

TAX EXEMPT STATUS August, 2015

The national office of Pi Tau Sigma has established the 501(c)(7) status of a tax exempt organization. It has the ability to include the chapter member organizations as subsidiaries under its umbrella. If a chapter has the status of tax exempt, it is not required to file and/or pay federal taxes on contributions it receives from members and/or donors and on any interest it accrues on its bank account. In addition, for a chapter that has the tax exempt status, any donors that contribute monies are allowed to deduct their contributions as tax deductible. Any Pi Tau Sigma chapter that does not have the tax exempt status cannot benefit from the above. In order for a chapter to maintain its tax exempt status it has to complete an online e-postcard (Form 990-N) every year declaring that it has an annual income less than \$50,000.

I. INSTRUCTIONS TO PI TAU SIGMA CHAPTERS FOR FILING THE 990-N FORM

1. Go to <http://www.pitausigma.net/Chapters/index.cfm>
2. Click your chapter page and find your EIN number by clicking on Chapter Info tab while in your chapter page, this should be your Login ID number. If you have an EIN number it means that your chapter, at some time in the past, was added as a subsidiary organization under the National Pi Tau Sigma exempt umbrella, and if you have not lost your tax exempt status you will need to follow the instructions below to file your tax form on an annual basis. However, if you have failed to file the annual 990-N tax form for three years in a row, you may have lost your tax exempt status. If your chapter does not have an EIN number, you are not considered a tax exempt organization and you do not need to file a tax form. If you were a tax exempt chapter and lost your tax exempt status or if you do not have an EIN number and would like to become a tax exempt chapter see instructions under paragraphs II and III, respectively, below.
3. Go to <http://epostcard.form990.org/default.asp>.
4. Click on *STEP 2* [Create your Form 990-N \(e-Postcard\)](#)
5. Your Login ID is your EIN number followed by 01 or 02 without any spaces.
6. Enter your password and Log in. If you forgot your password type your Login ID and click the 'Email Password' button for retrieving.
7. *If you do not have a login ID and password, please click the [Request Login ID](#) button*
8. Fill in the form including the tax year period and by indicating that your chapter has an income of \$50,000 or less if this is the case, otherwise you will need to file the long form like the national office does. When you are filling the form you should enter your advisor's name and email (no SSN information) so that IRS will talk to her or him if you ever need to contact them for help.
9. Please forward a copy of the email you receive from IRS indicating the successful submission of your tax form to alex.moutsoglou@sdstate.edu.

II. FOR CHAPTERS THAT LOST THEIR TAX EXEMPT STATUS FOR FAILING TO FILE THE 990-N (E-POSTCARD) FORM

To regain the 501(c)(7) tax exempt status a chapter will need to complete both forms **1024** (which is the main application) and **8718** (which is a cover sheet). A few suggestions are incorporated in the attached forms. Where it is asking for 'Articles of Incorporation' just use your chapter bylaws and if you don't have any, use the bylaws of the national organization. The cost for reinstatement is \$400.

III. FOR CHAPTERS THAT WERE NEVER TAX EXEMPT AND WOULD LIKE TO ACQUIRE THE TAX EXEMPT STATUS

For any chapter that that never had the tax exempt status and would like to acquire it, you will need to obtain an EIN number for your chapter from the web. Please use your complete chapter name as listed in your chapter page (i.e. South Dakota State Tau Chi) as the name associated your EIN number and list the chapter school address as the address. Do not enter your name or you advisor's name as the name for the EIN number. Again, provide your advisor's name and email (no SSN information) so that IRS will talk to her or him if you ever need to contact them for help. After you obtain your EIN number provide that information to the national secretary-treasurer so that your chapter can be included as a subsidiary of the national organization and attain the tax exempt status.

For answers to technical and procedural questions about charities and other non-profit organizations, call IRS Tax Exempt and Government Entities Customer Account Services at (877) 829-5500 (toll-free number).