

From: **Supreme Advocate's Office** <noreply@kofc.org>
Date: Fri, Mar 28, 2014 at 2:50 PM
Subject: Important Tax Information for KofC Councils and Assemblies

As you know, the Knights of Columbus, including all subordinate councils, assemblies, and chapters (collectively referred to as councils), is a tax-exempt organization, recognized by the Internal Revenue Service as a fraternal benefit society under Section 501(c)(8) of the Internal Revenue Code. Notwithstanding our tax exempt status, each council is required by law to file an annual informational tax return with the Internal Revenue Service.

Most councils will file the IRS Form 990-N electronic postcard (also known as the e-postcard). If your council's gross receipts are more than \$50,000 but less than \$200,000 and its total assets are less than \$500,000, you will need to file a Form 990-EZ. If your council's gross receipts are more than \$200,000 and its total assets are more than \$500,000, you will need to file Form 990.

Deadline to file annual return (all forms)

Each council must file its own tax return; there is no group or consolidated Form 990 filing. The returns must be filed by the fifteenth day of the fifth month following the end of the council's annual accounting period. For example, if your council's accounting period ends December 31, you must file a tax return by May 15 of the following year; if your council's accounting period ends June 30, you must file a tax return by November 15.

Need more time to file a Form 990 (paper forms only)?

If you need more time to file your council's informational return, you must file a request for an extension at least one month before the due date. For example, if your council's accounting period ends December 31, you must file a request for an extension no later than April 15; if your council's accounting period ends June 30, you must file a request for an extension no later than October 15. Federal law imposes a penalty of \$20 per day, up to a maximum of \$10,000, for incomplete or late filings, unless you can show reasonable cause. You may download the form for requesting an extension from the IRS website:

<http://www.irs.gov/pub/irs-pdf/f8868.pdf>

Where to file

The Form 990-N (e-postcard) can only be filed online and you may do so by using the link below. Go to the link below and click "FILE YOUR E-POSTCARD;" you will arrive at the site where you can access and file the Form 990-N:

<http://nccs.urban.org/>

All paper returns should be sent to:

Internal Revenue Service Center
Ogden, UT 84201-0027

The website will not allow me to file a Form 990-N

If your council has recently been reinstated with the IRS or if your council is a new council, the filing system may not allow you to file a 990-N for your first year. A council cannot file a Form 990-N unless it is on the Supreme Council's Group Exemption List, which is updated annually by the Knights of Columbus Legal Department. If you are unable to e-file, please contact the Legal Department by email at tax.ein@kofc.org.

Forms and Other Information Available on IRS Website

Forms 990-EZ and 990 are available in the forms directory on the IRS website:

<http://apps.irs.gov/app/picklist/list/formsPublications.html;jsessionid=mXrFTNd5imPYNv53RNwukQ?indexOfFirstRow=0&sortColumn=sortOrder&value=990&criteria=formNumber&resultsPerPage=25&isDescending=false>

We suggest you visit the IRS home page for tax-exempt organizations. It is an excellent resource for council officers who have questions or need information regarding their federal tax obligations:

<http://www.irs.gov/charities/index.html?navmenu=menu1>

We also suggest you visit the IRS web page explaining the annual electronic filing requirement for small exempt organizations:

[http://www.irs.gov/Charities-&-Non-Profits/Annual-Electronic-Filing-Requirement-for-Small-Exempt-Organizations-Form-990-N-\(e-Postcard\)](http://www.irs.gov/Charities-&-Non-Profits/Annual-Electronic-Filing-Requirement-for-Small-Exempt-Organizations-Form-990-N-(e-Postcard))

More information is also available on the Knights of Columbus website. Sign in under "Officers" and look for the box titled "Support Materials" at the right side of the page. By clicking on the icon next to "Form 990 Information" you will access a detailed memorandum on tax compliance, along with attachments.

Conclusion

In addition to the annual filing requirement, each council is also responsible for conducting its affairs in a manner that is consistent with what is expected of tax-exempt organizations. Failure to do so may result in a council losing its tax exempt status.

If you have questions relating to your council's tax reporting obligations, please contact the Knights of Columbus Legal Department by email at tax.ein@kofc.org.

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