

CLUB TIPS FOR GROUP EXEMPTION

Updated October 2023

Any group, organized for nonprofit activities, is not automatically exempt from federal income taxes. It must formally apply to the Internal Revenue Service to receive classification as an exempt organization. Under our legal name, the National Organization of Mothers of Twins Clubs, Inc., the organization has been granted this status. It has been classified as a 501(c)(3) educational and research corporation since 1982.

BENEFITS

As a member club, your club can receive the following benefits of 501(c)(3) status through Multiples of America, also known as the National Organization of Mothers of Twins Clubs, Inc. Plus, your club gains the advantage of avoiding individual application for exemption. (Most likely, a local club would only obtain a 501(c)(7) nonprofit classification, which is deemed as a social organization and without any benefits other than being exempt from federal income taxes.)

With this classification, its subordinates receive the following benefits:

- The IRS will recognize your club as a subordinate chapter of Multiples of America with an assignment of a Group Exemption Number (GEN).
- With this ruling, subordinates may receive gifts and donations that are tax-deductible by donors.
- A subordinate may apply for state tax exemption, if applicable. Most states will not classify a local chapter for sales tax exemption unless federal exemption has already been granted. Individual state tax laws vary and Multiples of America (also known as the National Organization of Mothers of Twins Clubs, Inc.) recommends you check with your state and local government for their requirements.
- If club mailings are 200 or more pieces, a subordinate may apply for postal nonprofit rates, which provide substantial savings from regular bulk postal rates.
- Officers and committee chairmen can deduct out-of-pocket expenses in personal income tax returns, including mileage in conducting business. Further information for individuals is available in the IRS 1040 Packet, under instructions for Schedule A (contributions).

- Multiples of America will complete the Form 990N, e-Postcard, on behalf of clubs with gross receipts less than \$50K. Clubs with gross receipts exceeding \$50K are required to file Form 990 and will thus meet the reporting requirements related to Form 990–N.

INITIAL GROUP EXEMPTION APPLICATION

This tax status and the benefits it accords are not automatic. Documents must be filed with Multiples of America every year by every club requesting this status. Multiples of America is then required to submit information on behalf of each of its subordinate chapters (clubs). Multiples of America reports any changes in purpose, character, or method of operation, changes in name or address, and any withdrawals and/or additions of subordinate chapters.

The deadline for clubs to submit their annually required materials to Multiples of America is November 1 of each year, but clubs should submit their documents at any time after the end of the fiscal year on July 31. There is a late fee of \$30 should the postmark of the application or the email submission be after November 1. Filings received after November 1 may be subject to rejection and/or revocation by the IRS. The club filing consisting of the Letter of Authorization, Financial Statement, and Bylaws should be submitted at www.multiplesofamerica/grouplexemption. We have streamlined the process online. PLEASE DO NOT MAIL YOUR DOCUMENTS TO US AT THE EXECUTIVE OFFICE.

BEFORE YOU FILE: Every organization is required to have a Federal Employer Identification Number (FEIN), whether or not it has any employees. However, obtaining a FEIN should not be confused with exempt organization status. A FEIN is an identification number, not an indicator of tax-exempt status. Obtaining that FEIN for your club is a simple procedure. It involves no fee, only the filing of IRS Form SS-4. The completed Form SS-4 should be filed by the club. Form SS-4 and its instructions are available on the IRS website, www.irs.gov.

NOTE: The club's FEIN is the number that should be used for your club's bank account. The bank account should not be registered under an individual's social security number. If it is, that individual must report any interest earned on his/her personal tax return.

A club wishing to apply for group exemption must send Multiples of America the following:

1. **A Letter of Authorization.** A principal officer, preferably your club president, must sign this letter of authorization and it must include your club's FEIN. (See Sample A or Sample B) NOTE: The name and address of a principal officer (e.g., president or treasurer) and email address **MUST** be provided. This will ensure that Multiples of America has the required information to complete Form 990N on behalf of the local club for clubs with gross receipts less than \$50,000 and/or contact information should clarification be required. This address is where any correspondence from the IRS will be sent regarding your club's tax exemption. The IRS does not communicate with Multiples of America by email, fax, phone, or mail regarding specific tax exemption information with regards to your club. Any correspondence you receive should be forwarded to us as soon as possible and we strongly suggest your club follow up on any requirements the IRS is making in that correspondence.

