

July 25, 2017

Howdy Club Presidents:

I want to take a moment to congratulate you all on your position within your club. It is truly an honor and a responsibility to serve the Aggie Moms in your area. Thank you for taking on this task. I am writing to you regarding information about the Form 990 – quite possibly the most important thing your club will need to take care of this year, and about a few other items that pertain to your status as a 501(c)(3) organization.

ALL clubs MUST file a version of the Form 990 or an extension request with the IRS by the 15th of the fifth month following the end of your fiscal year. This is not optional.

In most cases, the **end of the FY is May 31, so the deadline for filing the 990 or for a first extension (Form 8868) is October 15. You need to MAKE SURE that this is taken care of before the deadline.** If you have any issues, you may need to use a tax professional, such as a CPA.”

Before I continue with the 990 filing information, there are a few financial issues that seem to come up from time to time with our clubs. We cover these in the Workshops we offer each year, but not everyone can get to these.

As a 501(c)(3) organization, your club should have:

- An annual Budget
- A checking account with two authorized signers – they don't both have to sign each check
- Give a Treasurer's Report at each Board and General meeting and account for all revenue in and expenses out.
- Your financial records should be audited at the end of each year by a committee of more than one person, preferably by non-club members – unbiased.
- Students may not be given “gifts” unless the amount is reported to the University and a Form 1099 may be necessary – contact me if you have any questions regarding this.
- Your Scholarships and any gifts, or cash prizes such Book Awards, even if for attendance incentives, must be publicized more than one way and open to **ALL** students in the area that your club represents – not just to members! This is a major violation of 501(c)(3) regulations.
- <https://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Inurement-Private-Benefit-Charitable-Organizations>
 - A section 501(c)(3) organization **must not be organized or operated for the benefit of private interests**, such as the creator or the creator's family, shareholders of the organization, other designated individuals, or persons controlled directly or indirectly by such private interests. **No part of the net earnings of a section 501(c)(3) organization may inure to the benefit of any private shareholder or individual.** A private shareholder or individual is a person having a personal and private interest in the activities of the organization

In other words, you cannot use club membership as a deciding factor in awarding Scholarships and the like.

Back to 990s - Following is information that will help you complete the 990.

This year I am asking that each club forward to me a copy of your 990 filing acknowledgement from the IRS. You will receive a confirmation email from the IRS when you file your 990. Please forward this to me at preselect@aggienetwork.com as soon as you receive it. You will likely file your 990 in September or early October. I want this confirmation from you so that I can keep track of which clubs have completed that task and which ones have not. This way I can help remind you to get it taken care of on time. We have clubs from time to time who forget to file or don't even know that they have to file a 990. By sending me this confirmation prior to the October 15 deadline, we can hopefully keep clubs from having their 501(c)(3) status revoked. Several clubs each year end up dealing with this process – and it is not fun. We are now trying to help you before the letter of revocation comes to your mail box a few months after October 15. I will be contacting you in October if

I don't receive that 990 confirmation from your club. I will send more reminders about this new requirement in the next month. Sending me your 990 confirmation will be in addition to the Federation Form T that you submit to me by February 1, 2018.

Federation Form T, due Feb 1, 2018, is the Form that you turn into the Federation confirming your club's current annual filing of a Form 990. This Form does not go to the IRS. Sending this form to the Federation does not take the place of filing the 990. There is a checkbox verifying that the club has filed their 990 for the current year. Only check this if you have actually filed your current 990.

The Federation uses all of the Form T information to file our Group Exemption List with the IRS which is required each year to maintain our Group Exemption umbrella.

We will review the Form T, as well as the other Forms, at the January 20, 2018 Federation meeting. More information will be in the winter newsletter.

Following are some helpful websites and other information regarding the 990.

Filing the 990 EZ

<https://www.irs.gov/pub/irs-pdf/i990ez.pdf>

Tax Exempt organizations with **less than \$200,000 of gross receipts and less than \$500,000 in assets can file Form 990-EZ.**

Filing the IRS 990 N

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

Most small tax-exempt organizations whose annual gross receipts are normally \$50,000 or less are required to electronically submit Form 990-N, also known as the *e-Postcard*, unless they choose to file a complete Form 990 or Form 990-EZ instead.

If you do not file your *e-Postcard* on time, the IRS will send you a reminder notice. There is no penalty assessment for late filing the *e-Postcard*, but an organization that fails to file **required e-Postcards** (or information returns – Forms 990 or 990-EZ) for three consecutive years will **automatically lose its tax-exempt status**. The revocation of the organization's tax-exempt status will not take place until the filing due date of the third year. (You do not want this to happen.). There are many you tube videos on the IRS 990. Search "irs 990 youtube".

Due Date of the e-Postcard

The *e-Postcard* is due every year by the 15th day of the 5th month after the close of your tax year. For example, if your tax year ended on May 31, the *e-Postcard* is due October 15 of the following year. If the due date falls on a Saturday, Sunday, or legal holiday, the due date is the next business day. **You cannot file the e-Postcard until after your tax year ends.**

How to File

Use [this link](#) to file the *e-Postcard*. If you have trouble accessing the system using that link, you may be able to access the filing site directly by typing or pasting the following address into your Internet browser: <http://epostcard.form990.org>. When you access the system, you will leave the IRS site and file the *e-Postcard* with the IRS through our trusted partner, Urban Institute. The form must be completed and filed electronically. There is no paper form.

Information You Will Need to File the e-Postcard

The *e-Postcard* is easy to complete. All you need is [eight items of basic information](https://www.irs.gov/charities-non-profits/information-needed-to-file-e-postcard) about your organization (<https://www.irs.gov/charities-non-profits/information-needed-to-file-e-postcard>).

To search for organizations that have filed an e-Postcard and to view their filings, see [Exempt Organizations Select Check](https://www.irs.gov/charities-non-profits/exempt-organizations-select-check): <https://www.irs.gov/charities-non-profits/exempt-organizations-select-check>. You can also download the entire database of *e-Postcard* filings on that site.

Additional Information

- [Frequently Asked Questions - e-Postcard](#)
- [Frequently Asked Questions - Automatic Revocation for Not Filing Annual Return or Notice](https://www.irs.gov/charities-non-profits/automatic-exemption-revocation-for-non-filing-frequently-asked-questions-2)
<https://www.irs.gov/charities-non-profits/automatic-exemption-revocation-for-non-filing-frequently-asked-questions-2>
- [Final regulations](#) (July 23, 2009)
- [Educational tools](#): Help spread the word – Help small tax-exempt organizations stay exempt!
- [EO Update](https://www.irs.gov/charities-non-profits/subscribe-to-exempt-organization-update): Subscribe to Exempt Organization's regular email newsletter (<https://www.irs.gov/charities-non-profits/subscribe-to-exempt-organization-update>) that highlights new information posted on the Charities and Non-Profits pages of IRS.gov.
- Account, tax law, or questions about filing the *e-Postcard* should be directed to Customer Account Services at 1-877-829-5500. For questions about or problems with the *e-Postcard* filing system, use the **Technical Support** link on the filing site.
- [Form 990-N and Form 990-EZ Filing Tips presentation](#).

Just as an FYI – some of the links that I have included in this letter may or may not be active. You may have to do a bit of web research to find the current links.

Please feel free to contact me at any time regarding questions about the 990 or other 501(c)(3) items at any time.

Gig 'em!

Peggy

Peggy Nolan
President-Elect 2017-2018
Federation of Texas A&M University Mothers' Clubs
214-616-4851
preselect@aggienetwork.com
3963 Goodfellow
Dallas, TX 75229