

NONPROFIT V. TAX EXEMPT STATUS

- Nonprofit Status –
 - An Organization that is established as such that no one entity is allowed to keep the proceeds generated by business activities; proceeds must be used for nonprofit purposes as outlined in creating documents (i.e. articles of association, bylaws, constitution, trust or other operational documents)
 - California Secretary of State and Attorney General oversee nonprofit status
- Tax-Exempt Status –
 - Organization is not required to pay taxes on the money received related to exempt activities, must apply and qualify separately for tax-exempt status with both State and Federal agencies
 - California Franchise Tax Board and Internal Revenue Service (IRS) oversee tax-exempt

CITY OF MERCED CONTRACT REQUIREMENTS

- Stephen Leonard Park Youth Center Building – Lease Agreement effective 10/23/17 – 10/22/20

- Section 19 – COMPLIANCE WITH LAWS

During the term of this Lease and any renewals thereof, Lessee shall promptly execute and comply with all Federal, State, county and City statutes, ordinances, regulations, laws or other requirements applicable to the occupancy of the Facility, and the operational of the Facility as a youth center.

NEXT STEPS

- Remedy period expires 5-21-19
- Meet with Merced Soccer Academy to discuss tax-exempt status