



Dear ESA Headquarters:

This is to confirm that:

Chapter Federal ID #:		
Chapter/Council Name:	Chapter #:	
City:	State:	Zip:

is a paid member of the Epsilon Sigma Alpha International Council (ESAIC), and as such is under the jurisdiction and supervision of the ESAIC. It is the desire of the above to be included in the group exemption from the Internal Revenue Service.

Further, this Chapter/Council has its own Employer Identification Number (listed above) and wishes to be included in the annual group tax return and will comply with Federal Regulations of the ESAIC. An annual financial statement will be submitted to ESA Headquarters each year by September 15 to be used in the filing of the annual tax return to the Internal Revenue Service.

The undersigned Chapter/Council hereby agrees to the above and will fulfill all requirements necessary to secure and receive benefits of this exempt status.

Signature (President or Treasurer)	Member #	Address
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This report is to be filed with:
ESA Headquarters
2580 E. Harmony Rd Suite 301-11
Fort Collins, CO 80528
Email to: esainfo@epsilonsigmaalpha.org

Deadline to file: September 15, 2024
DO NOT SEND REPORT AFTER THIS DATE
- it cannot be included in the Group Form 990.

FINANCIAL REPORT

Balance on Hand (all accounts) 1
August 1, 2023

INCOME

Dues 2

Ways & Means 3
Philanthropic projects

Other (Interest) 4

DISBURSEMENTS

Operating Expenses 7

Philanthropic or 8 (*See Note)
Service projects

Other 9

Subtotal of Income 5
(Add #2, #3, & #4)

Total Disbursements 10
(Add #7, #8, & #9)

Total Income 6
(Add #1 & #5)

Balance on Hand 11
July 31, 2024 (all accounts)
(Subtract #10 from #6)

***Note – new in 2024:** This is where you report your donations to other nonprofits. *If you donate \$5,000 or more to any one nonprofit (meaning a total of \$5,000+ to a single nonprofit, not \$5,000+ across multiple nonprofits), the IRS is now requiring us to report these amounts on our group tax return. If your chapter or council falls into this category, please use the accompanying Excel spreadsheet to provide the information. We have provided examples to show the information needed. If these are two you donated to, please just fill in the “Cash Grant” amount. If you have different organizations you donated \$5,000 or more to, please provide all the information in each column. If you file electronically, please save the file with your chapter name and number in the file name and send it along with your TAX FACTS form. If you file via USPS, just print the file and send along with your form. The file is set up so that all you have to do is click on “Quick Print”.*

Chapters and Councils please take notice! The IRS now makes us list each participating subordinate member of the group exemption in our annual Form 990 tax return. If you do not file TAX FACTS, you will not be included in the Form 990 and, therefore, will NOT be a participating member of the group exemption that year. Therefore, it is imperative that you file your TAX FACTS annually and on time.

The method of record keeping is up to the individual Chapter or Council.

GENERAL INFORMATION

The purpose of a federal income tax exemption is to preclude a Chapter or Council from having to pay Federal Income Tax on money it raised for charitable purposes. For example, if a Chapter raises \$1,000 through a fundraising drive, i.e., a bake sale, style show, etc., and the expenses incurred amount to \$500, in effect the Chapter has earned a \$500 profit. The tax exemption privilege precludes the Chapter from having to pay Federal Income Tax on that "profit" when it has been designated for a charitable purpose.

Listed below are the requirements which a Chapter or Council must meet in order to qualify under the Group Exemption Status of the Epsilon Sigma Alpha International Council (ESAIC).

1. A letter of authorization must be filed with ESA Headquarters, each year, stating that the Chapter/Council is under the jurisdiction and supervision of the ESAIC and that said Chapter/Council is a paid member of the ESAIC. You meet this requirement by signing the top half of the other side of this page.
2. A financial report must be filed EACH year with ESA Headquarters covering the period August 1 through July 31. This fiscal year period is necessary for this report only and is not intended to interfere with established procedures in the Chapters and Councils. (This form must be received by Headquarters no later than September 15 of each year.) You meet this requirement by filing this TAX FACTS Form.



3. There will be no cost to the chapters or Councils for the filing of the annual tax report. (This service is provided to Chapters and Councils by the ESAIC and ESA Headquarters).
4. An annual Form 990 will be completed by ESA Headquarters and will include all TAX FACTS reports sent to ESA Headquarters by September 15 of each year. The completed Form 990 will be delivered to the IRS in a timely manner each year.
5. Each Chapter/Council must have an Employer Identification Number. This is a nine-digit number and is used like we use our social security number, only the format is 88-8888888 and not like the SSN format 888-88-8888. It is necessary that a Chapter have this ID Number when they file their financial report each year. ESA Headquarters automatically applies for your EIN when you charter your chapter.
6. The federal designation as nonprofit does not exclude the Chapter/Council from paying State/City Sales Tax, etc. In order to be exempt from State/City Tax, you would have to apply for the exemption through your State or Local taxing Agency.
7. Financial information must be filed every year. Be sure this report covers transactions from August 1 through July 31. The report must be received at ESA Headquarters prior to September 15 each year. Send in an envelope marked "TAX FACTS".

The International Council has a 501(c)(4) designation which refers to Civic Leagues and Social Welfare Organizations. This is not a charitable or tax-deductible designation. ESA Chapters must report once a year to ESA Headquarters to qualify under the Council's Group Exemption.