

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

DEPARTMENT OF THE TREASURY

Date: **JAN 24 2013**

NORTHERN WESTCHESTER ENERGY ACTION
CONSORTIUM INC
C/O PRO BONO PARTNERSHIP
COURTNEY DARTS
237 MAMARONECK AVE STE 300
WHITE PLAINS, NY 10605

Employer Identification Number:
35-2397750
DLN:
17053027409032
Contact Person:
TYRONE THOMAS ID# 95046
Contact Telephone Number:
(877) 829-5500

Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)vi
Form 990 Required:
Yes
Effective Date of Exemption:
December 9, 2010
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

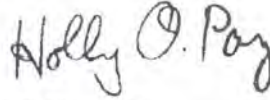
Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 947 (DO/CG)

NORTHERN WESTCHESTER ENERGY ACTION

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

A handwritten signature in cursive script that reads "Holly O. Paz".

Holly O. Paz
Director, Exempt Organizations
Rulings and Agreements

Enclosure: Publication 4221-PC

January 28, 2013

Herbert Oringel
Chair
Northern Westchester Energy Action Consortium, Inc.
PO Box 681
Somers, NY 10589

Re: Tax-Exempt Status for Northern Westchester Energy Action Consortium, Inc.

Dear Herb:

Congratulations! As you know, Northern Westchester Energy Action Consortium, Inc. (the "Organization") has received a determination of tax-exempt public charity status from the Internal Revenue Service ("IRS").

This letter sets forth some important information regarding the Organization's responsibilities. This is a brief summary only. For more information, please see the IRS Compliance Guide for 501(c)(3) Public Charities, available at <http://www.irs.gov/pub/irs-pdf/p4221pc.pdf>.

FEDERAL REQUIREMENTS

1. IRS Determination Letter

Attached is a copy of the letter that the Organization received from the IRS that confers tax-exempt status under Section 501(c)(3) of the Internal Revenue Code (the "Determination Letter").

The Determination Letter should be kept because it is proof that the Organization is exempt from federal income tax and is eligible to receive tax deductible donations.

2. Filing Requirements

The Organization must file an informational tax return with the IRS every year. There are three different forms that tax-exempt organizations can use. The form that the Organization should use depends on its annual revenues and assets, as follows:

- **Form 990:** For organizations with annual gross receipts of \$200,000 or more, and total assets of \$500,000 or more (note that smaller organizations are free to file this form if they wish);
- **Form 990-EZ:** For organizations with annual gross receipts that are less than \$200,000 but greater than \$50,000, and total assets of less than \$500,000 (note that smaller organizations are free to file this form if they wish); or

- **Form 990-N** (also called the “**e-postcard**”): For organizations whose annual gross receipts normally do not exceed \$50,000. The e-postcard must be filed electronically and requires only the following very basic information:
 - o The legal name of the organization;
 - o If applicable, any other name under which it does business;
 - o Its mailing address and, if applicable, its website address;
 - o Its taxpayer identification number;
 - o The name and address of a principal officer;
 - o The organization’s annual tax period;
 - o Confirmation that the organization’s annual gross receipts are still normally below the threshold; and
 - o If applicable, a statement that the organization is going out of business.

Excellent records of income and expenses, including sources of support, must be kept because they will need to be reported on Schedule A of Form 990 and Form 990-EZ. After five years, the IRS will particularly focus on this information to confirm the Organization’s status as a public charity (as opposed to a private foundation).

Returns are due on the 15th day of the fifth month after the end of the Organization’s fiscal year. For example, an organization whose fiscal year ends on December 31 must file its Form 990 by May 15.

Failure to timely file a Form 990 or Form 990-EZ can subject the Organization to financial penalties, and failure to file any of the forms for three consecutive years will result in an automatic revocation of tax-exempt status.

3. Notification of Changes

Various corporate changes that the Organization makes should be reported to the IRS, which often can be done as part of the Organization’s Form 990 filing. Alternatively, the IRS can be notified by letter or by filing an IRS form in some cases (e.g., by filing Form 8822 for a change of address).

4. Disclosure Requirements

The Organization must disclose its three most recent Form 990 tax returns; its application for tax exemption (Form 1023) and related documents; and its Determination Letter to anyone upon request.¹ This includes making these documents available for public inspection at the Organization’s offices and either providing copies of the documents (the Organization can charge a reasonable fee for copies and postage), or making the documents “widely available” (for example, by posting them on the Organization’s website or on another website). In-person requests for disclosure must be honored on the day of the request, and written requests must be honored within 30 days of the request. **There can be financial penalties to the Organization for failing to follow these disclosure rules.**

¹ Organizations that file the full Form 990 should note that Schedule B (listing names and addresses of donors) is not a public document and need not be disclosed.

