

1 Result matching "214 N. Walnut St., Muncie, IN" [Need More Help With Your Search?](#)

Democratic Headquarters

Job title:

unavailable

Company:

Democratic Headquarters

214 N Walnut St

Muncie, IN 47305-1720

(765) 282-9965

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Delaware County Tax Information Online

[Contact Us >>](#) [Search >>](#)

These records match your search terms. Please select one:

	Property Address	Parcel No.	Owner's Name
view record	214 N WALNUT	11 10 355 003 000	CHANTICLEER CLUB INC
view record	220 N WALNUT	11 10 355 002 000	BBBSCH
view record	224 N WALNUT	11 10 355 001 000	FORDITUDE HOLDINGS LLC
view record	308 N WALNUT	11 10 351 004 000	HOOVER INVESTMENTS LLP
view record	310 N WALNUT	11 10 351 003 000	R & B INVESTMENTS LLC

Delaware County Real Estate Tax Inquiry for Year of **2007**.

-- Not for Official Use! --

Spring Tax Due Date: **NOVEMBER 13, 2007** Fall Tax Due Date: **NOVEMBER 13, 2007**

Parcel No.: **11 10 355 003 000** Tax Unit: **3 MUNCIE** Tax Year: **2007**

Owner Name 1: **CHANTICLEER CLUB INC**

Property Address: **214 N WALNUT ST**

Mailing Address: **214 N WALNUT MUNCIE IN 47305**

Legal STR: **0** Legal Section: Legal Block: **0**

Legal Plat: Legal Sub: Legal Lot No.: **0**

Legal Description: **G D S 31 FT**

Inlot : **4, 0, 0, 0, 0, 0, 0, 0, 0, 0**

Outlot : **0, 0** Acreage: **0** Transfer Date: **0000-00-00**

Book: **1986** Page: **3780** Useage Code: **499**

----- Assessed Values -----

Land: **19400** Improvements: **62400**

----- Exemptions -----

Homestead: **0** Over 65: **0** Mortgage: **0**

Blind/Disability: **0** Rehabilitation: **0** Fertilizer: **0**

Veteran: **0** Abatement: **0** **Non-Profit: 81800**

--- Spring Tax Charge ---

--- Fall Tax Charge ----

1ST 1/2 Year Gross Tax: \$ 0.00

2ND 1/2 Year Gross Tax: \$ 0.00

1ST Homestead Credit: **\$ 0.00**

2ND Homestead Credit: **\$ 0.00**

1ST Replacement Credit: **\$ 0.00**

2ND Replacement Credit: **\$ 0.00**

1ST Net This Installment: \$ 0.00

2ND Net This Installment: \$ 0.00

--- Spring Tax & Assessments Due ---

--- Fall Tax & Assessments Due ---

Spring Taxes: **\$ 0.00**

Fall Taxes: **\$ 0.00**

Ditches: **\$ 0.00**

Ditches: **\$ 0.00**

Storm Water: **\$ 0.00**

Storm Water: **\$ 0.00**

Tax delinquent's: **\$ 0.00**

Fall Amount Due: **\$ 0.00**

Sewages: **\$ 0.00**

Weed Cuts: **\$ 0.00**

Barretts: **\$ 0.00**

Line Fences: **\$ 0.00**

Spring Amount Due: **\$ 0.00**

Parcel Number 18-11-10-355-003.000-003 Tax Unit MUNCIE Tax Id 1502886000 Neighborhood 913017 Routing No. 11-10-E-B-114 Class 499 - OTHER COMMERCIAL STRU Address: 214 N WALNUT ST	Ownership: CHANTICLEER CLUB INC G D S 31 FT IN: 4 OUT: STR: 000000 BLOCK: 0009	Transfer Of Ownership Date 08/28/07 Page 1 of 1
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0	A sssessment year 2001 2006 Reason For Change	Year Site Res Imp 2006 1.000 1.000 1.000																																																						
<table border="0" style="width:100%;"> <tr> <td>Topography</td> <td>Pub.Utilities</td> <td>Street or Rd.</td> <td>Neighborhood</td> </tr> <tr> <td><input checked="" type="checkbox"/> Level</td> <td><input checked="" type="checkbox"/> Water</td> <td><input checked="" type="checkbox"/> Paved</td> <td><input type="checkbox"/> Improving</td> </tr> <tr> <td><input type="checkbox"/> High</td> <td><input checked="" type="checkbox"/> Sewer</td> <td><input type="checkbox"/> Unpaved</td> <td><input checked="" type="checkbox"/> Static</td> </tr> <tr> <td><input type="checkbox"/> Low</td> <td><input checked="" type="checkbox"/> Gas</td> <td><input type="checkbox"/> Proposed</td> <td><input type="checkbox"/> Declining</td> </tr> <tr> <td><input type="checkbox"/> Rolling</td> <td><input checked="" type="checkbox"/> Elec</td> <td><input type="checkbox"/> Sidewalk</td> <td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/> Swampy</td> <td><input checked="" type="checkbox"/> All</td> <td><input type="checkbox"/> Alley</td> <td><input type="checkbox"/> Blighted</td> </tr> </table>	Topography	Pub.Utilities	Street or Rd.	Neighborhood	<input checked="" type="checkbox"/> Level	<input checked="" type="checkbox"/> Water	<input checked="" type="checkbox"/> Paved	<input type="checkbox"/> Improving	<input type="checkbox"/> High	<input checked="" type="checkbox"/> Sewer	<input type="checkbox"/> Unpaved	<input checked="" type="checkbox"/> Static	<input type="checkbox"/> Low	<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Proposed	<input type="checkbox"/> Declining	<input type="checkbox"/> Rolling	<input checked="" type="checkbox"/> Elec	<input type="checkbox"/> Sidewalk	<input type="checkbox"/>	<input type="checkbox"/> Swampy	<input checked="" type="checkbox"/> All	<input type="checkbox"/> Alley	<input type="checkbox"/> Blighted	<table border="0" style="width:100%;"> <tr> <td>Res Land(Homesite)</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Res Imp</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Non-Res Land (+)</td> <td style="text-align: right;">1300</td> <td style="text-align: right;">19400</td> </tr> <tr> <td>Non-Res Imp (+)</td> <td style="text-align: right;">51700</td> <td style="text-align: right;">62400</td> </tr> <tr> <td>Farm/Class. Land (+)</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Total TTV</td> <td style="text-align: right;">53000</td> <td style="text-align: right;">81800</td> </tr> <tr> <td>Equalization Factor</td> <td style="text-align: right;">0.000</td> <td style="text-align: right;">1.000</td> </tr> <tr> <td>Land adjustment</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Bldg Adjustment</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Total Assessed Value</td> <td style="text-align: right;">53000</td> <td style="text-align: right;">81800</td> </tr> </table>	Res Land(Homesite)	0	0	Res Imp	0	0	Non-Res Land (+)	1300	19400	Non-Res Imp (+)	51700	62400	Farm/Class. Land (+)	0	0	Total TTV	53000	81800	Equalization Factor	0.000	1.000	Land adjustment	0	0	Bldg Adjustment	0	0	Total Assessed Value	53000	81800	
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Land Data And Computation										Parcel Acreage		
Land Type	Act Front	Ef Front	Ef Depth	Acreage SQ/FT	Factor	Table	Base Rate	Adj Rate	Extended Value	Influence Factor	True Tax Value	81 Legal Drain (-)
11				3875	1.00		5.00	5.00	19380		19380	82 Public Roads (-)
Total True Tax Land Value												83 UT TOWERS (-)
												9 Homesite (-)
												92 Ag. Excess Acres (-)
												TOTAL ACRES FARMLAND
												Farmland Value
												Measured Acreage
												Average Farmland Value/Acre
												Value Of Farmland
												Classified Land Total
												TOTAL FARMLAND/ CLASS VALUE
												Homesite(s) Value (+)
												32 Ag. Excess Acres (+)
												Memorandum

Soil Information									
Land Type	Soil ID	Measured Acreage	Prod Factor	Base Rate	ADJ Rate	Extended Value	Influence Factor	True Tax Value	

Supplemental Measuring Acreage SUPPLEMENTAL CARD Total True Tax Land Value	DEMOCRAT HEADQUARTERS 31X125
--	-------------------------------------

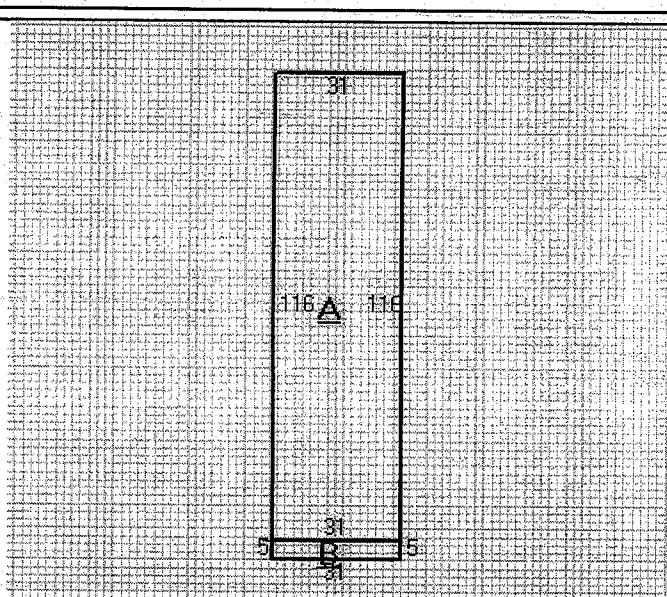
- ROOFING**
- Asphalt Shingle
 - Slate Or Tile
 - Built-Up
 - Metal
 - BUILT-UP
 - Insulation

