

NONPROFIT MEDICAL ORGANIZATION

Qualifications, Requirements and Necessary Documentation



Texas Administrative Code Rule §402.420

This guide is to be used to assist organizations in completing an original application to conduct bingo.
Submittal of information does not guarantee approval.

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DEFINITIONS

Bylaws are a standing set of rules governing the regulation of an organization's internal affairs.

A **constitution** is the set of fundamental principles according to which an organization is governed.

Articles of Incorporation are documents that set forth the basic terms and purposes of an organization and are the official recognition by the Texas Secretary of State.

A **Certificate of Formation** is a document filed with the Texas Secretary of State, to create a nonprofit corporation under the provisions of the Texas business Organization Code (BOC).

Nonprofit organization means an unincorporated association or a corporation that is incorporated or holds a certificate of authority under the Texas Non-Profit Corporation Act.

The following chart provides the terms used by the Texas Non-Profit Corporation Act and the terms used to describe the same filing instrument under the BOC.

TEXAS NON-PROFIT CORPORATION ACT		TEXAS BUSINESS ORGANIZATIONS CODE
ARTICLES OF INCORPORATION	<i>now</i>	CERTIFICATE OF FORMATION
ARTICLES OF AMENDMENT	<i>now</i>	CERTIFICATE OF AMENDMENT
RESTATED ARTICLES OF INCORPORATION	<i>now</i>	RESTATED CERTIFICATE OF FORMATION
ARTICLES OF CORRECTION	<i>now</i>	CERTIFICATE OF CORRECTION
ARTICLES OF DISSOLUTION	<i>now</i>	CERTIFICATE OF TERMINATION
ARTICLES OF MERGER	<i>now</i>	CERTIFICATE OF MERGER
ARTICLES OF CONSOLIDATION	<i>now</i>	CERTIFICATE OF MERGER
APPLICATION OF CERTIFICATE OF AUTHORITY	<i>now</i>	APPLICATION FOR REGISTRATION

INTRODUCTION – A GUIDE FOR NONPROFIT MEDICAL ORGANIZATIONS

To qualify under the NONPROFIT MEDICAL ORGANIZATION status (Bingo Enabling Act §2001.001 (2)(A)(B):

“Nonprofit Medical Organization” means a nonprofit organization that:

- (A) whose predominant activities are for the support of medical research or treatment programs; and
- (B) that for at least three years:
 - (i) must have had a governing body or officers elected by a vote of members or by a vote of delegates elected by the members; or
 - (ii) must have been affiliated with a state or national organization organized to perform the same purposes as the nonprofit organization.

Your organization has decided it wants to conduct bingo to fund a charitable purpose, and needs to be licensed to legally operate.

Here are some questions to consider before your organization begins the process:

1. Is the conduct of bingo legal in the municipality, county, or justice precinct where your organization has its primary business office?
If not, you may be able to play in an adjacent county where bingo is legal. Check the adjacent counties.
2. Has your organization been organized in the state of Texas for at least three years?
3. Does your organization have a bona fide membership list/roster?
4. Has your 501(c) been active for at least three years?
5. Has your organization been organized in the state of Texas for at least three years?

If you answer “NO” to any of these questions, you are not currently qualified for a license to conduct charitable bingo.

If you answer “YES” to all the questions; proceed with your application and utilize this guide to assist you in the process.

Support Medical Programs

The applicant's main activities must be in support of medical research or treatment programs.

What is needed:

A signed and dated copy of the most recent version of all of the organization's organizing instruments.

The name of the applicant organization must match the name of the organization on the organizing instruments.

Submit the following:

- ☐ Signed and dated copy of the organization's organizing instruments.

EXAMPLE of Nonprofit Bylaws/Constitution

Bylaws are your organization's internal affairs guidebook. Bylaws establish procedures for holding elections, organizing meetings, quorum requirements, membership structure (if needed) and other essential operations of your nonprofit. Bylaws serve as your organizational manual and will help guide you through the orderly operation of your organization.

There may be certain things you will need to comply with the laws in Texas (number of meetings, minimum number of board members, etc.). Check with the Texas Secretary of State to see what laws apply to your nonprofit.

Bylaws of

XYZ Institute for Medical Research

Article 1

Offices

Section 1. Principal Office

The principal office of the corporation is located in _____, County of _____, State of Texas.

Section 2. Change of Address

The designation of the county or state of the corporation's principal office may be changed by amendment of these bylaws.

