

Frequently Asked Questions - Internal Revenue Service (IRS) Filing Requirements

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SLP CLUB INFORMATION

- 1. Do Key Clubs and Circle K Clubs need to apply for an Employer Identification Number (EIN)?**
Depends. If the money collected by the club is deposited into school accounts and reported as part of the school funds, then the club does NOT need to apply for an EIN. Clubs administered in this fashion should have their activities and financial information included and reported with the financial information for the school. If club funds are not deposited into school accounts and reported by as school funds, then the club must apply for an EIN. Visit www.irs.gov and search for EIN to do so.
- 2. For tax-reporting purposes, is Kiwanis considered the parent organization for Builders Club, K-Kids and Aktion Club?** Yes. Builders Club, K-Kids, and Aktion Club are not separate legal entities. As a result, each organization does not have its own EIN or GEN. Each of these organizations is considered a sponsored program of Kiwanis International and is governed by Kiwanis. If any clubs in these three programs apply for an EIN, they would be considered part of the Group Exemption Filing for Kiwanis International.
- 3. Do K-Kids clubs, Builders Club clubs, and Aktion Club clubs need to apply for an EIN?** The rules for these clubs are similar to the rules for Circle K and Key Club. If the funds of the club are deposited and reported by the school, then the club does NOT have to apply for an EIN or file with the IRS as a tax-exempt organization. If the school does not deposit or report the club funds, then it is recommended that the club file for an EIN, report the EIN to Kiwanis International, and complete the annual filing with the IRS.
- 4. Can a Key Club or Circle K club use the EIN of the school for IRS reporting purposes?** No. The EIN of the school should never be used by the club and reported to the parent organization for group exemption reporting. The school is a separate tax-exempt organization [usually a 501(c)(3) organization] and should not be associated with a Key Club or Circle K Group Exemption Filing.
- 5. What are the IRS reporting requirements for Key Club and Circle K clubs that are considered to be an activity of the school and thus are not required to have a separate EIN?** There would be no separate IRS tax reporting requirements. The finances of the club would be considered assets of the school and subject to the reporting requirements of the local and state government. The club should certify to the parent organization, in writing, that the club has its activities reported by the school and does not need to be a part of the group exemption filing. NOTE: Both Key Club and Circle K International will send a notice to the club asking for the club to return this notice and certify that this is the case. Such certification will be entered into the membership/club database and kept on file for future reference.

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6. **What happens if my Key Club or Circle K Club has its financial activities controlled and reported by the school, but the club has already received an EIN and reported its EIN to Kiwanis?** It is recommended that the club continue to file the appropriate Form 990 with the IRS until the following can be completed. The club will be asked by the parent to certify (in writing) that the funds of the club are controlled and reported by the school. This request will occur during the administrative year 2008-09. When the club certification is received, Kiwanis will then notify the IRS that this club's EIN should be inactive and the club removed from the Group Exemption filing. Kiwanis will also notify the club that the IRS has been notified to remove the club's EIN from the Group Exemption filing. When this occurs, the club can then discontinue filing Form 990 with the IRS as it would now be considered part of the school for reporting purposes.