

Rotary Southwest PELS
D5500 Breakout
February 21, 2026



"Overview of Rotary Club Governance, Tax, Insurance, and Legal Issues"

PDG Michael Drake
Michael@DrakeLawAZ.com
Tel: 520-624-2488
Cell: 520-400-5713

Rotary.org



[MY ROTARY](#) | [CLUB FINDER](#) | [SEARCH](#)

[JOIN](#)

[DONATE](#)

[About Rotary](#)

[Get Involved](#)

[Our Causes](#)

[Our Programs](#)

[News & Features](#)

[For Members](#)

We are People of Action

Our global network of more than 1.2 million neighbors, friends, and leaders volunteer their skills and resources to solve issues and address community needs.

[TAKE ACTION WITH US](#)

My Rotary



Welcome to My Rotary

Sign in or register to access your personalized My Rotary portal.

[Sign in](#) or [Register](#)

Sign in for easy access to resources

Rotary Club Central

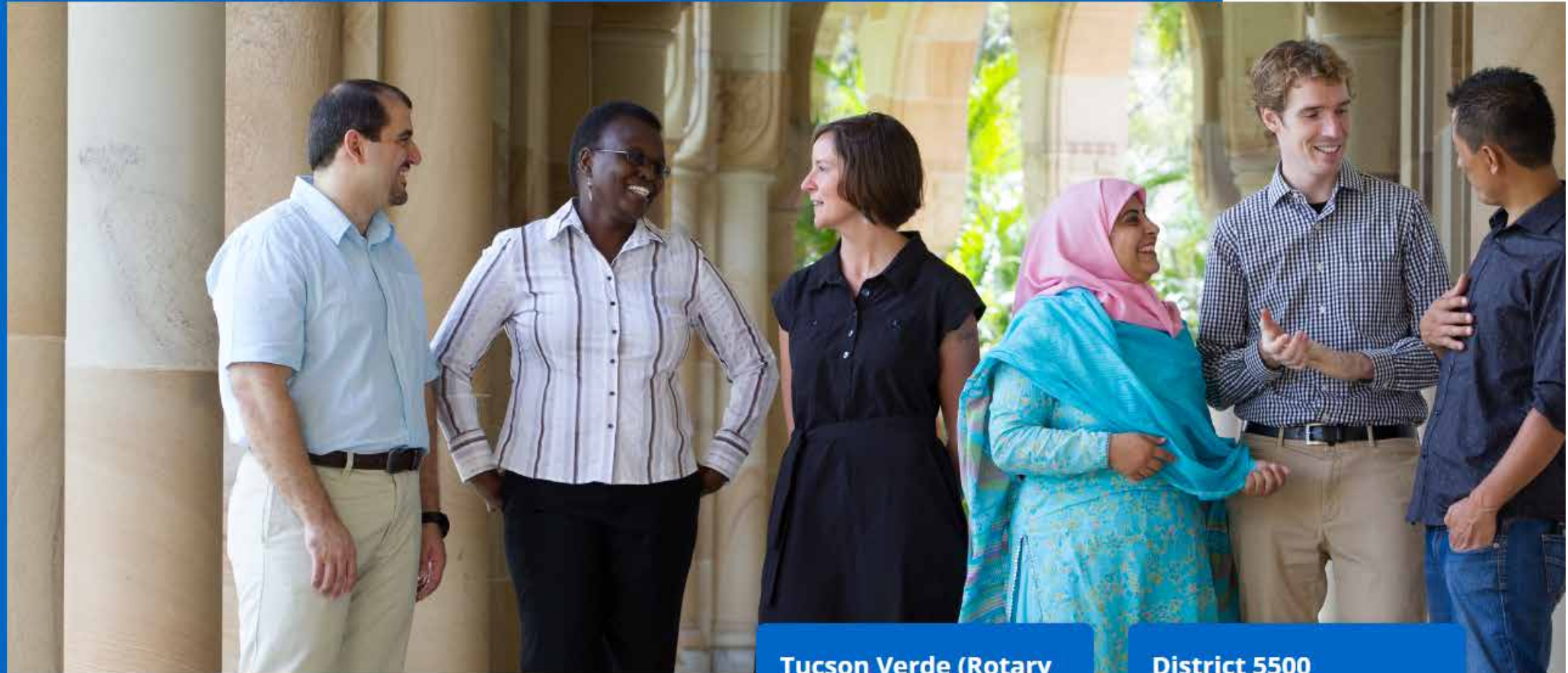
Set club goals and track how you're doing.
Monitor your progress with detailed reports.

Grant Center

Launch and manage all your Rotary Foundation grants in one place.

Membership and Foundation Reports

Find reports with data about membership, contributions, recognition, and more.



Hello, Michael

[View Profile](#)

Tucson Verde (Rotary Club)

Next Meeting
Tuesday at 17:30

District 5500

District
5500

Zone

06

AGENDA



Governance of Rotary Entities

1. Rotary International and The Rotary Foundation
2. Rotary District 5500 and the Rotary District 5500 Charitable Fund
3. Rotary Clubs
4. Rotary Club Foundations

Other Issues

1. Tax Returns
2. Insurance
3. Special Event Liquor Licenses
4. Using Copyrighted Images
5. Raffles
6. Resources



Rotary International

- [Constitution](#)
- [Bylaws](#)
- [Rotary Code of Policies](#)

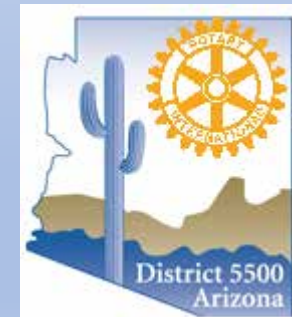


The Rotary Foundation of Rotary International

- Bylaws
- [Rotary Foundation Code of Policies](#)

Rotary International District 5500, Inc.