Section 3. Other Offices

The corporation may also have offices at such other places, within or without its state of incorporation, where it is qualified to do business, as its business and activities may require, and as the board of directors may, from time to time, designate.

Article 2

Nonprofit Purposes

Section 1. IRC Section 501(c)(3) Purposes

This corporation is organized exclusively for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code.

Section 2. Specific Objectives and Purposes

The specific objectives and purposes of this corporation shall be: ...

EXAMPLE of Nonprofit Bylaws/Constitution (cont'd)

Article 3

Directors

Section 1. Number

The corporation shall have two directors and collectively they shall be known as the board of directors.

Section 2. Qualifications

Directors shall be of the age of majority in this state. Other qualifications for directors of this corporation shall be as follows: ...

Section 3. Powers

Subject to the provisions of the laws of this state ...

Section 4. Duties

It shall be the duty of the directors to: ...

Section 5. Term of Office

Each director shall hold office for a period of ...

Section 6. Compensation

Directors shall serve without compensation except that a reasonable fee may be paid to ...

Section 7. Place of Meetings

Meetings shall be held at the principal office of the corporation ...

Section 8. Regular Meetings

Regular meetings of directors shall be held on ...

Section 9. Special Meetings

Special meetings of the board of directors may be called by ...

Section 10. Notice of Meetings

Unless otherwise provided by the articles of incorporation, these bylaws, ...

a. Regular Meetings. No notice need be given of any regular meeting of the board of directors.

b. Special Meetings. At least one week prior notice shall be given by the secretary ...

c. Waiver of Notice. Whenever any notice of a meeting is required to be given ...

Section 11. Quorum for Meetings

A quorum shall consist of ____ of the members of the board of directors. ...

EXAMPLE of Nonprofit Bylaws/Constitution (cont'd)

Section 12. Majority Action as Board Action

Every act or decision done or made by a majority of the ...

Section 13. Conduct of Meetings

Meetings of the board of directors shall be presided over by the chairperson of the board, or, ...

Section 14. Vacancies

Vacancies on the board of directors shall exist (1) on the death, resignation, or removal of any director, and (2) whenever the number of authorized directors is increased. ...

Section 15. Nonliability of Directors

The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

Section 16. Indemnification by Corporation of Directors and Officers

The directors and officers of the corporation shall be indemnified by the corporation to the fullest extent permissible under the laws of this state.

Section 17. Insurance for Corporate Agents

Except as may be otherwise provided under provisions of law, the ...

Article 4

Officers

Section 1. Designation of Officers

The officers of the corporation shall be a president, a vice president, a secretary, and a treasurer. The corporation may also have a chairperson of the board, one or more vice presidents, assistant secretaries, assistant treasurers, and other such officers with such titles as may be determined from time to time by the board of directors.

Section 2. Qualifications

Any person may serve as officer of this corporation.

Section 3. Election and Term of Office

Officers shall be elected by the board of directors, at any time, and each officer shall hold office until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

Section 4. Removal and Resignation

Any officer may be removed, either with or without cause, by the board of directors, at any time. Any officer may resign at any time by giving written notice to ...

EXAMPLE of Nonprofit Bylaws/Constitution (cont'd)

Section 5. Vacancies

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the board of directors.

Section 6. Duties of President

The president shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, supervise and control the affairs of the corporation and the activities of the officers.

Section 7. Duties of Vice President

In the absence of the president, or in the event of his or her inability or refusal to act, the vice president shall perform all the duties of the president, ...

Section 8. Duties of Secretary

The secretary shall: ...

Section 9. Duties of Treasurer

The treasurer shall: ...

Section 10. Compensation

The salaries of the officers, if any, shall be fixed from time to time by ...

Article 5

Committees

Section 1. Executive Committee

The board of directors may, by a majority vote of its members, designate an Executive Committee consisting of ...

Section 2. Other Committees

The corporation shall have such other committees ...

Section 3. Meetings and Action of Committees

Meetings and action of committees shall be governed by, ...

Article 6

Execution of Instruments, Deposits, and Funds

Section 1. Execution of Instruments

The board of directors, except as otherwise provided in these bylaws, ...

Section 2. Checks and Notes

Except as otherwise specifically determined by resolution of the board of directors, ...

EXAMPLE of Nonprofit Bylaws/Constitution (cont'd)

Section 3. Deposits

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

Section 4. Gifts

The board of directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the nonprofit purposes of this corporation.