2. **A copy of its Bylaws and a detailed description of its purposes and activities.** If the club's purpose and description of activities are detailed within the Bylaws, then sending only the Bylaws will be sufficient. Please remember that the National Organization of Mothers of Twins Clubs, Inc.'s Bylaws and Standing Rules are accepted upon membership. They are the governing instruments adopted by all subordinates. ***Local club rules cannot conflict with any portion of The National Organization of Mothers of Twins Clubs, Inc.'s bylaws and standing rules.***
3. **For clubs with gross receipts less than \$50,000,** an annual financial statement detailing all receipts and disbursements (source of receipts and nature of expenditures) for the current fiscal year. (See Sample E) The sample financial statement is meant to provide an example of how an annual financial statement should look, but is not inclusive of or limited to the income and expense categories mentioned. Income and expense information provided to Multiples of America does NOT need to reflect detailed entries. Summarization at the income and expense category level is sufficient. Clubs must also have the same accounting period/fiscal year as Multiples of America: August 1 through July 31.
4. **For clubs with gross receipts greater than \$50,000,** a signed copy of Form 990 or 990EZ that the club has filed with the IRS must be provided as soon as it is filed with the IRS. Failure to provide a copy to Multiples of America will disqualify your club from being included on our subordinate listing. We cannot include the club in our April filing until these filing requirements are met.

Once the abovementioned documentation is compiled, the documents can be submitted easily online at www.multiplesofamerica.org/grouplexemption. **The deadline to receive this information is November 1. Submissions sent after that date must be accompanied by a \$30 late fee with no exceptions. Late fees should be paid using our convenient PayPal link at www.multiplesofamerica.org/grouplexemption.**

Multiples of America submits your club for inclusion in its annual subordinate listing filing with the IRS in April of each year. You will receive a confirmation letter with the Group Exemption Number (GEN).

A subordinate's group exemption status remains in effect as long as the subordinate maintains its status by submitting the documents required for maintaining GEN annually, or until the subordinate:

- Fails to provide the annual filing documents
- Has bylaws that are not in compliance with those of Multiples of America
- Ceases to exist
- Disaffiliates with Multiples of America
- Withdraws its authorization by official notice
- Is revoked by the IRS and is notified of such revocation.

Should a club either miss the November 1 deadline filing or choose not to renew its participation in Multiples of America's group exemption or disaffiliate with Multiples of America, then Multiples of America will delete the club from the subordinate listing provided by the IRS. The club will then have

the responsibility of working with the IRS to file the required annual reporting and filing.

Important Reminder: Your club's participation in our subordinate filing for group exemption purposes is contingent on your club being in complete compliance with our bylaws, particularly Article III regarding Membership. Your club is required to renew your membership and pay for all current members by September 30 of each year. By the end of our membership year, June 30, your club is required to have paid dues for every member of your club that has joined throughout the membership year. Failure to do so will result in the removal of your club from our subordinate filing and your membership will no longer be in good standing. We encourage our member clubs to submit new and renewing members as often as is needed throughout the membership year to ensure that their membership records are accurate with us and your club is current and in good standing with us. Our bylaws and other important information regarding membership are on the Members Only site at www.multiplesofamerica.org for your club to review and adhere to.

MAINTAINING GROUP EXEMPTION STATUS

A group exempt subordinate is thereby known as a chapter of the National Organization of Mothers of Twins Clubs, Inc.

To maintain this status, subordinates are required to submit the following, each year, before the November 1 deadline:

For clubs with gross receipts less than \$50,000, authorization to be included in Multiples of America's subordinate filing with the IRS and must declare, under penalty of perjury, that the authorization and information it submits to be included in the subordinate filing and the filing of Form 990N by Multiples of America are true and accurate. (See Sample C) NOTE: The name and address of a principal officer (e.g., president or treasurer) and email address MUST be provided. This will ensure that Multiples of America has the required information to complete Form 990N on behalf of the local club for clubs with gross receipts less than \$50,000.

