



American Gold Star Mothers, Inc.

National Headquarters
2128 Leroy Place NW
Washington, DC 20008
202-265-0991

Organized 4 June 1928
Incorporated 5 January 1929
Chartered by Congress 12 June 1984
Founded by Grace Darling Seibold

October 7, 2022

Dear Chapter and Department Presidents and Treasurers:

As has been discussed for several years now, there are certain IRS reporting guidelines and banking regulations that are affecting nonprofit organizations nationwide. The AGSM NEB has been working on a plan for bringing our organization into compliance for at least the last two years. National President Sarah Taylor has appointed a Compliance Committee, and we have been working diligently on this project for the last few weeks. It is now time to put a plan into action.

The bottom line is that each entity (chapter or department) will need to file for and obtain individual 501(c)(3) registrations/determinations from the Internal Revenue Service (IRS). This requires each entity to acquire their own EIN (Employer Identification Number). No chapter or department will be able to remain on the National EIN following full implementation.

What are the steps?

With regards to getting all our chapters and departments into compliance with current IRS requirements, the Committee has been advised there are several options for chapters and departments. For those of you who were at the 2022 National Convention, you heard a presentation by Harbor Compliance. Harbor Compliance's full-time mission is advising and assisting nonprofit organizations with IRS compliance issues. If a chapter or department wishes to engage Harbor Compliance to complete this process, each entity will be required to pay Harbor Compliance \$1499, plus an IRS filing fee of \$275 (revenue under \$50,000 annually) or \$600 (revenue over \$50,000 annually), plus the filing fee for their local jurisdiction to file articles of incorporation. Some jurisdictions also require an initial filing fee, which averages around \$50. (See Schedule A attached for complete list of filing fees as of this date.)

If Harbor Compliance is engaged by a chapter or department to assist in this process, Harbor Compliance has a checklist that the chapter or department will need to complete. (See Schedule B attached.) Harbor Compliance will then complete any necessary paperwork to obtain the IRS determination letter, starting with filing for the correct EIN number for the entity. (There are different types of EINs, and it is important that the correct type is chosen at the time of application.)

President - Sarah Taylor
1st Vice President - Pam Stemple
2nd Vice President - Patti Elliott
Treasurer - Robin Abbott

Secretary - Patti Elliott
Sgt-at-Arms - Annette Cuzzupe-Kirk
Flag Guard - Dee Thompson
Banner Guard - Joyce Paulsen

Chaplain – Suzanne Sheaffer
VAVS - Dee Thompson
I&T Chair - Lee-Ann Forsythe
NSO - Lee-Ann Forsythe & Pam Stemple

The Constitution and Bylaws of American Gold Star Mothers, Inc., will be the governing document for all chapters and departments as they obtain their 501(c)(3) status. A copy of the C&BL document has been provided to Harbor Compliance. It can also be downloaded from the website or a PDF copy can be furnished to the chapter or department upon request to the National Secretary.

The NEB has determined that each entity chartered by AGSM will name their organization in the following manner: American Gold Star Mothers, Inc. – Department of [Name of State(s)] or American Gold Star Mothers, Inc. – [Name of Chapter] Chapter.

For example: American Gold Star Mothers, Inc. – Department of Florida/Puerto Rico OR American Gold Star Mothers, Inc. – Gardenia Chapter

This will ensure branding consistency and provide identification to potential donors that your chapter or department is indeed part of American Gold Star Mothers, Inc.

Some of our chapters and departments currently already have their own 501(c)(3) status. If you are not currently named consistent with the naming convention approved by the NEB, you will need to file the appropriate form with the IRS to change your name. The IRS form is 8822-B. You will first need to change the Articles of Incorporation in the state where your 501(c)(3) is registered and then update the IRS. We have a chapter in Florida who is undergoing this process. As an example, attached is the name of the IRS form and the link to access it with an example of instructions from Florida. (See Schedule C attached.) In Florida, the cost is about \$35. The cost will vary by state.

IMPORTANT: All departments, without exception, must undergo this registration process and obtain your designation as a 501(c)(3). Chapters, however, have a second option. If a chapter does not want to go through the process of becoming a separate 501(c)(3), the chapter may operate under its department's designation. This is an acceptable option under IRS guidelines. However, if this is the route chosen, there can only be one bank account, which will be held in the department's name, and **all** funds will need to go through the department bank account. This would be ideal for chapters who do not engage in fundraising and/or who do not have a bank account. One operational suggestion would be for the department to form a Finance Committee at the department level with a treasurer from each chapter on the committee to provide oversight of the financial affairs of the department.

