

Reminder Notice

It is imperative that each club file their yearly tax return. All clubs MUST file.

1. It does not matter how much money the club has made. Even as little as \$50 or less requires a tax return. The old "less than \$25,000 and do not file" does not hold water any more.

2. Under \$25,000 can use the 990-N form found at <http://epostcard.form990.org>

3. The basic ruling also state that "an organization that fails to file required e-Postcards (or information returns - Forms 990 or 990-EZ) for three years will automatically lo 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.

4. NOTE that we are currently in the third year since the law was enacted. This means that a club whose fiscal year ends on June 30th will have until November 15th to file. (File by the 15th of the 5th month after the close of the fiscal year)

5. What does this mean in terms of our clubs? If they fail to file, they will lose their tax-exempt status and all of the earning from their fundraisers will be taxable.

NOTE: if a club also has a Foundation, it will need to file a separate return under the same laws.

As I have been traveling, I have been finding that many clubs are delinquent in their filing; they should have been filing for 2 years already. In some states as many as 40-50% have not filed. I hope that our MD21 clubs are not in the same boat.

Please have your Zone chairs make a concerted effort to reach all of the clubs in their Zones with this message.

Lion Dick Sawyer