

## UNDERGRADUATES AND TAXES

Undergraduate chapters of Sigma Phi Epsilon are exempt from Federal Income Tax as subordinate units of the Fraternity (Grand Chapter). This exemption was granted under Section 501(c)(7) in a group exemption letter dated January 30, 1941. **The Fraternity's, and therefore, undergraduate chapters' group number is 0309.**

While exempt from Federal Income Tax, there are requirements to file returns as follows:

<i>Return</i>	<i>Required</i>	<i>Filing Date</i>
Form 990	When a chapter has gross receipts for a year greater than \$100,000. If less, use 990EZ.	On the 15th day of the fifth month after the chapter's year end (i.e., if year ended June 30, due date is November 15).
Form 990EZ	When a chapter has gross receipts for a year greater than \$25,000 but less than \$100,000. If less than \$25,000, no return is required.	Same as Form 990
Form 990T	Filed in addition to Form 990 or 990EZ when a chapter has more than \$1,000 of "unrelated trade or business income" (such as interest or investment income).	Same as Form 990
State Income Tax	When a chapter files a Form 990T and has net taxable income.	Check with your state department of taxation.

Most chapters file Form 990EZ. This return is simple and provides the IRS with information about your chapter's operation. The return is merely a specified format for the chapter's income statement and balance sheet and some specific questions about chapter operations.

For proper filing, it is important to identify your chapter by its Federal Employer Identification Number. If your chapter is new, you may have to request the assignment of an ID number from your nearest IRS office which you can locate by calling **800-829-1040**. Also, it is important that you include the Fraternity's group exemption number (0309) on the return.