

Amnesty International USA

Group Tax Status

User Guide

Background:

This user-guide has been compiled to assist both local and student group members to navigate Amnesty International USA's (AIUSA) IRS charitable 501(c)(3) tax-exempt status in relation to their group's financial operations. Local/student groups need to adhere to AIUSA's guidelines to meet IRS compliance; AIUSA is responsible for crafting and implementing these policies; and the Board of Directors of AIUSA is responsible for oversight of these policies with the best interests of AIUSA in mind.

Charitable tax status is relevant to groups because many groups raise funds, hold events, and generally take in and spend money.

AIUSA is a public charity 501(c)(3) tax-exempt non-profit organization. The way that the IRS tracks this tax status for AIUSA as a national organization is through AIUSA's Employer Identification Number (EIN). Besides public charity status AIUSA also holds a group exemption status which allows "subordinate organizations" or local/student groups, to benefit from AIUSA's tax-exempt status under the tax code.

The group exemption status comes with requirements for both AIUSA as a national charity **and** for the local/student groups who use it. AIUSA must keep an accurate record of its groups and provide the IRS with an updated list each year on October 1st. Local/student groups must report on their financial activities to the IRS and AIUSA each year unless they operate on the Cash or Personal basis (see below).

This guide is the first phase of a three-phase process to be implemented over the next three years. In 2016 AIUSA seeks to gather information about its local groups and provide them with basic fiscal compliance guidelines. In 2017, AIUSA will strengthen and delineate its group fundraising guidelines. In 2018, AIUSA will solidify its chartering process, which will involve setting up articles of affiliation.

This user-guide provides **three approved approaches** for local/student group status (below).

Each AIUSA group must choose one of the three approved approaches below. The only exception to this rule is for student groups who receive all of their funds from their schools. If these are the only monies the student group receives, they do not need to select one of these three options.

- 1. Cash Basis:** Also sometimes referred to as the "coffee can" approach, a local/student group may choose to conduct all of its business using cash but no checks. This approach requires that **no** tax receipts be issued to donors and needs **no** annual reporting to the IRS. This approach may be used when revenue/spending is anticipated to be less than \$2,000 per annum.
- 2. Personal Basis:** If a group wishes to write checks and have a bank account, a responsible member of the group (group leader, group treasurer, etc.) may

use their own personal Social Security Number (SSN) to open a bank account. This will not affect the individual's personal taxes other than perhaps a very small amount of interest income if the group happens to use an interest bearing bank account (very rare these days). This approach requires that **no** tax receipts be issued to donors and also requires **no** annual reporting to the IRS. This approach is useful for groups with less than \$5,000 per annum in spending.

3. **Tax-Exempt Basis:** If a group does not wish to use a member's personal information to start and run a bank account, that group may apply for and obtain **its own EIN** (see below) and use that EIN to open a bank account. This step separates the group's activities from its members, as opposed to using members' personal information (i.e. their SSN). Groups following this basis are entitled to issue tax receipt letters to donors if requested.

Setting Up a Bank Account (where Option 3 Tax-Exempt Basis has been chosen)
AIUSA local group bank accounts should be named using either of the following formats: “ Group of AIUSA” or “Local Group# of Amnesty International”. This approach will permit tax receipt letters to be issued by the group to donors as they may request. Groups who use this approach must annually electronically file the IRS Form 990-N for the current calendar year by May 15 of the following year. Before you can eFile with the IRS you must have previously sent the following information to Amnesty's New York office by September 30 (and annually thereafter if changes are made):

- The name and mailing address of a point of contact for the group
- The group's EIN number

It takes six weeks after AIUSA registers you as a group with the IRS before you can eFile on their online system. On an annual basis you should provide proof of filing of the IRS Form 990N with either the confirmation page or updated status page from the IRS website after you have eFiled. This should be mailed to the New York AIUSA office.

Reporting to AIUSA Annually (where Option 3 Tax-Exempt Basis chosen)

In summary, AIUSA needs to hear from groups who have an EIN at least once per year so that we may help maintain the registration of the group charitable status. AIUSA needs to provide a full list of groups and their EINs on an annual basis by October 1st to be in compliance. Local/student groups that maintain a bank account without reporting or maintain one under AIUSA's own EIN number are out of compliance with IRS rules.

Group fundraising should be for local purposes and generally in smaller dollar amounts. Larger donations including foundation, corporate support, or planned giving (bequests) should be channeled through the Development team at AIUSA. Donations received locally but meant for AIUSA should be sent to the NY head office. More guidance on fundraising will be provided in phase two of this project.

