



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: February 2024

RE: 2023 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 2023 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 of \$500,000 or more must file the Form 990.

REMINDER

The IRS requires electronic filing for **all** tax-exempt organizations, regardless of which form they use. **The online filing system, also known as “E-Services”, requires all new users** to register or sign in with LOGIN.GOV or ID.me, the current IRS credential service providers.

There are two ways to access the Form 990-N Electronic Filing system: (1) Sign in with your active IRS username; or (2) Sign in/create an account with [LOGIN.GOV](https://www.login.gov) or [ID.me](https://www.id.me). Form 990-N filers who have an existing IRS username and register for a new Login.gov or ID.me account must use the email address associated with their IRS account. Refer to User Guide for the IRS Form 990-N Electronic Filing System. 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 a council's tax-exempt status if for three consecutive years the council files late or fails to file a return. 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 \$11,000 **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 \(e-Postcard\)](#)

The Knights of Columbus Form 990-N e-Postcard filing instructions are located on Officers Online (go to **Officers' Desk Reference, Tax Issues, #6 Federal Tax Returns**). For your convenience, here is a [pdf version](#) of the instructions.

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 TIPS:

- When filing, bear in mind that text fields cannot exceed 35 characters and must contain only numeric, alpha or hyphen characters. Periods, slashes and so on will cause filing errors.
- 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 for the Form 990-N e-Postcard 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.

Information Available on IRS Website

We suggest you visit the IRS home page for tax-exempt organizations. It is an excellent resource for council officers who have questions or need information regarding their federal tax obligations: <https://www.irs.gov/charities-non-profits>

We also suggest you visit the IRS web page explaining the annual electronic filing requirement for small exempt organizations:

<https://www.irs.gov/charities-non-profits/annual-electronic-filing-requirement-for-small-exempt-organizations-form-990-n-e-postcard>

More information is available on the Knights of Columbus website. Sign in under "Officers" and click on the "Forms" tab. By clicking on the icon next to "Form 990 Information" you will find a detailed memorandum on tax compliance, along with attachments.

Compliance Guide for Tax Exempt Organizations

In addition to the annual filing requirement, each council is responsible for conducting its affairs in a manner that is consistent with what is expected of tax-exempt organizations. Failure to do so may result in a council losing its tax-exempt status. In this regard, councils may wish to consult an IRS publication entitled *Compliance Guide for Tax Exempt Organizations*, which provides helpful guidance:

<https://www.irs.gov/pub/irs-pdf/p4221nc.pdf>

Conclusion

If you have questions relating to your council's tax reporting obligations, please contact the Knights of Columbus Legal Department by email at tax.ein@kofc.org

Additional materials relating to United States federal tax compliance as well as many other topics **affecting your council or assembly can be found on the Officers' Desk Reference (ODR)**. For a username and password to the ODR, please contact Customer Service at 1-800-380-9995.



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