

Below find instructions for form 1024 published by the IRS. Details relevant to HPHL teams are highlighted in yellow. Answers to specific questions found on the form are in red.

Department of the Treasury
Internal Revenue Service

Instructions for Form 1024 (Rev. September 1998)

Application for Recognition of Exemption Under Section 501(a)

Note: *Keep a copy of the completed Form 1024 in the organization's permanent records.*

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted. User fee.—Submit with the Form 1024 application for a determination letter, a Form 8718, User Fee for Exempt Organization Determination Letter Request, and the user fee called for in the Form 8718. You may obtain Form 8718, and additional forms and publications, through your local IRS office or by calling 1-800-829-3676 (1-800-TAX-FORM). User fees are subject to change on an annual basis. Therefore, be sure that you use the most current Form 8718.

Purpose of Form

Form 1024 is used by most types of organizations to apply for recognition of exemption under section 501(a). See Part I of the application.

Even if these organizations are not required to file Form 1024 to be tax-exempt, they may wish to file Form 1024 to receive a determination letter of IRS recognition of their section 501(c) status in order to obtain certain incidental benefits such as:

- Public recognition of tax-exempt status
- Exemption from certain state taxes
- Advance assurance to donors of deductibility of contributions (in certain cases)
- Nonprofit mailing privileges, etc.

Note: Generally, Form 1024 is NOT used to apply for a group exemption letter. For information on how to apply for a group exemption letter, see Pub. 557.

Note: Tax benefits for certain homeowners associations under section 528 are available to organizations that are not exempt from Federal income tax. To elect these benefits, file a properly completed and timely filed (including extensions) Form 1120-H, U.S. Income Tax Return for Homeowners Associations. DO NOT file Form 1024.

What To File

Do not submit any blank schedules that do not apply to your type of organization. Most organizations applying for exemption under section 501(a) must complete Parts I through III.

In addition, each organization must complete the schedule indicated on page 1 of the application for the section of the Code under which it seeks recognition of exemption. (For example, a social welfare organization seeking recognition under section 501(c)(4) must complete Parts I through III and Schedule B.)

Attachments

For any attachments submitted with Form 1024.— • Show the organization's name, address, and employer identification number (EIN).

• Identify the Part and line item number to which the attachment relates. • Use 8-1/2 x 11 inch paper for any attachments.

Where To File

File the completed Form 1024 application, and all required information, at the address shown in Form 8718.

The IRS will determine the organization's tax-exempt status and whether any annual returns must be filed.

Signature Requirements

An officer, a trustee who is authorized to sign, or another person authorized by a power of attorney, must sign the Form 1024 application. Attach a power of attorney to the application. You may use Form 2848, Power of Attorney and Declaration of Representative, for this purpose.

Appeal Procedures

Your organization's application will be considered by the IRS which will either:

1. Issue a favorable determination letter;
2. Issue a proposed adverse determination letter denying the exempt status requested; or
3. Refer the case to the National Office.

If we send your organization a proposed adverse determination, we will advise it of its appeal rights at that time.

Annual Information Return

An organization must furnish a copy of its Form 990, Form 990-EZ, or exemption application, and certain related documents, if a request is made in writing or in person.

For a request made in person, the organization must make an immediate response.

For a response to a written request, the organization must provide the requested copies within 30 days.

The organization must furnish copies of its Forms 990, or Forms 990-EZ, for any of its 3 most recent taxable years. No charge is to be made other than charging a reasonable fee for reproduction and actual postage costs.

An organization need not provide copies if:

1. The organization has made the requested documents widely available in a manner provided in Treasury regulations, or
2. The Secretary of the Treasury determined, upon application by the organization, that the organization was subject to a harassment campaign such that a waiver of the obligation to provide copies would be in the public interest.

Penalty for failure to allow public inspection or provide copies.—The section 6685 penalty for willful failure to allow public inspections or provide copies is increased from the present-law level of \$1,000 to \$5,000 by TBOR2. Effective date of TBOR2.—These public inspection provisions governing tax-exempt organizations under TBOR2 generally apply to requests made no earlier than 60 days after the date on which the Treasury Department publishes the regulations required under the provisions. However, Congress, in the legislative history of TBOR2, indicated that organizations would comply voluntarily with the public inspection provisions prior to the issuance of such regulations.

