

ATTACHMENT A

Federation and Member Agency List

For a summary of the requirements, refer to the instructions on Page 3, Item 1 before completing this attachment.

IMPORTANT:

The information on the federation and its member agencies must be emailed to the CFC Office in the Excel spreadsheet provided.

ATTACHMENT B

IRS Tax-Exempt Letter

For a summary of the requirements, refer to the instructions on Page 4, Item 2 before completing this attachment.

IMPORTANT:

In addition to screening each application, the Heart of Alabama CFC must send the name and EIN of each locally qualified agency to OPM after the screening process. OPM will then verify each applicant's 501(c)(3) status with the IRS. **Applicants whose current 501(c)(3) status cannot be confirmed by the IRS will be denied participation.** We strongly urge federations and agencies to update and, if needed, request current letters from the IRS confirming the group's tax-exempt status. This request can be made by contacting the IRS at (877) 829-5500.

ATTACHMENT C

Audit

For a summary of the requirements, refer to the instructions on Page 4, Item 4 before completing this attachment.

IMPORTANT:

- MANDATORY INFORMATION REQUIRED IN THE FEDERATION'S AUDIT:
The audited financial statements must verify that the federation is honoring designations made to each member organization by distributing a proportionate share of receipts based on donor designations to each member.

- The audited financial statements must cover the fiscal period ending not more than 18 months prior to the January 2012 (i.e. ending on or after June 30, 2010).

ATTACHMENT D

IRS Form 990

For a summary of the requirements, refer to the instructions on Page 5, Item 5 before completing this attachment.

IMPORTANT:

- If revenue is \$100,000 or greater, the audited financial statements and IRS Form 990 must be prepared using the accrual method of accounting and cover the same fiscal period ended not earlier than June 30, 2010.
- The IRS Form 990 must be signed by an “Officer” of the organization. The Preparer’s Signature alone is not sufficient.

ATTACHMENT F

Annual Report

For a summary of the requirements, refer to the instructions on Page 6, Item 12 before completing this attachment.

IMPORTANT:

- **MANDATORY INFORMATION REQUIRED IN THE FEDERATION'S ANNUAL REPORT:** The annual report or more frequently published document must also include an accurate description of the federation's membership dues and/or service charges received by the federation from the charitable organizations participating as members. The information must clearly present the amounts raised, the sources of contributions, the cost of fundraising, and how costs are recovered from donations.
- Reproductions of annual reports that are available on a federation's website are acceptable. The annual report must be clearly marked as such on the website and must include all of the criteria outlined in the CFC regulations (see above). OPM will not accept miscellaneous pages from the federation's website that provide this information in lieu of an annual report document. A printed copy of the report must be included in the CFC application.

Summary of Common Problems

Missing documents

Solution: Provide the documents before the deadline passes. Prevents disqualification due to omission of a material requirement

501(c)(3) Letters

Current name different

Solution: Provide a new tax-exempt ltr with current name. If the agency wishes to keep its current name but operate under a different name, it must provide documentation from a government source such as the IRS or a state government source confirming its “Doing Business As” (DBA) authorization; board meeting minutes authorizing the DBA is not sufficient. If documentation is not provided, and the agency is otherwise qualified, the agency must be listed by its legal IRS-recognized name as the it appears on the tax-exempt letter submitted with the application.

Local agency using parent agency’s exemption ltr under a “Group Exemption” ruling by the IRS

Solution: “Group Exemption” ltr must include the agency in the list of subordinates covered by the exemption. Absent that, the agency must provide a certification signed by either the CEO or CEO equivalent of the parent organization stating that the local organization operates as a bona-fide chapter or affiliate in good standing and is covered by the parent’s Group Exemption.

Bona-fide local chapter or affiliate of a National Organization that claims coverage under the national organization’s tax-exemption

Solution: Agencies in this situation that do not have an IRS determination ltr of its own must provide a certification signed by either the CEO or CEO equivalent of the national organization stating that The local charitable organization operates as a bona-fide chapter or affiliate in good standing of the national organization and it is covered by the national organization’s 501(c)(3) tax-exempt ltr. A copy of the national organization’s 501(c)(3) letter must accompany the CEO’s certification.

IRS Form 990 and Audit

Incomplete Fm 990 (missing pgs)

Solution: Submit all pages of the Form 990; and all pages of all attachments of the Form 990; also include Schedule A and all pages if those pages are required to be submitted to the IRS.

IRS Form 990 not signed

Solution: The IRS Form 990 must be signed in the block marked “Signature of officer.” **The preparer’s signature alone is not sufficient.**

Agency uses Form 990EZ only

Solution: The Form 990EZ is acceptable, but agency must also submit a **pro forma** Form 990: Part I (Summary); Part II (Signature Block), Part VII (Compensation Sections A and B); Part VIII (Statement of Revenue); Part IX (Statement of Functional Expenses); and Part XII (Financial Statements and Reporting).

Bona-fide local chapter or affiliate of a National Organization that acts as a single corporation.

Solution: Acceptable, but the local affiliate must provide a **pro forma** IRS Form 990: Part I (Summary); Part II (Signature Block), Part VII (Compensation Sections A and B); Part VIII (Statement of Revenue); Part IX (Statement of Functional Expenses); and Part XII (Financial Statements and Reporting).

Marketing tactics in the 25-Word statement

Solution: Do not use tactics such as capitalization, quotations, and underlining to draw attention to the agency.