

Michigan Association for Gifted Children

THINGS ALL CHAPTER OFFICERS SHOULD KNOW

Forms necessary for legal recognition as a Chapter

Place this letter and all of the listed forms in a notebook and label Chapter (Affiliate) Handbook. These letters and papers recognize you as a legal subordinate organization (Chapter) of the Michigan Association for Gifted Children. Through these papers you are able to be a non-profit organization under our umbrella. Pass this papers/notebook on to the newly elected president and officers.

Letter of Recognition (mailed yearly upon completion of renewal forms)

Your Letter of Recognition (from the Vice President for Chapter) may be required to conduct various types of business. Your letter is in effect for the calendar school year issued and renewable each year as your Chapter renews. It indicates that your purposes and bylaws are in concert with the parent organization and that you are exempt from federal income tax under 501(c)(3) of the Internal Revenue Code.

Federal Exemption Number

The Federal Exemption Number issued to MAGC (Federal GEN #2762, Group Exemption Number), your parent organization, recognizes it as a 501(c)(3) organization. *Interpretation:* As a registered Chapter in good standing, you are exempt from federal income taxes and filing a report *as long as* you are listed on our yearly filing and *as long as* your yearly budget does not exceed \$25,000. We must certify your organization as a Chapter EACH YEAR, and submit a copy of your financial statement with our IRS filing by end of June (w/your report of previous year). You must also now file an online postcard verifying your affiliation with MAGC. The 501(c)(3) status that you enjoy as a Chapter also means that donations to your organization and expenses incurred working for the organization are tax deductible to the donor within the limits of the tax code.

Certificate of Amendment to Articles of Incorporation

The number of MAGC's state corporation identification number (CIN) is 758-152 and gives evidence that we are registered as a non-profit corporation with the Michigan Department of Commerce. (green form)

Michigan Sales and Use Tax Certificate of Exemption (white form enclosed)

As the parent group of the Michigan subordinate chapters, our paperwork verifying this nonprofit status allows your group to use these certificates. DO NOT use if you are no longer a Chapter. *Interpretation:* As a Chapter, you fall under our umbrella and are exempt from sales tax on items you purchase specifically for chapter business. We trust that you will not misuse this right. The appropriate Certificate of Exemption Form (white) is enclosed. Read carefully and photocopy as needed. Attach a copy of the cream colored IRS form as requested on the form. A copy of your Letter of Recognition will also be required. See Section 3 of Certificate for "Nonprofit Internal Revenue Code Section 501(c)(3).

When making purchases, often the company will ask you just for *your* EIN (or FEIN) number. The "official" way of handling transactions, however, is to GIVE the company a copy of the Certificate of Exemption Form filled out and dated at the bottom for EACH purchase. If repeated business is expected, check the appropriate box and the company will keep the form on file. Be prepared. Some companies may also ask for more exact proof of who you are: Letter of Recognition, MAGC's Federal GEN number, MAGC's State Incorporation number, and your own State EIN number. Carry these Alliance numbers with you: Federal GEN #2762; State EIN #38-2096360; State Incorporation #758-152. Companies will need this form for 'donations' to your group, too.

The obligation to pay sales tax to the state on items you sell is still in effect.

Questions regarding this information, contact magc@migiftedchild.org, www.migiftedchild.org