Specific Instructions

The following instructions are keyed to the line items on the application form:

Part I. Identification of Applicant

Check box E. – Section 501 c 7 – Social Clubs.

Line 1. Full name and address of organization.—Enter the organization's name exactly as it appears in its creating documents, including amendments. If the organization will be operating under another name, show the other name in parentheses. **Enter the name your team is incorporated under.**

Line 2. **Your employer identification number** (EIN).—All organizations must have an EIN. Enter the nine-digit EIN the IRS assigned to the organization. See Form SS-4, Application for Employer Identification Number, for information on how to obtain an EIN immediately by telephone, if the organization does not have an EIN. Enter, "applied for," if the organization has applied for an EIN number previously. Attach a statement giving the date of the application and the office where it was filed. Do not apply for an EIN more than once.

Line 3. Person to contact.—Enter the name and telephone number of the person to be contacted during business hours if more information is needed. The contact person should be an officer, director, or a person with power of attorney who is familiar with the organization's activities and who is authorized to act on its behalf. **Enter the team manager or team treasurer.**

Line 4. Month the annual accounting period ends.—Enter the month the organization's annual accounting period ends. The organization's accounting period is usually the 12-month period that is the organization's tax year. The organization's first tax year depends on the accounting period it chooses. The first tax year could be less than 12 months. **August.**

Line 5. Date incorporated or formed.—Enter the date the organization became a legal entity. For corporations **this is the date that the articles of incorporation were approved** by the appropriate state official.

Line 6.—Indicate if the organization has ever filed Form 1023, Form 1024, or other exemption application with the IRS. **No.**

Line 7.—Indicate if the organization has ever filed Federal income tax returns as a taxable organization or filed returns as an exempt organization (e.g., Forms 990, 990-EZ, 990-PF, and 990-T). **No.**

Line 8. Type of organization and organizational documents.— Organizing instrument.—Submit a conformed copy of the organizing instrument. If the

organization does not have an organizing instrument, it will not qualify for exempt status.

- A conformed copy is one that agrees with the original and all amendments to it. The conformed copy may be:
 - A photocopy of the original signed and dated organizing document, OR
 - A copy of the organizing document that is unsigned but is sent with a written declaration, signed by an authorized individual, that states that the copy is a complete and accurate copy of the original signed and dated document.

Corporation.—In the case of a corporation, a copy of the articles of incorporation, approved and dated by an appropriate state official, is sufficient by itself.

If an unsigned copy of the articles of incorporation is submitted, it must be accompanied by the written declaration discussed above.

Signed or unsigned copies of the articles of incorporation must be accompanied by a declaration stating that the original copy of the articles was filed with and approved by the state. The date filed must be specified. **Check Corporation. Be sure to attach a copy of your Articles of Incorporation. See instructions above.**

Unincorporated association.—In the case of an unincorporated association, the conformed copy of the constitution, articles of association, or other organizing document must indicate in the document itself, or in a written declaration, that the organization was formed by the adoption of the document by two or more persons.

Bylaws.—If the organization has adopted bylaws, include a current copy. The bylaws need not be signed if submitted as an attachment to the Form 1024 application. The bylaws of an organization alone are not an organizing instrument. They are merely the internal rules and regulations of the organization. **Either attach a copy of your (not HPHL) bylaws or check that they have not been adopted yet.**

Trust.—In the case of a trust, a copy of the signed and dated trust instrument must be furnished.

Part II. Activities and Operational Information

Line 1.—It is important that you report all activities carried on by the organization to enable the IRS to make a proper determination of the organization's exempt status. It is also important that you provide detailed information about the nature and purpose of each of the activities. The organization will be contacted for such information if it is not furnished. **High school ice hockey club, serving young adults between the ages of 15 and 19, that participates in the High Plains Hockey League (Colorado) each year from February through May. This is a social (not educational) sports club whose purpose is to provide high school aged ice hockey players an opportunity to play ice hockey (club sport) for their respective high schools. The club plays teams from across Colorado. The players pay fees to the club to pay for ice time for practices and games, referees, uniforms, and league administrative fees.**

Line 2.— If it is anticipated that the organization's principal sources of support will increase or decrease substantially in relation to the organization's total support, attach a statement describing anticipated changes and explaining the basis for the expectation. **1. Primary source of support are fees paid by players (and parents) to cover the cost of charges by High Plains Hockey League (ice time, referees, and administration). 2. Sponsorships by individuals and businesses to assist the players with league fees and other additional costs**

to participate in hockey practices and games. Sponsors receive recognition in name only for their sponsorship. No substantial return benefit is received by the sponsors.