Plumbing Fixtures	#	TF
Full Baths	0	0
Half Baths	0	0
Extra Fixtures		14
Total		14

OTHER FIXTURES

Use	B	1	2	3	4	5
Utility Storage						
Retail			x			
Dining/Lounge						
Office		x				
Auto Service						
Auto Showroom						
Department Store						
Supermarket						
Convenient Store						
Manufacturing						
Apartment						
Warehouse						
Commercial Garage						
Small Shop						

BOT TOP		FRM		USE WALL HT SPR								
FLR	FLR	PCT	TBL	FIN	HGT	TP	AC	N	PAR			
1	1	100	55	1	FD	24	12	2	1	Y	N	0
2	2	100	76	1	FO	5	12	2	1	N	N	0



Pricing Key	GCM	
SF Area	3596	
EFF Perimeter	247	
P.A.R.	7	
Number Of Units	0	
Average Unit Size	0	
Floor	Hgt	Rate
Basement	0	0.00
1ST	12	71.75
2ND	12	45.85
3RD	0	0.00
4TH	0	0.00
Frame Adj (+/-)	-7.06	
Wall Hgt Adj (+/-)	0.00	
Base Price	110.54	
BPA%	100	
Sub-Total	110.54	
Unit Finish	0.00	

CANOPY		1860		ID	LABEL	CONS	AREA	AMOUNT
A	2S		07				3596	
B	CNPY CI		05				155	

PTNS	-9.00
Interior Finish	-0.00
Division Walls	0.00
Lighting	0.00
Heating A/C	-1.95
Sprinkler	0.00
S.F. Price	99.59
Area	3596
Sub-Total	358130
Plumbing	18200
Special Features	1860
Exterior Features	0
Total Base	378190
Loc Cost Modifier	0.970
Grade Factor	100 %
Replacement Cost	366840

SUMMARY IMPROVEMENTS																								
ID	Use	Story	Const.	Year	Eff.	Height	Type	Grade	Const.	Age	Cond	Base Rate	Features	L/M	Adj. Rate	Size or Area	Replacement Cost	Tot Dep	Remainder Value	% Obs	Nbhd Com	Mkt Fac	Adj	Improvement Value
Comm/Ind			C	1919	80	F											366840	80	73370	15	0			62400

Data Source	Data Collector	Date	Appraiser	Date	SUPPLEMENTAL CARD	
Owner	225	5/1/2002	225	5/1/2002	TOTAL TRUE TAX IMPROVEMENT VALUE	62400

STATE OF INDIANA
OFFICE OF THE SECRETARY OF STATE

To Whom These Presents Come, Greeting:

CERTIFICATE OF INCORPORATION

7610 553
18

THE CHANTICLEER CLUB, INCORPORATED

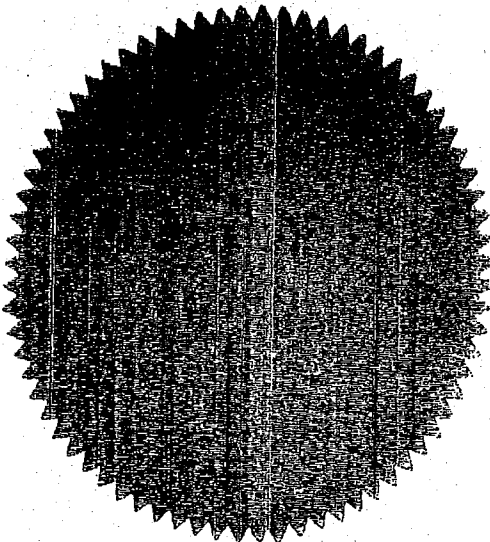
I, LARRY A. CONRAD, Secretary of State of the State of Indiana, hereby certify that Articles of Incorporation of the above not-for-profit corporation, in the form prescribed by this Office, prepared and signed in duplicate by the Incorporator(s) and acknowledged and verified by the same before a Notary Public, have been presented to me at this office accompanied by the fees prescribed by law; that I have found such Articles conform to law; that I have endorsed my approval upon the duplicate copies of such Articles; that all fees have been paid as required by law; that one copy of such Articles has been filed in this office; and that the remaining copy(ies) of such Articles bearing the endorsement of my approval and filing has (have) been returned by me to the incorporator(s) or his (their) representatives; all as prescribed by the Indiana Not-For-Profit Corporation Act of 1971.

NOW, THEREFORE, I hereby issue to such Corporation this Certificate of Incorporation, and further certify that its corporate existence has begun.

In Witness Whereof, I have hereunto set my hand and
affixed the seal of the State of Indiana, at the City of
Indianapolis, this 21st day of
October 19 76

LARRY A. CONRAD, Secretary of State

By _____
Deputy



"Not-for-Profit" as applied to corporations means, "... any corporation which does not engage in any activities for the profit of its members and which is organized and conducts its affairs for the purposes other than the pecuniary gain of its members". (Indiana Code, 23-7-1.1-2[d])

ARTICLES OF INCORPORATION
(Not for Profit)

Prescribed by Larry A. Conrad,
Secretary of State of Indiana

INSTRUCTIONS:

Use 8½ x 11 Inch Paper for Inserts

Present 2 Executed Copies to Secretary of State, Room 155, State House, Indianapolis, Indiana 46204

The recording of a third executed copy with the County Recorder is no longer statutorily required.

FILING FEE is \$26.00

APPROVED
AND
FILED

OCT 2 1976

Larry A. Conrad
SECRETARY OF
STATE OF INDIANA

ARTICLES OF INCORPORATION
OF

THE CHANTICLEER CLUB, INCORPORATED

The undersigned incorporator or incorporators, desiring to form a corporation (hereinafter referred to as the "Corporation") pursuant to the provisions of the Indiana Not-For-Profit Corporation Act of 1971, (hereinafter referred to as the "Act"), execute the following Articles of Incorporation:

ARTICLE I
Name

The name of the Corporation is . . . The Chanticleer Club, Inc.
(The name shall include the word "~~Corporation~~" or "~~Incorporated~~", or one of the abbreviations thereof.)

ARTICLE II
Purposes

The purposes for which the Corporation is formed are:

A. To promote cultural growth through education and discussion of civic problems and to led assistance to worthy purposes which may benefit its members physically or socially.

B. To protect, maintain, and advance the interests of its collective members, and to provide facilities for meetings, lawful games, amusements and social intercourse for and among its members, and to purchase, own or build, and/or maintain and operate said facilities for the best interest of the members.

C. To further in every honorable way the interests of the members and to strive to bring about a better understanding among them and to teach that organization and co-operation is better than destructive competition; and to help unify divergent individuals and/or groups in the interest of civic and clutural or other activities designed to promote the best interests of the membership.

ARTICLE III
Period of Existence

The period during which the Corporation shall continue is perpetual
(will either be "Perpetual", or, if to be limited, some definite period of time.)

ARTICLE IV
Resident Agent and Principal Office

Section 1. Resident Agent. The name and address of the Resident Agent in charge of the Corporation's principal office is . . . Joseph W. Rankin
(Name)

114 South Walnut Plaza Muncie INDIANA 47305
(Number and Street or Building) (City) (State) (Zip Code)

Section 2. Principal Office. The post office address of the principal office of the Corporation is

114 South Walnut Plaza Muncie INDIANA 47305
(Number and Street or Building) (City) (State) (Zip Code)

ARTICLE V
Membership

(A minimum of three (3) persons shall have signed the membership list. Directors or Trustees or Incorporators may be included in the Membership.)

Section 1. Classes. (If any) The membership of the corporation shall consist of two (2) classes: Active and social. Memberships shall be non-transferable.

Section 2. Rights, Preferences, Limitations, and Restrictions of Classes.

a. An active member shall be any person who has proven good citizenship by registering and voting in two (2) consecutive elections (either general then primary, or primary then general) and thereafter is approved for membership by the membership committee and is also approved by the board of directors.

b. No person may continue active membership by failing to, refusing to, or neglecting to vote in two (2) consecutive elections (either general then primary, or primary then general.) (Sections c, d, e, and f follow on separate sheet) Section 3. Voting Rights of Classes.

Only active members shall have the right to vote. Social members shall not have the right to vote.

PLEASE NOTE: The Corporation shall confer upon every member a certificate signed by the President (or Vice-President) and Secretary (or Assistant Secretary), stating that he is a member of the Corporation.

Article V, Section 2, continued

c. No person shall be denied membership for reasons of race, religion, color or ethnic origin.

d. All active members, to keep their active membership status, must also keep annual dues paid as prescribed in the by-laws.

e. There shall be no more than two-hundred fifty (250) active members at any one time.

f. There shall be no limit to the number of social members, but social memberships shall be restricted to friends of active members, and subject to approval of the membership committee.

ARTICLE VI
Directors

Section 1. Number of Directors. The initial Board of Directors is composed of . seven. (7). . . members. If the exact number of Directors is not stated, the minimum number shall be . seven. (7). . . and the maximum number shall be . seven. (7). . . . Provided, however, that the exact number of directors shall be prescribed from time to time in the By-Laws of the Corporation: AND PROVIDED FURTHER THAT UNDER NO CIRCUMSTANCES SHALL THE MINIMUM NUMBER BE LESS THAN THREE (3).

