



TO: State Deputies, State Secretaries, District Deputies, Grand Knights, Financial Secretaries, Faithful Navigators and Faithful Comptrollers in the United States

FROM: Knights of Columbus Legal Department

DATE: March 2022

RE: 2021 Tax Information for KofC Councils, Assemblies, & Chapters

This notice is to remind councils, assemblies, and chapters in the United States of their legal obligation to file an IRS Form 990 (informational tax return) for the 2021 tax year, and to provide detailed instructions on how to comply with this obligation.

The Knights of Columbus, including all subordinate councils, assemblies, and chapters (collectively referred to as councils), is a tax-exempt organization, recognized by the Internal Revenue Service as a fraternal benefit society under Section 501(c)(8) of the Internal Revenue Code. This tax-exempt status requires each council to file an annual Form 990 with the IRS.

Councils reporting gross receipts of \$50,000 or less with less than \$200,000 in assets may comply with their obligation by filing the Form 990-N electronic postcard (also known as the e-Postcard). Councils reporting gross receipts of more than \$50,000 and less than \$200,000 with total assets of less than \$500,000 must file the Form 990-EZ. Councils with gross receipts of \$200,000 or more and total assets exceeding \$500,000, must file the Form 990.

What's New

The IRS now requires electronic filing for **all** tax-exempt organizations, regardless of which form they use. In order to utilize the online filing system, **all new users** must complete a registration; instructions are available on the IRS website, links to which are in the *Where to File* section, below.

Deadline to file annual return (all forms)

Each council must file its own tax return; there is no group or consolidated Form 990 filing. The returns must be filed by the fifteenth day of the fifth month following the end of the council's annual accounting period. For example, if a council's accounting period ends December 31, it must file a tax return by May 15 of the following year; if a council's accounting period ends June 30, it must file a tax return by November 15. Please note that the IRS assigns the accounting period to each council based on its Employer Identification Number (EIN). The IRS **will not** notify the council of the accounting period. To determine the accounting period assigned to your council's EIN, sign into the IRS system with your

user ID and password. For most councils, the assigned accounting period corresponds to the calendar year.

Need more time to file a Form 990?

Although the IRS does not grant extensions for filing the Form 990-N (e-Postcard), the IRS will accept late filings if the tax return is received within three years of the due date. While the IRS will accept late filings of Form 990-N (e-Postcard), please note that filing late, even within a three-year period, is still considered a missed filing by the IRS and may trigger a revocation of its tax-exempt status. The IRS does grant extensions to organizations filing Forms 990-EZ and 990. If a council needs more time to file the Form 990-EZ or 990, it must request an extension by the due date of the return for which it is requesting an extension. Federal law imposes a penalty for late or incomplete filings. If an organization fails to file a required return by the due date (including any extension of time), it must pay a penalty of \$20 a day for each day the return is late. In general, the maximum penalty for any late return is the lesser of \$10,500 or five percent of the organization's gross receipts for the year. In order to request an extension, councils must submit Form 8868, which is available on the IRS website: <http://www.irs.gov/pub/irs-pdf/f8868.pdf>. For councils reporting gross receipts of more than \$50,000, we recommend using a qualified tax professional to file Form 8868.

Where to file

- *Form 990-N (e-Postcard)*

The Form 990-N (e-Postcard) must be filed online.

The User Guide for the IRS Form 990-N Electronic Filing System is available here: [USER GUIDE Form 990-N \(e-Postcard\)](#)

The Form 990 e-Postcard Electronic Filing System is available here: [CLICK HERE TO FILE Form 990-N \(e-Postcard\)](#)

If you use the above link to file the Form 990N (e-Postcard) there is no filing fee, as it connects directly to IRS.gov.

- *Forms 990-EZ and 990*

Forms 990-EZ and 990 must be filed online. The IRS website provides instructions for electronic filing of Forms 990-EZ and 990: <https://www.irs.gov/charities-non-profits/current-form-990-series-forms-and-instructions>

Any council reporting gross receipts of more than \$50,000 is strongly urged to consider using a qualified tax professional to prepare and file its tax return.

PRACTICE TIP: at the top of the Form 990-EZ and Form 990, enter the Knights of Columbus group number (0188), tax exempt status (Section 501(c)(8)), and form of organization (Association). You may find e-filing instructions here: <https://www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits>

If the IRS website will not allow you to file a Form 990-N

The electronic filing system for the Form 990-N (e-Postcard) may reject a council's return if: (1) the council's EIN has been revoked for failing to file for three consecutive years; (2) the council's EIN has recently been reinstated; (3) it is a new council; or (4) the council is not on the Supreme Council's Group Exemption List (updated continually by the Knights of Columbus Legal Department). If you are unable to e-file, please contact the Legal Department by email at tax.ein@kofc.org. You can also contact the IRS customer service at **1-877-829-5500**.