

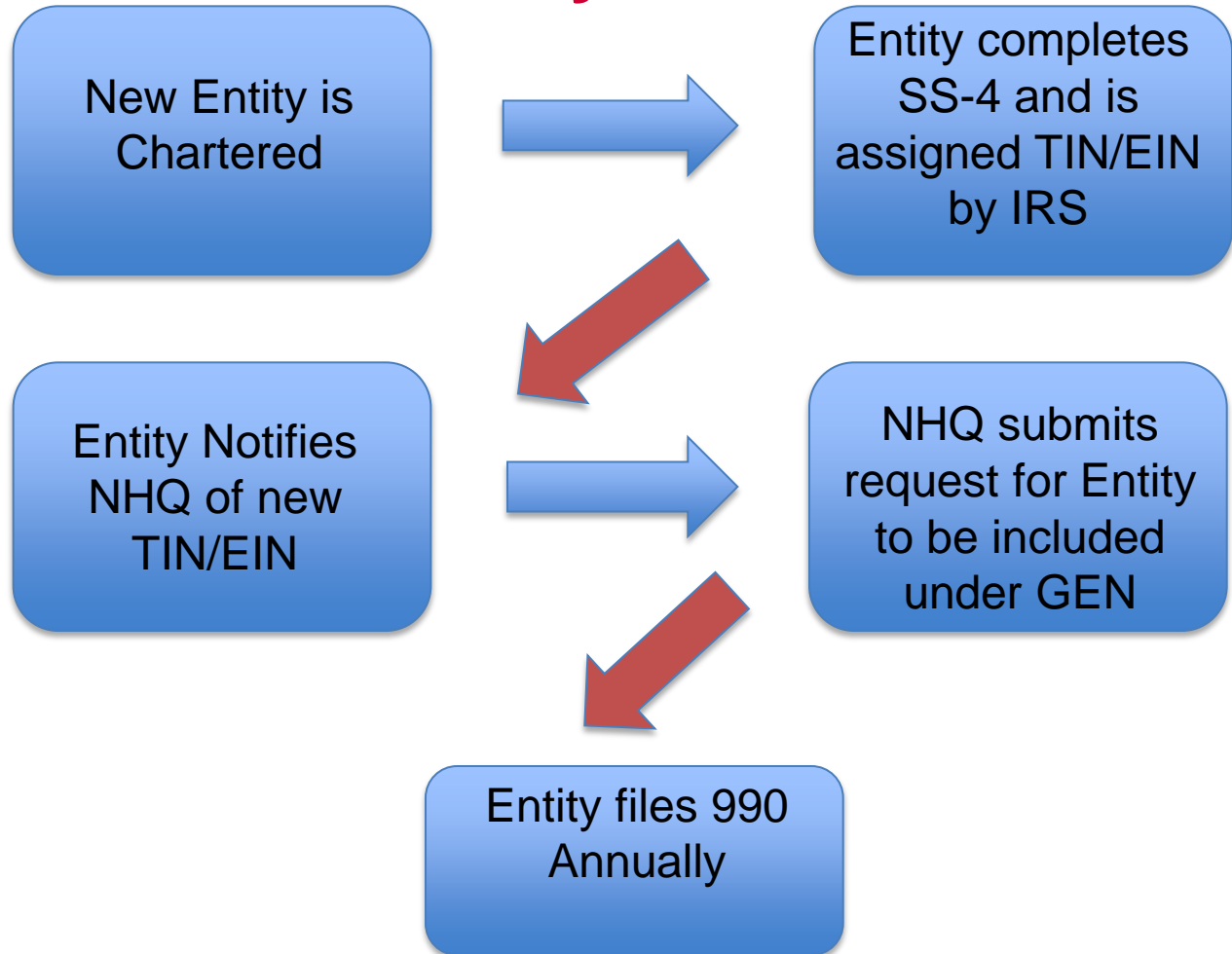


990's & TIN/EINs: Reporting, Compliance, Confusion or.....

***Answers to Frequently Asked
Questions About ALL this IRS
Reporting Stuff***



In an Ideal World...the Perfect Chartered Entity:





Requirements to Include TIN/EIN Under the National GEN

- Must be a chartered **entity** of the American Legion Auxiliary.
- Must be in compliance with the IRS – tax exempt status cannot be revoked
- Signed inclusion letter by the responsible party of the unit or district/county/council
- Verification of TIN/EIN that lists the legal name, responsible party and TIN/EIN



Important information regarding TIN's/EIN's

- ALA departments and units are separate entities that operate independently as affiliates of the ALA.
- Units and Posts **must** operate separately.
 - Example: financial records, annual tax reporting and meeting minutes.
- Departments, Units and Districts/Counties/Councils should report annually to the IRS (990/990ez/990N)



Tax Exempt Status Revocation

- The Pension Protection Act (PPA) of 2006 requires the IRS to **revoke the tax-exempt status** of any organization that fails to meet its annual filing requirement to the IRS for **three consecutive years**. This requirement applies to small tax-exempt and e-Postcard organizations.