Additionally, it is important to note that just as we each file individual returns with the IRS each year, each entity with a 501(c)(3) designation will be under an obligation to file a Form 990-N (revenue under \$50,000 annually) or Form 990 (revenue over \$50,000 annually) on a yearly basis. Under current IRS rules, the deadline for filing either a Form 990-N or Form 990 is six months following the close of the fiscal year. All of AGSM operates on a July 1 to June 30 fiscal year, so this means each year by January 1 all Forms 990-N/990 will need to be filed. The IRS will revoke 501(c)(3) status for failure to file the required returns. If an entity's 501(c)(3) status is revoked by the IRS, AGSM will, likewise, develop an action plan for the status of those entities under AGSM. Further information on this will be provided at a later date.

Also, there will be certain state-specific filings that are required on an annual basis. Chapters and departments will be responsible for meeting those requirements (including any fees) on an ongoing basis. It will be the responsibility of the chapter and/or department to monitor and follow any requirements of their

individual jurisdictions.

It is important to reiterate that the initiative to bring all chapters and departments into compliance is not a new AGSM requirement. These steps are required by the IRS and new banking rules. Right now, we have several chapters who are unable to obtain bank accounts because they have always used National's EIN number and another chapter or department already has an account at that institution using National's EIN number.

What's next?

In conjunction with our Compliance Initiative, we anticipate there will be changes needed to the Constitution and Bylaws that will be proposed at the 2023 National Convention.

There are a couple of key takeaways from this information. First, this is not optional. At the department level, it is going to be required. At the chapter level, you will need to work with your department leadership to decide if you will file for your own individual designation or if you will go under the department's designation.

Second, and maybe most importantly, you do not have to use Harbor Compliance. The NEB has laid the groundwork for Harbor Compliance and is providing you with that as a possible resource. If you want to use them, please do. However, we recognize this is a significant expense. Chapters or departments who have local community partners/resources to assist them with obtaining their 501(c)(3) status may use those resources as an alternative to using Harbor Compliance to obtain the designation.

As previously mentioned, we are working through some things as we go. We have several chapters and departments who are ready to proceed and at least one chapter who currently has a 501(c)(3) designation but will need to change their name. These groups have been given the go-ahead to start the process. The Compliance Committee will follow along with these groups and share helpful tips for other chapters and departments. This sharing of information will promote an atmosphere of teamwork and provide an opportunity for chapters and departments to network and interact with other members. Keep track of any tips, tricks, etc., that you encounter along the way and share those with us. We will be creating a section entitled "Compliance" on the website under the Members Only section. In this section, we will show the progress of chapters and departments that have completed the process and a FAQ section to assist you. As you successfully complete your registration and receive your letter from the IRS, please be willing to assist other chapters and departments. We are all in this together!

Conclusion

We know this is a lot of information to digest! Next week, we will send out three dates for Zoom meetings for presidents and treasurers to attend where you can ask questions. In the meantime, please discuss this information with your chapters and your department leadership and gather any questions your members may have to bring to the meeting. We may not have all the answers, but we will work with you to find them. If you have a question that cannot wait for the Zoom meetings, please reach out to the Compliance Committee at compliance@americangoldstarmothers.org.

We've been talking about compliance for a long time now. We are excited to get this initiative underway and move it to the "done" column. We look forward to working with you all to achieve this win for AGSM.

In Service,

A handwritten signature in black ink that reads "Patti Elliott". The signature is written in a cursive, flowing style.

Patti Elliott, Co-Chair
Compliance Committee

Filing Fees for Articles of Incorporation (as of 9/9/22)

Alabama: \$190
Alaska: \$50
Arizona: \$230
California: \$30
Colorado: \$50
Connecticut: \$190
Delaware: \$98, expedited to 1 week for \$150
DC: \$80 for 3 weeks of processing, \$130 for expedited 1 Week, \$180 for expedited 2-day processing
Florida: \$70
Georgia: \$200
Hawaii: \$51
Idaho: \$30
Illinois: \$78
Indiana: \$53
Iowa: \$20 for 3 weeks of processing, \$170 for expedited 2 days of processing
Kansas: \$20
Kentucky: \$8
Louisiana: \$105
Maine: \$40 for 3 weeks of processing or \$205 for expedited 3 business days
Maryland: \$270
Massachusetts: \$40
Michigan: 470 for 2-3 business days processing
Minnesota: \$90
Mississippi: \$53
Missouri: \$27
Montana: \$20 for 3 weeks of processing, \$195 for expedited 3 business days
Nebraska: \$20
Nevada: \$50 + \$50 for Initial Report at time of incorporation
New Hampshire: \$30
New Jersey: \$79
New Mexico: \$25
New York: \$105
North Carolina: \$62 for 3-4 weeks of processing or \$162 for expedited 3-4 business days
North Dakota: \$40
Ohio: \$99
Oklahoma: \$28
Oregon: \$55
Pennsylvania: \$125
Rhode Island: \$35
South Carolina: \$20 for 3-4 weeks of processing or \$180 for expedited 2-3 business days