Article 7

Corporate Records, Reports, and Seal

Section 1. Maintenance of Corporate Records

The corporation shall keep at its principal office: ...

Section 2. Corporate Seal

The board of directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

Section 3. Directors' Inspection Rights

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and ...

Section 4. Members' Inspection Rights

If this corporation has any members, then each and every member shall have the following inspection rights, ...

Section 5. Right to Copy and Make Extracts

Any inspection under the provisions of this article may be made in person or by agent or attorney and the right to inspection shall include the right to copy and make extracts.

Section 6. Periodic Report

The board shall cause any annual or periodic report required under law to be prepared and delivered to an office of this state or to the members, if any, of this corporation, to be so prepared and delivered within the time limits set by law.

Article 8

IRC 501(c)(3) Tax Exemption Provisions

Section 1. Limitations on Activities

No substantial part of the activities of this corporation shall be the carrying on of

EXAMPLE of Nonprofit Bylaws/Constitution (cont'd)

propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code), and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

Section 2. Prohibition against Private Inurement

No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its members, directors or trustees, officers, or other private persons, except ...

Section 3. Distribution of Assets

Upon the dissolution of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation, shall be distributed ...

Section 4. Private Foundation Requirements and Restrictions

In any taxable year in which this corporation is a private foundation as described in Section 509(a) of the Internal Revenue Code, the corporation ...

Article 9

Conflict of Interest and Compensation Approval Policies

Section 1. Purpose of Conflict of Interest Policy

The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into ...

Section 2. Definitions

- a. Interested Person. Any director, principal officer, member of a committee ...
- b. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family: ...

Section 3. Conflict of Interest Avoidance Procedures

- a. Duty to Disclose. In connection with any actual or possible conflict of interest, ...
- b. Determining Whether a Conflict of Interest Exists. After disclosure ...
- c. Procedures for Addressing the Conflict of Interest. An interested person may ...
- d. Violations of the Conflicts of Interest Policy. If the governing board or ...

Section 4. Records of Board and Board Committee Proceedings

The minutes of meetings of the governing board and all committees with board delegated powers shall contain: ...

Section 5. Compensation Approval Policies

EXAMPLE of Nonprofit Bylaws/Constitution (cont'd)

A voting member of the governing board who receives compensation, directly or indirectly, ...

Section 6. Annual Statements

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person: ...

Section 7. Periodic Reviews

To ensure the corporation operates in a manner consistent with charitable purposes ...

Section 8. Use of Outside Experts

When conducting the periodic reviews as provided for ...

Article 10

Amendment of Bylaws

Section 1. Amendment

Subject to the power of the members, if any, of this corporation to adopt, amend, or repeal the bylaws of this corporation and except as may otherwise be specified under provisions of law, these bylaws, or any of them, may be altered, amended, or repealed and new bylaws adopted by approval of the board of directors.

Article 11

Construction and Terms

If there is any conflict between the provisions of these bylaws and the articles of incorporation of this corporation, the provisions of the articles of incorporation shall govern. Should any of the provisions or portions of these bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these bylaws shall be unaffected by such holding. All references in these bylaws to the articles of incorporation shall be to the articles of incorporation, articles of organization, certificate of incorporation, organizational charter, corporate charter, or other founding document of this corporation filed with an office of this state and used to establish the legal existence of this corporation.

All references in these bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

EXAMPLE of Nonprofit Bylaws/Constitution (cont'd)

ADOPTION OF BYLAWS

We, the undersigned, are all of the initial directors or incorporators of this corporation, and we consent to, and hereby do, adopt the foregoing bylaws, consisting of ____ preceding pages, as the bylaws of this corporation.

Dated: _____, 20XX

501(C) EXEMPTION

The applicant must hold a valid 501(c) exemption through the Internal Revenue Service.

What is needed:

If the Commission is unable to validate directly with the Internal Revenue Service that the organization has a 501(c) designation, the Commission will request additional documentation from the applicant.

The supporting documentation may be:

1. A copy of your “Letter of Determination” issued by the IRS, if your organization maintains its own 501(c) exemption.

Or

1. If your organization is covered under a group 501(c) exemption, submit a letter of good standing from your parent organization and a copy of your parent organization’s letter from the IRS that grants approval to cover its affiliated subordinate units.

Submit the following:

- ☐ A valid 501(c) designation that has been in existence at least three years from the date the application was signed.

