

Background and Information on State Registration and Tax Filing for U.S Based Clubs

Federal Registration and Tax Filing: The Alumnae Association of Mount Holyoke College is registered with the Internal Revenue Service as a 501(c)(3), non-profit organization. Under this classification, the Association is exempt from federal income taxes. The Internal Revenue Service has granted a group exemption to all subordinate organizations of the Alumnae Association of Mount Holyoke College. This action means all U.S. based classes and clubs recognized by the Association (meaning subordinates with adopted by-laws and with a federal tax identification number) are exempt from federal taxes under the association's "umbrella." The Alumnae Association submits a form to the IRS each year with the list of current subordinate class and club organizations. The subordinate clubs and classes that are added under the group exemption do not have to separately apply for tax exempt status with the IRS. They do have to comply however with annual filing requirements with the IRS.

Alumnae Association subordinates that fail to submit Form C to the Alumnae Association enabling the filing of a 990-N and/ or Form 990 (whichever applies) on their behalf, risk losing tax-exempt status if these forms are not filed for three consecutive years. If a Form 990-EZ or Form 990 must be filed due to the subordinate's level of gross receipts, there are per day failure to file penalties that will be assessed by the IRS.

State Reporting for Clubs: State filing requirements for 501(c)(3) organizations vary. It is each club's responsibility to confirm the state's policies and comply with the established regulations for non-profit organizations. Increasingly states are requiring unincorporated organizations to register with the state and some clubs have found that registering with the state is necessary in order to open a bank account. The attorney general's office of each state may have different registration requirements for an organization that is seeking exempt status in the state.

Exemption from federal taxes does not necessarily mean clubs or classes are automatically exempt from state or local taxes. For those clubs and classes that are granted tax exempt status in a state, there may be annual information filings (in addition to the initial registration) to remain in good standing and operate within the state. Each subordinate organization must check with its respective state to determine that state's requirements for tax exemptions and tax filing.