**Income Tax and Your Chapter**

While each chapter is exempt from income tax, it is not exempt from filing an annual income tax return known as the Form 990 or “Return of Organization Exempt From Income Tax Form.”

Failure to render the return can cause the chapter to automatically lose its tax-exempt status and make it liable for payment of an income tax. The penalty for failing to file on time includes $10/day fine assessed to the organization, not to exceed $5,000,000, unless it can be shown that the failure was due to reasonable cause.

There are multiple methods chapters can use to complete and submit the Form 990:

* Chapters can use their own accountant or financial management company to file
  + *NOTE: BDO is a trusted firm Acacia Headquarters uses and that many chapters have utilized in the past as well. If a chapter would like assistance locating a firm to use, reach out to a staff member.*
* OmegaFi offers tax services to chapters for a cost
* Complete on own and submit via an IRS approved e-file provider such as [file990.org](https://www.file990.org/) or [efile.form990.org](https://efile.form990.org/). You can find a list of these providers on the IRS website [here.](https://www.irs.gov/charities-non-profits/tax-year-2021-exempt-organizations-and-other-tax-exempt-entities-modernized-e-file-mef-providers)

**WHAT METHOD WILL MY CHAPTER USE TO COMPLETE THE FORM 990?**

* **CHAPTER’S ACCOUNTANT OR FINANCIAL MANAGEMENT COMPANY**
* **OMEGAFI**
* **COMPLETE ON OWN AND SUBMIT VIA IRS APPROVED E-FILE PROVIDER**

*IF YOU CHOSE THE FIRST OR SECOND OPTION, YOU WILL NEED TO REACH OUT TO YOUR CHAPTER’S ACCOUNTANT, FINANCIAL MANAGEMENT COMPANY, OR OMEGAFI DIRECTLY. EACH ENTITY NEEDS TIME TO GATHER INFORMATION IN ORDER TO COMPLETE AND FILE IN TIMELY MANNER. RECOMMEND CONTACTING AT LEAST 8-12 WEEKS BEFORE FORM 990 DUE DATE.*

**PREPARING MY CHAPTER’S FORM 990**

Where do I find the Form 990?

* [Local office of the Internal Revenue Service (IRS)](https://www.irs.gov/help/contact-your-local-irs-office)
* [IRS website](https://www.irs.gov/forms-pubs/about-form-990)

How do I Know When to File?

The Form 990 is to be filed annually on or before the 15th day of the fifth month following the close of the chapter’s fiscal year. For example, if the fiscal year ends August 31, the return is due January 15.

\*\*If you think your chapter won't meet the deadline to file, you can easily file a [Form 8868 – Application for Automatic Extension of Time to File an Exempt Organization Return](https://www.irs.gov/forms-pubs/about-form-8868) - to get a 6 month extension to file.

**WHAT IS MY CHAPTER’S FISCAL YEAR? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_to\_\_\_\_\_\_\_\_\_\_\_\_\_**

**WHAT IS MY CHAPTER’S DEADLINE TO FILE DATE? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**IF MY CHAPTER FILES EXTENSION, WHAT IS NEW DEADLINE TO FILE DATE? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

What Form 990 Do I File?

There are three different versions of the Form 990 chapters can file:

* 990N: For gross receipts normally ≤ $50,000 (based on a three-year average)
* 990EZ or 990: For gross receipts <$200,000 and total assets <$500,000 (in any given year)
* 990: For gross receipts ≥ $200,000, or total assets ≥ $500,000 (in any given year)

Find out more here: <https://www.irs.gov/charities-non-profits/form-990-series-which-forms-do-exempt-organizations-file-filing-phase-in>

*Hint: The Form 990 is relatively easy to fill out particularly if the Treasurer follows the return which was filed for the chapter in the previous year.*

**WHAT FORM 990 DOES MY CHAPTER NEED TO FILL OUT?**

* **990N**
* **990 EZ**
* **990**

What if my Chapter Doesn’t Submit?

Chapters who do not submit a timely filed tax return may be subject to penalties and interest for failing to file. Chapters who do not submit a timely filed tax return for three consecutive years will lose their tax-exempt status as of the filing due date of the third year of noncompliance.

Search for my chapter’s previous submitted Form 990s: <https://www.irs.gov/charities-non-profits/tax-exempt-organization-search>

**WHEN WAS THE LAST FORM 990 FILLED OUT FOR MY CHAPTER? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

*If your chapter hasn’t filed for the past three consecutive years, please email Acacia Headquarters at* [*communications@acacia.org*](mailto:communications@acacia.org) *stating this fact.*

What if the chapter files late?

A penalty of $20 a day, not to exceed $10,500 or 5% of gross receipts from chapter can be charged when a return is filed late without reasonable cause.

**DATE MY CHAPTER’S FORM WILL BE CONSIDERED LATE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**INFORMATION I NEED TO COMPLETE THE FORM 990:**

* Employer Identification Number (EIN), also known as a Taxpayer Identification Number (TIN)
* Tax year (calendar or fiscal)
* Legal Name and Mailing Address
* Name and Address of Principal Officer
* Website address of the organization
* Financial records of the organization for the corresponding tax year
* Organization mission, programs, accomplishments for year