Section 2. ~~Names and Post Office Addresses of the Directors. The name and post office addresses of the initial Board of Directors are:~~

Name	Number and Street or Building	City	State	Zip Code
1. Henry L. Collins	2502 Brookfield Dr.	Muncie	Indiana	47302
2. Vera J. Condon	2729 Meeker Ave.	Muncie	Indiana	47302
3. Geraldine Burns	900 E. Fifth St.	Muncie	Indiana	47302
4. John W. Hannaford	1020 Linden St.	Muncie	Indiana	47303
5. Larry M. Wilkinson	302 N Greenwood Ave.	Muncie	Indiana	47303
6. Edward L. Welder	3019 Holly Ave.	Muncie	Indiana	47304
7. Joseph W. Rankin	500 Hawthorne Rd.	Muncie	Indiana	47304

ARTICLE VII
Incorporator(s)

Section 1. Names and Post Office Addresses. The names and post office address(es) of the incorporator(s) of the Corporation is (are) as follows:

Name	Number and Street or Building	City	State	Zip Code
1. Henry L. Collins	2502 Brookfield Dr.	Muncie	Indiana	47302
2. Vera J. Condon	2729 Meeker Ave.	Muncie	Indiana	47302
3. Larry M. Wilkinson	302 N Greenwood Ave	Muncie	Indiana	47303

ARTICLE VIII
Statement of Property (If any)

A statement of the property and an estimate of the value thereof, to be taken over by this corporation at or upon its incorporation are as follows:

None

ARTICLE IX
Provisions for Regulation and Conduct
Of the Affairs of Corporation
(Can be the "By Laws")

Other provisions, consistent with the laws of this state, for the regulation and conduct of the affairs of this corporation, and creating, defining, limiting or regulating the powers of this corporation, of the directors or of the members or any class or classes of members are as follows:

- A. Subject to any limitations or restrictions imposed by law, these Article, or a Code of By-Laws to be adopted by the Corporation, the board of directors of the corporation is hereby authorized to exercise, in furtherance of the purposes of the corporation, all the powers of the corporation without prior authorization or subsequent approval of the members of the corporation.
- B. The power to make a code of By-Laws and rules and regulations for the conduct of corporate affairs, including the power to establish officers and to elect such officers for such terms, in such manner and to perform such duties as it may determine in its sole discretion, shall be vested in the board of directors, provided no act of the said board shall be inconsistent with or contradictory to these Articles or any provision of law.
- C. All meetings of members and directors may be held anywhere either within or without the State of Indiana, at such place as shall be stated in the notice of such meetings.
- D. No member of the corporation shall receive any earnings, compensation or payment from the corporation, except reasonable compensation for services actually performed in furtherance of the purposes of the corporation as an officer, director or employee and except also payment to a member of principal and interest thereon on monies loaned or advance to the corporation to the extent permitted by law.

(Sections E, F, and G follow on separate sheet)

Article IX, continued

Section E.

Within the meaning of Section 501 (c) (3) of the Internal Revenue Code and the regulations promulgated thereunder as may be in effect from time to time, the corporation shall not have any power to engage in, nor shall it engage in attempting by any means to influence legislation by propaganda or otherwise, nor shall it have any power to, nor shall it, participate in or intervene in (either directly or indirectly or by the publication or distribution of statements) any political campaign on behalf of or in opposition to, any candidate for public office.

Section F.

No gift or other contribution to the corporation shall be accepted by the corporation if the use or expenditure of such gift or other contribution is subject to any condition which is inconsistent with the purposes of the corporation as stated herein.

Section G.

The corporation shall have all other powers not excluded by these Articles, By-Laws and statute I.C. 23-7-1.1-1 et seq.

The undersigned, being one or more persons, do hereby adopt these Articles of Incorporation, representing beforehand to the Secretary of State of the State of Indiana and all persons whom it may concern that a membership list or lists of the above named corporation for which a Certificate of Incorporation is hereby applied for, have heretofore been opened in accordance with the law and that at least three (3) persons have signed such membership list.

IN WITNESS WHEREOF, I (we) the undersigned do hereby execute these Articles of Incorporation and certify the truth of the facts herein stated, this . 18 . day of . October , 19.76.

Larry M. Wilkinson
(Written Signature)
LARRY M. WILKINSON
(Printed Signature)

Henry L. Collins
(Written Signature)
HENRY L. COLLINS
(Printed Signature)

Vera J. Condon
(Written Signature)
VERA J. CONDON
(Printed Signature)

NOTARY ACKNOWLEDGEMENT
(required)

State of Indiana
County of *Delaware* SS:

Before me, . . . Geraldine Burns , a Notary Public in and for said county and State, personally appeared the above incorporator(s) and (severally) acknowledged the execution of the foregoing Articles of Incorporation.

Notary Seal
Required

Geraldine Burns
(Written Signature)
Geraldine BURNS, Notary Public
(Printed Signature)

My commission expires: *6-14-79*.

WITNESS my hand and Notarial
Seal this . 18 . day of *October* ,
19.76

This instrument was prepared by *Joseph W. Rankin*
(Name)
114 South Walnut Plaza *Muncie* *Indiana* *47305*
(Number and Street or Building) (City) (State) (Zip Code)

CHANTICLEER (Legal)

Current Information

THE CHANTICLEER CLUB INCORPORATED

214 N. Walnut St., MUNCIE, IN 47305

General Entity Information:

Control Number: **197610-553**

Status: **Active**

Entity Type: **Non-Profit Domestic Corporation**

Entity Creation Date: **10/21/1976**

Entity Date to Expire:

Entity Inactive Date:

This entity is past due on its Business Entity Report(s). Click [here](#) to file the Business Entity Report.

There are no other names on file for this Entity.

Registered Agent(name, address, city, state, zip):

**FRED A. FIELDS
4208 E MAPLE MANOR PKW
MUNCIE , IN 47302**

Principals(name, address, city, state, zip - when provided)

**Dan Taylor
President
5303 N BAYON DR
MUNCIE , IN 47304**

**VICTORIA ROSE
Secretary
404 E 8th
MUNCIE , IN 47302**

Transactions:

Date Filed	Effective Date	Type
10/21/1976	10/21/1976	Articles of Incorporation

Corporate Reports:

Years Paid

1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996
1997 1998 1999 2000 2001 2002 2003 2004

Years Due

2005 2006 2007



APPLICATION FOR PROPERTY TAX EXEMPTION

State Form 9284 (R4 / 5-02) / Form 136
Prescribed by Department of Local Government Finance
This form is part of SP198 (R4 / 5-02)

Year filing for 2006	County Delaware
--------------------------------	---------------------------

COUNTY COPY (Original copy)

- INSTRUCTIONS:**
- Two copies of this form and the Required Information for Property Tax Exemption form must be filed with the County Assessor of the county where the property is located.
 - The filing deadline is May 15. An application must be filed in 2000 and in every even numbered year thereafter. However, an application must be filed in any other year if the property was not exempted in the immediately preceding year. An application should be filed in any year in which an appeal to the Indiana Board of Tax Review or to a court of an exemption determination on the property is pending from any preceding year.
 - There is no filing fee.
 - All questions must be answered. If the question does not apply, write N/A in the space provided. **FAILURE TO PROVIDE THE REQUESTED INFORMATION MAY RESULT IN A DENIAL OF THE APPLICATION FOR EXEMPTION.**

Name of owner claiming exemption
Chanticleer Club Inc.

Street address
214 N Walnut St

City, state, ZIP code
Muncie In 47305

By petitions for exemption from taxation of the following described real estate and improvements and / or personal property:

LAND AND LOTS		IMPROVEMENTS (BUILDINGS)	
Legal Description	Assessed Value	Description of Improvements (Name or describe each building)	Assessed Value
1055317 Bk 9 In 4	\$1800	1. Land	\$19400
Parcel Number	19400	2. Imp	\$62400
11-10-355-003-000		3. Imp	\$1800

Personal property assessment

Date of assessment
March 1, 20 **06**

Township / Taxing District located in
Center

County located in
Delaware

Key number
499

Upon what uses or purpose do you base the claim for exemption?

Charitable - pursuant to I.C. 6-1.1-10-16.

Educational - pursuant to I.C. 6-1.1-10-16.

Religious - pursuant to I.C. 6-1.1-10-16.

Other - (cite the specific law(s) under which the exemption is claimed)

What percentage do you claim should be exempt on the value of:

Land and lots
100%

Improvements (buildings)

1. **100%** 2. **100%**

Personal property
100%

MAY 01 2006

NOTE: The taxpayer must present evidence that the property qualifies for exemption under a SPECIFIC statute. Please indicate that the following documentation has been provided:

Articles of incorporation or other organizational documents

Bylaws

Financial statements for the last three years:

Balance sheets If "Other" box is checked above - the specific statute under which the exemption is claimed must be cited.

Summary of income and expenditure

FAILURE TO PROVIDE SUCH DOCUMENTATION MAY BE GROUNDS FOR A DENIAL OF THE EXEMPTION SOUGHT.

CERTIFICATE

Under the penalties of perjury, I hereby certify that the statements in the application and information sheet are true and correct to the best of my knowledge and belief, and are made for the purpose of having the property described hereon, or a part thereof, exempt from taxation. A person who signs an exemption application shall attest in writing and under penalties of perjury that, to the best of the person's knowledge and belief, a predominant part of the property claimed to be exempt is not being used or occupied in connection with a trade or business that is not substantially related to the exercise or performance of the organization's exempt purpose.

Signature of authorized representative
L. Fred A. Fields

Title
Treasurer

Date signed
4/18/06

OFFICIAL USE ONLY

Filing fee paid Yes No



REQUIRED INFORMATION FOR PROPERTY TAX EXEMPTION

COUNTY COPY

State Form 5748 (R3 / 5-02) / Form 136

This form is part of SP 198 (R4 / 5-02)

INSTRUCTIONS: Please state all information for the tax year in question. If you need additional space to answer any questions or wish to provide additional information, use space at bottom of reverse side. Attach separate sheet if necessary.

