

Colorado 4-H Fact Sheet (revised 7/14)



Tax Exempt Status for Colorado 4-H Clubs and Groups

As the central organization for the Colorado 4-H Group Exemption (GEN 5947), the Colorado 4-H Foundation, along with the Internal Revenue Service (IRS) have determined that Colorado chartered 4-H clubs and groups under the control of Extension are eligible for inclusion as a subsidiary of the Colorado 4-H Foundation exemption from federal income tax under the provisions which correspond to section 501(c)(3) of the IRS Code. This means that:

- formally authorized 4-H groups are exempt from paying federal income tax on funds on behalf of 4-H; and
- donors may deduct contributions to 4-H clubs and groups as applicable under the IRS Code.

The tax exempt status addresses only federal income tax and does not provide exemption from any state or local taxes.

Definition of a Colorado 4-H Organization Qualified to be a Subsidiary

Any organization that functions for the purpose of furthering 4-H objectives and programs, that has been formally authorized to use the 4-H name and emblem, and if officially chartered by the Colorado 4-H program. This includes, but is not limited to, local 4-H clubs; county, regional or state councils and committees. It *may* also include county or regional foundations and groups when they operate under the guidance and control of Extension.

- According to the IRS, to be included as a subsidiary, a 4-H group must be under the guidance and control of Extension. This means that affiliated groups that function under the authority of their own Board of Directors would not qualify for inclusion. Those groups must establish their own tax exempt status and must enter into a Memorandum of Understanding with Extension and under some circumstances, with the Colorado 4-H Foundation.
- The IRS does not recognize a single family group as a qualified subsidiary for inclusion. Inclusion of independent groups or families under the GEN potentially jeopardizes the tax exempt status granted to the Foundation.

For a 4-H club or group to be eligible for inclusion under GEN 5947, they must be officially recognized with both a United States Department of Agriculture (USDA) charter and a Colorado 4-H charter. In accordance with the IRS Publication 4573, the central organization that holds a group exemption (rather than the IRS) determines which organizations are included as subordinates under its group ruling.

All Colorado 4-H clubs/groups are required to charter annually. See the Instructions for Chartering document for more information about the club/group requirements to be recognized as a subordinate of the Colorado 4-H Foundation. Only those clubs/groups in compliance will be recognized as subordinates and granted inclusion in the GEN.