

PAPER CHASE: Reporting Requirements for Non-Profit Arts Groups A Checklist to Maintain Your Non-Profit Status

ANNUAL FILINGS: STATE OF FLORIDA

NON-PROFIT CORPORATION ANNUAL REPORT

Contact the Florida Department of State, Division of Corporations for forms: 850-488-9000 or www.sunbiz.org

As a non-profit corporation in the state of Florida you must file an annual report and pay a fee. Your Florida non-profit corporation will be dissolved if you do not file an annual report in a timely manner.

SOLICITATION OF CONTRIBUTIONS FILING

Contact Division of Consumer Affairs for information and filing forms: www.freshfromflorida.com

Under the Florida Solicitations Act, non-profit organizations that solicit contributions in Florida must register with the Florida Department of Agriculture and Consumer Services. To be in compliance, a non-profit group must complete the Florida Solicitation form and file each year. Filing fees range from \$10 to \$400 depending on annual contributions received. In addition, your financial reports and current budget must be available to any member of the public that requests it. Groups may receive severe monetary penalties for failure to register.

CONFLICT OF INTEREST CERTIFICATION NEW

More info and a sample policy: www.irs.gov/charities-non-profits/form-1023-purpose-of-conflict-of-interest-policy

Florida law requires charities that do not fall into the small charity category to adopt a conflict of interest policy. You do not need to submit the policy to FDACS. However, you are required to submit a statement certifying that all board members and directors have read and understand the policy. One signature certifying on behalf of all board members is sufficient to file each year.

STATE OF FLORIDA SALES TAX EXEMPTION

Contact Florida Department of Revenue: <https://floridarevenue.com>

Florida law grants nonprofit organizations that meet the criteria an exemption from Florida sales and use tax. Nonprofits can apply for a sales tax exemption certificate from the Florida Department of Revenue by completing Form-DR-14. Organizations holding a Florida *Consumer's Certificate of Exemption* may present a copy of the certificate to a selling dealer to purchase or rent taxable items or services tax-exempt as authorized by Florida law. Payment for the purchase must be made with the organization's funds.

ANNUAL FILINGS: IRS

IRS FORM 990 or 990EZ or 990N

Contact IRS: 1-800-TAX FORMS or www.irs.gov The forms have been significantly revised starting with FY2017

IRS Form 990 is your group's annual tax return. All non-profit groups must file. Those with gross receipts less than \$25,000 can file 990N. Groups with receipts between \$25,000 and \$500,000, and total assets less \$1.25 million can file the 990EZ or the 990 and Schedule A. There are additional forms if your group owns property, has significant interest earnings and others. All IRS filings are due by the 15th of the 5th month after your fiscal year end. **Penalties:** There are substantial penalties of \$10,000 or 5 percent of the organization's gross receipts for each year not in compliance. It may put your 501c3 status in jeopardy.

PAYROLL TAX REQUIREMENTS

Contact IRS for information: 800-829-3676 or www.irs.gov

You must notify the IRS for each employee, consultant or artist your organization pays. **Penalties:** The IRS may assess substantial non-filing penalties for failure to file, including removal of your 501c3 status.

Form W-4 "EMPLOYEES WITHHOLDING ALLOWANCE CERTIFICATE"

As an employer, your organization must withhold the correct amount of Federal Income Tax from the employee's wage. Order IRS Circular E "Employers Tax Guide (1-800-829-3676) explains employer tax responsibilities, requirements for withholding, reporting and paying taxes.

FORM 1099 – INDEPENDENT CONTRACTORS, ARTISTS

If an employee works under minimum direction from your organization and if you do not constitute their chief source of income they may be considered an individual contractor. Many of your artists may fall into this category. You do not have to file withholding for these employees. You must, however, report their annual earnings to the IRS with form 1099 if they earn more than \$600 in one fiscal year. Form 1099 is due in January of each year regardless of your fiscal year, payroll records must follow the calendar year.

KEEP ON FILE: IMPORTANT RECORDS

ARTICLES OF INCORPORATION & BY-LAWS Your Articles of Incorporation establish your non-profit corporate status in Florida and your current by-laws determine your organizational structure and the way your board operates.

IRS FINAL DETERMINATION LETTER Establishes your group as a tax exempt charitable organization with the IRS.

CORPORATE BOARD MINUTES AND RESOLUTIONS The Board secretary should keep accurate minutes of all meetings of the governing body of the organization. Minutes from all board meetings should be kept on file for at least 7 years.

FINANCIAL RECORDS Monthly bank statements and financial records should be kept on file for 7 years. Payroll records, expense reports, invoices, vouchers, audit reports and other financial records should also be kept on file for at least 7 years.

IRS: 990 Forms, 1099 Forms and all IRS info should be kept for at least 7 years