I. GENERAL

1. Who owns the property? (Name, address, type of entity, and purpose for which entity was formed per articles of incorporation or similar documents)
Chanticleer Club Inc

2. Who occupies the property? (Name, address, type of entity, and purpose for which entity was formed per articles of incorporation or similar documents)
Chanticleer Club Inc

3. Who uses the property? (Name, address, type of entity, and purpose for which entity was formed per articles of incorporation or similar documents)
Democrat Central Comm, Rooster Boosters & Democrat Candidates

4. For how much land is the exemption claimed? (See I.C. 6-1.1-10-16 (c) and (d), 6-1.1-10-20, 21, 22, and 26)
100%

5. Describe all structures and state specifically the normal use of each room or area in each structure.
1st Floor Chanticleer Club office Democrat Central Comm office Computer Room Storage Area 2 Floor - Banquet & Party Room

II. EXEMPT PURPOSE

1. State specifically the exempt purpose and activities for which the property is used. (If any publications about the exempt activity are available, please provide a copy)
Fundraisers For Candidates Rooster Booster Club Meetings

2. State how often such activities occur.
Rooster Booster Every 3rd Wed of each month Candidates ^{During Elections} all year

3. State specifically what rooms or areas are used for the exempt purpose and what such use is. (Be sure all rooms or areas are discussed.)
*1st Floor - Computer Room
2nd Floor - Meeting Room*

4. Who carries out the exempt activities for which the property is used?
Chanticleer Club Inc

4a. State the qualifications of such individual(s).
NONE

4b. State if such individual(s) are certified or licensed by an entity, who has issued such certificate or license, and the qualifications required to obtain such certificate or license.
N/A

4c. How many individuals or groups participate in the exempt activities?
Chanticleer Club Inc, Rooster Boosters Democrat Central Comm

5. State what written materials, if any, are used.
NONE

6. What standards, if any, must individuals or groups benefiting from the exempt activity meet prior to participation in such activities?
Democrats

7. State if the taxpayer is supervised by any entity, group or individual <i>N/A</i>	7a. State the name of such entity. <i>N/A</i>
7b. State the address of the entity. <i>N/A</i>	7c. State the nature and purpose of such entity. <i>N/A</i>

III. OTHER INFORMATION

1. Are rooms or areas ever used by individuals or groups for purposes not related to the claimed exempt use? (If "No", skip to 2.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	1a. Name such individuals or groups.
1b. State specifically what rooms or areas are used by such individuals or groups.	1c. State specifically how often such individuals or groups use such rooms or areas.
2. Do those benefiting from the exempt activity ever use areas or rooms for activities not directly related to the activity of the taxpayer? (If "No", skip to 3.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2a. State who makes such use of rooms or areas.
2b. State specifically what rooms or areas are so used.	2c. State specifically how often such rooms or areas are so used.

Continued on reverse

3. Do the individuals whose activities are related to the exempt purpose ever use rooms or areas for activities not directly related to the basis for the claimed exemption? (If "No", skip to 4.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		3a. State who makes such use of rooms or areas. <i>N/A</i>	
3b. State specifically what rooms or areas are so used.		3c. State specifically how often such rooms or areas are to be used.	
4. Are fees ever charged to those who make use of rooms or areas? (If "No", skip to 5.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		4a. State the uses for which such fees are charged.	
4b. State how often such fees are charged. <i>N/A</i>		4c. State who is charged such fee. <i>N/A</i>	4d. State what fee is charged. <i>N/A</i>
4e. For what purpose is the revenue derived from such fee used?		5. How many individuals participate in the exempt activities? <i>N/A</i>	
6. Are any rooms or areas ever used by any income generating activity? (If "No", skip to 7.) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		6a. State the activity.	
6b. State specifically where it occurs. <i>2nd</i>			
6c. State specifically how often it occurs.		6d. State who conducts such activity.	
7. Are food or items of any sort ever sold? (If "No", skip to 8.) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		7a. State what is sold. <i>Child / Bean Dinners</i>	
7b. State specifically where it is sold. <i>2nd Floor Banquet Room</i>			
7c. State specifically how often such sales occur. <i>2 or 3 Times a month during the year</i>		7d. State specifically who makes such sales. <i>Charitable Club Roaster/Candidates</i>	
8. Are dances, dinners or other social functions ever held on the property for which the exemption is claimed? (If "No", skip to 9.) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		8a. State the activity.	
8b. State specifically where it occurs. <i>2nd Floor Banquet Room</i>			
8c. State specifically how often it occurs. <i>2 or 3 Times a month during the year</i>		8d. State who conducts such activity. <i>Candidates</i>	
9. Are goods, crops, or food of any sort ever made, grown, or produced on the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		9a. If so, specifically describe such goods, crops or food. <i>N/A</i>	
9b. State specifically the number or amount of goods, crops or food made, grown or produced. <i>N/A</i>		9c. State specifically where such goods, crops or food is made, grown or produced. <i>N/A</i>	
9d. State specifically who makes, grows, or produces such goods, crops or food. <i>N/A</i>		9e. State the dollar value of each good, crop or food made, grown or produced.	

Use this area if additional space is needed for answers or if you wish to provide additional information.

M E M O R A N D U M

To: FEG
From: WVH
Date: September 11, 2007
Subject: Property Tax Exemption

1. Attached is a copy of the exemption statute, IC 6-1.1-10-16. Note that the property must be "owned, occupied, and used" for "educational, literary, scientific, religious, or charitable purposes." To determine whether 214 North Walnut Street qualifies for the property tax exemption, you have to look at not only the Chanticleer Club, Inc., the owner, but all who use and occupy the building (according to the application, Democrat Central Committee, Rooster Boosters and Democrat candidates).

2. The owner claims exemption as an educational organization. "Educational" is not defined in the statute. The instructions to Form 136, on page five, notes this lack of definition. Perhaps the closest relevant interpretation is in the IRS publication for Section 501 (c)(3) organizations, since the language of the Indiana exemption statute parallels the language of that section of the Internal Revenue Code. Many of the activities described in the application for 214 North Walnut Street do not seem to fall within the characteristics of an educational organization as set out in the IRS publication. By comparison, the activities described in the application are like those of a political organization as defined by the IRS: Democrat Central Committee office; Funraisers for Canadates [sic].

IC 6-1.1-10-16

Exemption of building, land, and personal property used for various purposes; termination of eligibility for exemption

Sec. 16. (a) All or part of a building is exempt from property taxation if it is owned, occupied, and used by a person for educational, literary, scientific, religious, or charitable purposes.

(b) A building is exempt from property taxation if it is owned, occupied, and used by a town, city, township, or county for educational, literary, scientific, fraternal, or charitable purposes.

(c) A tract of land, including the campus and athletic grounds of an educational institution, is exempt from property taxation if:

- (1) a building that is exempt under subsection (a) or (b) is situated on it;
- (2) a parking lot or structure that serves a building referred to in subdivision (1) is situated on it; or
- (3) the tract:

(A) is owned by a nonprofit entity established for the purpose of retaining and preserving land and water for their natural characteristics;

(B) does not exceed five hundred (500) acres; and

(C) is not used by the nonprofit entity to make a profit.

(d) A tract of land is exempt from property taxation if:

(1) it is purchased for the purpose of erecting a building that is to be owned, occupied, and used in such a manner that the building will be exempt under subsection (a) or (b); and

(2) not more than four (4) years after the property is purchased, and for each year after the four (4) year period, the owner demonstrates substantial progress and active pursuit towards the erection of the intended building and use of the tract for the exempt purpose. To establish substantial progress and active pursuit under this subdivision, the owner must prove the existence of factors such as the following:

(A) Organization of and activity by a building committee or other oversight group.

(B) Completion and filing of building plans with the appropriate local government authority.

(C) Cash reserves dedicated to the project of a sufficient amount to lead a reasonable individual to believe the actual construction can and will begin within four (4) years.

(D) The breaking of ground and the beginning of actual construction.

(E) Any other factor that would lead a reasonable individual to believe that construction of the building is an active plan and that the building is capable of being completed within eight (8) years considering the circumstances of the owner.

If the owner of the property sells, leases, or otherwise transfers a tract of land that is exempt under this subsection, the owner is liable for the property taxes that were not imposed upon the tract of land during the period beginning January 1 of the fourth year following the purchase of the property and ending on December 31 of the year of the sale, lease, or transfer. The county auditor of the county in which the tract of land is located may establish an installment plan for the repayment of taxes due under this subsection. The plan established by the county auditor may allow the repayment of the taxes over a period of years equal to the number of years for which property taxes must be repaid under this subsection.

(e) Personal property is exempt from property taxation if it is owned and used in such a manner that it would be exempt under subsection (a) or (b) if it were a building.

(f) A hospital's property that is exempt from property taxation under subsection (a), (b), or (e) shall remain exempt from property taxation even if the property is used in part to furnish goods or services to another hospital whose property qualifies for exemption under this section.

(g) Property owned by a shared hospital services organization that is exempt from federal income taxation under Section 501(c)(3) or 501(e) of the Internal Revenue Code is exempt from property taxation if it is owned, occupied, and used exclusively to furnish goods or services to a hospital whose property is exempt from property taxation under subsection (a), (b), or (e).

(h) This section does not exempt from property tax an office or a practice of a physician or group of physicians that is owned by a hospital licensed under IC 16-21-1 or other property that is not substantially related to or supportive of the inpatient facility of the hospital unless the office, practice, or other property:

(1) provides or supports the provision of charity care (as defined in IC 16-18-2-52.5), including providing funds or other financial support for health care services for individuals who are indigent (as defined in IC 16-

18-2-52.5(b) and IC 16-18-2-52.5(c)); or

(2) provides or supports the provision of community benefits (as defined in IC 16-21-9-1), including research, education, or government sponsored indigent health care (as defined in IC 16-21-9-2).