Or

- ☐ A “Letter of Determination” issued by the IRS, if your organization maintains its own 501(c) exemption.
- ☐ A letter of good standing from your parent organization and a copy of your parent organization’s letter from the IRS that grants approval to cover its affiliated subordinate units.

EXAMPLE of Acceptable Group Letter

Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Date: December 2, 2011

Person to Contact:

Ms. Harris

#0123456

Toll Free Telephone Number:

877-829-5500

Federal Identification Number:

12-3456789

Building a Better Community
%John Doe
1234 Town Street
Town, USA 12345

Dear Sir or Madam:

This is in response to your request of December 1, 2011, regarding your tax-exempt status.

Our records indicate that in December 1968 the Building a Better Community was recognized as exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code and was classified as a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(a)(vi) of the Code.

Even though the Building a Better Community was issued an individual ruling, this ruling covers its chapters, branches and auxiliaries.

Donor may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to them or for their use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,

Cindy Thomas

Cindy Thomas
Manager, Exempt Organizations
Determinations

ACCEPTABLE GROUP LETTER

Letters are from the IRS and must include:

- 1) Group's EIN
- 2) Group's name and address.
- 3) The IRS considers your organization a 501(c)(3) organization.

Must provide a letter from the CEO or CEO equivalent stating that your organization is covered under the national IRS letter.

EXAMPLE of IRS Letter of Determination

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: OCT 08 2014

Employer Identification Number:

DLN:

ASSOCIATION
P O BOX

DIABETES

58-00

Contact Person:

ID#

Contact Telephone Number:
(877)

Accounting Period Ending:
December 31

Public Charity Status:

Form 990/990-EZ/990-N Required:
Yes

Effective Date of Exemption:
September 12, 2014

Contribution Deductibility:
Yes

Addendum Applies:
No

Dear Applicant:

We're pleased to tell you we determined you're exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Donors can deduct contributions they make to you under IRC Section 170. You're also qualified to receive tax deductible bequests, devises, transfers or gifts under Section 2055, 2106, or 2522. This letter could help resolve questions on your exempt status. Please keep it for your records.

Organizations exempt under IRC Section 501(c)(3) are further classified as either public charities or private foundations. We determined you're a public charity under the IRC Section listed at the top of this letter.

If we indicated at the top of this letter that you're required to file Form 990/990-EZ/990-N, our records show you're required to file an annual information return (Form 990 or Form 990-EZ) or electronic notice (Form 990-N, the e-Postcard). If you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked.

If we indicated at the top of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

Letter 5436

OFFICERS ELECTED BY MEMBERS

The applicant must have had a governing body or officers elected by the vote of the members or delegates elected by the members for at least three years.

What is needed:

Copies of meeting minutes recording officer elections for the past three years showing the date of each meeting and signature of an officer.

Or

A dated list of officers and positions held for each year of the past three years.

A statement signed by an officer indicating which positions were left open if the organization had positions defined in organizing instrument(s) that the organization did not fill.

Organizing instrument(s) will be reviewed to ensure that the organization has members who elect officers and to confirm the officer positions.

Submit the following:

- ☐ Copies of meeting minutes (one per year) recording officer elections for the past three years that are signed and dated by an officer.

Or

- ☐ A dated list of officers and positions held for each year of the past three years, enclosed.
- ☐ A statement signed by an officer indicating which positions were left open if the organization had unfilled positions defined in organizing instrument(s).

CRIMINAL HISTORY INVESTIGATION

The applicant must ensure that none of the organization's officers, directors and operators have been convicted in any jurisdiction of a gambling or gambling-related offense; and, have not been convicted of a criminal fraud offense, with the exception of a criminal fraud offense that is a Class C misdemeanor.

The Commission will compare the number of officers and directors included in the documents to the application to ensure all officers have been disclosed.

A criminal history check on all officers, directors and operators will occur.

Any officer, director, or operator not meeting the criminal history background requirement must resign before a license may be issued. The guidelines and factors used by the Charitable Bingo Operations Division related to bingo workers can be found at: http://www.txbingo.org/export/sites/bingo/Documents/Guidelines_for_Current_Licensees_Registered_Workers_and_Applicants.pdf.

What is needed:

A signed copy of the applicant organization's organizing instruments, including any bylaws, constitution, charter, and articles of incorporation that list the officer and director positions:

Or

If officers and/or directors are not listed in organizing instruments, a current membership list identifying officers and directors.

