



IRS GUIDELINES FOR U.S. ROTARY AND ROTARACT CLUBS

Frequently Asked Questions

This information is not intended to give legal or tax advice. Please consult professional advisors or contact the IRS directly at www.irs.gov or 1-877-829-5500. For this document, "clubs" means Rotary and Rotaract clubs.

Does my 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 depends 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 [mandatory e-filing](#) yearly with its own EIN, not RI's. The IRS will revoke 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, US 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 parent club's EIN.
- * **What about sponsored Rotaract clubs?** University-sponsored Rotaract clubs might use their school's 501(c)(3) status. The school keeps track of these funds for the club which also facilitates TRF donations.

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)** refers 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 contributions to [501\(c\)\(3\)](#) clubs or club foundations 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 seeking 501(c)(3) status must obtain their own IRS exemption. 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. If your club is considering seeking 501(c)(3) status, you might consider TRF's Donor Advised Fund (DAF), which has similar benefits to a club foundation.

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 exemption as [reinstated clubs aren't included back into a group ruling](#). 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?](#).