Groups should share bank account and contact information with your Field Organizer in addition to providing it to AIUSA. Log in to the [Activist Resource Community \(ARC\)](#) for contact information of staff in your local area.

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provide them with basic fiscal compliance guidelines. In 2017, AIUSA will strengthen its group fundraising guidelines. In 2018, AIUSA will solidify its chartering process, which will involve articles of affiliation.

Key Terms

Employer Identification Number (EIN): A 9-digit number in the following format XX-XXXXXXX that the Internal Revenue Service (IRS) assigns to organizations. The IRS uses the number to identify entities who are required to file informational returns or business tax returns. No local group of Amnesty International USA may use AIUSA's EIN 52-0851555 for any purpose, including to open or maintain a bank account.

Group Exemption Number: A 4-digit number that the IRS assigns to public charitable organizations who have been granted a group exemption under the 501(c)(3) code. AIUSA's group exemption number is 9240.

Determination Letter: A document produced by the IRS and addressed to an organization, recognizing that organization's tax-exempt status under a specific 501(c) code, for example 501(c)(3), 501(c)(4), etc., which references the organization's Group Exemption Number (if applicable) and EIN. Groups would operate under AIUSA's umbrella determination letter and not receive their own.

IRS Form SS-4: The one-page application for an EIN which is filed with the IRS. (see below)

Gross Receipts: The total amounts received from all sources during the annual accounting period, without subtracting any costs or expenses.

Fiscal Year: The annual accounting period on which an organization operates. AIUSA operates on a calendar fiscal year, beginning January 1 and ending December 31.

IRS Form 990: An informational return which is a tax-exempt non-profit organization's alternative to a business tax return or an income tax return. AIUSA files a full Form 990 which runs approximately 60 pages in length and is publicly available on our website. Local groups will electronically file a 990-N also referred to as the "electronic postcard". This eFiled document is suited to groups with gross receipts of less than \$50,000 per year. In the rare instance your local group exceeds this threshold you need to contact AIUSA.

How to Apply for an EIN

The IRS offers several ways to apply for an EIN; you can do so [online](#), by phone at 800-829-4933, via fax, or by mail. To apply for an EIN by mail you complete IRS Form SS-4. There are easy instructions for how to complete Form SS-4.

Listed below are steps to apply for an EIN online:

- **Identify:** You will be prompted to select a type of business or organization for your group. After clicking "View Additional Options," select "Community or Volunteer Group."
- **Authenticate:** Choose a responsible party who will be the point of contact for any government-issued correspondence to your group. After filling in that person's first name, last name, SSN, and affirmation (check the box which states "I am a responsible and duly authorized officer or member of this organization"), click Continue. There is also an option to designate a "Care of" or person who should receive any mail from the IRS in reference to the group. This is a way to divide responsibility and ensure that more than one person is on record with the IRS as having been associated with the group's EIN.

- **Addresses:** Enter the physical address of the responsible party whose information you entered in step 2. You will have the option to add a 2nd address if you prefer mail correspondence to be sent elsewhere.
- **Details:** The name of your group should be “Group # ____ of Amnesty International” with your assigned local group number filled in. Do not enter “Amnesty International” as the first words in your group name. On the next page, you will be asked to answer a few basic questions about your group’s activities. You should answer “No,” to the question about an expectation of having employees who will be issued W2s. Asked the type of organization, select “Other,” then “Organization,” then “Social or Civic.”
- **EIN Confirmation:** You may request either to receive a PDF online version of your EIN confirmation letter **OR** to receive your EIN confirmation letter by mail.

After you have been issued an EIN, you “may” receive employee wages reporting forms from the IRS. While at first glance the number and initial supply of these forms mailed out by the IRS may appear daunting, you may report “no employees,” and check the box which reads “this is my final report.”

How to File Form 990-N

IRS Form 990-N is filed exclusively online [here](#). The IRS offers easy-to-follow information on how to accurately complete and file your form 990-N. Remember you will have had to provide your information to AIUSA by September 30th and then wait six weeks before the IRS system will let you eFile. Before you begin, you should have the following information ready:

1. Your unique local group EIN (obtained above)
2. Group exemption number for AIUSA is 9240
3. Legal name and mailing address for your group (the one which you entered during your application for an EIN)
4. Any other names the group uses
5. Name and address of a principal officer (this will not impact the individual's personal taxes)
6. Web site address, if your group has one
7. Confirmation that the organization's annual gross receipts are \$50,000 or less
8. Group's tax year (this is the same as the fiscal year, January 1-December 31)

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