Line 3a.—Furnish the mailing addresses of the organization's principal officers, directors, or trustees. Do not give the address of the organization. **List the team manager(s), treasurer and other board members (if any.)**

Line 3b.—The annual compensation includes salary, bonus, and any other form of payment to the individual for services performed for the organization. **\$0**

Line 4.—If your organization's activities were formerly performed under another name or if your organization was a part of another organization (tax-exempt or nonexempt), furnish the requested information. Otherwise, indicate "N/A." **N/A**

Line 5.—Indicate your organization's current or planned connection with any tax-exempt or nonexempt organization. **High Plains Hockey League – the ice hockey league in which the club participates.**

Line 6.—If your organization has issued stock as a means of indicating ownership by its members or others, furnish the requested information. Otherwise, indicate "N/A." **N/A**

Line 7.—If your organization is a membership organization, furnish the requested information. Otherwise, indicate "N/A." **High school aged students, male and female, enrolled in – state your specific school(s) – that play or wish to play ice hockey.**

Line 8.—If your organization should cease operations as a tax-exempt organization, explain to whom its assets will be distributed. **All remaining funds will be contributed to another not for profit organization.**

Line 9.—Indicate if the organization distributes, or plans to distribute, any of its property or funds (such as a distribution of profits) to its shareholders or members. **No**

Line 10.—Indicate if the organization performs any services for any other organization or individual for which it is paid a fee. **Yes. The fees received from players are remitted to the High Plains Hockey League as annual fees for participating in the league (fixed fees are billed to each club by the league depending upon whether participation is varsity, junior varsity, or girls varsity) and any surplus will be used for incidental costs of the team (pucks, programs, uniforms, warm-ups, etc.)**

Line 11.—Do not include the normal salary of officers or employees. **No**

Line 12.—Answer "Yes," if the organization either provides insurance through a third party or provides the insurance itself. **No**

Line 13.—Examples of public regulatory bodies are: HUD, HHS, Public Utilities Commission, Housing Commission, and a state insurance commission. **No**

Line 14.—Provide the specified information about leased property whether it is used for exempt functions or for other purposes. **No**

Line 15.—Provide the specified information about political expenditures whether they were made to support or to oppose particular candidates. **No**

Line 16.—This includes any printed material that may be used to publicize the organization's activities, or as an informational item to members or potential members. **Annual team rosters/programs. Be sure to attach one if you mention it.**

Part III. Financial Data

The Statement of Revenue and Expenses must be completed for the current year and each of the 3 years immediately before it (or the years the organization has existed, if less than 4).

Any applicant that has existed for less than 1 year must give financial data for the current year and proposed budgets for the following 2 years. Any applicant that has been in existence more than 1 year but seeks recognition of exemption only for the current year and future years (rather than from the date of its formation), should give financial data for the current year and proposed budgets for the following 2 years.

We may request financial data for more than 4 years if necessary.

All financial information for the current year must cover the period beginning on the first day of the organization's established annual accounting period and ending on any day that is within 60 days of the date of this application.

If the date of this application is less than 60 days after the first day of the current accounting period, no financial information is required for the current year.

Financial information is required for the 3 preceding years regardless of the current year requirements.

Note that if no financial information is required for the current year, the preceding year's financial information can end on any day that is within 60 days of the date of this application.

Prepare the statements using the method of accounting and the accounting period the organization uses in keeping its books and records.

If the organization uses a method other than the cash receipts and disbursements method, attach a statement explaining the method used.

A. Statement of Revenue and Expenses *Complete the following with your club's financial information.*

Line 1.—Include amounts received from the members that represent the annual dues and any special assessments or initiation fees. **Player fees go here.**

Line 2.—Do not include amounts received from the general public or a governmental unit for the exercise or performance of the organization's exempt function.

Sponsorships if any would be listed here.

Line 3.—Examples of such income include: the income derived by a social club from the sale of food or beverage to its members; the sale of burial lots by a cemetery association; and fees charged by a social welfare organization or trade association for an educational seminar it conducted. **This section would include regular**

season gate fees and any fundraising income. Be sure to attach your itemized list.

Line 4.—Enter the organization's gross income from activities that are regularly carried on and not related to the organization's exempt purposes.

