

B. TRANSITION GUIDE FOR OPTION #1 Conferences Operate as Integrated Units of a Council

Step #1- Identify whether the council that will serve as the tax-reporting entity is the diocesan or district council.

Step #2- The tax-reporting council must (1) be incorporated (see [Document C](#))¹; (2) have an FEIN (see [Document D](#)); and (3) adopt bylaws (see documents under the [Bylaws Section](#))

Step #3- The tax reporting council must secure federal income tax-exemption as a public charity under Section 501(c)(3). This can be done by filing IRS Form 1023 Application (see [Document F](#)) or a Form 1023-EZ (see [Document E](#)) for councils with less than \$50,000 in annual gross receipts or \$200,000 in assets. Note these thresholds include all conferences integrated with the council for tax purposes.

Step #4- Develop list of conferences to be included. Each conference must take steps to formally integrate into the above tax-reporting council.

If the conference is unincorporated:

- (a) The conference adopts a resolution (see [Document G](#)) to transition from a separate, unincorporated association to an integrated unit of the council. The resolution should identify and list any property, bank accounts, or other assets or reporting that needs to be integrated with the tax-reporting council.

If the conference is incorporated:

- (a) The conference corporation can choose to either merge into the council corporation (this includes adopting a plan of merger and filing articles of merger with the secretary of state)²; or
- (b) The conference can dissolve and transfer the assets to the council corporation (includes filing articles of dissolution with the secretary of state).

Note - the specific procedures for undergoing the merger and dissolution differ from state to state and should be handled by an attorney.

Step #5- The conference must file a final Form 990-EZ or 990-N for the tax-year in which it finalizes the transition. Check “Final Return” on the 990-EZ or 990-N.

¹ All referenced Documents are found at: <http://www.svdpusa.org/members/Documents/501-c-3>

² All the conferences under a council may elect to undergo one corporate merger that includes all the conferences and only one filing with the secretary of state.

Step #6- Conferences transition to Council FEIN and develop ongoing reporting with tax-reporting Council.

Step #7- Evaluate the need for the Council to secure a DBA for the Conference name (sometimes referred to as an assumed or fictitious name depending on the state). Securing a DBA will enable conferences to conduct business, issue promotional materials, and write checks in the name of the conference. For government filings, legal contracts, and charitable receipting for donations, the conference should use the following format:

Council [Legal Name] DBA [Conference Name].

Step #8- Conferences under Option #1 should utilize the Society's template Bylaws Document #1 (see [Document 1 under Bylaws Section](#)).

Step #9- Transition the conference's bank accounts, CDs, and investments to the Council FEIN with a DBA for the Conference Name. Bank rules and procedures differ. A bank may permit the account to be updated to the Council FEIN or require a new account to be opened. Secure a resolution from the Council Board to authorize signatories for the accounts and establish financial controls.

Step #10- Conference should notify ongoing vendors or other business relationships of the change in the tax structure and provide the Council FEIN.