

# **THE TAX MAN COMETH**

## **TAX ALERT- 3 (990N filings)**

**Paul Hemeryck, CPA, State Treasurer**

I have received several calls regarding the new filing requirements (Form 990N) for Lions Clubs with less than \$25,000 in gross receipts.

The biggest issue so far is the fiscal year of the club. All Lions clubs should be filing based on a year that begins on July 1 and ends on June 30.

Here are some tips that will help you get the job done.

In order to file the new form 990N, you will need the following information:

- Organization's legal name
- Any other names the organization uses. If the club sponsors a Leo Club or a Lioness Club, they would be entered as an "other name". **Do Not** enter the name of a separate 501(c)3 entity. It must file a completely separate return.
- Organization's mailing address
- Organization's website address if applicable
- Organization's employer identification number
- Name and address of a principal officer of the organization
- Organizations annual tax period
- Verify that the organization's annual gross receipts are still normally \$25,000 or less
- Indicate if the organization has terminated and is no longer in business

The internet address where you can file the 990-N is [www.epostcard.form990.org](http://www.epostcard.form990.org)

The person preparing the filing will have to set up their account by registering with their name, password and email address.

Once you get into the sight and enter the Federal ID# of the Lions Club, a screen will appear that shows the year for which you are filing. The form should show the beginning date as July 1, 2007 and the ending date as June 30, 2008. You cannot change the dates using form 990N.

In the dates are correct you can continue with the filing by following the relatively simple directions and filling in the blanks on the various screens. Be sure to check the box that states that the gross receipts are under \$25,000. When everything is filled in, you click the submit button. You can print an Electronic Notice which is a copy of you form. About an hour later you will receive an email accepting the form or requesting additional information on a box that may have been left blank.

Once you receive the email, you are done for a year.

If the beginning and ending dates are not correct, you should cancel the filing and file form 990-EZ through item K. Be sure to enter the following information on the 2007 990-EZ.

- Enter on top of the form **“Change of Accounting Period”**
- Beginning Date: Enter the date that showed up on the 990N attempt.
- Ending Date: Enter June 30, 2008
- Box B: Check all that apply
- Box C, D & E are self explanatory
- Box F: “239”
- Box G: Cash
- Box H: Check the box
- Box I: Self explanatory
- Box J: Check the “501” box and enter “4”
- Box K: Check the box if the Gross Receipts are under \$25,000.

STOP sign the form and mail it to Internal Revenue Service, Ogden, Utah 84201

If you cannot check box K because you gross income exceeds \$25,000 you must complete the balance of the information.

If your gross receipts exceed \$100,000, you must file the full form 990.

I would strongly suggest that you obtain professional help in filing form 990. You may wish to do the same if you must file a complete form 990EZ (gross receipts in excess of \$25,000).

When we talk about “Gross Receipts”, that includes all receipts including so called “pass through dollars”. It means ALL money received before deduction of any costs or expenses.

The form should be signed by either the Immediate Past President, the current President, the Secretary or the Treasurer.

This will fix the fiscal year problem and should eliminate similar problems in the future.

It is critical that you get the filing requirements completed by November 17, 2008. You could be subject to \$20.00 per day late filing penalties and the loss of your tax exempt status after three years.

I will be attending two seminars in October and November on new issues, one by the IRS, that will specifically address tax exempt issues. I will provide updates after those seminars on future issues.

If you have specific questions please send them to me at [taxman@lionsofmi.com](mailto:taxman@lionsofmi.com). I will answer them as quickly as possible.

Stay tuned for more developments.

Paul Hemeryck, CPA, MD-11 Treasurer.