5. Requirements for Acknowledging Donations

There are specific requirements regarding the acknowledgements the Organization provides to donors, which vary depending on factors such as the amount of the donation, whether it is cash or in-kind, and whether the donor receives anything from the Organization in connection with the donation.

The IRS Compliance Guide sets forth the basic requirements for acknowledging donations, and this article on the Pro Bono Partnership's website also provides information about the requirements: <http://www.probonopartner.org/FileLib/Documents/pbpwebsitearticleacknowledgingdonations.pdf>.

6. Lobbying and Political Campaign Activities

The Organization cannot have a "substantial part" of its activities consist of attempts to influence legislation. What constitutes substantial is not clearly defined, so many organizations elect to replace the substantial part of activities test with a mechanical test based on expenditures to influence legislation. This is known as the "501(h) election" because it is permitted by Section 501(h) of the Internal Revenue Code. The Organization may have made the election at the time it applied for tax exemption.

The Organization is prohibited from participating or intervening in any political campaign on behalf of or in opposition to any candidate for public office. **Violation of this prohibition can lead to loss of the Organization's tax exemption.**

NEW YORK STATE REQUIREMENTS

1. Registration and Annual Reporting Requirements with the Charities Bureau

Charitable organizations operating in New York are overseen by the Charities Bureau of the New York State Office of the Attorney General. The Charities Bureau administers two state laws governing charitable organizations:

- Article 7A of the NY Executive Law ("Article 7A") and
- Section 8-1.4 of the NY Estates, Powers and Trusts Law ("EPTL").

Article 7A applies to charitable organizations that solicit contributions in New York. The EPTL applies to charitable organizations that hold and administer property in New York for charitable purposes. Each of these laws requires organizations to register and submit annual filings. Many organizations are required to register under both Article 7A and the EPTL and are called "Dual Registrants". Dual Registrants are only required to file one set of registration materials and one annual financial filing, but must pay the fees required by both Article 7A and the EPTL.

Initial Registration: The Organization must register with the Charities Bureau prior to solicitation of contributions or within six months of receiving any property or income required to be applied to charitable purposes, whichever is earlier. To complete initial registration, the Organization must file the following:

- Form CHAR 410²
- Certificate of Incorporation
- Bylaws
- A copy of IRS Form 1023
- Determination Letter
- \$25 fee

Exemptions from Registration: There are several possible exemptions from registration under Article 7A and/or the EPTL. For example, an organization will be exempt from registration under Article 7A if it normally receives less than \$25,000 per year in gross contributions and does not compensate a professional fundraiser or fundraising counsel. For a list of all possible exemptions, please consult the Instructions for Forms CHAR410, CHAR410-A, CHAR410-R and Schedule E, available at <https://www.charitiesnys.com>.

Unregistered organizations that are exempt from registration are not required to submit an exemption request to the Charities Bureau. However, if the Organization believes that it is exempt from registration under Article 7A or the EPTL or both and would like confirmation of such exemption, it should file:

- Form CHAR 410
- Schedule E to CHAR 410
- Certificate of Incorporation
- Bylaws
- IRS Form 1023
- Determination Letter
- Any additional documents required by Schedule E to CHAR 410 (this will depend on the grounds for the exemption).

If circumstances change so that an exemption no longer applies, the Organization must register at that time.

Annual Reports for Registered Organizations: Annually, all registered organizations must file the following with the Charities Bureau.

- Form CHAR 500 (please note that a registered organization that meets annual report exemption requirements must still file Form 500 to claim exemption from reporting requirements and filing fees);
- IRS Form 990 or 990-EZ with schedules, if applicable; and
- IRS Form 990-T, if applicable.

Article 7A and Dual Registrants with total support and revenue between \$100,001 and \$250,000 are also required to file an independent accountant's review report and financial statements with accompanying notes. Article 7A and Dual Registrants with total support and revenue over \$250,000 are required to file an independent accountant's audit report and financial statements with accompanying notes

² Use Form CHAR 410-A if the Organization is already registered but has amended its information or CHAR 410-R if the Organization needs to re-register due to a cancellation of its initial registration.

