

Delaware 4-H Clubs Tax-Exempt Status Under Delaware 4-H Association, Inc.

History: For over 80 years, 4-H clubs around the U.S. have been tax-exempt thanks to a Group Exemption Number (“GEN”) known as GEN 2704 held by the USDA. The IRS, however, determined that the USDA, as a federal agency, was not permitted to hold a GEN. After this determination was made, every state 4-H program—including Delaware’s 4-H program—had to devise its own tax exempt status for 4-H clubs.

Status: After a lengthy process, Delaware’s 4-H clubs continue to be tax exempt. With the superb help of Ted Kittila, a Delaware lawyer at Elliott Greenleaf (and a former 4-H member), Neil Lapinski, a Delaware lawyer at Gordon Fournaris & Mammarella, the General Counsel’s Office at the University of Delaware, and the staff at USDA, we were able to form a new corporate entity, Delaware 4-H Association, Inc., which will be the new home of Delaware’s 4-H clubs. The new corporate entity has applied for and been granted IRS tax exempt status as a 501(c)(3) tax exempt entity, effective April 9, 2012.

Frequently Asked Questions:

- **What is Delaware 4-H Association, Inc.?** Delaware 4-H Association, Inc. is a non-stock non-profit Delaware corporation formed exclusively as the tax-exempt home of all Delaware 4-H clubs and related organizations (Leaders organizations, Links, etc.). 4-H is still part of the Cooperative Extension Service of the University of Delaware.
- **How do Delaware’s 4-H clubs fit within the new entity?** All 4-H clubs in good-standing within the State of Delaware are deemed members of the new corporate entity.
- **What is the purpose of Delaware 4-H Association, Inc.?** The corporate entity allows the State 4-H Office and County 4-H Staff to consolidate financial reporting in order to prepare an annual Form 990 which is required by the IRS in order to maintain our tax exempt status. We will need to collect some information about club accounts; however, this should not be a problem as all 4-H clubs are already required to perform an annual financial audit. Early in the new year, you will be sent an annual financial report form to complete. County and State 4-H staff will be available to assist you if needed.
- **Should I continue to use the old GEN?** No. Instead, if you need proof of our new tax exempt status, we will provide you with a copy of the IRS determination letter. If, for any reason, a party needs our new employee identification number, contact your county or state 4-H office. Your club will be formally identified as Delaware 4-H Association, Inc.: [CLUB NAME].

If you need to open a new bank account for your Delaware 4-H club, please contact the either the State 4-H Office or your County 4-H Agent, and we will prepare the appropriate paperwork for you so that you won’t have any issues with your local bank.