

IRS Form 1024: Application for Recognition of Exemption Under Section 501 (a)

In order to facilitate the completion of Form 1024, below are answers to some of the questions deemed unclear:

Part I: Identification of Applicant

#6: *“Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? YES (Attach the exemption letters available on NALC website.)*

#7: *“Has the organization filed Federal income tax returns or exempt organization information returns?”*

In other words, has the branch filed Form 990, 990-EZ, or 990-N in the past? If so, state which forms, what year(s) filed, and the address the form(s) was sent.

Part II: Activities and Operational Information

#1: *“Provide a detailed narrative description of all the activities of the organization....”*

The branch’s main activities are representation in the workplace.

a.) Grievances, arbitrations, negotiations: 100%

b.) Charter date of the branch (You may call the Membership Department at 202-393-4695 if you are unsure.

c.) Occurs as necessary by all authorized representatives of the branch.

#4: *“If the organization is the outgrowth or continuation of any form of predecessor....”*

Not applicable

#12: *“Does the organization have any arrangement to provide insurance for members, their dependents, or others....?”*

Most branches will answer “NO” If you answer “yes” and have questions, you may contact the office of the Secretary-Treasurer for assistance.

#15: *“ Has the organization spent or does it plan to spend any money attempting to influence the selection, nomination, election, or appointment of any person to any Federal, state, or local public office or to an office in a political organization?”*

Most branches will answer “NO” If your branch has it’s own political action fund, you must answer “yes” and explain as requested.

Part III. Financial Data

A. Statement of Revenue and Expenses

Revenue

Line 1 “Gross dues and assessments of members”: **estimated dues income**

Line 2 “Gross contributions, gifts, etc.” : **zero**

Line 3 “Gross amounts derived from activities ...”: **zero**

Line 4 “Gross amounts from unrelated business activities”: **most branches will be zero**

HOWEVER, if your branch receives a yearly check (usually in November) for associate member fees related to the NALC Health Benefit Plan members—see Article 22 of the NALC Constitution—that amount should be entered here. If your branch has a newspaper and receives advertising sales, that amount should be entered here. Any income from renting out the union hall is unrelated business income if the branch holds a mortgage. If you are unsure, please contact the office of the Secretary-Treasurer for assistance.

Expenses

Line 9 “Expenses attributable to activities related to...” **enter any representation costs , training fees and expenses**

Line 12 “Disbursements to or for the benefit of members” **enter any amounts paid by the branch for benefit categories such as disability, death, sickness**

Line 13 “Compensation of officers...” **enter monies paid directly to the officer as wages**

Line 16 “Occupancy” **This refers to the branch’s building/office. List any amounts pertaining to utilities, rent/mortgage payment, phone bill, utility bills, etc.**

Line 18 “Other expenses” **enter any cost of items or events for members-- examples: if the branch buys t-shirts and gives them away to the members, a picnic, etc.**

Branches (and state associations) must also complete Schedule C.

Question 3: **YES (attach 2006-2011 National Agreement)**

In addition, NALC has been advised that the IRS may follow up on the answers to its questions regarding compensation to members of the governing body (officers.) Therefore, you may want to include information under Part II, 3 a and b, describing the qualifications required (must be a member in good standing), duties performed (refer to the NALC Constitution)and the number of hours devoted each week to officer duties. In addition, describe the method of determining compensation (by vote of the branch) and enclose any information you may have on comparable salaries or other information used in deciding how compensation rates for officers was reached.