

IRS Non-Profit Status

A number of years ago, the fifteen (15) AHS regions were included under the AHS group exemption letter, and each region was, thereby, granted status as a non-profit 501(c)(3) entity. Each region has its own tax identification number.

Each region should use its own tax identification number for their interest-bearing checking or savings accounts, or certificates of deposit. These accounts must NOT use the AHS tax identification number, nor should a region allow its local clubs to use the region's tax identification number. The AHS tax identification number may be used by the region ONLY when applying for a non-profit organization mailing permit from the U.S. Postal Service. For all other applications, the individual region's tax identification number must be used.

Beginning in 2008, small tax-exempt organizations that previously were not required to file returns may be required to submit an annual electronic notice, Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations not Required to File Form 990 or 990-EZ. Small tax-exempt organizations, whose gross receipts are normally \$25,000 or less, are not required to file Form 990 or 990-EZ; however these small tax-exempt organizations will now be required to electronically submit Form 990-N, also known as the e-Postcard, with the IRS annually.

The e-Postcard will require the organization to provide basic information such as their name and address, any other names they use, a web address if they have one, the name and address of a principal officer of the organization, and a statement that the organization's annual gross receipts are still normally \$25,000 or less. Those regions whose annual gross receipts (revenues) are \$25,000 or greater are required to file IRS Form 990 or IRS Form 990-EZ annually. Gross receipts are considered normally to be \$25,000 or less if the organization averages \$25,000 or less in gross receipts for the immediate preceding three (3) tax years including the year for which the return would be filed. Those regions with an extremely

successful auction or multiple auctions are likely to have more than \$25,000 in revenue each year. Those regions that host a regional meeting or use the region checking account for registration fees for a regional meeting should be advised that the registration fees are considered gross receipts.

Small organizations must submit the e-Postcard electronically. There will be no paper form. The IRS is developing an electronic filing system for the e-Postcard. Filing procedures will be publicized on the IRS website at <http://www.irs.gov/eo> when the system is completed and ready for use.

The Pension Protection Act that created the new filing requirement also requires the IRS to revoke the tax-exempt status of any organization that fails to meet its annual filing requirement for three consecutive years. The organization must apply (or reapply) for tax-exempt status and pay the appropriate user fee to have its tax-exempt status reinstated if it was revoked for failing to file for three consecutive years.

For more information the IRS website is: <http://www.irs.gov/charities>. The IRS requests a link from each region's website to <http://www.irs.gov/charities/article/0,,id=169250,00.html>. The site contains current information about the e-Postcard filing requirements. If the information is not available there, the toll-free number is (877) 829-5500.

Any club that asserts that it is a tax exempt entity must file the e-Postcard.