

WHAT IS GROUP EXEMPTION AND WHY SHOULD MY CLUB FILE?

FAST FACTS:

- The IRS recognizes a group of organizations as federally tax-exempt if they are affiliated with a central organization. This avoids the need for each of the organizations to apply for tax exemption individually. A group exemption letter has the same effect as an individual exemption letter except that it applies to more than one organization.
- There is no charge for your club to participate in our group exemption filing.
- About 80% of member clubs of Multiples of America reap the benefits of participating in our group exemption filing each year.

BENEFITS OF PARTICIPATION:

- The IRS will recognize your club as a subordinate organization of the National Organization of Mothers of Twins Clubs, Inc. (dba Multiples of America) with assignment of a Group Exemption Number (GEN).
- With this ruling, subordinates may receive gifts and donations that are tax deductible by donors.
- Multiples of America will complete the Form 990N with the IRS on behalf of subordinates with gross receipts less than \$50K. Clubs with gross receipts exceeding \$50K are required to file Form 990 on their own and provide a copy to the Executive Office upon its filing with the IRS.
- 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 been granted. Multiples of America cannot file for state exemption for clubs.
- If club mailings are 200 or more pieces, a subordinate may apply for postal nonprofit rates, a substantial savings from regular bulk postal rates.
- Officers and committee chairpersons may be able to 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 does not give tax advice concerning this and we recommend you consult a tax professional with any questions you have.

- Preparation of these documents should start as soon as possible at the close of the fiscal year on July 31 and be submitted at www.multiplesofamerica.org/groupexemption. ***Please do not mail your documents to us as the USPS is still experiencing significant delays in delivery. We have made the online submission process very easy and it should be used in lieu of mailing your documents.***
- **The deadline to provide the annual filing documents is no later than November 1 after the close of the fiscal year. Clubs failing to meet this deadline must pay a late fee of \$30—no exceptions.**
- 990N's are filed for clubs with gross receipts under \$50,000 by the IRS deadline for each club. Proof of filing and acceptance by the IRS is emailed to each participating club. Final acknowledgments to prove your club's tax-exempt status are emailed out each year on or before June 1 following the April subordinate filing by Multiples of America.
- Participation in the filing requires your club maintain its membership with Multiples of America and to provide an annual filing. Failure to renew your membership or provide a filing will result in the removal of your club from our subordinate listing.
- The IRS reserves the right to revoke the tax exemption status of any club that fails to file a 990N. The reinstatement process requires filing the required forms and paying the reinstatement fee. For more information about IRS revocations, please see [IRS Publication 4991, Automatic Revocation of Tax-Exempt Status](#).

WHAT ARE THE FILING REQUIREMENTS:

- A club participating in our group exemption filing must have bylaws that are similar in purpose, character, and method of operation as Multiples of America. For a copy of our bylaws, please log in to our Members Only Center at www.multiplesofamerica.org.
- Each participating subordinate must provide an annual Letter of Authorization, a financial statement for the fiscal year ending July 31 of that year, and a copy of their current bylaws. Clubs with gross receipts exceeding \$50,000 must also provide a copy of their 990 filed with the IRS for the same filing period to Multiples of America.

**FOR MORE INFORMATION ON GROUP EXEMPTION
PLEASE GO TO OUR WEBSITE AT WWW.MULTIPLESOFAMERICA.ORG/GROUPEXEMPTION.
LOG INTO OUR MEMBERS ONLY CENTER.**

***For specific tax questions that relate to the benefits of Group Exemption,
please contact a tax professional in your area.***