This address is where any correspondence from the IRS will be sent regarding your club's tax exemption. The IRS does not communicate with Multiples of America by email, fax, phone, or mail regarding specific tax exemption information with regards to your club. Any correspondence you receive should be forwarded to us as soon as possible and we strongly suggest your club follow up on any requirements the IRS is making in that correspondence.

For clubs with gross receipts less than \$50,000, an annual financial statement, showing the source of receipts and nature of expenditures for the current fiscal year. (See Sample E) The sample financial statement is meant to provide an example of how an annual financial statement should look, but is not inclusive of or limited to the income and expense categories mentioned. Income and expense information provided to the Multiples of America does NOT need to reflect detailed entries. Summarization at the income and expense category level is sufficient. Clubs must also have the same accounting period/fiscal year as Multiples of America: August 1 through July 31.

For clubs with gross receipts greater than \$50,000, authorization to be included in Multiples of America's subordinate filing, a signed copy of the club's Form 990 filed with the IRS and must declare under penalty of perjury, that the authorization and information it submits to be included in the subordinate filing are true and accurate. (See Sample D) NOTE: The name and address of a principal officer (e.g., president or treasurer) and email address MUST be provided. This will ensure that Multiples of America has all necessary contact information should clarification be required. This address is where any correspondence from the IRS will be sent regarding your club's tax exemption. The IRS does not communicate with Multiples of America by email, fax, phone, or mail regarding specific tax exemption information with regards to your club. Any correspondence you receive should be forwarded to us as soon as possible and we strongly suggest your club follow up on any requirements the IRS is making in that correspondence.

Any changes in the club's purpose, character, or method of operation. These changes must be submitted in a letter on club letterhead, signed by the President of the club or other officer, and submitted by way of scan through email to us at info@multiplesofamerica.org.

A current copy of Bylaws if they have been modified in the past year. Bylaws may be emailed to the Executive Office at info@multiplesofamerica.org.

Any changes in name, address, or Federal Employer Identification Number of subordinate. These changes can be emailed to the Executive Office at info@multiplesofamerica.org.

Late Fees for Clubs Filing After November 1. Any club that submits the required annual filing after the November 1 deadline must pay a \$30 late fee to Multiples of America with no exceptions given. This fee can be paid by PayPal by using the link at www.multiplesofamerica.org/groupexemption.

Failure to File or Non-Participating: Should a club either fail to submit the annual filing altogether or choose not to renew its participation in Multiples of America's group exemption, Multiples of America will delete the club from the annual subordinate listing filed with the IRS. The club will then have the responsibility of completing the required filing documents with the IRS. Failure to file a 990N can result in the revocation of your club's tax-exempt status by the IRS. This decision is made solely by the IRS and is communicated directly to the club and not to Multiples of America. Should you receive a notification of revocation, please contact the IRS immediately for steps to reinstate or seek the advice of a tax professional for the handling of taxes on income and donations as the IRS will no longer see your club as a tax-exempt entity. The IRS does not communicate with Multiples of America by email, fax, phone, or mail regarding the tax-exempt status of any of our member clubs. Nor is Multiples of America responsible for the reinstatement process and any fees assessed to member clubs by the IRS. *For more information regarding revocation, see IRS Publication 4991, Automatic Revocation of Tax-Exempt Status.*

As noted under *Benefits*, if you are a subordinate group your club can receive tax-deductible donations and do not have to file an income tax return. As noted in this document, there are certain club responsibilities for providing Multiples of America with the proper paperwork to keep your club's tax exemption in place. The IRS has guidelines in place that affect the tax-exempt status of subordinate member clubs. These

change frequently. To be in compliance and avoid revocation, your club must maintain its membership with Multiples of America and provide an annual filing by the November 1 deadline. If a filing is missed and results in revocation of a club's exemption, it will be the club's responsibility to work with the IRS to resolve the revocation and pay any fees associated with reinstatement. IRS fees and rulings are subject to change at any time. The IRS does not communicate with Multiples of America regarding revocations, reinstatements, or any other business-related to individual club tax-exemption matters. If you receive any communication from the IRS, please notify Multiples of America immediately. Multiples of America cannot, however, assist with the reinstatement process or assist in paying the reinstatement fees required of the IRS to a club that has received a revocation notice.