Examples of such income include: fees from the commercial testing of products; income from renting office equipment or other personal property; and income from the sale of advertising in an exempt organization periodical. See Pub. 598 for information about unrelated business income and activities. **N/A**

Line 5.—Attach a schedule showing the description of each asset, the name of the person to whom sold, and the amount received. In the case of publicly traded securities sold through a broker, the name of the purchaser is not required. **N/A**

Line 6.—Include on this line the income received from dividends, interest, payments received on securities loans (as defined in section 512(a)(5)), rents, and royalties. **N/A**

Line 7.—Enter the total income from all sources that is not reported on lines 1 through 6. Include, for example, income from special events such as raffles and dances that is not taxable as unrelated business income. Attach a schedule that lists each type of revenue source and the amount derived from each. **N/A**

Line 8 - totals

Line 9.—Enter the expenses directly related to the income sources reported on line 3 of this part. **HPHL team fees**

Line 10.—Enter the expenses directly related to the income sources reported on line 4 of this part. **N/A**

Line 11.—Attach a schedule showing the name of the recipient, a brief description of the purposes or conditions of payment, and the amount paid. **N/A**

Line 12.—Attach a schedule showing the total amount paid for each benefit category, such as disability, death, sickness, hospitalization, unemployment compensation, or strike benefits. **N/A**

Lines 13–18.—Use lines 13 through 18 to report expenses that are not directly related to the expense categories listed on lines 9 and 10.

For example, salaries attributable to the organization's exempt purpose activities should be included with any other expenses reportable on line 9 rather than being reported separately on line 14.

Salaries reportable on line 14 include, for example, those attributable to special events; to the solicitation of contributions; and to the overall management and operation of the organization.

Line 13.—Attach a schedule that shows the name of the person compensated; the office or position; the average amount of time devoted to business per week, month, etc.; and the amount of annual compensation. **N/A**

Line 14.—Enter the total of employees' salaries not reported on line 13. **N/A**

Line 15.—Enter the total interest expense for the year, excluding mortgage interest treated as occupancy expense on line 16. **N/A**

Line 16.—Enter the amount paid for the use of office space or other facilities; heat; light; power; and other utilities; outside janitorial services; mortgage interest; real estate taxes; and similar expenses. **N/A**

Line 17.—If your organization records depreciation, depletion, and similar expenses, enter the total. **N/A**

Line 18.—Attach a statement listing the type and amount of each significant expense for which a separate line is not provided. Report other miscellaneous expenses as a single total if not substantial in amount. **Enter all other expenses here and attach an itemized list. This would include, the half of gate fees you pay the league, uniforms, pucks, etc...**

Line 19 – total #9 and #18

Line 20 – line #8 minus line #19. This should be your roll-over money going to the next season.

B. Balance Sheet

Line 1.—Enter the total interest- and non- interest-bearing cash in checking and savings accounts, temporary cash investments (money market funds, CDs, treasury bills, or other obligations that mature in less than 1 year), change funds, and petty cash funds. **Enter your roll-over cash from one season to the next. That is all that should be left to go on the balance sheet.**

Line 2.—Enter the total accounts receivable that arose from the sale of goods and/or performance of services. **N/A**

Line 3.—Enter the amount of materials, goods, and supplies purchased or manufactured by the organization and held to be sold or used in some future period. **N/A**

Line 4.—Attach a schedule that shows the name of the borrower, a brief description of the obligation, the rate of return on the principal indebtedness, the due date, and the amount due. **N/A**

Line 5.—Attach a schedule listing the organization's corporate stock holdings. For stock of closely held corporations, the schedule should show the name of the corporation, a brief summary of the corporation's capital structure, the number of shares held, and their value as carried on the organization's books. If such valuation does not reflect current fair market value, also include fair market value. For stock traded on an organized exchange or in substantial quantities over the counter, the schedule should show the name of the corporation, a description of the stock and the principal exchange on which it is traded, the number of shares held, and their value as carried on the organization's books. **N/A**

Line 6.—Attach a schedule that shows the borrower's name, purpose of loan, repayment terms, interest rate, and original amount of loan.

