



ROTARY CLUBS AND THE IRS: FREQUENTLY ASKED QUESTIONS

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This information is for all Rotary clubs in the USA, American Samoa, Guam, Puerto Rico, Northern Mariana Islands, and US Virgin Islands. It is not intended to give legal or tax advice. Please consult your professional advisors to determine the specific rules applicable to you or contact the IRS directly. (www.irs.gov or 1-877-829-5500)

**All underlined words in this document contain a link to information at www.irs.gov. To access these pages please:*

- *Place your mouse over the underlined words, press CTRL and click, OR*
- *Go to www.irs.gov and type the underlined words into the search bar in the upper right corner of the web page.*

EMPLOYER IDENTIFICATION NUMBER (EIN)

What is an Employer Identification Number (EIN) and does my club need to apply for one?

An Employer Identification Number (EIN) is a nine-digit number used by the IRS to identify an entity. All Rotary clubs in the USA, American Samoa, Guam, Puerto Rico, Northern Mariana Islands, and US Virgin Islands must apply for an EIN when they charter. To find out more, visit [How to Apply for an EIN](#) and [Instructions for Form SS-4](#) at www.irs.gov. Please note that RI's Group Exemption Number (GEN) 0573 must be included on the form in order for your club to be tax-exempt under RI's 501(c)(4) Group Exemption ruling.

What must my club do when we receive our EIN from the IRS?

The club is requested to immediately submit to their Club and District Support representative a copy of the notice from the IRS confirming its EIN. Find your CDS rep at www.rotary.org/cds.

Why is it important for my club to send its EIN to RI?

RI enters your club's EIN into its database and annually confirms with the IRS all clubs included under RI's 501(c)(4) Group Exemption ruling. There are many forms of tax ID numbers (both state and federal) that a club may have in its records. A copy of the official IRS letter will help ensure RI reports the correct nine-digit number to the IRS and the club is included under RI's Group Exemption.

What is the official naming convention for Rotary clubs according to the IRS?

RI will report your club's name as the Rotary Club of Community, State (ex: Rotary Club of Evanston, IL). To confirm your club's name as registered with the IRS for bank account purposes or otherwise, please contact the IRS directly at 877-829-5500.

Can my club use RI's EIN when applying for a bank account or for filing purposes?

No. Each EIN is specifically assigned to a single entity or club. Your club must use its own EIN when applying for a bank account or filing your annual tax return.

Do Rotaract and Interact clubs need to apply for an EIN?

If your Rotaract or Interact club would like to open its own bank account, it must obtain its own EIN. To find out more, visit [How to Apply for an EIN](#) at www.irs.gov. Please note that RI's Group Exemption Number (GEN) 0573 must be included on the form in order for your club to be tax-exempt under RI's 501(c)(4) Group Exemption ruling.

501(c)(3) AND 501(c)(4) INFORMATION

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

501(c)(3) and 501(c)(4) are federal tax classifications for organizations that meet the requirements of Internal Revenue Code section 501(a). Charitable organizations are exempt under section 501(c)(3) and social welfare organizations under 501(c)(4) of the Internal Revenue Code. Under RI's Group Exemption ruling, Rotary, Rotaract and Interact clubs are entitled to 501(c)(4) tax-exempt status. For more information about these tax classifications, please visit [Life Cycle of an Exempt Organization](#) at www.irs.gov.

Are contributions to my club considered charitable contributions for individuals?

Contributions to clubs are generally *not* tax deductible as charitable contributions. Clubs with gross annual receipts that normally exceed \$100,000 usually must include a disclosure statement regarding the non-deductibility of contributions during fundraising solicitations ([IRC Sec. 6113](#)). Note that this includes invoices *for payment of dues*. See [IRS Notice 88-120](#) for more details and acceptable disclosure language. Contributions to any club charitable fund that is tax-exempt under [Section 501\(c\)\(3\)](#) of the Internal Revenue Code may be tax-deductible as charitable contributions. Membership dues may be deductible for some Rotarians as business expenses.

Can my club or club foundation use The Rotary Foundation's EIN to receive charitable contributions?

No. Each EIN is assigned to a specific entity. The club or club foundation itself must meet the requirements of the Internal Revenue Code in order to receive charitable contributions.

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

No. The Rotary Foundation does not currently have a group exemption ruling under which clubs or club foundations can obtain 501(c)(3) tax-exempt status. Clubs must work directly with the IRS to apply for this exemption on their own. For more information, see [Exemption Requirements - Section 501\(c\)\(3\) Organizations](#) at www.irs.gov.

My club obtained 501(c)(3) tax-exempt status. Do we need to report this to RI?

Yes. Your club should submit to your [CDS rep](#) a copy of the notice from the IRS confirming its tax-exempt status. RI will then remove your club and EIN from our group exemption ruling.

ANNUAL TAX RETURN FILING REQUIREMENTS FOR CLUBS UNDER RI'S GROUP EXEMPTION

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

Yes. While Rotary clubs and districts are exempt from paying federal income tax, the law requires *all* Rotary clubs in the U.S. and its territories to file an annual information return (Form 990, 990-EZ) or submit an annual electronic notice (990-N). 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 [Form 990 Series - Which Forms Do Exempt Organizations File?](#) at www.irs.gov.

What is the due date to file annual returns (Forms 990, 990-EZ, or 990-N) to the IRS?

An annual return is due every year by 15 November, the 15th day of the 5th month after the close of RI's tax year on 30 June. (Note: *If your club's tax year is 1 January to 31 December, the deadline to file is 15 May.*) To confirm your club's tax year, please contact the IRS directly at 877-829-5500.

What information does my club need in order to file Form 990-N (e-Postcard)?

Please refer to [Annual Electronic Filing Requirement for Small Exempt Organizations — Form 990-N \(e-Postcard\)](#) at www.irs.gov.

How will my club know if our Form 990-N (e-Postcard) has been successfully filed with the IRS?

Your club should receive an e-mail indicating whether your e-Postcard was accepted or rejected by the IRS. If rejected, the e-mail will tell you who to contact to help resolve the problem. Once your club has submitted the e-postcard to the IRS, please see the [Exempt Organizations Select Check](#) at www.irs.gov to view and print an image of the e-Postcard for your records.

How do I find out if my club has filed in the past?

The [Exempt Organizations Select Check](#) at www.irs.gov provides the most recent information about your club's filing record and tax-exempt status. Here, you may also find additional information such as your club's EIN, as well as the name, mailing address and principal officer on file with the IRS. You may also contact the IRS directly at 877-829-5500.

My club received notice from the IRS that our 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. To check your club's tax-exempt status, visit [Exempt Organizations Select Check](#) at www.irs.gov. For more information about the consequences of revocation and how to apply for reinstatement, please see [Automatic Exemption Revocation for Non-Filing: Frequently Asked Questions](#) and [Notice 2011-43](#) at www.irs.gov. For any further questions, please contact the IRS directly at 877-829-5500.