



IMPORTANT NEW FEDERAL REQUIREMENTS AFFECTING WCR CHAPTERS

Updated February 2008

Summary of Things Every Local & State Chapter Should Have/Do

1. Obtain a Federal Employer Identification Number and enter it in the Chapter Management Center at wcr.org
2. Apply for a determination letter from the IRS stating that the chapter is exempt from federal income tax
3. File an information return by May 15, 2008

All Chapters Must File an Information Return

Due to new IRS requirements, all WCR local and state chapters must file now an information return. In the past the IRS did not require anything from organizations in the \$0 - \$25,000 range, but now they do. If your chapter had any revenue in that range, you are now required to file an annual electronic notice, Form 990-N (e-Postcard).

The e-Postcard will require chapters to provide the following information:

- Federal Employer Identification Number (FEIN)
- Tax Year
- Chapter Name and mailing address
- Name and address of a principal officer
- Web site address if the organization has one
- Confirmation that the organization's annual gross receipts are normally \$25,000 or less

This new requirement is effective with the 2007 tax year. The deadline for filing is May 15, 2008. You must have a Federal Employer Identification Number (see below) in order to file. Once you have that, here is the link to file:

<http://epostcard.form990.org/>

Why is this important? Because chapters that fail to file the e-Postcard for three consecutive years will lose their federal income tax exemption status!

NOTE: The new regulation does not affect chapters already filing the written Form 990 or 990EZ. They will continue to file as usual, and they do not need to file the e-Postcard.

How to Apply for a Federal Employer Identification Number (FEIN)

If the chapter does not have an FEIN, it needs to apply for one. The FEIN is used by the IRS as a unique identifier, the business equivalent of a Social Security Number. The FEIN is also often requested by banks.

IMPORTANT NOTE: Once you have an EIN for the chapter, be sure to enter it in the Chapter Management Center at WCR.org so that it is recorded permanently for reference by future officers.

The FEIN application can be completed on line here:

<http://www.irs.gov/businesses/small/article/0,,id=102767,00.html>

Instructions for Completing the Application

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| Legal Structure | Click the button labeled “View additional types, including Non-Profit/Tax-Exempt organizations |
| Additional Types | Click the button labeled “Other Non-Profit/Tax-Exempt Organizations” |
| Reason | Click the button labeled “Banking purposes” |
| Responsible Person | The application requires a responsible person to provide their name and SSN. Usually this should be an officer but any member of the chapter can do it. |
| Address | An address is required. We suggest using the applying officer’s address. Note that a post office box is not allowed. |
| Legal Name | The legal name of the chapter is stated in Article I of the bylaws (e.g. Ocala/Marion County Chapter of the Women’s Council of REALTORS) Note that you will not be able to use special characters, such as the apostrophe in Women’s |
| Questions | The next screen asks a series of questions. Answer No to all of them |
| Activity | Do NOT click “Real Estate,” click “Other.” In the next screen click “Other” again and then type in “Business League.” |

Tax Exempt Status

Once the chapter has its FEIN, the chapter should apply for a determination letter from the IRS stating that it is exempt from paying federal income tax on revenue related to its purpose as a business league.

For more information and an application form, go here:

<http://www.irs.gov/charities/article/0,,id=96122,00.html>

The National Women's Council recommends that chapters consult an accounting or legal professional in preparing the application.