

Tax Exempt Status

The Texas Retired Teachers Association (TRTA) is a tax-exempt nonprofit organization under the Internal Revenue Code 501(c)(4). **501(c)(4) organizations, also known as membership organizations, are nonprofits that cannot accept charitable contributions.** Districts and local units are not considered tax-exempt entities unless they have applied for tax-exempt status of 501(c)(4) membership organizations.

The Internal Revenue Service (IRS) is taking a closer look at nonprofit organizations and their affiliates. The IRS is requiring all nonprofit organizations to file an annual tax return. All districts and local units affiliated with TRTA fall under this requirement.

TRTA now has a procedure in place to include districts and local units under its Employer Identification Number (EIN). TRTA districts and local units are eligible to file their annual membership activity with the TRTA *Form 990, Return of Organizations Exempt from Tax*, and take part in TRTA's tax-exempt status.

You have the following options in order to obtain compliance (see the form on the following page):

1. You can provide your yearly activity information to the TRTA state office. Your activity will be included in the TRTA annual tax return, and you will not be required to file a return. This is the recommended option.
2. You can apply for a tax exemption letter from the IRS by completing Form 1024, and then file your own annual tax return. **Substantial costs to your district/local unit are associated with this option.** If the IRS approves your tax-exempt status, you will have a "Letter of Determination" from the IRS. If you are a tax-exempt entity, you are required to file the 990N or e-postcard return.
3. If you have a tax exemption letter from the IRS, you can file your own return. Some districts and local units already are filing their own returns and may continue to do so if they wish.

If you select option 1, please complete and return the option form and the tax reporting activity forms, provided on the following pages, by September 1, 2017. For the initial year, you will need to submit your bank statement for July 1, 2016 to the TRTA state office at your earliest convenience.

If you select options 2 or 3, a copy of the return filed with the IRS will need to be provided to TRTA on an annual basis.

Please contact Rosalind Johnson, TRTA CFO, at rosalind@trta.org or 512.476.1622 with any additional questions or concerns.

Texas Retired Teachers Association Tax Option Form

TO BE FILED WITH THE TRTA OFFICE ON OR BEFORE JULY 1, 2017

District Number _____

Local Unit Name and Number _____

The Undersigned _____ (District/Local Unit Name) does hereby select the following option in order to comply with the tax exempt status requirements of the Internal Revenue Service.

_____ Option 1: Provide your yearly activity information to the TRTA state office. Your activity will be included in the TRTA annual tax return, and you will not be required to file a return. **This is the recommended option.** (See the form on the following page).

_____ Option 2: You can apply for a tax exemption letter from the IRS by completing Form 1024, and then file your own annual tax return. **Substantial costs to your district/local unit are associated with this option.**

_____ Option 3: If you have a tax exemption letter from the IRS, you can file your own return. Some districts and local units already are filing their own returns and may continue to do so if they wish.

Please provide the approval date (made by Board, Executive Committee or Entire Body) of the option selected above.
Date option selected was approved: _____

President

Treasurer

Date

Date

Mailing and Email Address for District/Local Unit

UPON COMPLETION, SEND FORM TO:

Mail: Rosalind Johnson, CFO

Texas Retired Teachers Association

313 E. 12th St., Suite 200

Austin, TX 78701

Fax: 1.512.476.1003

Email: rosalind@trta.org

Texas Retired Teachers Association Tax Reporting Activity Form (TR-1)

TO BE FILED WITH THE TRTA OFFICE ON OR BEFORE AUGUST 1, 2017

District Number _____

Local Unit Name and Number _____

The Undersigned _____ (District/Local Unit Name) does hereby authorize the Texas Retired Teachers Association to include the activity listed below in its Annual Information Return (Form 990) filed with the Internal Revenue Service.

This is also to affirm that the undersigned District/Local Unit is organized and will operate in accordance with the purpose, character and prescribed method of operation as required of the 501(c)(4) tax exempt entity.

President

Treasurer

Date

Date

Mailing Address for District/Local Unit

UPON COMPLETION OF TR-1 AND TR-2 FORMS, SEND FORMS TO:

Mail: Rosalind Johnson, CFO

Texas Retired Teachers Association

313 E. 12th St., Suite 200

Austin, TX 78701

Fax: 1.512.476.1003

Email: rosalind@trta.org

Texas Retired Teachers Association Tax Reporting Activity Form (TR-2)

Year Ended: June 30, 2017

TO BE FILED WITH THE TRTA OFFICE ON OR BEFORE AUGUST 1, 2017

District Number _____

Local Unit Name and Number _____

BEGINNING BALANCE OF ALL CASH ACCOUNTS (INCLUDING CD'S) AS OF JULY 1, 2016

Bank Name	Account Type	Amount
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
Total of all Cash Accounts (Beginning Balances)		(+) \$ _____ (A)

RECEIPTS COLLECTED DURING THE YEAR:

Total Dues (Money collected from members for state and local dues)	\$ _____
From TRTA (Money received from TRTA)	\$ _____
From District (Money received from the District)	\$ _____
Advertising (Money received for selling ads in periodicals, yearbooks, etc.)	\$ _____
Non-charitable donations/gifts (Money received for support; not tax deductible)	\$ _____
Interest Income (Earnings from all bank, savings and CD accounts)	\$ _____
Miscellaneous Activities (All other sources of income not listed above)	\$ _____
Total Receipts collected during the year	(+) \$ _____ (B)

DISBURSEMENTS:

Total disbursements during the year (no detail necessary)	(-) \$ _____ (C)
Advertising expenses (included above)	\$ _____

ENDING BALANCE OF ALL CASH ACCOUNTS (INCLUDING CD'S) AS OF JUNE 30, 2017

Bank Name	Account Type	Amount
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
Total of all Cash Accounts (Ending Balances)		(=) \$ _____ (A)+(B)-(C)

Attach a copy of the June 30th bank statement for ALL accounts and **BLACKOUT** the account numbers.
Our tax return preparers may ask for additional information.

Mandatory Bonding Application

(Subject to change due to the transition of including all districts and local units under TRTA)

FYE July 1, 2017 – June 30, 2018

TO BE FILED WITH THE TRTA OFFICE ON OR BEFORE AUGUST 1, 2017

District Number _____

Local Unit Name and Number _____

TRTA provides bonding for District and Local Boards at no cost to the district or local unit. The full premium is paid by TRTA. Six (6) positions of each district or local unit are covered by the policy.

Please provide the list of up to six elected/approved or board approved positions that will be bonded:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

The bond covers the position, not the individual; if there is a change of officers, the new officers are covered.

The bond could cover losses up to \$10,000* for any one occurrence with a \$250 deductible. Participation is **mandatory if all conditions are met.** *Districts and local units with over \$10,000 of assets please check here _____.

Acknowledgement of mandatory conditions:

Official Name and location/address/email (where bank statement is mailed/emailed) of each District/Local Unit:

Two Signatures are preferred on all checks: Yes _____ No _____

Bank statements are reconciled regularly by treasurer or other authorized member preferably who is not a check signer on the accounts: Yes _____ No _____

A mandatory annual audit of the books is performed: Yes _____ No _____

If any of the above conditions are answered "No," you may not be eligible for bonding coverage.

The above information is submitted by:

Printed Name: _____ Title: _____

Signature: _____ Date: _____

Phone Number: _____ Email: _____

UPON COMPLETION OF THIS FORM, SEND FORM TO:

Mail: Rosalind Johnson, CFO

Texas Retired Teachers Association

313 E. 12th St., Suite 200, Austin, TX 78701

Fax: 1.512.476.1003 Email: rosalind@trta.org