

IRS Form 990-N

Filing requirements have been changed by the Internal Revenue Service. All subordinate Councils of the Grand Council of Texas that do not have income of \$50,000 *must* file the Form 990-N (e-Postcard) on the internet for each tax year beginning with the tax year ending on or after December 31, 2007. The IRS has ruled that since the fiscal year of the subordinate Councils is June 24 to June 23, for tax purposes the end of the fiscal year for subordinate Councils will be shown as **June 30**, since they do not recognize partial months.

The 990-N (e-Postcard) must be filed every year by the 15th day of the 5th month after close of the tax year. Therefore, Councils this year must file their 990-N no later than November **15th**, each year. You cannot file the e-postcard until after your tax year ends; therefore, *DO NOT* file the form until AFTER June 30, 2012. **THE 990-N (e-Postcard) CAN ONLY BE FILED ELECTRONICALLY. NO PAPER COPIES ARE ACCEPTED BY THE IRS!**

To file the 990-N (e-Postcard), go to the IRS Web Site at www.irs.gov and find the Annual Electronic Filing Requirement for Small Exempt Organizations by entering in the search box — Form 990-N (e-Postcard). Click on the designated spot and you will be directed to the IRS trusted partner, Urban Institute, to file the 990-N. You will register to file as a new user and you will create a login ID and password. Be sure to retain these in a safe place to use next year.

To complete the 990-N, you will need the following information:

1. The Council Employer Identification Number (EIN). Each Council has a unique EIN and it is on the letter you received from the IRS. If you have any questions about your number, call the Grand Recorder's office to get the number assigned to your Council by the IRS. It will be a nine-digit number "00-0000000."
2. Tax year (July 1, 20XX to June 30, 20YY).
3. Legal name and address. You must use "Royal and Select Masters of Texas (No.) (Council Name), Council Mailing Address."
4. Any other names the Council uses.
5. Name and address of a principal officer, recorder or treasurer.
6. Web Site address if the Council has one.
7. Confirmation that the Council's annual gross receipts are less than \$50,000.

Please note that a Council that fails to file a 990-N (or 990 for Councils with income over \$50,000) for three consecutive years will automatically lose its tax-exempt status. Each Council has a tax ID number, let us know if you need yours (254-753-6721).

Please provide the Grand Recorder's office a copy of the report that your Council filed with the IRS, Form 990-N (or 990), on or before November 15, at gractx@aol.com or mail to P O Box 296, Waco, TX 76703.

Useful Information

- It is the responsibility of the Chapter or Council to go to the IRS website and file the return.
- The gross receipt test includes all income from every source, such as dues, degree fees, rents, royalties, interest, dividends, donations, building fund contributions, etc. Those Chapters and Councils with less than \$50,000 in gross income must file the 990-N electronically. This is done at www.irs.gov/990N
- To begin, a “user account” has to be created. Print out each section as you go (Ctrl +P) so that you can keep the individual questions and information for filing each year.
- Once the user account is created, the EIN for the Chapter and Council can be added and filed by the same user account. If you file the 990N for the lodge, chapter, council and commandery, etc., they can all be filed under the same user account.
- The fiscal year ends June 23, which means you would use the reporting year of July 1 to June 30 for this report, with the return being due on November 15th.
- All of the Subordinate Councils are titled: Royal and Select Masters of Texas, with a DBA of XXXXXXXX Council No. YYY.
- Forward a copy of the e-mail received stating that the 990-n has been received and accepted by the IRS to the Grand Secretary-Recorder.
- If gross receipts are more than \$50,000 in a year, either a Form 990 or 990EZ will be required from your Chapter and /or Council, although there is no actual Income Tax liability, as they are exempt from tax under Section 501 (c) (8) of the Internal Revenue Code. The latest exemption ruling date is March 13, 1975, the Activity Code is 260.
- The following information is furnished to aid in the preparing of Form 990:
 - Date of Exemption Letter: March 13, 1975
 - Group Exemption Number: Council 1339
 - Exemption Code Paragraph: 501 (c) (8)
 - Activity Code: 260
- If you cannot file the 990-N, and due to the complexities in the tax form and regulations it is recommended that the Chapter and/or Council contact a Certified Public Accountant or other tax professional concerning the completion of the required forms.

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