***This information is not intended to give legal or tax advice. Please consult your professional advisors to determine the specific rules applicable to your club or contact the IRS directly. (http://www.irs.gov or 1-800-829-5500).***

**Rotary Clubs and the IRS – A Few Reminders**

What do the terms 501(c)(3) and 501(c)(4) mean?

501(c)(3) and 501(c)(4) are two of the federal tax classifications for organizations that meet the requirements of Internal Revenue Code section 501(a). Charitable organizations are tax-exempt under section 501(c)(3) while social welfare organizations are exempt under 501(c)(4) of the Internal Revenue Code. Each Rotary Club is classified a 501(c)(4) organization (social welfare organization) under a Rotary International’s Group Exemption ruling from the IRS. If ever needed, the Group Exemption Number (GEN) is 0573. Rotaract and Interact clubs are also entitled to 501(c)(4) tax-exempt statuses. For more information about these tax classifications, visit Life Cycle of an Exempt Organization at [www.irs.gov](http://www.irs.gov).

Are contributions to my club considered charitable contributions for individuals?

Contributions by Rotary Club members or non-members to 501(c)(4) clubs are generally not tax-deductible as charitable contributions . If a club’s membership has established a separate 501(c)(3) charitable organization, such as a Foundation or Charities Fund under Section 501(c)(3), contributions to that separately existing charitable fund are usually tax-deductible to the extent permitted by law. A club may not use the 501(c)(3) EIN number of The Rotary Foundation or of another club’s Foundation or Charity Fund to solicit tax-deductible contributions for its own purposes.

Are Rotary member’s club dues tax-deductible?

Club dues to a 501(c)(4) club are not tax-deductible. Membership dues may be eligible for some deduction as business expenses for some Rotarians.

Does my club need to file an annual information form with the IRS?

Yes. While Rotary clubs and districts are exempt from paying federal income tax, the law requires all Rotary clubs and districts file an annual information return (Form 990, 990-EZ) or submit an annual electronic notice (990N). The version a club files is dependent upon its gross receipts for the year. For more information about this requirement and to find out which form to file, please see IRS Publication 4839 at [www.irs.gov](http://www.irs.gov).

What is the deadline to file an annual information form to the IRS?

Yes. These forms are due every year by the 15th day of the 5th month after the close of your tax year. For clubs following RI’s tax year ending on 30 June, the deadline to file is November 15th.

Where can my club find more information about Form 990N (e-Postcard) and other 990 Forms?

Please refer to Exempt Organizations Annual Reporting Requirements - Annual Electronic Notice (Form 990-N): Frequently Asked Questions and Answers at [www.irs.gov](http://www.irs.gov).

Page 1

Our club’s tax-exempt status was automatically revoked for failure to file for three consecutive years. What does this mean and what do we do?

According to IRS regulations, an organization whose tax-exempt status has been automatically revoked must apply to have its tax-exempt status reinstated, even if it was not originally required to file an application for exemption. There are serious consequences of revocation relating to the taxability of revenues received by your club. **To check your club’s tax-exempt status, visit Exempt Organizations Select Check at** [**www.irs.gov**](http://www.irs.gov)**. The IRS has not provided all revoked organizations with written notice of revocation so it is important to check the status of your club online.**

**For more information about the consequences of revocation and how to apply for reinstatement, see Automatic Exemption Revocation for Non-Filing: Frequently Asked Questions at** [**www.irs.gov**](http://www.irs.gov)**. For any further information, please contact the IRS directly at 877-829-5500.**

Larry Denniston

District 7170 Treasurer

ldenniston2@gmail.com (the l is an “el”)

Page 2

11/23/13