If officer and/or director positions are unfilled, a statement signed by an officer indicating which positions are vacant.

Submit one of the following:

- ☐ Copy of organizing instruments that list officers and directors.
- ☐ Copy of current membership list, noting all officers and directors. If . officer/director positions are unfilled, a signed statement by an officer of which positions are vacant.

ORGANIZED IN TEXAS FOR THREE YEARS

The applicant must have been affiliated with a state or national organization, organized to perform the same purposes for at least three years.

What is needed:

Verification by Parent for Charitable Organization.

Submit the following:

- ☐ Complete *Verification by Parent for Charitable Organization Conductor FORMID 110*.

DISTRIBUTION OF INCOME

The applicant may not distribute any income to members, officers, or governing body except as reasonable compensation for services.

What is needed:

The most recent copy of *IRS Form 990*, if the organization is required to file it with the Internal Revenue Service.

Indicate on application if organization is not required to file *Form 990*. (*FORMID 1*, Item 11.)

Submit one of the following:

- ☐ Most recent copy of *IRS Form 990* (If required to submit).
- ☐ “NO” marked on Item 11 of application (*FORMID 1*).

DEMONSTRATE PROGRESS

The applicant must demonstrate significant progress toward the accomplishment of the organization's purposes during the twelve months preceding the date of application.

What is needed:

At least three different types of acceptable documents as proof that the organization was engaged in furthering its charitable purpose for the time period beginning one year prior to the date the application was signed.

Examples of acceptable documentation:

1. Canceled checks in support of medical treatment or research programs, i.e. American Cancer Society, Muscular Dystrophy Association, or other recognized organizations dedicated to the elimination of disease.
2. Canceled checks for the purchase of medical equipment or to provide medical care for the needy.
3. Letters of appreciation from individuals or organizations receiving benefits for treatment. (continued)
4. IRS Form 990
5. Newspaper articles.

All documents must be dated and indicate the organization's name.

To establish the beginning date, an organization may submit documentation dated up to three months prior to the year before the application was signed in order to prove that the organization has been engaged in furthering its charitable purpose throughout the past twelve months.

Documentation Included:

- ☐ 1. _____
- ☐ 2. _____
- ☐ 3. _____

EXAMPLE of IRS Form 990

Form 990-EZ Department of the Treasury Internal Revenue Service	Short Form Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)	OMB No. 1545-1150 <div style="font-size: 2em; font-weight: bold;">2016</div> <div style="background-color: black; color: white; padding: 5px; text-align: center; font-weight: bold;">Open to Public Inspection</div>
<p style="text-align: center;">▶ Do not enter social security numbers on this form as it may be made public.</p> <p style="text-align: center;">▶ Information about Form 990-EZ and its instructions is at www.irs.gov/form990.</p>		
A For the 2016 calendar year, or tax year beginning , 2016, and ending , 20		
B Check if applicable:		
<input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending		
C Name of organization		
D Employer identification number		
E Telephone number		
F Group Exemption Number ▶		
G Accounting Method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual Other (specify) ▶		
H Check <input type="checkbox"/> if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).		
I Website: ▶		
J Tax-exempt status (check only one) — <input type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
K Form of organization: <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		
L Add lines 5b, 6c, and 7b to line 9 to determine gross receipts. If gross receipts are \$200,000 or more, or if total assets (Part II, column (B) below) are \$500,000 or more, file Form 990 instead of Form 990-EZ ▶ \$		
Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (see the instructions for Part I)		
Check if the organization used Schedule O to respond to any question in this Part I <input type="checkbox"/>		
Revenue	1 Contributions, gifts, grants, and similar amounts received	1
	2 Program service revenue including government fees and contracts	2
	3 Membership dues and assessments	3
	4 Investment income	4
	5a Gross amount from sale of assets other than inventory 5a	5c
	b Less: cost or other basis and sales expenses 5b	
	c Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)	
	6 Gaming and fundraising events	
	a Gross income from gaming (attach Schedule G if greater than \$15,000) 6a	6d
	b Gross income from fundraising events (not including \$ of contributions from fundraising events reported on line 1) (attach Schedule G if the sum of such gross income and contributions exceeds \$15,000) 6b	
c Less: direct expenses from gaming and fundraising events 6c		
d Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c)		
7a Gross sales of inventory, less returns and allowances 7a	7c	
b Less: cost of goods sold 7b		
c Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)		
8 Other revenue (describe in Schedule O)	8	
9 Total revenue. Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8 ▶	9	
Expenses	10 Grants and similar amounts paid (list in Schedule O)	10
	11 Benefits paid to or for members	11
	12 Salaries, other compensation, and employee benefits	12
	13 Professional fees and other payments to independent contractors	13
	14 Occupancy, rent, utilities, and maintenance	14
	15 Printing, publications, postage, and shipping	15
	16 Other expenses (describe in Schedule O)	16
	17 Total expenses. Add lines 10 through 16 ▶	17
Net Assets	18 Excess or (deficit) for the year (Subtract line 17 from line 9)	18
	19 Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19
	20 Other changes in net assets or fund balances (explain in Schedule O)	20
	21 Net assets or fund balances at end of year. Combine lines 18 through 20 ▶	21