Report each loan separately, even if more than one loan was made to the same person. **N/A**

Line 7.—Enter the book value of securities held of the U.S., state, or municipal governments. Also enter the book value of buildings and equipment held for investment purposes. Attach a schedule identifying each. **N/A**

Line 8.—Enter the book value of buildings and equipment not held for investment. This includes plant and equipment used by the organization in conducting its exempt activities. Attach a schedule listing these assets held at the end of the current tax-year period and the cost or other basis. **N/A**

Line 9.—Enter the book value of land not held for investment. **N/A**

Line 10.—Enter the book value of each category of assets not reported on lines 1 through 9. Attach a schedule listing each. **N/A**

Line 11 - totals

Line 12.—Enter the total of accounts payable to suppliers and others, such as salaries payable, accrued payroll taxes, and interest payable. **N/A**

Line 13.—Enter the unpaid portion of grants and contributions that the organization has made a commitment to pay to other organizations or individuals. **N/A**

Line 14.—Enter the total of mortgages and other notes payable at the end of the year. Attach a schedule that shows each item separately and the lender's name, purpose of loan, repayment terms, interest rate, and original amount. **N/A**

Line 15.—Enter the amount of each liability not reported on lines 12 through 14. Attach a separate schedule. **N/A**

Line 16 - \$0

Line 17.—Under fund accounting, an organization segregates its assets, liabilities, and net assets into separate funds according to restrictions on the use of certain assets. Each fund is like a separate entity in that it has a self-balancing set of accounts showing assets, liabilities, equity (fund balance), income, and expenses. If the organization uses fund accounting, report the total of all fund balances on line 17. If the organization does not use fund accounting, report only the "net assets" account balances, such as capital stock, paid-in capital, and retained earnings or accumulated income. **Same as line #11**

Line 18 – same as line #17

Part IV. Notice Requirements - **N/A**

Part IV only applies to section 501(c)(9) and (17) organizations. Organizations applying for tax-exempt status under other sections of the Code should not fill in Part IV.

Schedule D – Organizations described in section 501 c 7 (Social Clubs)

1. No

2. **Yes.** The organization receives sponsorship payments from individuals and businesses to support the hockey team's activities and in return the organization acknowledges the sponsor's name, logo, address and contact information but receives no substantial return benefit. **Be sure to attach your program (if you have sponsors listed there) if not already attached.**

3a. **Yes.** Non-members can come to the games as spectators. The admission fee is \$2 per person. One half of admission fees are forwarded to the league to support scholarships for players with financial needs and the club retains the other half for incidental expenses.

3b. Enter the amount of gate fees collected. Should match what you reported on your itemized revenue list.

3c. **0**

3d. **0**

4a. **No**

4b. **N/A**

4c. **N/A**

4d. **N/A**

4e. **N/A**

Form 8718

1. Enter your team's legal name.
2. Enter your team's EIN.
3. Girls' team check box A. If checking box A, you will also need to fill in and sign the certification section. Coed varsity teams check box B.

Procedural Checklist

Make sure the application is complete.

If you do not complete all applicable parts or do not provide all required attachments, we may return the incomplete application for the organization to resubmit with the missing information or attachments. This will delay the processing of the application and may delay the effective date of your organization's exempt status. The organization may also incur additional user fees.

Have you . . .

Attached **Form 8718** (User Fee for Exempt Organization Determination Letter Request) and the appropriate fee?

Prepared the application for mailing? (See **Where To File** addresses in Form 8718.) Completed all Parts and Schedules that apply to the organization? Shown your organization's **Employer Identification Number (EIN)?** **a.** If your organization has an EIN, write it in the space provided.

b. If this is a newly formed organization and does not have an Employer Identification Number, obtain an EIN by telephone. (See Specific Instructions, Part I, Line 2, on page 2.)

If applicable, described your organization's **specific activities** as directed in Part II, question 1 of the application?

Included a **conformed copy** of the complete organizing instrument? (Part I, question 8 of the application.) Had the application signed by one of the following:

a. An officer or trustee who is authorized to sign (e.g., president, treasurer); **or**

b. A person authorized by a power of attorney (submit Form 2848 or other power of attorney)?

If applicable, enclosed **financial statements** (Part III)?

a. Current year (must include period up to within 60 days of the date the application is filed) and 3 preceding years.

b. Detailed breakdown of revenue and expenses (no lump sums). **c.** If the organization has been in existence less than 1 year, it must also submit proposed budgets for 2 years showing the amounts and types of receipts and expenditures anticipated.

Note: *During the technical review of a completed application, it may be necessary to contact the organization for more specific or additional information.*

Do not send this checklist with the application.