However, participation in the Medicaid or Medicare program alone does not entitle an office, practice, or other property described in this subsection to an exemption under this section.

(i) A tract of land or a tract of land plus all or part of a structure on the land is exempt from property taxation if:

(1) the tract is acquired for the purpose of erecting, renovating, or improving a single family residential structure that is to be given away or sold:

(A) in a charitable manner;

(B) by a nonprofit organization; and

(C) to low income individuals who will:

(i) use the land as a family residence; and

(ii) not have an exemption for the land under this section;

(2) the tract does not exceed three (3) acres;

(3) the tract of land or the tract of land plus all or part of a structure on the land is not used for profit while exempt under this section; and

(4) not more than four (4) years after the property is acquired for the purpose described in subdivision (1), and for each year after the four (4) year period, the owner demonstrates substantial progress and active pursuit towards the erection, renovation, or improvement of the intended structure. To establish substantial progress and active pursuit under this subdivision, the owner must prove the existence of factors such as the following:

(A) Organization of and activity by a building committee or other oversight group.

(B) Completion and filing of building plans with the appropriate local government authority.

(C) Cash reserves dedicated to the project of a sufficient amount to lead a reasonable individual to believe the actual construction can and will begin within five (5) years of the initial exemption received under this subsection.

(D) The breaking of ground and the beginning of actual construction.

(E) Any other factor that would lead a reasonable individual to believe that construction of the structure is an active plan and that the structure is capable of being:

(i) completed; and

(ii) transferred to a low income individual who does not receive an exemption under this section; within eight (8) years considering the circumstances of the owner.

(j) An exemption under subsection (i) terminates when the property is conveyed by the nonprofit organization to another owner. When the property is conveyed to another owner, the nonprofit organization receiving the exemption must file a certified statement with the auditor of the county, notifying the auditor of the change not later than sixty (60) days after the date of the conveyance. The county auditor shall immediately forward a copy of the certified statement to the county assessor. A nonprofit organization that fails to file the statement required by this subsection is liable for the amount of property taxes due on the property conveyed if it were not for the exemption allowed under this chapter.

(k) If property is granted an exemption in any year under subsection (i) and the owner:

(1) ceases to be eligible for the exemption under subsection (i)(4);

(2) fails to transfer the tangible property within eight (8) years after the assessment date for which the exemption is initially granted; or

(3) transfers the tangible property to a person who:

(A) is not a low income individual; or

(B) does not use the transferred property as a residence for at least one (1) year after the property is transferred;

the person receiving the exemption shall notify the county recorder and the county auditor of the county in which the property is located not later than sixty (60) days after the event described in subdivision (1), (2), or (3) occurs. The county auditor shall immediately inform the county assessor of a notification received under this subsection.

(l) If subsection (k)(1), (k)(2), or (k)(3) applies, the owner shall pay, not later than the date that the next

installment of property taxes is due, an amount equal to the sum of the following:

(1) The total property taxes that, if it were not for the exemption under subsection (i), would have been levied on the property in each year in which an exemption was allowed.

(2) Interest on the property taxes at the rate of ten percent (10%) per year.

(m) The liability imposed by subsection (l) is a lien upon the property receiving the exemption under subsection (i). An amount collected under subsection (l) shall be collected as an excess levy. If the amount is not paid, it shall be collected in the same manner that delinquent taxes on real property are collected.

(n) Property referred to in this section shall be assessed to the extent required under IC 6-1.1-11-9.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by Acts 1979, P.L.51, SEC.1; P.L.74-1987, SEC.4; P.L.57-1993, SEC.7; P.L.25-1995, SEC.13; P.L.6-1997, SEC.35; P.L.2-1998, SEC.17; P.L.126-2000, SEC.4; P.L.198-2001, SEC.28; P.L.264-2003, SEC.1; P.L.196-2007, SEC.1.

Educational Organizations and Private Schools

If your organization wants to obtain recognition of exemption as an educational organization, you must submit complete information as to how your organization carries on or plans to carry on its educational activities, such as by conducting a school, by panels, discussions, lectures, forums, radio and television programs, or through various cultural media such as museums, symphony orchestras, or art exhibits. In each instance, you must explain by whom and where these activities are or will be conducted and the amount of admission fees, if any. You must submit a copy of the pertinent contracts, agreements, publications, programs, etc.

If you are organized to conduct a school, you must submit full information regarding your tuition charges, number of faculty members, number of full-time and part-time students enrolled, courses of study and degrees conferred, together with a copy of your school catalog. See also *Private Schools*, discussed later.

Educational Organizations

The term *educational* relates to:

1. The instruction or training of individuals for the purpose of improving or developing their capabilities, or
2. The instruction of the public on subjects useful to individuals and beneficial to the community.

Advocacy of a position. Advocacy of a particular position or viewpoint may be educational if there is a sufficiently full and fair exposition of pertinent facts to permit an individual or the public to form an independent opinion or conclusion. The mere presentation of unsupported opinion is not educational.

Method not educational. The method used by an organization to develop and present its views is a factor in determining if an organization qualifies as educational within the meaning of section 501(c)(3). The following factors may indicate that the method is not educational.

1. The presentation of viewpoints unsupported by facts is a significant part of the organization's communications.
2. The facts that purport to support the viewpoint are distorted.
3. The organization's presentations make substantial use of inflammatory and disparaging terms and express conclusions more on the basis of emotion than of objective evaluations.
4. The approach used is not aimed at developing an understanding on the part of the audience because it does not consider their background or training.

Exceptional circumstances, however, may exist where an organization's advocacy may be educational even if one or more of the factors listed above are present.

Qualifying organizations. The following types of organizations may qualify as educational:

1. An organization, such as a primary or secondary school, a college, or a professional or trade school, that has a regularly scheduled curriculum, a regular faculty, and a regularly enrolled student body in attendance at a place where the educational activities are regularly carried on,
2. An organization whose activities consist of conducting public discussion groups, forums, panels, lectures, or other similar programs,
3. An organization that presents a course of instruction by correspondence or through the use of television or radio,
4. A museum, zoo, planetarium, symphony orchestra, or other similar organization, and
5. A nonprofit children's day-care center.

College book stores, cafeterias, restaurants, etc. These and other on-campus organizations should submit information to show that they are controlled by and operated for the convenience of the faculty and student body or by whom they are controlled and whom they serve.

Alumni association. An alumni association should establish that it is organized to promote the welfare of the university with which it is affiliated, is subject to the control of the university as to its policies and destination of funds, and is operated as an integral part of the university or is otherwise organized to promote the welfare of the college or university. If your association does not have these characteristics, it may still be exempt as a social club if it meets the requirements described in chapter 4, under 501(c)(7) — *Social and Recreation Clubs*.

Athletic organization. This type of organization must submit evidence that it is engaged in activities such as directing and controlling interscholastic athletic competitions, conducting tournaments, and prescribing eligibility rules for contestants. If it is not so engaged, your organization may be exempt as a social club described in chapter 4. Raising funds to be used for travel and other activities to interview and persuade prospective students with outstanding athletic ability to attend a particular university does not show an exempt purpose. If your organization is not exempt as an educational organization, see *Amateur Athletic Organizations*, later in this chapter.

Private Schools

Every private school filing an application for recognition of tax-exempt status must supply the IRS (on Schedule B, Form 1023) with the following information.

1. The racial composition of the student body, and of the faculty and administrative staff, as of the current academic year. (This information also must be projected, so far as may be feasible, for the next academic year.)
2. The amount of scholarship and loan funds, if any, awarded to students enrolled and

the racial composition of students who have received the awards.

3. A list of the school's incorporators, founders, board members, and donors of land or buildings, whether individuals or organizations.
4. A statement indicating whether any of the organizations described in item (3) above have an objective of maintaining segregated public or private school education at the time the application is filed and, if so, whether any of the individuals described in item (3) are officers or active members of those organizations at the time the application is filed.
5. The public school district and county in which the school is located.

How to determine racial composition. The racial composition of the student body, faculty, and administrative staff may be an estimate based on the best information readily available to the school, without requiring student applicants, students, faculty, or administrative staff to submit to the school information that the school otherwise does not require. Nevertheless, a statement of the method by which the racial composition was determined must be supplied. The identity of individual students or members of the faculty and administrative staff should not be included with this information.

A school that is a state or municipal instrumentality (see *Instrumentalities*, near the beginning of this chapter), whether or not it qualifies for exemption under section 501(c)(3), is not considered to be a private school for purposes of the following discussion.

Racially Nondiscriminatory Policy

To qualify as an organization exempt from federal income tax, a private school must include a statement in its charter, bylaws, or other governing instrument, or in a resolution of its governing body, that it has a racially nondiscriminatory policy as to students and that it does not discriminate against applicants and students on the basis of race, color, or national or ethnic origin. Also, the school must circulate information that clearly states the school's admission policies. A racially nondiscriminatory policy toward students means that the school admits the students of any race to all the rights, privileges, programs, and activities generally accorded or made available to students at that school and that the school does not discriminate on the basis of race in administering its educational policies, admission policies, scholarship and loan programs, and athletic and other school-administered programs.

The IRS considers discrimination on the basis of race to include discrimination on the basis of color or national or ethnic origin.

The existence of a racially discriminatory policy with respect to the **employment of faculty and administrative staff** is indicative of a racially discriminatory policy as to students. Conversely, the absence of racial discrimination in the employment of faculty and administrative staff is indicative of a racially nondiscriminatory policy as to students.

A policy of a school that favors **racial minority groups** with respect to admissions, facilities and programs, and financial assistance is not discrimination on the basis of race when the purpose and effect of this policy is to promote establishing and maintaining the school's nondiscriminatory policy.