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 106421

Form **990-EZ** (2016)

EXAMPLE of IRS Form 990 (cont'd)

[illegible]

EXAMPLE of IRS Form 990 (cont'd)

Form 990-EZ (2016)

Page **3**

Part V Other Information (Note the Schedule A and personal benefit contract statement requirements in the instructions for Part V) Check if the organization used Schedule O to respond to any question in this Part V. ☐

	Yes	No
33 Did the organization engage in any significant activity not previously reported to the IRS? If "Yes," provide a detailed description of each activity in Schedule O	33	
34 Were any significant changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the amended documents if they reflect a change to the organization's name. Otherwise, explain the change on Schedule O (see instructions)	34	
35a Did the organization have unrelated business gross income of \$1,000 or more during the year from business activities (such as those reported on lines 2, 6a, and 7a, among others)?	35a	
b If "Yes," to line 35a, has the organization filed a Form 990-T for the year? If "No," provide an explanation in Schedule O	35b	
c Was the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization subject to section 6033(e) notice, reporting, and proxy tax requirements during the year? If "Yes," complete Schedule C, Part III	35c	
36 Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule N	36	
37a Enter amount of political expenditures, direct or indirect, as described in the instructions ▶ 37a		
b Did the organization file Form 1120-POL for this year?	37b	
38a Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the tax year covered by this return?	38a	
b If "Yes," complete Schedule L, Part II and enter the total amount involved	38b	
39 Section 501(c)(7) organizations. Enter:		
a Initiation fees and capital contributions included on line 9	39a	
b Gross receipts, included on line 9, for public use of club facilities	39b	
40a Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ▶; section 4912 ▶; section 4955 ▶		
b Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year, or did it engage in an excess benefit transaction in a prior year that has not been reported on any of its prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	40b	
c Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶		
d Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Enter amount of tax on line 40c reimbursed by the organization ▶		
e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T	40e	
41 List the states with which a copy of this return is filed ▶		
42a The organization's books are in care of ▶ Telephone no. ▶		
Located at ▶ ZIP + 4 ▶		
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country: ▶ See the instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).	42b	
c At any time during the calendar year, did the organization maintain an office outside the United States? If "Yes," enter the name of the foreign country: ▶	42c	
43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 —Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 43 <input type="checkbox"/>		
44a Did the organization maintain any donor advised funds during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ	44a	
b Did the organization operate one or more hospital facilities during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ	44b	
c Did the organization receive any payments for indoor tanning services during the year?	44c	
d If "Yes" to line 44c, has the organization filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	44d	
45a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	45a	
b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," Form 990 and Schedule R may need to be completed instead of Form 990-EZ (see instructions)	45b	

Form **990-EZ** (2016)

EXAMPLE of IRS Form 990 (cont'd)

Form 990-EZ (2016)

Page **4**

- 46** Did the organization engage, directly or indirectly, in political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I

	Yes	No
46		

Part VI Section 501(c)(3) organizations only

All section 501(c)(3) organizations must answer questions 47–49b and 52, and complete the tables for lines 50 and 51.

Check if the organization used Schedule O to respond to any question in this Part VI ☐

- 47** Did the organization engage in lobbying activities or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II

	Yes	No
47		

- 48** Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

48		
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- 49a** Did the organization make any transfers to an exempt non-charitable related organization?

49a		
------------	--	--

- b** If "Yes," was the related organization a section 527 organization?

