

February 9, 2011

FROM: Race Track Chaplaincy of America
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TO:



SUBJECT: EIN, State Incorporation, and Non Profit Status

Dear:

Previously, RTCA has allowed councils to utilize the RTCA 501(c)(3) IRS charitable, not-for-profit tax status because it was believed that RTCA had a group status with the Internal Revenue Service (IRS). In addition, RTCA allowed some councils, especially new ones to use RTCA's Employer Identification Number (EIN). As was discussed at the 2010 RTCA Chaplaincy School and Annual Meeting (CSAM), our legal counsel and current accountant has determined RTCA does not have a group 501(c)(3) nor should any council utilize the RTCA EIN.

If your council is has been utilizing the RTCA EIN and 501(c)(3) IRS status, you must stop doing so immediately. Each council must obtain its EIN and establish a corporate entity and if you want you contributors to receive tax credit for charitable donations, your council will need to apply for 501(c)(3) status with the IRS. RTCA will, however, allow your council to file your 2010 IRS 990 with RTCA as we did in 2009, but this is the last year and we need your 990 information as soon as possible, no later than April 1st.

The first step is to apply for an Employer Identification Number (EIN) if you do not have your own. You can do this online free at <http://www.irs.gov/business/small/article/0,,id=102767,00.html> and the links that are available on this page. The process is quick and your EIN will be assigned immediately.

The second step is to incorporate in your state. You may do this online through the Secretary of State website for your state. There is a fee, which varies from state to state and can range from \$45.00 to \$295. Go to <http://www.incorporate-business.us/state-fees.asp> (print out of this page is enclosed) and click on your state to see the check list of requirements. You are incorporating as a non-profit. Most states have general articles of incorporation for non-profits and you can simply use them. If not, please contact my assistant, Anne Rush, and she will send you general articles you can modify for your use. You will need to provide a list of board members (your council members) and officers. It will be

important to remember that members of your chaplain's family should not serve on the board of a 501 (c)(3), according to IRS regulations.

The finally your council should submit your application for a 501(c)3 designation. These forms are also enclosed and we have filled out everything we can for you. The fee for applying is \$850. We understand that your council may have difficulty paying. RTCA has *some* funding available and enclosed with this letter is an application for a grant to help cover this expense. We cannot fund everyone and we cannot fund the entire amount, but we will help wherever we can.

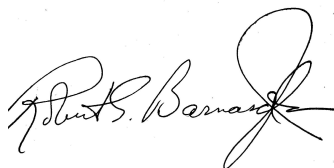
Summary of Costs:

EIN Filing:	\$0
State Incorporation:	Varies by state – \$45.00 to \$295.00
See attached list, refer to the Non Profit column.	
501(c)(3) Filing Fee	\$850.00
Attorneys' Fees	Varies from \$0 [pro bono] to several hundred/thousand dollars.

File for your EIN and state incorporation immediately and bring the obtained information with you, along with the necessary information for the 501(c)(3), to this year's CSAM, April 5 – 11, 2011. We will have a dedicated workshop with our legal counsel and CPA to specifically discuss the process to file for the 501(c)(3). Ideally, every council can have all their filings completed by the end of the workshop. If you would like to do this in advance or cannot attend this year's CSAM, we can make arrangement to set up a time when multiple councils can do this over the phone with RTCA staff, legal counsel and CPA.

If you have specific questions regarding any of the steps to get your 501(c)(3), our CPA, Christy Woodward, will be happy to help you complete the applications. You may email her at cwoodward@mmsllp.com or call her at 859-223-3095. Thelma Lynn, council president at Emerald Downs is also willing to assist. Use your directory for her contact information. Peter Ecabert, attorney for HPBA, has assisted all of the subsidiary state HPBA organizations to complete their 501(c)(3) applications, will be at the CSAM workshop to assist you and can be available by phone.

Sincerely,



Robert S. Barnard, Jr.
Director of Chaplain Ministries

Incl: Print out of State Fees web page. <http://www.incorporate-business.us/state-fees.asp>
Print out of EIN instructions web page.

<http://www.irs.gov/business/small/article/0,,id=102767,00.html>

Sample 501(c)(3) application