



SIGMA ALPHA EPSILON

BE TRUE.

September 15, 2009

Dear Brother,

Below and attached you will find information about a change in IRS regulations and reporting requirements that will affect house corporations, alumni associations and chapters. Please read it carefully and contact Associate Executive Director Greg Somers at (773) 590-1056, Accountant Dan Stanczak at (847) 424-3005 or General Counsel Frank Ginocchio at (888) 237-0778 if you need further assistance.

Beginning in 2008, tax-exempt organizations with gross receipts of \$25,000 a year or less are required to remind the IRS of their tax-exempt status by filing a Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or 990-EZ. The change will affect most Sigma Alpha Epsilon undergraduate chapters, alumni associations and house corporations and is in response to the enactment of the 2006 Pension Protection Act (PPA). These organizations will be required to electronically submit a Form 990-N, also known as the e-Postcard, to the IRS annually.

The new filing requirement took effect in 2008, and the due date is the 15th of the 5th month following the end of your fiscal year. For example, if your fiscal year ends on June 30, then your Form 990-N is due on November 15. Organizations that are required to file a Form 990-PF and those required to file a standard Form 990 or 990-EZ tax return are exempt from this requirement.

The PPA requires the IRS to revoke the tax-exempt status of any organization that fails to meet all filing requirements for three consecutive years. This means that any organization that fails to comply with the new filing requirements as specified above will lose its tax-exempt status on the filing date of the third year. The organization will then be required to reapply for tax-exempt status and comply with the new filing regulations.

For more information, you are encouraged to visit the IRS website at www.irs.gov or call the IRS at (877) 829-5500. The e-Postcard (Form 990-N) is available on the IRS website.

Note: Each chapter, house corporation and alumni association will file an electronic Form 990-N under its own Federal Tax ID number using Sigma Alpha Epsilon's group ruling number. The group ruling number for chapters and alumni associations is 0228. The group ruling number for house corporations is 5312.

Fraternally,

Steven K. Pripke

Eminent Supreme Recorder

IRS to Notify Small Tax-Exempt Organizations of New Information Reporting Requirement

The IRS has announced that it has begun mailing educational letters to over 650,000 small tax-exempt organizations that may be required to submit a new annual notice, Form 990-N, "Electronic Notice for Tax-Exempt Organizations Not Required to File Form 990 or 990-EZ."

Citations: IR-2007-129

Date: Jul. 12, 2007

WASHINGTON – The Internal Revenue Service today announced that it began mailing educational letters this month to more than 650,000 small tax-exempt organizations that may be required to submit a new annual notice, Form 990-N, "Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or 990-EZ."

IRS expects to mail the letters over a period of several months, finishing in December.

With the enactment of the Pension Protection Act of 2006 (PPA), the majority of small tax-exempt organizations are now required to submit the e-Postcard. Previously, tax-exempt organizations with gross receipts of \$25,000 or less were not required to submit information returns. The first e-Postcards are due in calendar year 2008. The IRS intends to have an option available for free electronic submission of the e-Postcard.

"We're sending these educational letters to all the small exempt organizations in our records because we want to make sure they all know about the new requirement," said Lois G. Lerner, director of the IRS Exempt Organizations division. "The new e-Postcard reporting requirement is simple and straightforward, but organizations shouldn't ignore it, or they risk losing their tax-exempt status."

Any organization that fails to meet its annual reporting requirement for three consecutive years automatically loses its tax-exempt status under the new law. An organization that wants to regain its exempt status will then have to reapply for recognition as a tax-exempt organization.

Short, Easy, Free and Electronic

"The IRS calls the new form an e-Postcard because it is short, easy and electronic," Lerner said. "And organizations will be able to submit it free of charge."

The e-Postcard requires small organizations to provide a legal name and mailing address, any other names used, a Web address if one exists, the name and address of a principal officer and a statement confirming the organization's annual gross receipts are normally \$25,000 or less.

In addition to sending out educational letters, IRS is encouraging everyone – individual volunteers, tax practitioners and larger organizations – to spread the word about the new e-Postcard reporting requirement.

"People do a lot to help their communities by volunteering their time and money to local charities. We're asking them to also offer a helping hand by making sure that charities know about the law change," Lerner said. "We don't want those organizations to lose their tax-exempt status because they didn't know about the new reporting requirement."

The IRS is developing a free reporting system for the e-Postcard and an application to make the information available to the public on IRS.gov. Information about these systems will be announced as soon as it becomes available.

Further details, including exceptions to the reporting requirement and a copy of the educational letter, are available in the charities and non-profits section of IRS.gov.

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