

WOMEN
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WORLD

VOLUNTEER LEADERSHIP CONFERENCE

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Smith College Club Treasurers

Smith College

November 7, 2015

Tax exempt: To be or Not to be?

There are 2 levels of tax exemption:

- Federal (501.c.3)
- State



Decision Factors for Federal tax exemption

- Does your Club have average annual gross income over \$5,000?
- Do members want dues and donations to the Club to be tax deductible?

If the decision is Yes

- Check if Your Club is already tax exempt
- If not, apply for tax exempt status using Form 1023





Decision Factors for State tax exemption

- Does your Club pay significant state sales tax on its activities?

If the answer is Yes

- Check if your Club is already tax exempt
- If not apply for tax exempt status as advised by your secretary of state's office



Does my Club need to file a tax return?

- If your Club is a tax exempt organization, it needs to file a tax return each year
- Clubs with gross annual income less than \$50,000 can file an e-postcard
- Clubs with gross annual income above \$50,000 must file Form 990EZ or Form 990



My Club got a letter from the IRS

- Don't panic
- Read the letter carefully and determine whether a response is required
- Consult with Club Treasury Support before responding



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Club Treasury Support

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Questions?