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**FISCAL YEAR 2009
CHILD AND ADULT CARE FOOD PROGRAM
OPERATIONAL MEMORANDUM #3**

TO: Child and Adult Care Food Program Institutions

FROM: Mary Ann Chartrand, Director
Grants Coordination and School Support

DATE: February 2, 2009

SUBJECT: Update on Tax Filing Requirement for Tax-Exempt Organizations

The Michigan Department of Education (MDE) Child and Adult Care Food Program (CACFP) received the following information regarding a small business tax filing requirement from the United States Department of Agriculture (USDA).

The Internal Revenue Service (IRS) has changed its filing requirements that apply to small, tax-exempt organizations. Failure to comply with the requirements may result in the revocation of an organization's tax-exempt status.

The Pension Protection Act of 2006 (PPA), which was signed into law on August 17, 2006, requires that most tax-exempt organizations whose gross receipts are normally \$25,000 or less must file Form 990-N. The title of the form is *Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required To File Form 990 or 990-EZ*. Before the law was enacted, small businesses with annual gross receipts of under \$25,000 were not required to annually file with the IRS.

Additional information about the filing requirements and who must file may be found at: <http://www.irs.gov/charities/article/0,,id=169250,00.html>.

Please be sure to share this important information with your tax preparer.

Call our office at (517) 373-7391 if you have any questions regarding this memo.

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608 WEST ALLEGAN STREET • P.O. BOX 30008 • LANSING, MICHIGAN 48909
www.michigan.gov/mde • (517) 373-3324