

Compliance with the Internal Revenue Service

All Lions Clubs are exempt from federal income tax under IRS Code Section 501 c 4. However, the **IRS requires that an informational return be filed annually for all clubs.** This filing can be Form 990-N (e-Postcard), Form 990-EZ, or Form 990 depending on the gross revenue the club had during its fiscal year. See the chart below. The club's **gross revenue** is the total amount it received from all sources, without subtracting any costs or expenses. However, it does not include "**pass-through**" money which is money collected for another organization, such as, per-capita tax paid to Lions Club International. All forms and instructions are available from www.IRS.gov. and must be completed on-line. There are no longer any paper forms. The return may be filed as soon as the fiscal year ends. It must be filed within 4 ½ months. For clubs using the standard fiscal year, filing must occur between July 1st and November 15th. Lions Clubs International's website (www.lionsclubs.org) provides instructions and examples for filing 990 returns.

Club's Annual Gross Revenue	IRS Form Required
Less than \$50,000	Form 990-N (e-Postcard)
\$50,000 to \$200,000	Form 990-EZ
More than \$200,000	Form 990

To file the 990-N

There is no financial information transmitted on the 990-N other than a statement that the gross revenue is under \$50,000.

1. Go to the website, www.irs.gov
2. From the tabs at the top, click on "Charities & Nonprofits"
3. Click on "Finding Filing Forms"
4. Click on "Annual Electronic Notice (e-postcard) for small exempt organizations"
5. Click on "Submit Form 990n (e-postcard)"
6. Log in (or create account) and follow instructions

Penalty

The IRS is required to revoke the tax-exempt status of any organization that fails to meet their filing requirement for three consecutive years. This revocation is automatic. There is no appeal process. All fund-raising activities would become income-taxable events. Reinstatement is possible by filing form 1024, but it is expensive and time-consuming.

Change of Address

The IRS must be kept up to date with your club's mailing address, and identity of the responsible party. Any change needs to be reported on form 8822-B.