**Treasurer’s Report**

**July 28, 2021**

**PayPal Balance:** $1,731.72 (7/19/2021)

**Bank account Balance:** $10,748.18 (7/19/2021)

**Vanguard Account:** $56,420.82 (7/19/2021)

**Recurring Costs:**

Network Solutions

2021 YTD: $185.49

**Tax-Exempt Status:**

HSLI’s tax-exempt status was revoked in 2010 due to the Organization’s failure to submit IRS Form 990-N for the three years prior. Dianne Olson submitted IRS Form 1023 in late 2010/early 2011 and HSLI was granted retroactive reinstatement.

IRS Form 990-N was submitted in 2012, 2013, and 2014 in compliance with IRS policy, but was not submitted in 2015, 2016, or 2017. This led to HSLI’s tax-exempt status being revoked as of May 2017.

In order for HSLI’s status to be reinstated, HSLI must:

1. Submit IRS Form 1023 (along with the $600 application fee)
2. Include with the application a “Reasonable Cause Statement,” explaining the circumstances that led to the revocation and the steps that will be taken to avoid this happening again in the future.
3. File the appropriate forms for the years we did not file (2015-2021)

Because so much time has passed since the status revocation, HSLI may not be eligible for retroactive reinstatement. If this is the case, there may be additional penalties for 2017-present, during which HSLI would have been considered a taxable organization.

**Illinois Attorney General**

It was also discovered that HSLI has never filed Form AG990-IL with the Attorney General’s office, which is required of all Tax-Exempt organizations.

In order to be in compliance with the Illinois Attorney General’s office HSLI needs to:

1. Submit Form AG990-IL (along with the $15 registration fee and $200 late registration fee)
2. Pay annual report filing fees ($15/year) + late report fees ($100/year) for the past three years

**Recommendation**

Due to amount of time that has passed since HSLI’s tax-exempt status was revoked and the fact that this is the organization’s second revocation, I strongly recommend that HSLI hire a CPA and a lawyer to help fill our IRS Form 1023. Form 1023 is quite lengthy and requires significant details concerning HSLI’s past activities. It *may* be possible for someone form the organization to complete this form, but HSLI would greatly benefit from having a CPA review it before submitting to the IRS, if not completing it entirely. Moreover, professional input from either a CPA, an attorney, or both is highly advised when writing the “Reasonable Cause Statement.” Doing so will ensure that the form includes the language that the IRS is looking for and will provide HSLI with the best chances of getting back into the good graces of the IRS. Professional assistance will also help demonstrate our earnest desire to prevent future failures and could potentially result in some fees being waived.

Respectively Submitted:

Geoff Pettys