



#### 2023-2024 DISTRICT DEPUTY MID-YEAR MEETING

January 2024
Visalia Marriott at the Convention Center



"...together we can do great things."





## IRS - Franchise Tax Board Information &

Ken Rose State Treasurer



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#### REMEMBER!

The Knights of Columbus is a **501(c)(8)** fraternal benefit society, recognized by the IRS as a tax-exempt organization under the Internal Revenue Code.

## KofC Councils are NOT a 501(C)(3) charitable organization!







The Internal Revenue Service (IRS) and the California Franchise Tax Board (FTB) requires subordinate councils, assemblies, and chapters to file an annual informational tax return.

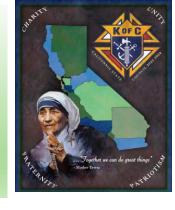
You must file regardless how much your Council, Chapter or Assembly brings in...

all must file!



"...together we can do great things."





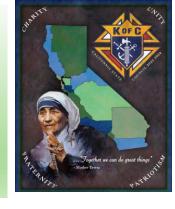
#### IRS & Franchise Tax Board Information

- Councils with annual gross receipts of \$50,000 or less must electronically file a Form 990-N
- Councils with annual gross receipts of \$50,001 to \$199,999 should use Form 990-EZ.
- Councils with annual gross receipts equal to or greater than \$200,000 (or total assets of \$500,000 or more) should use Form 990.
- Councils that earned \$1,000 or more in gross income from an unrelated business must also file Form 990-T (Exempt Organization Business Income) to compute and pay the tax due.

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#### IRS & Franchise Tax Board Information

- Tax Returns
- Council, Assembly and Chapter must file annual return
- Due 4 ½ months after close of fiscal year
- For Federal 990-N, 990-EZ or 990
- For State 199N or 199







#### Resources

- State Policy Letters
  - www.californiaknights.org/support
- Officers' Desk Reference
  - www.kofc.org
  - Sign into Member Management
- California Franchise Tax Board
- tax.ein@kofc.org
- state.taxcompliance@californiaknights.org

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#### REVOCATION OF EXEMPT STATUS

- Councils and assemblies that have not filed a Form 990 for three consecutive years will automatically have their tax-exempt status revoked by the IRS.
- If your council or assembly's tax-exempt status is revoked, immediately fill out the Supreme Council EIN Authorization Form, which may be obtained as a fillable PDF document. Once you have filled out this form, email it to tax.ein@kofc.org to request a reinstatement package.
- If your Council does have it's tax-exempt status revoked or EIN suspended due to not ming it .....
  reinstate. This needs to be avoided!
  "...together we constituted to the state of the st suspended due to not filing it will cost hundreds of dollars to





#### **HOME CORPORATIONS**

- Home corporations are independent legal entities formed under the applicable laws of the jurisdictions in which members of local councils are situated. They are NOT subordinate units of the Knights of Columbus.
- The Home Corporations, and not the Knights of Columbus, are solely responsible for all liabilities arising from the properties and the activities conducted there.







#### **HOME CORPORATIONS**

Councils using home corporation facilities are required to enter into written agreements governing:

- (1) a council's use of home corporation facilities (the "terms of use agreement"); and
- (2) how matters will be settled between the council and the home corporation in the event the home corporation IS DISOLVED (the will a paritable distribution agreement).

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### KNIGHTS OF COLUMBUS CALIFORNIA STATE COUNCIL



Knights of Columbus does **not** provide insurance for local councils

- Each council must arrange for its own insurance coverage
- Knights of Columbus does not provide insurance for home corporations
- Dioceses often require proof of insurance for councils using their facilities, and be named on the rider
- Diocesan requirements often specify particular coverages and limits





# Together we can do great things of the Market Terror

#### **Council Liabilities**

- DESIRED PROTECTION INCLUDES: (but NOT limited to)
  - General liability
  - Director and Officer liability
  - Liquor liability
  - Sexual abuse liability
  - COVID exposure liability



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#### LOCKTON AFFINITY

Knights of Columbus has arranged for **Lockton Affinity** to offer a *competitively* priced and *comprehensive insurance* program



Lockton Affinity is the preferred insurance provider for state and local councils of the Knights of Columbus



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#### LOCKTON AFFINITY



For more information or for a free, no-obligation quote please contact Lockton Affinity at 1-800-496-0288





"...together we can do great things."

St. Mother Teresa





#### THANK YOU!

Ken Rose
State Advocate, 2022-2023
California State Council

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