DISCLAIMER: The information contained in this document serves as guidance based on the policies and procedures known by Multiples of America at the time of its publication. Multiples of America does not provide specific tax advice for any of our member clubs. For specific and professional advice, please contact a tax professional or legal counsel. For additional information or assistance in completing this process, contact the Multiples of America Executive Office at info@multiplesofamerica.org.

**SAMPLE (A) AUTHORIZATION LETTER FOR *FIRST TIME FILERS* FOR GROUP EXEMPTION
WHEN GROSS RECEIPTS DO NOT EXCEED \$50,000**

(Your Club Name)
(Club Mailing Address)
(City, State, Zip)

(Date)

Multiples of America Executive Office
2000 Mallory Lane, Ste 130-600
Franklin, TN 37067

RE: (Full Legal Name of Club)
(Club FEIN)

Dear Multiples of America:

I authorize Multiples of America, also known as the National Organization of Mothers of Twins Clubs, Inc., to apply for group exemption for our chapter, (Club Name), to include our chapter in the annual subordinate filing with the IRS for 501(c)(3) purposes (group exemption), and to file Form 990N with the IRS (e-Postcard) on our behalf.

Under penalty of perjury, I declare that the authorization and the following information, necessary for inclusion in the subordinate filing and Form 990N, is true and accurate.

The name, mailing address and email address of a principal officer of our club is:

Name: _____

Title: _____

Address: _____

Email Address: _____

Attached to this letter of authorization, please find our chapter's financial statement (source of receipts and nature of expenditures) for the fiscal year August 1, _____ through July 31, _____, along with a copy of our bylaws.

Sincerely,

Name: _____

Title: _____

Signature: _____

**SAMPLE (B) AUTHORIZATION LETTER *FOR FIRST TIME FILERS* FOR GROUP EXEMPTION
WHEN GROSS RECEIPTS EXCEED \$50,000**

(Your Club Name)
(Club Mailing Address)
(City, State, Zip)

(Date)

Multiples of America Executive Office
2000 Mallory Lane, Ste 130-600
Franklin, TN 37067

RE: (Full Legal Name of Club)
(Club FEIN)

Dear Multiples of America:

I authorize Multiples of America, also known as the National Organization of Mothers of Twins Clubs, Inc., to apply for group exemption for our chapter, (Club Name), to include our chapter in the annual subordinate filing with the IRS for 501(c)(3) purposes (group exemption).

As our gross receipts for the fiscal year August 1, _____ to July 31, _____ exceed \$50,000, (Club Name) has filed Form 990 with the IRS on its own behalf. A copy is attached and Multiples of America does not need to file Form 990N (e-Postcard) on our behalf.

Under penalty of perjury, I declare that the authorization and the following information, necessary for inclusion in the subordinate filing and Form 990N, is true and accurate.

The name, mailing address and email address of a principal officer of our club is:

Name: _____

Title: _____

Address: _____

Email Address: _____

Attached to this letter of authorization, please find our chapter's financial statement (source of receipts and nature of expenditures) for the fiscal year August 1, _____ through July 31, _____, a signed copy of our chapter's Form 990 filed with the IRS for the same fiscal year, along with a copy of our bylaws.

