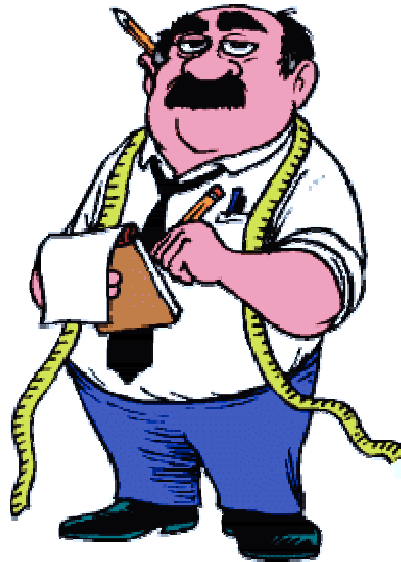





# Creating Your Own Identity



## Included in this section:

-  **Creating Your Own Identity Overview**
-  **Life Cycle of a Public Charity**
-  **Incorporation of a Non-Profit Organization**

## Creating Your Own Identity Overview

---

This section of the *Guidelines* provides detailed information related to applying for permits and exemptions you will need. As a supplement to these pages, the following short summary lists the necessary steps in the order in which they should be completed. Some blank forms and examples of completed forms and other information are included in the Appendix to assist you in completing the steps. In addition, see the Life Cycle of a Public Charity immediately following this section.

1. Decide if your Booster Club will be an association or a corporation and prepare the necessary organizing document.

An association will prepare and sign an “Articles of Association” as an organizing document; however, this document **will not be filed** with the Texas Secretary of State. The date the final document is signed by at least two officers or board members is considered the beginning date of the organization.

A corporation will prepare and sign *Form 202* (Certificate of Formation Nonprofit Corporation) **to be filed** with the Texas Secretary of State. You should receive a copy of your certificate of formation from the Texas Secretary of State stamped with the date considered the beginning date the organization.

Both the IRS and State of Texas require that each Booster Club have an organizing document to establish the official formation of the organization. You will submit this document along with the appropriate forms when applying for federal tax exemption as a public 501(c)(3) organization and when applying for state sales, use, and franchise tax exemptions.

### Benefits of Incorporation:

- Formalize organization and provide standardized operating procedures through Articles of Incorporation and Bylaws.
  - Helps shield the individuals governing and operating the nonprofit organization from liabilities incurred by the organization, unless the individuals are negligent in their duties.
2. If an association, skip to Step 4. If a corporation, go to Step 3.
  3. For a corporation, file for incorporation with the Texas Secretary of State before proceeding with Step 4. (***See Incorporation of a Non-Profit Organization for more information.***)
  4. Draft the booster club’s bylaws as soon as possible.
  5. A membership drive should occur to let parents know about the booster club and when the first membership meeting will be held. At the first meeting, have the general membership approve establishing the booster club and the booster club bylaws. Then elect officers in accordance with the bylaws.
  6. Apply for an Employer Identification Number (EIN) with the IRS.
  7. After receiving an EIN and electing officers, the booster club can open a bank account.

## Creating Your Own Identity Overview

8. Apply for a Sales Tax Permit with the Texas State Comptroller's Office.
9. Apply for federal tax-exemption as a **public 501(c)(3)** organization with the IRS.
10. Receive a Letter of Acknowledgement from the IRS indicating receipt of your application and payment.

**Read “Top Ten Reasons for Delays in Processing Exempt Organization Applications”  
before you submit your application!!**

11. Correspond with the IRS if your bylaws need to be modified or if the IRS needs additional information to complete your approval process.
12. Receive a Determination Letter (approximately 4-6 months later) stating you are a public 501(c)(3) tax-exempt organization.
13. Send a copy of the Determination Letter to the Internal & Systems Control Department.
14. Apply for an exemption from Texas sales, excise, and use tax with the Texas Comptroller's Office.
15. If you are incorporated, file for franchise tax-exemption with the Texas Comptroller's Office.
16. Put all of the documents related to these steps in a “Permanent File” in a safe place to be forwarded to the new officers each year. You may also scan these documents and save to a CD. Make copies for several officers.
17. **Pat yourself on the back for a job well done!!**