A school that selects students on the basis of **membership in a religious denomination or unit** is not discriminating if membership in the denomination or unit is open to all on a racially nondiscriminatory basis.

Policy statement. The school must include a statement of its racially nondiscriminatory policy in all its brochures and catalogs dealing with student admissions, programs, and scholarships. Also, the school must include a reference to its racially nondiscriminatory policy in other written advertising that it uses to inform prospective students of its programs.

Publicity requirement. The school must make its racially nondiscriminatory policy known to all segments of the general community served by the school. Selective communication of a racially nondiscriminatory policy that a school provides solely to leaders of racial groups will not be considered an effective means of communication to make the policy known to all segments of the community. To satisfy this requirement, the school must use one of the following two methods.

Method one. The school may publish a notice of its racially nondiscriminatory policy in a **newspaper** of general circulation that serves all racial segments of the community. Such publication must be repeated at least once annually during the period of the school's solicitation for students or, in the absence of a solicitation program, during the school's registration period. When more than one community is served by a school, the school may publish the notice in those newspapers that are reasonably likely to be read by all racial segments in the communities that the school serves.

If this method is used, the notice must meet the following printing requirements.

1. It must appear in a section of the newspaper likely to be read by prospective students and their families.
2. It must occupy at least 3 column inches.
3. It must have its title printed in at least 12 point bold face type.
4. It must have the remaining text printed in at least 8 point type.

The following is an acceptable example of the notice:

**NOTICE OF
NONDISCRIMINATORY POLICY
AS TO STUDENTS**

The M School admits students of any race, color, national and ethnic origin to all the rights, privileges, programs, and activities generally accorded or made available to students at the school. It does not discriminate on the basis of race, color, national and ethnic origin in administration of its educational policies, admissions policies, scholarship and loan programs, and athletic and other school-administered programs.

Method two. The school may use the **broadcast media** to publicize its racially nondis-

crimatory policy if this use makes the policy known to all segments of the general community the school serves. If the school uses this method, it must provide documentation showing that the means by which this policy was communicated to all segments of the general community was reasonably expected to be effective. In this case, appropriate documentation would include copies of the tapes or scripts used and records showing that there was an adequate number of announcements. The documentation also would include proof that these announcements were made during hours when they were likely to be communicated to all segments of the general community, that they were long enough to convey the message clearly, and that they were broadcast on radio or television stations likely to be listened to by substantial numbers of members of all racial segments of the general community. Announcements must be made during the period of the school's solicitation for students or, in the absence of a solicitation program, during the school's registration period.

Exceptions. The publicity requirements will not apply in the following situations.

First, if for the preceding 3 years the enrollment of a parochial or other church-related school consists of students at least 75% of whom are members of the sponsoring religious denomination or unit, the school may make known its racially nondiscriminatory policy in whatever newspapers or circulars the religious denomination or unit uses in the communities from which the students are drawn. These newspapers and circulars may be distributed by a particular religious denomination or unit or by an association that represents a number of religious organizations of the same denomination. If, however, the school advertises in newspapers of general circulation in the community or communities from which its students are drawn and the second exception (discussed next) does not apply to the school, then it must comply with either of the publicity requirements explained earlier.

Second, if a school customarily draws a substantial percentage of its students nationwide, worldwide, from a large geographic section or sections of the United States, or from local communities, and if the school follows a racially nondiscriminatory policy as to its students, the school may satisfy the publicity requirement by complying with the instructions explained, earlier, under **Policy statement**.

The school may demonstrate that it follows a racially nondiscriminatory policy either by showing that it currently enrolls students of racial minority groups in meaningful numbers or, except for local community schools, when minority students are not enrolled in meaningful numbers, that its promotional activities and recruiting efforts in each geographic area were reasonably designed to inform students of all racial segments in the general communities within the area of the availability of the school. The question as to whether a school demonstrates such a policy satisfactorily will be determined on the basis of the facts and circumstances of each case.

The IRS recognizes that the failure by a school drawing its students from local communities to enroll racial minority group students may

not necessarily indicate the absence of a racially nondiscriminatory policy when there are relatively few or no such students in these communities. Actual enrollment is, however, a meaningful indication of a racially nondiscriminatory policy in a community in which a public school or schools became subject to a desegregation order of a federal court or are otherwise expressly obligated to implement a desegregation plan under the terms of any written contract or other commitment to which any federal agency was a party.

The IRS encourages schools to satisfy the publicity requirement by using either of the methods described earlier, even though a school considers itself to be within one of the **Exceptions**. The IRS believes that these publicity requirements are the most effective methods to make known a school's racially nondiscriminatory policy. In this regard, it is each school's responsibility to determine whether either of the exceptions apply. Such responsibility will prepare the school, if it is audited by the IRS, to demonstrate that the failure to publish its racially nondiscriminatory policy in accordance with either one of the publicity requirements was justified by one of the exceptions. Also, a school must be prepared to demonstrate that it has publicly disavowed or repudiated any statements purported to have been made on its behalf (after November 6, 1975) that are contrary to its publicity of a racially nondiscriminatory policy as to students, to the extent that the school or its principal official was aware of these statements.

Facilities and programs. A school must be able to show that all of its programs and facilities are operated in a racially nondiscriminatory manner.

Scholarship and loan programs. As a general rule, all scholarship or other comparable benefits obtainable at the school must be offered on a racially nondiscriminatory basis. This must be known throughout the general community being served by the school and should be referred to in its publicity. Financial assistance programs, as well as scholarships and loans made under financial assistance programs, that favor members of one or more racial minority groups and that do not significantly detract from or are designed to promote a school's racially nondiscriminatory policy will not adversely affect the school's exempt status.

Certification. An individual authorized to take official action on behalf of a school that claims to be racially nondiscriminatory as to students must certify **annually**, under penalties of perjury, on Schedule A (Form 990) or **Form 5578, Annual Certification of Racial Nondiscrimination for a Private School Exempt From Federal Income Tax**, whichever applies, from the best of his or her knowledge and belief the school has satisfied all requirements that apply, as previously explained.

Failure to comply with the guidelines ordinarily will result in the proposed revocation of the exempt status of a school.



Recordkeeping requirements. With certain exceptions, given later, each exempt private school must maintain the following records for a minimum period of 3 years, beginning with the year after the year of compilation or acquisition.

1. Records indicating the racial composition of the student body, faculty, and administrative staff for each academic year.
2. Records sufficient to document that scholarship and other financial assistance is awarded on a racially nondiscriminatory basis.
3. Copies of all materials used by or on behalf of the school to solicit contributions.
4. Copies of all brochures, catalogs, and advertising dealing with student admissions, programs, and scholarships. (Schools advertising nationally or in a large geographic segment or segments of the United States need only maintain a record sufficient to indicate when and in what publications their advertisements were placed.)

The racial composition of the student body, faculty, and administrative staff may be determined in the same manner as that described at the beginning of this section. However, a school may not discontinue maintaining a system of records that reflects the racial composition of its students, faculty, and administrative staff used on November 6, 1975, unless it substitutes a different system that compiles substantially the same information, without advance approval of the IRS.

The IRS does not require that a school release any personally identifiable records or personal information except in accordance with the requirements of the Family Educational Rights and Privacy Act of 1974. Similarly, the IRS does not require a school to keep records prohibited under state or federal law.

Exceptions. The school does not have to independently maintain these records for IRS use if both of the following are true.

1. Substantially the same information has been included in a report or reports filed with an agency or agencies of federal, state, or local governments, and this information is current within 1 year.
2. The school maintains copies of these reports from which this information is readily obtainable.

If these reports do not include all of the information required, as discussed earlier, records providing such remaining information must be maintained by the school for IRS use.

Failure to maintain records. Failure to maintain or to produce the required records and information, upon proper request, will create a presumption that the organization has failed to comply with these guidelines.

Organizations Providing Insurance

An organization described in section 501(c)(3) or 501(c)(4) may be exempt from tax only if no substantial part of its activities consist of providing commercial-type insurance.

However, this rule does not apply to state-sponsored organizations described in sections 501(c)(26) or 501(c)(27), which are discussed in chapter 4, or to charitable risk pools, discussed next.

Charitable Risk Pools

A charitable risk pool is treated as organized and operated exclusively for charitable purposes if it:

1. Is organized and operated only to pool insurable risks of its members (not including risks related to medical malpractice) and to provide information to its members about loss control and risk management,
2. Consists only of members that are section 501(c)(3) organizations exempt from tax under section 501(a),
3. Is organized under state law authorizing this type of risk pooling,
4. Is exempt from state income tax (or will be after qualifying as a section 501(c)(3) organization),
5. Has obtained at least \$1,000,000 in startup capital from nonmember charitable organizations,
6. Is controlled by a board of directors elected by its members, and
7. Is organized under documents requiring that:
 - a. Each member be a section 501(c)(3) organization exempt from tax under section 501(a),
 - b. Each member that receives a final determination that it no longer qualifies under section 501(c)(3) notify the pool immediately, and
 - c. Each insurance policy issued by the pool provide that it will not cover events occurring after a final determination described in (b).

Other Section 501(c)(3) Organizations

In addition to the information required for all organizations, as described earlier, you should include any other information described in this section.

Charitable Organizations

If your organization is applying for recognition of exemption as a charitable organization, it must show that it is organized and operated for purposes that are beneficial to the public interest. Some examples of this type of organization are those organized for:

- Relief of the poor, the distressed, or the underprivileged,
- Advancement of religion,
- Advancement of education or science,

- Erection or maintenance of public buildings, monuments, or works,
- Lessening the burdens of government,
- Lessening of neighborhood tensions,
- Elimination of prejudice and discrimination,
- Defense of human and civil rights secured by law, and
- Combating community deterioration and juvenile delinquency.