49b		
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- 50** Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees, and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and title of each employee	(b) Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation

f Total number of other employees paid over \$100,000 ▶

- 51** Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and business address of each independent contractor	(b) Type of service	(c) Compensation

d Total number of other independent contractors each receiving over \$100,000 ▶

- 52** Did the organization complete Schedule A? **Note:** All section 501(c)(3) organizations must attach a completed Schedule A ☐ Yes ☐ No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer		Date		
	Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no. ▶	
May the IRS discuss this return with the preparer shown above? See instructions <input type="checkbox"/> Yes <input type="checkbox"/> No					

Form **990-EZ** (2016)

ORGANIZATION'S MEMBERS AS OPERATORS

The applicant may appoint only the organization's members to serve as operators.

What is needed:

A current membership list with all officers and directors noted. The membership list will be compared to the persons listed on the application to confirm that only members have been named as operators.

Submit the following:

- ☐ Copy of membership list with officers and directors noted.

LICENSE APPLICATION REQUIREMENTS, SECTION 2001.102 (a)(b)(c)

What is needed:

If the organization is organized under the law of this state, the organization must be in good standing with the Texas Secretary of State (SOS). The Commission will request additional documentation from the applicant if unable to validate good standing directly with the SOS.

This documentation may include a copy of “Tax Clearance Letter for Reinstatement” from the Texas State Comptroller of Public Accounts and a stamped, filed copy of an “Application for Reinstatement” from the SOS.

Submit the following:

- ☐ Proof the applicant is in good standing with the Secretary of State. (The right to do business in Texas.)

EXAMPLE of Letter of Good Standing

Corporations Section
P.O. Box 13697
Austin, Texas 78711-3697



Carlos H. Cascos
Secretary of State

Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Certificate of Formation for ^{***Redacted***}, a Domestic Limited Liability Company (LLC), was filed in this office on June 18, 2012.

It is further certified that the entity status in Texas is in existence.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on May 23, 2016.



A handwritten signature in black ink, appearing to read "Cascos", followed by a horizontal line.

Carlos H. Cascos
Secretary of State


Phone: (512) 463-5555
Prepared by: SOS-WEB

Come visit us on the internet at <http://www.sos.state.tx.us/>

Fax: (512) 463-5709
TID: ^{***Redacted***}

Dial: 7-1-1 for Relay Services
Document: ^{***Redacted***}

EXAMPLE of Application for Reinstatement

Form 801 (Revised 05/11)	<div style="text-align: right; font-size: small;">This space reserved for office use.</div> <div style="text-align: center;"> Application for Reinstatement And Request to Set Aside Tax Forfeiture</div>
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1. The entity name is: _____

The entity is a foreign entity that was required to obtain its registration under a name that differs from the legal name stated above. The name under which the entity is registered is: _____

2. The file number issued to the entity by the secretary of state is: _____

3. The entity was forfeited or revoked under the provisions of the Tax Code on: _____
mm/dd/yyyy

4. The undersigned requests that the forfeiture or revocation of the entity be set aside, and certifies that:

a. The entity has filed each delinquent report that is required by chapter 171 of the Tax Code and has made payment for the tax, penalty, and interest imposed and that is due at the time of this application as evidenced by the attached tax clearance letter; and

b. On the date of forfeiture or revocation, the undersigned person was:

- an officer, director or shareholder of the above-named for-profit or professional corporation; or
- an officer, director, shareholder or member of the above-named professional association; or
- an officer, director, or member of the above-named nonprofit corporation; or
- a member or manager of the above-named limited liability company; or
- a partner of the above-named limited partnership; or
- a trustee or beneficial owner of the above-named statutory or business trust.

Additional Required Documentation or Filings

☐ Comptroller of Public Accounts Tax Clearance Letter

☐ Letter of Consent or Amendment to Certificate of Formation or Registration (Required when entity name is no longer available.)

Execution

The undersigned declares under penalty of perjury, and the penalties imposed by law for the submission of a materially false or fraudulent instrument, that the undersigned is authorized to make this request; that the statements contained herein are true and correct, and that tax clearance was not obtained by providing false or fraudulent information.

Date: _____

BY: _____

Signature of authorized person (see instructions)

Printed or typed name of authorized person

Form 8013

EXAMPLE of Tax Clearance Letter for Reinstatement



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

Tax Clearance Letter for Reinstatement*

To: Texas Secretary of State
Corporations Section

Re:
Taxpayer number:
File number:

The referenced entity has met all franchise tax requirements and is eligible for reinstatement through

** The reinstatement must be filed with the Texas Secretary of State on or before the expiration date of this letter. After this date, additional franchise tax filing requirements must be met, and a new request for tax clearance must be submitted.*

You can file for reinstatement online at www.sos.state.tx.us/corp/sosda/index.shtml. Forms and instructions for reinstatement are available at www.sos.state.tx.us/corp/forms_option.shtml or by calling 512-463-5555. This tax clearance letter must be attached to the reinstatement forms.

