

Application for Recognition of Exemption
Under Section 521 of the Internal Revenue Code
For the use of farmers', fruit growers', or like associations applying for recognition of
exemption as cooperatives.
► See separate Instructions.

If your organization does not have an organizing document, do not file this application. Every organization must furnish all the information specified on the form and in the instructions. An attachment may be used if more space is needed for any item. If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.

Part I Identification

1a Full name of organization (See instructions.)	b Employer identification number (See instructions.)
2a Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address)	
b City or town, county, state, and ZIP code	
3 Name and telephone number (including area code) of person to be contacted during business hours ()	4 Date incorporated or formed
	5 Month the annual accounting period ends
6a Has the organization filed Federal income tax returns? <input type="checkbox"/> Yes <input type="checkbox"/> No	
b If "Yes," state the form numbers, years filed, and Internal Revenue office where filed ►	

Part II Type of Entity and Organizational Documents (See instructions.)

Check the applicable entity box below and attach a conformed copy of the organizing and operational documents listed.

- Corporation—Articles of Incorporation, bylaws
- Other—Constitution or Articles of Association, bylaws

Part III Activities and Operational Information

1 Number of shares of each class of capital stock currently outstanding, if any, the value of the consideration for which issued, and the rate of dividend paid:			
	Shares	Amount	Rate of Dividend
a Preferred stock (voting)	1a		
b Preferred stock (nonvoting)	1b		
c Common stock (voting)	1c		
d Common stock (nonvoting)	1d		
2 Number of shares of capital stock (other than nonvoting preferred) owned by:			
a Producers			2a
b Nonproducers			2b
c Current and active producers			2c
d Total number of shares—Add lines 2a and 2b			2d
e Percentage owned by current and active producers—Divide line 2c by line 2d			2e %
3 What provision is made for retiring the voting stock held by a nonproducer?			
4 Describe who is accorded voting rights in the cooperative and how many votes one person may have. If a person may be entitled to more than one vote, explain in detail how voting rights are acquired.			
5 Legal rate of interest in the state where the association is located ►			

Please Sign Here

Under penalties of perjury, I declare that I am authorized to sign this application on behalf of the above organization; and I have examined this application, including the accompanying statements, and to the best of my knowledge and belief it is true, correct, and complete. (See General Instruction "C.")

► _____ (Signature) _____ (Title or authority of signer) _____ (Date)

Part III Activities and Operational Information (Continued)

6 If the association issues any nonvoting preferred stock, explain whether the owners, upon dissolution or liquidation, may participate in the profits of the association beyond fixed dividends.

7a Does state law require the accumulation and maintenance of reserves? **Yes** **No**

b If **"Yes,"** state the names and purposes of the reserves and enter the amount of each:

	Amount
.....	
.....	
.....	

8a Does the association maintain or plan to maintain any reserve or reserves other than those required by state law? **Yes** **No**

b If **"Yes,"** state the names and purposes of the reserves and enter the amount of each:

	Amount
.....	
.....	
.....	

9 Does the association deal or plan to deal with both members and nonmembers? **Yes** **No**

10a Does the association pay or plan to pay patronage dividends? **Yes** **No**

b If **"Yes,"** are they paid or will they be paid to all patrons, both member and nonmember, on the same basis? **Yes** **No**

11a Is the allocation of patronage dividends based on an obligation in existence before the cooperative received the amounts allocated? **Yes** **No**

b If **"Yes,"** is the obligation in:

Organizing document (specify) ►

Bylaws

12 Explain all of the activities in which the association is or will be engaged.

13 Explain how distribution is or will be made of the proceeds of products marketed for members and nonmembers. Also, if the organization operates on a basis of allocated units (i.e., functional, departmental, etc.), explain how losses are or will be treated.

14 Explain how the association charges for supplies and equipment bought for members and nonmembers.

Part III Activities and Operational Information (Continued)

15 Explain the requirements for membership in the association.

16 Federated cooperatives only:

a Are all the association's member cooperatives exempt under section 521? **Yes** **No**

b If "**No**," do the nonexempt member cooperatives have the same annual accounting period as the association's? **Yes** **No**

c If "**No**," to 16b, check the method below that the association used, or will use, to provide a common or comparable unit of time for analyzing and evaluating its operations and those of its members.

Note: Methods listed below do not apply to the filing of returns or the manner in which operating results are reported by a federated cooperative and its members.

1. Method 1—The association uses the operations of members for those months that correspond to the months that make up its tax year.

