

LIONS CLUB
Supplemental Instructions
Retail Sales & Use Tax Exemption
November 8, 2013

SECTION I – Part 1

Check the box: “Renew Exemption Application”

All Lions Clubs were exempt until 30 June 2003 when our group exemption expired.
This includes clubs formed after 2003.

SECTION I – Part 2

Check appropriate box.

You need to submit a separate application if you have a 501c(4) and a 501(3)

You need to include a copy of your letter from IRS.

1. 501c(3) will need a copy of your letter from the IRS, so if you don't have one, call the IRS at **(877) 829-5500, give them your FEIN, and they will send you a new letter in 5 to 10 business days.**
2. 501c(4) clubs, and that is most of us, are covered under an IRS Group exemption issued to LCI on 4 December 1940 with a follow-up letter dated 24 August 1972 that are attached under separate cover.

SECTION II –

Questions 1 to 5 are self explanatory

Question 6: Check the box: “Civic and Community Service”

SECTION III – Skip this section, we are not a church

SECTION IV – Question 8

Check the box: “Services for the blind, deaf, hearing impaired, drug abuse programs, and musically talented children of Virginia”

SECTION V – Question 9

OK. Here is where it is going to get interesting.

(a) **Previous Year's Annual Gross Revenue (AGR):**

- 1) If you club files a federal form 990, then you enter the amount as reported to the IRS on line 12.
- 2) If you club files a federal form 990-EZ, then you enter the amount as reported to the IRS on line 9.
- 3) If your club files a federal form 990-N (e-Postcard), then you have to do a manual calculation of all revenue. This includes income from all fund raising activities, money collected for member's meals, fines, dues without deducting ANY expenses.

4) In any case, if your gross revenue is less than \$5,000, then you will need to include a copy of your club's mission statement or statement of purpose. I assume from your incorporation documents.

(b) **Previous Year's Total Fund Raising:** This is where you will be reporting the your fundraising expenses, but does NOT include the cost of purchasing items for resale, such as brooms, mints, oysters, flowers, onions...

Included in this category are expenses such as printing fliers for the fundraising event, cost of ads taken out in newspapers, costs of asking for donations, such as postage, envelopes, printing costs, ticket costs, and administrative costs to hold your event such as costs for permits, security, insurance, salaries, tent rentals, ...

(c) **Previous Year's General Administrative Costs:** This is where you will be reporting the clubs other administrative costs not included in (b) above. This is things like rent, office materials, professional fees, other non-fundraising costs such as printing, publications, postage, shipping, ...

Section VI -

Estimate of Tangible Personal Property Purchased and Sold in Virginia

Definition of Tangible Personal Property (TPP) – is any items that can be seen, weighed, measured, felt, or touched, or is in any other manner perceptible to the senses. Examples of tangible personal property include, supplies, furniture, office equipment, or any items purchased for use or consumption by the organization.

Question 10 – Part 1 total taxable purchases of TPP. Few, if any clubs, will have much TPP. Do not include cost of items for resale such as the Lions Brooms, Mints, ... Also, do not include items for charitable giving such as eyeglasses, hearing aids, trees, childrens books, and other tangible property that is part of your charitable giving. The cost of the SPOT system, cases, printers, and the like should be included.

Question 10 – Part 2 total taxable sales of TPP. Few if any clubs will have much of TPP. Do not include cost of items for resale such as the Lions Brooms, Mints, ... The sale or exchange of an old PediaVison machine, cases, printers, and the like would be included.

Question 11 – ALL Lions Clubs are required to file a 990, so check the appropriate box.

Question 12 – Check the box: “Yes”.

Attach the “VDACS Joint Exemption letter, dtd January 2, 1980”.

OK. That covers it and good luck. Contact your CPA with any questions or for those without such advisors, you can call me, or try the Virginia Department of Taxation Nonprofit Exemption Unit at **(804) 371-4023**, who much easier to get a hold of and were much more pleasant than the IRS.

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