The rest of this section contains a description of the information to be provided by certain specific organizations. This information is in addition to the **required inclusions** described in chapter 1, and other statements requested on Form 1023. Each of the following organizations must submit the information described.

Charitable organization supporting education. Submit information showing how your organization supports education — for example, contributes to an existing educational institution, endows a professorial chair, contributes toward paying teachers' salaries, or contributes to an educational institution to enable it to carry on research.

Scholarships. If the organization awards or plans to award scholarships, complete Schedule H of Form 1023. Submit the following also.

1. Criteria used for selecting recipients, including the rules of eligibility.
2. How and by whom the recipients are or will be selected.
3. If awards are or will be made directly to individuals, whether information is required assuring that the student remains in school.
4. If awards are or will be made to recipients of a particular class, for example, children of employees of a particular employer —
 - a. Whether any preference is or will be accorded an applicant by reason of the parent's position, length of employment, or salary,
 - b. Whether as a condition of the award the recipient must upon graduation accept employment with the company, and
 - c. Whether the award will be continued even if the parent's employment ends.
5. A copy of the scholarship application form and any brochures or literature describing the scholarship program.

Hospital. If you are organized to operate a charitable hospital, complete and attach Section I of Schedule C, Form 1023.

If your hospital was transferred to you from proprietary ownership, complete and attach Schedule I of Form 1023. You must attach a list showing:

1. The names of the active and courtesy staff members of the proprietary hospital, as well as the names of your medical staff members after the transfer to nonprofit ownership, and

scheduled instruction or curriculum related to the destinations being visited. The travel tours made available to ABC's members do not contribute importantly to the accomplishment of ABC's educational purpose. Rather, ABC's program is designed to generate revenues for ABC by regularly offering its members travel services. Therefore, ABC's tour program is an unrelated trade or business.

For additional information on unrelated business income, see Publication 598.

Employment Tax Returns

Every employer, including an organization exempt from federal income tax, who pays wages to employees is responsible for withholding, depositing, paying, and reporting federal income tax, social security and Medicare (FICA) taxes, and federal unemployment tax (FUTA), unless that employer is specifically excepted by law from those requirements or if the taxes clearly do not apply.

For more information, get a copy of Publication 15, Circular E, *Employer's Tax Guide*, which summarizes the responsibilities of an employer, Publication 15-A, *Employer's Supplemental Tax Guide*, Publication 15-B, *Employer's Tax Guide to Fringe Benefits*, and Form 941, *Employer's Quarterly Federal Tax Return*.

Penalty. If any person required to collect, truthfully account for, and pay over any of these taxes willfully fails to satisfy any of these requirements or willfully tries in any way to evade or defeat any of them, that person will be subject to a penalty. The penalty, often called the **trust fund recovery penalty** is equal to the tax evaded, not collected, or not accounted for and paid over. The term **person** includes:

- An officer or employee of a corporation, or
- A member or employee of a partnership.

Exception. The penalty is not imposed on any unpaid volunteer director or member of a board of trustees of an exempt organization if the unpaid volunteer serves solely in an honorary capacity, does not participate in the day-to-day or financial operations of the organization, and does not have actual knowledge of the failure on which the penalty is imposed.

This exception does not apply if it results in no one being liable for the penalty.

FICA and FUTA tax exceptions. Payments for services performed by a minister of a church in the exercise of the ministry, or a member of a religious order performing duties required by the order, are generally not subject to FICA or FUTA taxes.

FUTA tax exception. Payments for services performed by an employee of a religious, charitable, educational, or other organization described in section 501(c)(3) that are generally subject to FICA taxes if the payments are \$100 or more for the year, are not subject to FUTA taxes.

FICA tax exemption election. Churches and qualified church-controlled organizations can elect exemption from employer FICA taxes

by filing **Form 8274, Certification by Churches and Qualified Church-Controlled Organizations Electing Exemption from Employer Social Security and Medicare Taxes.**

To elect exemption, Form 8274 must be filed before the first date on which a quarterly employment tax return would otherwise be due from the electing organization. The organization may make the election only if it is opposed for religious reasons to the payment of FICA taxes.

The election applies to payments for services of current and future employees other than services performed in an unrelated trade or business.

Revoking the election. The election can be revoked by the IRS if the organization fails to file Form W-2, *Wage and Tax Statement*, for 2 years and fails to furnish certain information upon request by the IRS. Such revocation will apply retroactively to the beginning of the 2-year period.

Definitions. For purposes of this election, the term **church** means a church, a convention or association of churches, or an elementary or secondary school that is controlled, operated, or principally supported by a church or by a convention or association of churches.

The term **qualified church-controlled organization** means any church-controlled section 501(c)(3) tax-exempt organization, other than an organization that both:

1. Offers goods, services, or facilities for sale, other than on an incidental basis, to the general public at other than a nominal charge that is substantially less than the cost of providing such goods, services, or facilities, **and**
2. Normally receives more than 25% of its support from the sum of governmental sources and receipts from admissions, sales of merchandise, performance of services, or furnishing of facilities, in activities that are not unrelated trades or businesses.

Effect on employees. If a church or qualified church-controlled organization has made an election, payment for services performed for that church or organization, other than in an unrelated trade or business, will not be subject to FICA taxes. However, the employee, unless otherwise exempt, will be subject to self-employment tax on the income. The tax applies to income of \$108.28 or more for the tax year from that church or organization, and no deductions for trade or business expenses are allowed against this **self-employment income**.

Schedule SE (Form 1040), *Self-Employment Tax*, should be attached to the employee's income tax return.

Political Organization Income Tax Return

Generally, a political organization is treated as an organization exempt from tax. Certain political organizations, however, must file an annual income tax return, **Form 1120-POL**, for any

year they have political organization taxable income in excess of the \$100 specific deduction allowed under section 527 of the Code.



A political organization that has \$25,000 (\$100,000 for a qualified state or local political organization) or more in gross receipts for the tax year must file Form 990 or 990-EZ (and Schedule B of the form), unless excepted. See Forms 990 and 990-EZ, earlier.

Political organization. A political organization is a party, committee, association, fund, or other organization (whether or not incorporated) organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for an exempt function.

Exempt function. An exempt function means influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any federal, state, local public office or office in a political organization, or the election of the Presidential or Vice Presidential electors, whether or not such individual or electors are selected, nominated, elected, or appointed. It also includes certain office expenses of a holder of public office or an office in a political organization.



Certain political organizations are required to notify the IRS that they are section 527 organizations. These organizations must use Form 8871. Some of these section 527 organizations must use Form 8872 to file periodic reports with the IRS disclosing their contributions and expenditures. For a discussion on these forms, see Reporting Requirements for a Political Organization, later.

Political organization taxable income. Political organization taxable income is the excess of:

1. Gross income for the tax year (excluding exempt function income) minus
2. Deductions directly connected with the earning of gross income.

To figure taxable income, allow for a \$100 specific deduction, but do not allow for the net operating loss deduction, the dividends-received deduction, and other special deductions for corporations.

Exempt organization not a political organization.

An organization exempt under section 501(c) of the Code that spends any amount for an exempt function must file Form 1120-POL for any year which it has political taxable income. These organizations must include in gross income the lesser of:

1. The total amount of its exempt function expenditures, or
2. The organization's net investment income.

Separate fund. A section 501(c) organization can set up a separate segregated fund that will be treated as an independent political organization. The earnings and expenditures made by the separate fund will not be attributed to the section 501(c) organization.



Section 501(c)(3) organizations are precluded from, and suffer loss of exemption for, engaging in any political campaign on behalf of, or in opposition to, any candidate for public office.

Due date. Form 1120-POL is due by the 15th day of the 3rd month after the end of the tax year. Thus, for a calendar year taxpayer, Form 1120-POL is due on March 15 of the following year. If any due date falls on a Saturday, Sunday, or legal holiday, the organization may file the return on the next business day.



Form 1120-POL is not required of an exempt organization that makes expenditures for political purposes if its gross income does not exceed its directly connected deductions by more than \$100 for the tax year.

Failure to file. A political organization that fails to file Form 1120-POL, or fails to include the required information on the form, is subject to a penalty of \$20 per day for each day such failure continues. The maximum penalty imposed on failures regarding any one return is the lesser of \$10,000 or 5% of the gross receipts of the organization for the year. In the case of an organization having gross receipts exceeding \$1,000,000 for any year, the penalty is increased to \$100 per day with a maximum penalty of \$50,000.

For more information about filing Form 1120-POL, refer to the instructions accompanying the form.

Failure to pay on time. An organization that does not pay the tax when due generally may have to pay a penalty of 1/2 of 1% of the unpaid tax for each month or part of a month the tax is not paid, up to a maximum of 25% of the unpaid tax. The penalty will not be imposed if the organization can show that the failure to pay on time was due to reasonable cause.

Reporting Requirements for a Political Organization

Certain political organizations are required to notify the IRS that the organization is to be treated as a **section 527** political organization. The organization is also required to periodically report certain contributions received and expenditures made by the organization. To notify the IRS of section 527 treatment, an organization must file Form 8871. To report contributions and expenditures, certain tax-exempt political organizations must file Form 8872.

Form 8871. A political organization must electronically file Form 8871 to notify the IRS that it is to be treated as a section 527 organization. However, an organization is **not** required to file Form 8871 if:

- It reasonably expects its gross receipts to always be less than \$25,000.
- It is a political committee required to report under the Federal Election Campaign Act of 1971 (FECA) (2 U.S.C. 431(4)).

- It is a state or local candidate committee.
- It is a state or local committee of a political party.
- It is a section 501(c) organization that has made an "exempt function expenditure".

All other political organizations are required to file Form 8871.

