

Rotary  **IRS GUIDELINES FOR U.S. ROTARY CLUBS**
Frequently Asked Questions

This information is not intended to give legal or tax advice. Please consult professional advisers or contact the IRS directly at www.irs.gov or 1-877-829-5500.

Does my Rotary club need to file an annual return with the IRS?

Yes, all clubs must file annually to maintain their tax-exempt status, reporting all receipts and disbursements to the IRS by 15 November (if using the Rotary year). The *version* of IRS form 990 that a club files varies, depending on the club's gross receipts. RI's group exemption does *not* include group filing; it just makes it easier for clubs to *obtain* tax exemption per the [IRS](#). Each club is then responsible for filing yearly with its own EIN, not RI's. The IRS will revoke the EIN of any club that fails to file for three years in a row. Please see [Which Forms Do Exempt Organizations File?](#).

What is an Employer Identification Number (EIN)? Does my club need to apply for one?

Yes. All clubs domiciled in the US and US territories (American Samoa, Guam, Northern Mariana Islands, Puerto Rico, U.S. Virgin Islands) must apply for an EIN when they charter. An EIN is a nine-digit number used by the IRS to identify entities, like clubs. Include RI's Group Exemption Number (GEN) **0573** when applying to be tax exempt under RI's 501(c)(4) group exemption ruling. Applying for a bank account? Use your own EIN, not RI's. [Apply with the IRS](#).

Do satellite clubs need an EIN? No, they don't have a charter, so they operate under their main/parent club's EIN.

What do the terms 501(c)(3) and 501(c)(4) mean?

These are [federal tax classifications](#). **501(c)(3)** refers to charitable organizations; **501(c)(4)** to social welfare organizations. Clubs are entitled to 501(c)(4) tax-exempt status under RI's group exemption. Usually, contributions to 501(c)(4) clubs aren't tax deductible, whereas ones to [501\(c\)\(3\)](#) clubs or funds could be.

What must my club do to be included under RI's 501(c)(4) group exemption ruling?

Step 1: Apply for an EIN at www.irs.gov.

Step 2: Submit [Form 8976](#) to notify the IRS your club will operate as a 501(c)(4), within 60 days of being established.

Step 3: Send [CDS](#) a copy of the IRS notice confirming your EIN, *with* written confirmation your club wants to be included in RI's 501(c)(4) group exemption. RI will then add your club's EIN to its database.

Can my club/club foundation obtain 501(c)(3) tax-exempt status under The Rotary Foundation?

No, TRF doesn't have a 501(c)(3) group ruling. Clubs must obtain their own IRS exemption. TRF's [Donor Advised Fund \(DAF\)](#) has similar benefits to a club foundation. Additionally, your club/club foundation must have and use its own EIN to receive contributions; you cannot use TRF's EIN. If your club obtains 501(c)(3) status, you must send proof to [CDS](#), so RI can exclude your EIN from our 501(c)(4) ruling.

My club EIN was revoked, or my club has duplicate EINs. What do we do?

Please work directly with the IRS, not Rotary, to be reinstated. Rotary doesn't add clubs back to its group exemption once they're revoked. The IRS will issue your own tax exemption as [reinstated clubs don't aren't included back into a group ruling](#). The good news is that this doesn't affect your club's good standing with RI! Check your club's status at [Tax Exempt Organization Search](#) and learn more at [Revoked? Reinstated?](#).