South Dakota: \$30 for 3 weeks of processing or \$235 for expedited 1-week processing
Tennessee: \$104
Texas: \$50
Utah: \$30
Vermont: \$25
Virginia: \$77 for 4-6 weeks of processing or \$180 for expedited 2 business days
Washington: \$50
West Virginia: \$25
Wisconsin: \$60
Wyoming: \$50

States requiring INITIAL Reports average \$50/state

Publishing

Georgia: \$40
Nebraska: \$30
Pennsylvania: \$200

IRS fee for most will be \$275, larger organizations (over \$50K in revenue) will be \$600

501(c) Nonprofit Formation Information Request Form

PART 1 - All clients are required to complete this section.

Organization Name

Who should be our point of contact with your organization?

|

Email:

Phone Number:

If your organization's name isn't available, please provide at least one alternative:

1.) ORGANIZATION INFORMATION

Principal Address (No PO Box):

City:

State:

Zip Code:

Mailing Address, if different:

City:

State:

Zip Code:

Phone:

Fax:

Email:

Website:

State of Incorporation:

Date of incorporation (if already incorporate):

EIN, if you already have one:

Date of accounting year end:

If you incorporated before the end of last year, did you file your federal 990 or 990-EZ return for each year you have been incorporated? Yes No N /A

If you have already incorporated or have an EIN, send us your state-approved articles and/or EIN letter.

2) INITIAL BOARD OF DIRECTORS:

Provide **names** and **personal addresses** of your initial board of directors. The IRS generally requires a minimum of **three** individuals unrelated by family (blood or marriage) or business. They can be in any state. For international missions or partnerships, board members can be overseas. *Attach a list if necessary.*

President:

Personal Address:

Hours per week:

Vice President:

Personal Address:

Hours per week:

Secretary:

Personal Address:

Hours per week:

Treasurer:

Personal Address:

Hours per week:

Other Board Member:

Personal Address:

Hours per week:

Are any of your board members related by blood, marriage, or business affiliation? Yes No
If yes, how are they related?

Note: If yes, you may need additional board members.

Which of the above individuals will be the incorporator (individual signing to create your nonprofit)?

HARBOR

COMPLIANCE®

3) MISSION AND ACTIVITIES:

Complete the following sentence as accurately as possible. The mission of this nonprofit is

Will you pay anyone (including yourself) to work with your nonprofit for 35 hours or more each week in Year 1? Yes No

If yes, how many people?

3a) Check all that apply to your organization:

- We have an international mission or partnership, or plan to expand to operate internationally in the future
- We plan to work with international organizations
- We have an address or board member(s) located outside the USA
- We expect our organization's annual revenue (donations, program service revenue, sales, investments, etc.) to exceed \$50,000 per year in the next three years.
- Our organization has assets (cash, land/property, etc.) over \$250,000 at this moment.
- We plan to provide scholarships
- We are a hospital or research facility
- We are a church, synagogue, or mosque
- We are a foundation
- We are a school (as in public education at K-12 or college level). Does not include dance school, dojos, leadership academies, or other non-accredited learning opportunities not subject to regulation or discrimination policies.

If you did not check "YES" to any of the above, you are done!
If you answered "YES" to any of the above, complete Part 2.

PART 2 - If you answered "YES" to any of the above, complete Part 2.

1) NARRATIVE DESCRIPTION OF YOUR ACTIVITIES:

Attach additional pages if necessary.

These are the specific details of all your past, present and future activities. This is the real meat and potatoes of your organization, your chance to prove to the IRS that this organization is needed and necessary and will serve a charitable purpose. It should be as detailed and specific as possible. Any materials you would use for potential donors, for advertisement of your charity or services, website, etc. would go in here. Make it longer rather than shorter, and we will eliminate anything unnecessary.

Here are some questions for you to consider. You do not have to answer these specific questions. They are just a guide to help you formulate the description of activities:

- What is your cause?
- What led to the formation of this organization, when did the organization begin operations, when will it be fully operational?
- Who does the organization serve - who is eligible to receive the organization's services? Who will determine eligibility?
- Who will carry on the activities of the organization? Will these individuals be paid or volunteers, what are their qualifications?
- When or how often are you going to do the activity? How much time will be spent on it? Where are you going to do it? How are you going to do it? How does this further your charitable cause?
- How are you funded? Where is your money coming from? Where is your money going?

Attach additional pages if necessary.

2) FUNDRAISING PLAN:

How do you plan to conduct fundraising? Mail, e-mail, personal contact, events, foundation grants, phone, website, government grants, etc.

