

Rotary US ROTARY AND ROTARACT CLUBS AND THE IRS: FREQUENTLY ASKED QUESTIONS

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

Yes, all clubs must file annually to maintain their tax-exempt status, reporting all receipts and disbursements to the IRS by 15 November (if using the Rotary year). Your club's gross receipts will determine what version of the IRS 990 form your club should use when filing. RI's group exemption does not include group filing. Your club is responsible for [mandatory annual e-filing](#) using its own club EIN. The IRS will revoke any club that fails to file for three years in a row.

What is an Employer Identification Number (EIN)? Does my club need one?

An EIN is a nine-digit number used by the IRS to identify entities such as clubs. All clubs domiciled in the US and US territories must apply for an EIN when chartering and include RI's Group Exemption Number (GEN) **0573** if applying to be tax exempt under RI's 501(c)(4) group exemption. If you are applying for a bank account, make sure to use your own EIN, and not RI's.

Do satellite clubs need their own EIN?

No, satellite clubs do not need their own EIN as they do not have their own charter and operate under their parent club's EIN.

Do university based Rotaract clubs need their own EIN?

Consult your university. Some university based Rotaract clubs operate under their school's 501(c)(3) status, as the school tracks funds for the club.

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

These terms are federal tax classifications. 501(c)(3) refers to charitable organizations and 501(c)(4) refers to social welfare organizations. Clubs are entitled to 501(c)(4) tax-exempt status under RI's group exemption.

What does my club have to do to be included in RI's 501(c)(4) group exemption?

1. Apply for an EIN at www.irs.gov
2. Within 60 days of being established, submit [Form 8976](#) to the IRS, notifying them your club will operate as a 501(c)(4)
3. Email your CDS Officer a copy of the IRS notice confirming your EIN. Your email must also include written confirmation that your club wants to be included in RI's 501(c)(4) group exemption.
4. RI adds your club's EIN to its database

Can my club or club foundation obtain 501(c)(3) tax-exempt status under The Rotary Foundation?

No, The Rotary Foundation does not have a 501(c)(3) group exemption. Clubs seeking 501(c)(3) status must obtain their own IRS exemption. Additionally, your club or club foundation must have and use its own EIN to receive contributions. You cannot use The Rotary Foundation's EIN to collect contributions. If your club obtains 501(c)(3) status, you must send written notice to CDS@rotary.org so RI can remove your EIN from their 501(c)(4) group exemption. If your club is considering seeking 501(c)(3) status, you might consider TRF's Donor Advised Fund (DAF), which has similar benefits to a club foundation.

My club's EIN was revoked, or my club has duplicate EINs. What do we do?

Work directly with the IRS to be reinstated. Rotary is not able to add clubs back to its group exemption once a club has been revoked. Upon reinstatement, the IRS will issue your club its own exemption. Being reinstated and having your own exemption does not impact your club's good standing with RI. Check your club's status at [Tax Exempt Organization Search](#) or learn more at [Revoked? Reinstated?](#)

Does my club need to file a Beneficial Ownership Information (BOI) report? Does my club need to report to FinCEN? Does my club need to comply with the Corporate Transparency Act?

We believe that Rotary clubs do not need to submit Beneficial Ownership Information (BOI) reports to the US Treasury's Financial Crimes Enforcement Network (FinCEN).

According to FinCEN, any entity that meets the following criteria does not need to submit a BOI report. This is referred to as Exemption #19:

The entity is an organization that is described in section 501(c) of the Internal Revenue Code of 1986 (Code) (determined without regard to section 508(a) of the Code) and exempt from tax under section 501(a) of the Code.

Any Rotary club that is listed on Rotary International's group exemption is registered as a 501(c)(4) entity. Therefore, such a Rotary club should meet the requirements of Exemption #19 and should not be required to file a BOI report.

If you still have questions or concerns of whether your club is required to submit a BOI report, you should consult your local legal adviser.

This information is not intended to give legal or tax advice. Please consult professional advisors or contact the IRS directly at www.irs.gov or 1-877-829-5500.

For this document, unless otherwise identified, "clubs" means Rotary and Rotaract clubs.