2. Method 2—The association uses the tax years of members that end within its tax year.

3. Method other than 1 or 2 above (explain) ▶

17 Value of agricultural products marketed or handled for: (See instructions.)	Current tax year	3 prior tax years		
	(a) From to	(b)	(c)	(d)
*a Members—				
1. Actually produced by members				
2. Not actually produced by members but marketed by them through the association				
b Nonmembers—				
1. Actually produced by nonmembers.				
2. Not actually produced by nonmembers but marketed by them through the association				
c Nonproducers (purchased from nonproducers for marketing by the association)				
18 Value of supplies and equipment purchased for or sold to: (See instructions.)				
*a Members who were producers				
b Nonmembers who were producers				
c Members and nonmembers who were not producers				
19 Amount of business done with the United States Government or any of its agencies				

20 Does the association plan to do business with the United States Government or any of its agencies in the future? **Yes** **No**

21a Were all of the net earnings (after payment of dividends, if any, on capital stock) for the years shown on lines 17–19 distributed as patronage dividends? (See instructions for lines 17–19.) **Yes** **No**

b If "**No**," were undistributed net earnings apportioned on the records to all patrons on a patronage basis? **Yes** **No**

22a Has the organization operated in a manner consistent with the information given since the date formed? **Yes** **No**

b If "**No**," state the changes that have occurred and dates of the changes.

*If it is necessary to own one or more shares of stock in order to become a member, include on lines 17a and 18a only the amount of business transacted with persons actually owning the required number of shares.

Part IV Financial Data (See instructions.)

Complete the Statement of Receipts and Expenditures and Balance Sheets for the current year and for each of the three immediately preceding years that the organization was in existence.

Statement of Receipts and Expenditures, for period ending _____, _____
 (If you prepare a statement of receipts and expenditures that is more descriptive and detailed than the statement below, you may submit that statement instead of this one.)

Receipts	1 Gross dues and assessments from members		1	
	2 Gross dues and assessments from affiliated organizations		2	
	3a Gross amount derived from activities related to organization's exempt purpose (attach schedule)	3a		
	b Less cost of goods sold	3b ()	3c	
	4a Gross amount from other business activities (attach schedule)	4a		
	b Less cost of goods sold	4b ()	4c	
	5a Gross amount received from sale of assets, excluding inventory items (attach schedule)	5a		
	b Less cost or other basis and sales expense of assets sold (attach schedule)	5b ()	5c	
6 Interest, dividends, rents and royalties		6		
7 Other receipts (attach schedule)		7		
8 Total receipts —Add lines 1 through 7 in far right column		8		
Expenditures	9 Compensation of officers, directors, and trustees (attach schedule)		9	
	10 Other salaries and wages		10	
	11 Interest		11	
	12 Rent		12	
	13 Depreciation and depletion		13	
	14 Dues and assessments to affiliated organizations		14	
	15 Other expenditures (see instructions—attach schedule)		15	
	16 Patronage dividends (see instructions—attach schedule)		16	
	17 Total expenditures —Add lines 9 through 16		17	
	18 Excess of receipts over expenditures (line 8 less line 17)		18	

Balance Sheets		Enter dates ►	Beginning date	Ending date
Assets	19 Cash	19		
	20 Trade notes and accounts receivable (less allowance for bad debts)	20		
	21 Inventories	21		
	22 Investments (attach schedule)	22		
	23 Other current assets (attach schedule)	23		
	24 Depreciable and depletable assets (less accumulated depreciation/depletion)	24		
	25 Land (net of any amortization)	25		
26 Other assets (attach schedule)	26			
27 Total assets	27			
Liabilities and Capital	28 Accounts payable	28		
	29 Mortgages, notes, bonds payable in less than one year	29		
	30 Other current liabilities (attach schedule)	30		
	31 Mortgages, notes, bonds payable in one year or more	31		
	32 Other liabilities (attach schedule)	32		
	33 Patronage dividends allocated in noncash form, other than capital stock and interest-bearing obligations	33		
	34 Per-unit retains allocated in noncash form	34		
	35 Capital stock (enter numbers at end of year):			
		Number of shareholders	Number of shares	
			Issued for money	Issued as patronage benefits
a Voting preferred stock	35a			
b Nonvoting preferred stock	35b			
c Voting common stock	35c			
d Nonvoting common stock	35d			
36 Paid-in or capital surplus	36			
37 Retained earnings (attach schedule)	37			
38 Less cost of treasury stock	38 () ()			
39 Total liabilities and capital	39			