- [Bylaws](#)
- Operations Manual



Rotary District 5500 Charitable Fund

- [Bylaws](#)
- Operations Manual

Rotary Club Governing Documents

The Rotary Club



1. Identification Numbers

- Rotary International Tucson Verde 223122
- Employer Identification Number (EIN) Tucson Verde 86-3771264
- Member ID Number Michael Drake 824968

2. Legal Entity

- Unincorporated Association
- Arizona Non-Profit Corporation

3. Tax Status

- "Tax Exempt" – The club pays no income tax on receipts.
- 26 USC Section 501(c)(4) "civic and social welfare organizations."
- Rotary International's Group Exemption Number (GEN) is 0573.



4. Tax Reports

- IRS Form 990 is a mandatory, informational annual report
- Deadline: November 15 for prior Rotary Year.
(For example, November 15, 2026 for Rotary year July 1, 2025 through June 30, 2026)
- Which version of the form to use?
 - A. Form 990 – N (e-Postcard) – Use if gross receipts normally < \$50,000.
 - Create account, file electronically. No penalty for late filing.

Form 990EZ

- Use if gross receipts < \$200,000 and total assets < \$500,000.
- Four pages and schedules
- File electronically

C. Form 990

- Use if gross receipts > \$200,000 or total assets > \$500,000
- 12 pages and schedules
- File electronically

- Penalties

A. Late filing of Form 990EZ or Form 990 results in penalty of \$20/day not to exceed the lesser of \$10,500 or 5% of gross receipts for the year.

B. If the appropriate version of Form 990 is not filed for three consecutive years, the tax exemption is automatically revoked.

The Rotary Club Foundation



1. Legal Entity

- Usually is an Arizona Non-Profit Corporation

2. Identification Number

- Employer Identification Number (EIN)
- Arizona Corporation Commission Number

3. Tax Status

- Also "Tax Exempt"
- 26 USC Section 501(c) (3) "charitable organization."
- After formation, use IRS Form 1023 to apply for a "Determination Letter."

4. Reports

- IRS annual Form 990
- Arizona Corporation Commission Annual Report

Rotary Insurance



- Covers Rotarians, Rotary Clubs, Rotary Districts in U.S.
- Rotary's self-insured retention limit of \$250,000 is paid by \$4.87 of the per capita dues that US Rotary clubs pay to R. I.
- The broker is Hylant Group
 - Website: rotary.hylant.com
 - Username: rotary@hylant.com
 - Password: Rotary1905
 - Telephone: 419-259-2710
- Rotary International Risk Management
 - Email: insurance@rotary.org
 - Manager: Julita Brzozowska
 - Telephone: 847-424-5394

Two different Policies:

1. General Liability (GL)
2. Directors and Officers/Employment Practices Liability (D&O/EPL)

Important! Both policies are liability policies. That is, they apply only when a claim is made against a Rotarian or club. The insurance company defends the claim and pays it if warranted.

- The policies are not health, medical, or property insurance policies.

General Liability Policy (Westchester Insurance Co.)

Applies to defend and pay when a claim is made that a Rotary club negligently caused personal injury or property damage to a non-Rotarian third party.

Included: Alcohol service; Non-owned auto

Excluded: Intentional acts; fireworks, aircraft, watercraft; communicable diseases (COVID 19)

A. Directors and Officers Coverage

- Claim by third party donor that club officer mishandled or misused the donation.
- Claim by prospective new member for discrimination in membership standards.

B. Employment Practices

- Few clubs have employees, but claims could arise alleging breach of contract, discrimination, harassment, retaliation.

- Incident Reporting

If an incident occurs that potentially could result in a claim, report it immediately to R.I. Risk management on a form available on Hylant website.

- Certificate of Coverage

Shows proof of coverage. Go to Hylant site and complete the form yourself.

A venue owner or cooperating organization may want to be named as an "Additional Insured" on the R.I. policy. On the Certificate of Coverage Form, show them as "Certificate Holder." They may want something more official and express. In that event, contact Hylant for an "Endorsement."

Special Event Liquor License

1. Apply to the appropriate governmental entity. (town, city, county)
2. Then apply to Arizona Department of Liquor License and Control

email: azliquor.gov

phone: 602-542-5141

Using Copyrighted Images

Determine if a photo or image you want to use in a promotional flyer or on the club website is copyrighted. It may not be apparent. Failure to obtain permission may cause problems for the club, including a claim for statutory damages.

Raffles

Permitted under state gambling laws if:

1. No club member receives a benefit other than participating on a basis equal to all others.
2. Only club members can sell tickets.
3. The club earns no more than \$10,000 per year. (ARS 13-3302(D))

Resources

Rotary International

Club and District Support at RI

Nick Taylor

847-866-3429

nick.taylor@rotary.org

Financial Representative at RI (dues statements)

William Mendez

847-866-3183

william.mendez@rotary.org

RotarySupportCenter@rotary.org

Supplies from Licensed Vendors

Russell-Hampton Co.

800-877-8908

www.bestclubsupplies.com

Five Star Awards

919-954-1130

www.fivestarawards.net

Awards California

341-336-7435

www.awardscalifornia.com

tenki ขอบขอบคุณ takk спасибо kam sah hamnida je
дзякуй hvala תודה dhanyavadagalu lack
gracias rahmet mèsi xièxie tanemirt dank je
arigatô dziękuje bedankt blagodaram enkosi mochchakkeram trugarez
aciù shukriya ありがとう kia ora dankon dēkuji
thank you barka mamnun grācie kitos spas
teşekkür ederim bayarlalaa obrigada tapadh leat
mahalo obrigada chokrane rahmat



Questions ???