Sincerely,

Name: _____

Title: _____

Signature: _____

SAMPLE (C) AUTHORIZATION LETTER TO *FOR RETURNING FILERS*
FOR ANNUAL GROUP EXEMPTION REPORTING WHEN GROSS RECEIPTS DO NOT EXCEED \$50,000

(Your Club Name)
(Club Mailing Address)
(City, State, Zip)

(Date)

Multiples of America Executive Office
2000 Mallory Lane, Ste 130-600
Franklin, TN 37067

RE: (Full Legal Name of Club)
(Club FEIN)

Dear Multiples of America:

I authorize Multiples of America, also known as the National Organization of Mothers of Twins Clubs, Inc., to include our chapter, (Club Name), in the annual subordinate filing with the IRS for 501(c)(3) purposes (group exemption), and to file Form 990N with the IRS (e-Postcard) on our behalf.

Under penalty of perjury, I declare that the authorization and the following information, necessary for inclusion in the subordinate filing and Form 990N, is true and accurate.

- ☐ There **have been NO changes** to our bylaws since our last group exemption reporting.
- ☐ During the past year, there **have been changes** in our bylaws and we have attached an updated copy to this filing.

The name, mailing address and email address of a principal officer of our club is:

Name: _____

Title: _____

Address: _____

Email Address: _____

Attached to this letter of authorization, please find our chapter's financial statement (source of receipts and nature of expenditures) for the fiscal year August 1, _____ through July 31, _____, along with a copy of our bylaws if changes have been indicated above.

Sincerely,

Name: _____

Title: _____

Signature: _____

SAMPLE (D) AUTHORIZATION LETTER *FOR RETURNING FILERS*
FOR ANNUAL GROUP EXEMPTION REPORTING WHEN GROSS RECEIPTS EXCEED \$50,000

(Your Club Name)
(Club Mailing Address)
(City, State, Zip)

(Date)

Multiples of America Executive Office
2000 Mallory Lane, Ste 130-600
Franklin, TN 37067

RE: (Full Legal Name of Club)
(Club FEIN)

Dear Multiples of America:

I authorize Multiples of America, also known as the National Organization of Mothers of Twins Clubs, Inc., to include our chapter, (Club Name), in the annual subordinate filing with the IRS for 501(c)(3) purposes (group exemption).

As our gross receipts for the fiscal year August 1, _____ to July 31, _____ exceed \$50,000, (Club Name) has filed Form 990 with the IRS on its own behalf. A copy is attached and Multiples of America does not need to file Form 990N (e-Postcard) on our behalf.

Under penalty of perjury, I declare that the authorization and the following information, necessary for inclusion in the subordinate filing and Form 990N, is true and accurate.

- ☐ There **have been NO changes** to our bylaws since our last group exemption reporting.
- ☐ During the past year, there **have been changes** in our bylaws and we have attached an updated copy to this filing.

The name, mailing address and email address of a principal officer of our club is:

Name: _____

Title: _____

Address: _____

Email Address: _____

Attached to this letter of authorization, please find our chapter's financial statement (source of receipts and nature of expenditures) for the fiscal year August 1, _____ through July 31, _____, a signed copy of our chapter's Form 990 filed with the IRS for the same fiscal year, along with a copy of our bylaws, if changes have been indicated above.

Sincerely,

Name: _____

Title: _____

Signature: _____

SAMPLE (E) EXAMPLE OF A FINANCIAL STATEMENT

(Your Club Name)

(Your Club FEIN)

August 1, _____ through July 31, _____

Beginning Balance:

Bank Account	\$	_____
Petty Cash	\$	_____

Total Beginning Funds:	\$	_____
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Receipts:

Advertising	\$	_____
Dues	\$	_____
Fundraising	\$	_____
Interest	\$	_____
Miscellaneous	\$	_____

Total Income:	\$	_____
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Disbursements:

Bank Charges	\$	_____
Fundraising Expenses	\$	_____
Meeting Expenses	\$	_____
Newsletter	\$	_____
Socials	\$	_____
Multiples of America Dues	\$	_____
State Dues	\$	_____
Miscellaneous	\$	_____

Total Disbursements:	\$	_____
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Location of Funds:

Bank Account	\$	_____
Petty Cash	\$	_____

Total Ending Funds:	\$	_____
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Name: _____

Title: _____

Signature: _____