

ALUMNI AND VOLUNTEER CORPORATION TAX FILING REQUIREMENTS

The alumni and volunteer corporation may have three tax filing requirements depending on the functions that it performs in supporting the chapter. Three taxes that the alumni and volunteer corporation should consider are:

☐ Income tax

All alumni and volunteer corporations are subject to income tax considerations. Ideally, the alumni and volunteer corporations should be exempt from income taxes but even exempt organizations have certain reporting responsibilities to the IRS. Tax-exempt status and filing requirements are discussed in more detail below. Many states also have income tax reporting requirements.

☐ Employment tax

If the alumni and volunteer corporations has paid employees, it is required to withhold and remit income taxes and employees' social security and pay employer' social security. Payment of these taxes is summarized in a quarterly report filed with the IRS (Form 941). Annually, the alumni and volunteer corporations would report the summary of wages paid (Form W-3). States may also have income tax withholding and unemployment tax requirements.

Note: The IRS has become very strict in the enforcement of its definition of "employee" and requirements for withholding and payment of FICA.

☐ Sales tax

In rare situations, the alumni and volunteer corporations may be required to collect and remit sales tax (i.e., certain resale and food service operations). Sales tax reporting is a state or local requirement and you should seek guidance from the state or local taxation authority.

IMPORTANT FILING INFORMATION

Sigma Phi Epsilon Fraternity is exempt from Federal Income Tax under Section 501(c)(7) of the Internal Revenue Code. This exemption was reaffirmed under the tax reform act of 1969 in a letter dated March 19, 1971.

Undergraduate chapters of Sigma Phi Epsilon are exempt from Federal Income Tax as subordinate units of the Fraternity (Grand Chapter). This exemption was granted in a group exemption letter dated January 30, 1941, and updated November 18, 1970. The Fraternity updates its roster of chapters with the Internal Revenue Service annually.

FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN)

Every alumni and volunteer corporations should have its own Federal FEIN. Obtain this number by filing Form SS-4, available from the Internal Revenue Service (IRS).

RETURNS REQUIRED

Each chapter is responsible for filing an Annual Information Return **Form 990** with its District Director of Internal Revenue. Form 990 must be filed on (or before) the 15th day of the fifth month after the end of the accounting year. Assuming most chapters end their accounting year on June 30, the return (Form 990) would be due no later than November 15. If this date cannot be met, a request for an extension of due date should be sent to:

*IRS Service Center
11601 Roosevelt Boulevard
Philadelphia, Pennsylvania 19155*

FORM 990 INFORMATION

- Employer Identification Number** — If you do not have a number, you will have to request one from your nearest IRS office.
- Date of Exemption Letter** — January 30, 1941
- Exemption Code** — 501(c)(7)

The following resources are available at www.irs.gov/forms_pubs/forms.html:

- Articles of Incorporation/Non-Profit Corporations
- Sample Articles of Incorporation
- Sample Group Exemption Letter
- Form 8718 — User Fee for Exempt Organization Determination Letter Request
- SS-4 — Application for employer Identification Number
- Form 1024 — Instructions
- Procedural Checklist
- Form 1024 — Application for Recognition of Exemption Under Section 501(a)
- Form 990-EZ
- Instructions for Form 990 and Form 990-EZ