An organization must provide on Form 8871:

1. Its name and address (including any business address, if different) and its electronic mailing address,
2. Its purpose,
3. The names and addresses of its officers, highly compensated employees, contact person, custodian of records, and members of its Board of Directors,
4. The name and address of, and relationship to, any related entities (within the meaning of section 168(h)(4) of the Code), and
5. Whether it intends to claim an exemption from filing Form 8872 or Form 990 (Form 990-EZ).



Before filing Form 8871, the political organization must have its own EIN even if it has no employees. To get an EIN, file Form SS-4 with the IRS. Form SS-4 can be obtained by downloading it from the IRS Internet web site at www.irs.gov or by calling 1-800-TAX-FORM.

Due dates. The initial Form 8871 must be filed **within 24 hours** of the date on which the organization was established. If there is a material change an amended Form 8871 must be filed within 30 days of the material change. When the organization terminates its existence, it must file a final Form 8871 within 30 days of termination.

If the due date falls on a Saturday, Sunday, or legal holiday, the organization may file on the next business day.

How to file. An organization must file Form 8871 electronically via the IRS Internet web site at www.irs.gov/polorgs (Keyword: political orgs).

Failure to file. An organization that is required to file Form 8871, but fails to do so on a timely basis, will not be treated as a tax-exempt section 527 organization for any period before the date Form 8871 is filed. Also, the taxable income of the organization for that period will include its exempt function income (including contributions received, membership dues, and political fund-raising receipts) minus any deductions directly connected with the production of that income.

Failure to file an amended Form 8871 will cause the organization not to be treated as a tax-exempt section 527 organization. If an organization is treated as not being a tax-exempt section 527 organization, the taxable income of the organization will be determined by considering any exempt function income and deductions during the period beginning on the date of the material change and ending on the date that the amended Form 8871 is filed.

The tax is computed by multiplying the organization's taxable income by the highest corporate tax rate.

Fraudulent returns. Any individual or corporation that willfully delivers or discloses to the IRS any list, return, account, statement or other document known to be fraudulent or false as to any material matter will be fined not more than \$10,000 (\$50,000 in the case of a corporation) or imprisoned not more than 1 year or both.

Waiver of penalties. The IRS may waive any additional tax assessed on an organization for failure to file Form 8871 if the failure was due to reasonable cause and not willful neglect.

Additional information. For more information on Form 8871, see the form and its instructions. For a discussion on the public inspection requirements for the form, see *Public Inspection of Exemption Applications, Annual Returns, and Political Organization Reporting Forms*, later.

Form 8872. Every tax-exempt section 527 political organization that accepts a contribution or makes an expenditure, for an exempt function during the calendar year, must file Form 8872 **except:**

- A political organization that is not required to file Form 8871 (discussed earlier).
- A political organization that is subject to tax on its income because it did not file or amend Form 8871.
- A qualified state or local political organization (QSLPO), discussed below.

All other tax-exempt section 527 organizations that accept contributions or make expenditures for an exempt function are required to file Form 8872.

Qualified state or local political organization. A state or local political organization may be a QSLPO if:

1. All of its political activities relate solely to state or local public office (or office in a state or local political organization).
2. It is subject to a state law that requires it to report (and it does report) to a state agency information about contributions and expenditures that is similar to the information that the organization would otherwise be required to report to the IRS.
3. The state agency and the organization make the reports publicly available.
4. No federal candidate or office holder:
 - a. Controls or materially participates in the direction of the organization,
 - b. Solicits contributions for the organization, or
 - c. Directs the disbursements of the organization.

Information required on Form 8872. If an organization pays an individual \$500 or more for the calendar year, the organization is required to disclose the individual's name, address, occupation, employer, amount of the expense, the date the expense was paid, and the purpose of the expense on Form 8872.

If an organization receives contributions of \$200 or more from one contributor for the calendar year, the organization must disclose the

donor's name, address, occupation, employer, and the date the contributions were made.

For additional information that is required, see Form 8872.

Due dates. The due dates for filing Form 8872 vary depending on whether the form is due for a reporting period that occurs during a calendar year in which a regularly scheduled election is held, or any other calendar year (a non-election year).

In election years, Form 8872 must be filed on either a quarterly or a monthly basis. Both a pre-election report and a post-election report are also required to be filed in an election year.

In non-election years, the form must be filed on a semiannual or monthly basis. A complete listing of these filing periods are in the Form 8872 instructions.

An election year is any year in which a regularly scheduled general election for federal office is held (an even-numbered year). A non-election year is any odd-numbered year.

How to file. For Forms 8872 filed before June 30, 2003, complete and file Form 8872 in one of two ways:

1. Electronically via the IRS Internet web site at www.irs.gov/polorgs, or
2. By sending a signed copy of the form to the Internal Revenue Service Center, Ogden, UT 84201.

The form must be signed by an official authorized by the organization to sign Form 8872.

An organization that files Form 8872 electronically will receive a user ID and a password needed to file Form 8872 electronically. If an organization does not receive its user ID and password, it may request one by writing to the following address:

Internal Revenue Service
Room 4010
P.O. Box 2508
Cincinnati, OH 45201



Organizations required to file Form 8872 on or after June 30, 2003, must file the form electronically if the organization expects to have contributions or expenditures exceeding \$50,000.

Penalty for failure to file. A penalty will be imposed if the organization is required to file Form 8872 and it:

- Fails to file the form by the due date, or
- Files the form but fails to report all of the information required or reports incorrect information.

The penalty is 35% of the total amount of contributions and expenditures to which a failure relates.

Fraudulent returns. Any individual or corporation that willfully delivers or discloses any list, return, account, statement or other document known to be fraudulent or false as to any material matter, will be fined not more than \$10,000 (\$50,000 in the case of a corporation), or imprisoned not more than 1 year, or both.

Waiver of penalties. The IRS may waive any additional tax assessed on an organization

for failure to file Form 8872 if the failure was due to reasonable cause and not willful neglect.

Donee Information Return

Dispositions of donated property. If an organization receives **charitable deduction property** and within 2 years sells, exchanges, or disposes of the property, the organization must file **Form 8282, Donee Information Return**. However, an organization is not required to file Form 8282 if:

- The property is valued at \$500 or less, or
- The property is distributed for charitable purposes.

Form 8282 must be filed within 125 days after the disposition. A copy of Form 8282 must be given to the previous donor. If the organization fails to file the required information return, penalties may apply.

Charitable deduction property. This is any property (other than money or **publicly traded securities**) for which the donee organization signed an **appraisal summary** or **Form 8283, Noncash Charitable Contributions**.

Publicly traded securities. These are securities for which market quotations are readily available on an established securities market as of the date of the contribution.

Appraisal summary. If the value of the donated property exceeds \$5,000, the donor must get a qualified appraisal for contributions of property (other than money or publicly traded securities). The donee organization is not a qualified appraiser for the purpose of valuing the donated property. For more information, get Publication 561, *Determining the Value of Donated Property*.

Form 8283. For noncash donations over \$5,000, the donor must attach Form 8283 to the tax return to support the charitable deduction. The donee must sign Part IV of Section B, Form 8283 unless publicly traded securities are donated. The person who signs for the donee must be an official authorized to sign the donee's tax or information returns, or a person specifically authorized to sign by that official. The signature does not represent concurrence in the appraised value of the contributed property. A signed acknowledgement represents receipt of the property described on Form 8283 on the date specified on the form. The signature also indicates knowledge of the information reporting requirements on dispositions, as previously discussed. A copy of Form 8283 must be given to the donee.

Information Provided to Donors

A charitable organization must give a donor a disclosure statement for a quid pro quo contribution over \$75. A donor cannot deduct a charita-

ble contribution of \$250 or more unless the donor has a written acknowledgement from the charitable organization.

In certain circumstances, an organization may be able to meet both of these requirements with the same written document.

Disclosure of Quid Pro Quo Contributions

A charitable organization must provide a written **disclosure statement** to donors of a quid pro quo contribution over \$75.

Quid pro quo contribution. This is a payment a donor makes to a charity partly as a contribution and partly for goods or services. For example, if a donor gives a charity \$100 and receives a concert ticket valued at \$40, the donor has made a quid pro quo contribution. In this example, the charitable contribution part of the payment is \$60. Even though the deductible part of the payment is not more than \$75, a disclosure statement must be filed because the donor's payment (quid pro quo contribution) is more than \$75.

Disclosure statement. The required written disclosure statement must:

1. Inform the donor that the amount of the contribution that is deductible for federal income tax purposes is limited to the excess of any money (and the value of any property other than money) contributed by the donor over the fair market value of goods or services provided by the charity, and
2. Provide the donor with a **good faith estimate** of the fair market value of the goods or services that the donor received.

The charity must furnish the statement in connection with either the solicitation or the receipt of the quid pro quo contribution. If the disclosure statement is furnished in connection with a particular solicitation, it is not necessary for the organization to provide another statement when it actually receives the contribution.

No disclosure statement is required if **any** of the following are true.

1. The goods or services given to a donor have **insubstantial value** as described in Revenue Procedure 90-12, in Cumulative Bulletin 1990-1, and Revenue Procedure 92-49, in Cumulative Bulletin 1992-1.
2. There is no donative element involved in a particular transaction with a charity (for example, there is generally no donative element involved in a visitor's purchase from a museum gift shop).
3. There is only an intangible religious benefit provided to the donor. The intangible religious benefit must be provided to the donor by an organization organized exclusively for religious purposes, and must be of a type that generally is not sold in a commercial transaction outside the donative context. For example, a donor who, for a payment, is granted admission to a religious ceremony for which there is no admission charge is provided an intangible religious benefit. A donor is not provided intangible religious benefits for payments