Describe your fundraising plan. Are you using a professional fundraiser? What states do you plan to fund raise in?

3) OPERATIONS:

Will you be giving goods, services, or funds (contributions, grants, or scholarships) to anyone? Describe the individuals and organizations who will benefit. Tell us how you select those individuals/organizations, and any other info we should know.

4) BOARD MEMBER QUALIFICATIONS:

For each of the board members you listed in Part 1:

- Attach a bulleted list of their education and work experience resume
- Attach a copy of their resume
- Provide a brief description of their qualifications

5) COMPENSATION INFORMATION:

We may need additional details if there will be compensation paid.

Provide details on any compensation paid to employees and or board members, and anyone that will be paid over \$50,000 a year.

6) FINANCIAL INFORMATION:

Complete the following or send your current year budget, if available.

6a) This Year's Revenue/Income:

You can use actual or projected information.

Donations/grants/fundraising

Mission/program revenue (e.g. admissions, merchandise, services provided)

Income from membership fees

Income from interest/investments

Other revenue

6b) Expenses:

Use actual information for this year if you have it or projections if you don't. Use projected information for future years.

You can attach a spreadsheet/list, or list below. Some categories may be \$0, especially first year as you get set up. You do not need figures in all the categories, only the ones that apply.

**If you were already incorporated as a nonprofit before this year and are just now filing for 501(c)(3) with IRS, we need a copy of your 990 filing for each year you have been in existence. If you did not file taxes for prior years you were incorporated, provide figures for the categories below for the years you did not file taxes. If more than one prior year applies, add figures at the end of this box under Item 10.

	This Year	Next Year 20	Year After 20	**Prior Year 20
				Seldom applies

1. Occupancy (rent/utilities)
2. Grants/Contributions paid out
3. Other expenses to fulfill mission

3a. Provide an itemized list

4. Board/Officer Salaries
5. Staff/Employee Salaries
6. Fundraising expenses
7. Website development/maintenance
8. Filing fees and setup fees paid
9. Other:

6c) Assets as of the end of last year, if not zero: \$

6d) Liabilities as of the end of last year, if not zero: \$

If you do not have any INTERNATIONAL activities, you are done!

If you operate outside the United States, including Canada, Mexico, and the Caribbean, complete Part 3.

PART 3: ONLY for organizations that have an international mission or partnership, or plan to expand to international involvement in the future.

Where will you be operating? Be specific and provide countries and **regions** within countries. For example, Tamil Nadu, India; or Kampala, Uganda; or the entire country of Swaziland; or north and east Bolivia; or all of Cambodia, Vietnam, and South Korea.

Country

Region (City or North, East, South, West)

How will you carry out your mission overseas? Exactly what do you envision that to look like?

Who (or what organizations you might choose to work in partnership with) are or will be on the ground in the countries you will operate in and how will you coordinate your efforts to perform your mission, and how will you oversee their efforts on your organization's behalf?

Will anyone on your board periodically be in the country or countries you will work in? Who, how often, and for how long will they stay? What will they do there?

501(c)3 Name Change IRS Instructions and Florida Example

IRS Instruction and Form 8822-B link: <https://www.irs.gov/charities-non-profits/other-non-profits/change-of-address-exempt-organizations>

Each State will have different pricing and may have additional required steps, but the initial requirement is to update the Articles of Incorporation with the new organization's (501(c)3) name and file them with the state.

Florida Example:**Florida Non-Profit Corporation****ARTICLES OF INCORPORATION**

To create a Florida non-profit corporation OR correct your rejected online filing:

1. Review the [instructions for filing the Articles of Incorporation for Florida Non-Profit Corporations](#).
2. Gather all information required to complete the form.
3. Have a [valid form of payment](#).
4. If additional space is needed to meet IRS filing requirements, prior to filing contact the Department of State at NewFilingsCorpHelp@DOS.MyFlorida.com for appropriate instructions.

FAQs:**I don't want to file online. Can I print and mail my application and payment?**

- Yes, you can print the [Articles of Incorporation for a Florida Non-Profit Corporation \(PDF\)](#) application, and mail it with a check or money order.
- All payments by credit card must use the online application.

Will I receive a confirmation that my filing was accepted?

Yes, you will receive a confirmation letter (which will include the corporation's name, assigned document number, filed date, and its effective date, if requested). Your Certificate of Status and/or Certified Copy will also be included if you opted to purchase those items.

Online filings:

- You will receive your filing confirmation by email at the address you provided.
- Your confirmation will be sent to you once the document is examined and approved by the Division of Corporations.
- You will not receive a confirmation by U.S. Mail.

Filings by mail:

- You will receive your confirmation by U.S. Mail.
- It will be addressed to the mailing address you provided on the application.