Form 05-377 (Rev. 4-14/5)

REQUIRED TRAINING

1. The Pre-Licensing Interview Training is required to be completed by the Bingo Chairperson and one operator. The Pre-Licensing Interview is on the website: **www.txbingo.org**
2. The Bingo Chairperson is required to take the On-Line Bingo Training located in the Bingo Service Portal: **<https://bsc.txbingo.org/>**

REQUIRED FORMS

1. ***Application for an Original License to Conduct Bingo FORMID 1***
2. ***Add Individuals to a License to Conduct Bingo FORMID 2***
3. **Bond Information (Submit one of the following)**
 - a. **Assignment of Security for a License to Conduct Bingo FORMID 3**
(Assignment of an account, such as Certificates of Deposit/Savings, for the specified amount to the Texas Lottery Commission.)
 - b. **Surety Bond for a License to Conduct Bingo FORMID 4** (Provide a bond from an authorized agent.)
 - c. **Cash Bond** (Send a check or money order payable to “Texas State Comptroller”.)
 - d. **U.S. Treasury Bonds**
 - e. **Letters of Credit**

All forms are available on the Texas Charitable Bingo Operations Division website:
txbingo.org

SUPPLEMENTAL FORMS

1. ***Application for Registry of Bingo Workers FORMID 46*** (This form must be completed by a person that will be involved with the conduct of bingo as an operator, manager, cashier, usher, caller, salespersons, bookkeeper, or Bingo Chairperson for an annual license holder.)
2. ***Add Designated Member to Conductor License FORMID 62*** (This form must be submitted by an applicant for a license to conduct bingo to designate an individual as a member of their organization for the purposes of conducting bingo and other law.)
3. ***Verification by Parent for Charitable Organization Conductor FORMID 110*** (This form must be submitted by an organization applying for a license to conduct charitable bingo in Texas that is a subordinate organization to a parent organization. The form will verify that the subordinate organization is in good standing with the parent organization and whether the subordinate organization is covered under the 501(c) group exemption letter issued by the Internal Revenue Service (IRS) to the parent organization.)
4. ***Military Service Members, Military Veterans, or Military Spouses FORMID 138*** (This form is for Military Service Members, Military Veterans, and Military Spouses, applying in their individual capacity for a commercial lessor license.)
5. ***Return of Organization Exempt From Income Tax IRS Form 990*** (This form is used by tax-exempt organizations and nonexempt charitable trusts, to provide the IRS with the information required by section 6033.)

**All forms, except for IRS forms, are available on the
Texas Charitable Bingo Operations Division website;
txbingo.org**

A FINAL-QUICK CHECKLIST

Ensure that all forms, fees and documentation are submitted with the application package.

Submit Now:

1. **Application for an Original License to Conduct Bingo FORMID 1.** Do not leave any item blank. If an item does not apply, enter "N/A."
2. **Non-refundable fee to defray administrative costs.** Make your financial draft payable to "Texas State Comptroller." (Fees are eliminated for Conductor licenses 09/01/17.)
3. **Add Individuals to a License to Conduct Bingo FORMID 2.**
4. **Application for Registry of Bingo Workers FORMID 46.**
5. Ensure all required documentation is submitted.
6. **Pre-License Interview Training** for Bingo Chairperson and one operator designated as an operator. This training must be completed before the license will be issued.
7. **Bingo Training Program** for the Bingo Chairperson must be completed before the license will be issued.

May submit now or when notified:

1. **Bond** – Submit a check made payable to "Texas State Comptroller" or *Assignment of Security for a License to Conduct Bingo FORMID 3* or *Surety Bond for a License to Conduct Bingo FORMID 4* for the amount calculated.
2. Playing location, days and times of play.
3. **License fee balance.** This is the license fee for your applicable license class, less the non-refundable fee to defray administrative costs. (Fees are eliminated for Conductor licenses 09/01/17.)

For assistance:
1-800-BINGO77
(1-800-246-4677)

txbingo.org

bingo.services@lottery.state.tx.us