Annual Filing Fees

- Article 7A Fees
 - Total support and revenue up to \$250,000: \$10 fee
 - Total support and revenue more than \$250,000: \$25 fee

- EPTL Fees
 - Net worth less than \$50,000: \$25 fee
 - Net worth over \$50,000 and under \$250,000: \$50 fee
 - Net worth over \$250,000 and under \$1,000,000: \$100 fee
 - Net worth over \$1,000,000 and under \$10,000,000: \$250 fee
 - Net worth over \$10,000,000 and under \$50,000,000: \$750 fee
 - Net worth \$50,000,000 or more: \$1,500 fee

- Dual Registrants must pay the fees of both Article 7A and the EPTL

Filing Deadlines

Article 7A and Dual Registrants: File by the 15th day of the fifth month after the end of the Organization's fiscal year

EPTL Registrants: File by the last day of the sixth month after the end of the Organization's fiscal year

2. Corporate Changes

Certain changes that the Organization makes, such as changing its name or purpose, require it to amend its Certificate of Incorporation ("COI"), on file with the New York Department of State. Generally, an amendment is accomplished by filing a Certificate of Amendment or Restated Certificate with the Department of State. For simpler changes to the COI, such as a change in the address for service of process, county location, or authority of registered agent, a Certificate of Change may be filed.

An organization may need to obtain prior approval for an amendment from one or more New York state agencies (e.g., Department of Education, Office of Children's and Family Services) if the organization conducts certain activities³ and/or if the consent of any such agency was required prior to filing the original COI. Amendments of a nonprofit organization's purposes or powers must also be approved by the Charities Bureau and the New York State Supreme Court prior to filing with the Department of State.

3. Exemption from State and Local Taxes

Exemption from Franchise Tax

³ See Section 404 of the New York Not-For-Profit Corporation Law for a list of activities that may trigger a requirement for agency consent.

To apply for exemption from state franchise tax, **Form CT-247** should be filed with the New York State Department of Taxation and Finance.

Exemption from Sales Tax

To obtain sales tax exemption, file **Form ST-119.2** with the New York State Department of Taxation and Finance.

Exemption from Property Tax

In New York, real property owned by a nonprofit charitable organization is generally exempt from municipal property taxes, provided that the property is being used for the organization's own exempt purposes. However, this exemption is not automatic; the Organization must apply for exemption to the tax assessor of the town in which the property is located.

4. Games of Chance/Raffles

Some tax-exempt organizations use games of chance (e.g., raffles) as fundraising activities. These games are regulated by the New York State Racing and Wagering Board. Each game has its own registration and filing requirements.

FOR MORE INFORMATION

For further information or to obtain forms and instructions, contact the IRS or appropriate state agency (a list of contact information is enclosed).

Please also feel free to contact us at the Partnership at (914) 328-0674 to request assistance.

Congratulations again and welcome to the tax-exempt sector!

Best regards,

Pro Bono Partnership

By: Courtney Darts
Senior Staff Attorney

Contact Information

Internal Revenue Service

Tax-exempt and government entities, with the exception of employee retirement plans, generally file reports and returns at the following address:

Internal Revenue Service Center
Ogden, UT 84201-0027

Requests for determination of status as an exempt organization are filed at the following address:

Internal Revenue Service
P.O. Box 12192
Covington, KY 41012-0192

(877) 829-5500 (exempt organization helpline)

www.irs.gov

New York Department of State

One Commerce Plaza
99 Washington Ave,
Albany, NY 12231-0001
Phone: (518) 474-4752
Fax: (518) 474-4597
<http://www.dos.state.ny.us/>

Charities Bureau

New York State Department of Law
120 Broadway, 3rd Floor
New York, NY 10271
(212) 416-8401
charities.bureau@oag.state.ny.us
<http://www.charitiesnys.com/>

For copies of charitable registration forms and instructions:

http://www.charitiesnys.com/charindex_new.html

Office of the Attorney General – Westchester Regional Office

(covering Orange, Putnam, Rockland and Westchester Counties)
101 East Post Road
White Plains, NY 10601-3310
(914) 422-8755

New York State Department of Taxation and Finance

Taxpayer Assistance – Exempt Organizations

Bldg. 8 – Room 900

W.A. Harriman Campus

Albany, NY 12227

(518) 457-2782

<http://www.tax.state.ny.us/>

New York State Racing and Wagering Board

1 Broadway Center, Suite 600

Schenectady, New York 12305-2553

(518) 395-5400

<http://www.racing.state.ny.us/>