

**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. All forms must be submitted electronically at the web address above.***
- **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 with 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 acknowledgements 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. These must be reviewed for accuracy and signed by a Principal Officer (Club President). 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.. Forms are provided on our website at www.multiplesofamerica.org/groupexemption and must be used including the accompanying disclaimers.

FOR MORE INFORMATION ON GROUP EXEMPTION

PLEASE GO TO OUR WEBSITE AT WWW.MULTIPLESOFAMERICA.ORG/GROUPEXEMPTION.

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