

## Benefits of 501(c) (3)

- Exempt from federal taxes
- Exempt from some state taxes
- Potential tax-deductions for members
- Tax-exempt financing
- Reduced postal rates

Our association has recently received status as a 501(c) (3) organization. After the CFAPOA board voted in favor of seeking the 501(c) (3) status, our secretary and treasurer began working on this process and spent from December 2008 to June 2010 gathering the pertinent information needed for the Internal Revenue Service to grant eligibility. Prior to the vote, the board considered the pros and cons of this. We sought information from other area 501(c) (3) lake associations, had several speakers talk to us about the pros and cons, and received the support of the Wisconsin Association of Lakes before applying.

The benefits of having this status include CFAPOA exemption from federal income tax and eligibility to receive potentially tax-deductible charitable contributions depending on the donor's or members tax situation. All are advised to check with their tax advisor for applicability. It is also recognized and accepted for other purposes. For example: state officials may grant exemption from state income and sales taxes and the U.S. Postal Service offers reduced rates to certain organizations. This status also helps in obtaining grants from the state and federal government entities, such as the DNR, because it assures that our association is a permitted beneficiary and a qualified lake association. Now that we have attained this 501(c) (3) status, we will be adding different levels of membership for payment of dues. A committee is currently working on this and we will be putting this information in the newsletter as it is developed. Since our inception, the Chippewa Flowage Area Property Owners Association has continually grown and changed to meet the needs of our members and our purpose of preserving and protecting the lake and its surroundings. This is one more important step in insuring that we can continue to fund the efforts of preservation, conservation, and education of our Legacy Lake for the future.