canceling an EIN

The IRS cannot cancel your EIN. Once an EIN has been assigned to a business entity, it becomes the permanent Federal taxpayer identification number for that entity. Regardless of whether the EIN is ever used to file federal tax returns, the EIN is never reused or reassigned to another business entity. The EIN will still belong to the business entity and can be reused at a later date, should the need arise.

If you receive an EIN but later determine you do not need the number (the new business never started up, for example), the IRS can close your business account.

To close your business account, send them a letter that includes the complete legal name of the entity, the EIN, the business address and the reason you wish to close your account. If you have a copy of the EIN Assignment Notice that was issued when your EIN was assigned, include that when you write to us at:

Internal Revenue Service
MS 6273
Ogden, UT 84201

Note: If (1) you made a Federal Tax Deposit or other Federal tax payment, (2) are liable for any Business Taxes, or (3) the IRS has notified you that a business tax return is due, you must file the

appropriate tax return(s) before we can close your account. See Closing a Business for other actions you may need to take.

Note: Once the Club has an EIN number, it must register for exemption from paying taxes from the Federal IRS.

- a. The Club should file form 1024-A as a 501-C-4
- b. The Club should file form 1023 for a 501-C-3

Note: Each year the Club needs to file an information return. File 990, 990EZ or 990n (a post card for earning less than \$50,000 in gross income)

- a. To file 990n, go to irs.gov/990n
- b. To file 990EZ or 990, go to www.irs.gov/forms and look up the forms needed.

Registering with the State of California as either a 501 C 4 or a 501 C 3

It is assumed at this point; the Club has legally formed through the District and Lions Clubs International. The next step would be to obtain an EIN number from the IRS. See above. Once the EIN number is obtained (keep all paperwork in case of problems) you can continue registering with the State of California.

NOTE: Quotation marks are used to show words you will be looking for on the websites.

1. First the Club needs to file with the Secretary of State. Look up www.sos.ca.gov
 - a. Go to and click on “Business.” Scroll down to “Business Entities” and click on it.
 - b. Click on “More about Business Entities”
 - c. Under Business Entities (on far left side), Click on “Form a Business”
 - d. Under Business Entities, click on “Register a Business”
 - e. Scroll down to “Nonprofit Corporation initial Filings”
 - f. Click on “Articles of Incorporation – CA – Nonprofit Corporations – Public Benefits”
 - g. Fill out and file online, pay processing fee.
2. Once you have received a “C” number, you can proceed to the next step.

NOTE: The Club must file an SI-100 form every 2 years. To obtain this form go onto the above website, find Statement of Information – SI-100, fill it out and file.

3. Next the Club needs to file with the California Franchise Tax Board www.ftb.ca.gov
 - a. You will need to have the paper work showing you are tax exempt from the IRS and the “C” from the Secretary of State.
 - b. Go onto the www.ftb.ca.gov website and click on “file.”
 - c. On Left side, click on “Business”
 - d. Under “Business Types,” Click on “Charities and Nonprofits”
 - e. Scroll down to “Submission of Exemption Request (Form 3500A)”
 - f. Click on “Down Load the Form”. Form is fillable, fill out, save and print
 - g. Mail in document

NOTE 1: Club must submit a form 199 or 199n (gross income of \$25,000 or less). Go to www.ftb.ca.gov, Click on "File" on left side click on "Business". Under "Business Type" click on "Charities and Nonprofits" on left side, click on Annual Filing Requirements". Under "Filing Requirements" click on California E-Post Card or click on 199 to get report and file.

NOTE 2: Keep all copies of each form completed in this process.

4. Next the Club needs to file with the Attorney General of California (www.oag.ca.gov/charities/forms)
 - a. Log onto the Attorney General of California's website www.oag.ca.gov/charities/forms
 - b. On Right Side, click on "initial registration".
 - c. Scroll down and view the webinar in it's entirety. (suggest you take notes on the process) (you will not be able to continue unless you view the entire webinar)
 - d. Lions are a "Public Benefit Corporation"
 - e. Scroll back up (same page) to "Updated form CT-1 for 2020"
 - f. Click on "Form CT-1"
 - g. Complete, sign and mail to address on form.
 - h. The Club will be issued a "CT" number for use with annual returns

NOTE 1: Filing requires to go back onto the Attorney General's website (www.oag.ca.gov/charities/forms). Scroll down to "Updated Forms for 2022". Click on "Form RRF-1". Check to see if "Form CT-TR-1" is needed.

NOTE 2: Raffles are raffles no matter what the Club may call them. If a Club wants to hold raffles legally, they must register with the Attorney General's Office. Most Clubs have opted to forgo raffles and do Happy Dollars or similar.

NOTE 3: All the steps listed above must be completed in the order stated. Gross receipts mean all income from where ever before expenses have been removed.

NOTE 4: If late filings need to be submitted, you may get notices to pay fines. Pay the fines to bring the Club up to being tax compliant. Suggest initial filing be completed by a professional, especially if they stand by their work. Let them make the mistakes, if any. They should know what they are doing.