Tax-exempt status revocation / reinstatement

- It is the responsibility of the Unit, Department, and/or District/County/Council (D/C/C) to handle their tax-exempt status revocation.
- The IRS prohibits the ALA National Organization from providing assistance.
- Units, Departments and D/C/C's should confer with legal and/or tax professionals details about their IRS exempt status revocation.



Tax-exempt status revocation / reinstatement - continued

- **What are the options?**
 - Filing for reinstatement for a 501(c)(19) tax exempt status requires use of IRS form 1024
 - If a Unit, Department or D/C/C loses its tax exempt status and chooses to remain a taxable entity, the Unit, Department or D/C/C is responsible for filing the appropriate tax forms with the IRS relative to the Unit, Department or D/C/C organizational structure (e.g. 1120 Corporate Tax Return).



Tax-exempt status revocation / reinstatement – continued...again

- **An ALA entity that lost its exempt status and then is reinstated by the IRS, will have its own unique tax-exempt determination assigned by the IRS. The Department, Unit or D/C/C can keep this unique exempt status;**

OR

- **Request to be included back under the ALA National Group Exemption (GEN) by submitting an “Inclusion Letter” to ALA NHQ**



Common Problems regarding TIN/EINs and the Group Exemption Number

- **TIN/EIN is invalid/incorrect according to the IRS**
- **Unit/District/County/Council has more than one TIN/EIN, one of which may have its tax exempt status revoked**
- **ALA Unit and TAL Post are filing jointly OR ALA Unit is filing its 990N under the same TIN/EIN that the TAL Post is using to file their 990 – Can't do this!**



TIN/EIN is invalid/incorrect according to the IRS

- **IF Unit and/or District/County/Council is notified that their TIN/EIN is invalid or incorrect by the IRS, THEN ...**

It is recommended that the entity:

- Contact the IRS Exempt Organization Division via telephone to confirm their current TIN/EIN to ensure that it is a valid number 1-877-829-5500
- Obtain a verification letter from the IRS Exempt Organization Division and submit a copy to National Headquarters



Unit or District/County/Council have more than one TIN/EIN, one of which may have its tax-exempt status revoked

- ALA National organization can only request that a TIN/EIN be included on the Group Exemption roster if the TIN/EIN currently on file with the ALA national organization was assigned by the IRS prior to the revocation of the other TIN/EIN that the IRS has on record.



Unit or District/County/Council have more than one TIN/EIN, one of which may have its tax exempt status revoked

- **IF the TIN/EIN currently identified with the entity was obtained after the revocation of the other TIN/EIN the IRS has on file, the entity would then apply for its own unique tax-exempt status and/or seek reinstatement via the application process of IRS Form 1024.**



**ALA Unit and TAL Post are filing jointly OR
ALA Unit is filing 990N under the same TIN/EIN that the TAL Post is using to file their 990**

- **IF** erroneously using the same TIN/EIN to report annually **THEN** verify the owner or assignee of the TIN/EIN
- **IF** it is determined that the Unit is **NOT** the owner or assignee of the TIN/EIN, the Unit will need to obtain a TIN/EIN to operate and organize under separately



**ALA Unit and TAL Post are filing jointly
OR ALA Unit is filing 990N under the
same TIN/EIN that the TAL Post is using
to file their 990**

- Do not include the word “Post”
- Do not file annually using the same TIN/EIN as the post



You have the Responsibility for this Information

- Elected officers have a fiduciary responsibility to their ALA entity
- Ensure that pertinent financial information is explained and shared with the next responsible party.
- IRS requires organizations to file IRS Form 8822-B “Change of Address or Responsible Party – Business” if an entity has had:
 - a change of address
 - change to the entity’s responsible party.



Helpful Tools

- **IRS Exempt Organization Division**
 - (877) 829-5500
 - Obtain verification letters, fiscal year verification
- **IRS Select Check:**
<http://apps.irs.gov/app/eos/>
 - Search engine for:
 - Eligible organizations to receive tax-deductible charitable contributions
 - Organizations that were automatically revoked
 - Organizations that successfully filed 990N
- **Guidestar.org**
 - Search for organizations with valid TIN/EINs, lists 990's filed for the last several years
- **ALA Department Operations Guide**