

ATTENTION:
BRANCH AND DISTRICT PRESIDENTS
BRANCH AND DISTRICT FINANCIAL SECRETARIES

IRS FORM 990-N & FORM 990 EZ or 990

FRANCHISE TAX BOARD FORM 199-N & FORM 199

As you are now aware, the IRS and State of California are requiring annual tax returns to be filed by our Branches and Districts.

- Branches or Districts with Gross Receipts of more than \$50,000.00 are required to file IRS Form 990 EZ or 990.
- Branches or Districts with Gross Receipts of \$50,000.00 or less are required to electronically file IRS Form 990-N which is an e-Postcard.
- CA Branches or Districts with Gross Receipts of more than \$25,000.00 are required to file Franchise Tax Board Form 199.
- CA Branches or Districts with Gross Receipts of \$25,000.00 or less are required to electronically file Franchise Tax Board form 199-N which is an e-Postcard.

The forms should have been filed by May 15, 2012.

Numerous small exempt organizations have come under IRS scrutiny for failure to file information returns. Organizations that have failed to file the appropriate form for three consecutive years will automatically lose their tax-exempt status. This includes the group ruling holders and their subordinates (Branches and Districts for the I.C.F.). We will now be scrutinized by the State of CA as well. The IRS and State have asked us to please make sure that no subordinate (Branches or Districts) unintentionally throws away its tax exempt status.

If you have not yet filed the 990-N (e-Postcard) or the 990 EZ or 990 or the 199-N (e-Postcard) or the 199 even though the May 15th deadline has passed, please file it as soon as possible. If you have missed filing for any reason in the past two years (this applies to the IRS and the State), please make sure that you file now (for the tax year ending 2011) so that you do not fall into this category. The e-Postcard and other forms can be accessed through the IRS site (www.irs.gov) and the Franchise Tax Board site (www.ftb.ca.gov).

Please make sure all Branch or District finances are in order and that Bank Statements are reconciled through December 31, 2011. Remember that the Gross Receipts are total amounts received without subtracting any costs or expenses. These amounts include, but are not limited to, Membership and Hospitalization Dues, Dinners, Fundraisers, Raffle Tickets, Income from Convention Raffle Tickets and Calendar Sales, Interest from all Bank Accounts, Monetary Donations, etc.

If you have any questions or need help, please call the I.C.F. Office at 1-888-423-1924 as soon as possible.

Thank You,
George Bacigalupi, Grand Treasurer