

GUIDELINES FOR FILING TAX RETURNS FOR USA CHAPTERS

Refer to the IRS website at www.irs.gov/eo or your chapter CPA. (08-01-22-7B)

1. *General ASHRAE Chapter US Federal Requirements:*

Beginning in 2008, US ASHRAE Chapters whose gross receipts are normally \$25,000 or less are required to file an electronic e-Postcard notice, Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or 990-EZ. Chapters with more than \$25,000 in income need to file Form 990, Return of Organization Exempt From Income Tax, or Form 990-EZ, Short Form Return of Organization Exempt from Income Tax. Organizations that do not file the notice for three consecutive years will have their tax-exempt status revoked as of the filing due date of the third year.

2. *The dollar limits above are scheduled to change in future years. Check with IRS website for the latest information.*

3. *Filing date for Chapters with a July 1 – June 30 tax year is November 15.*

Definition of Terminologies

1. ***Gross Receipts:*** Defined as the gross amount received by the organization during its annual accounting period from all sources without reduction for any costs or expenses including the costs of goods or assets sold; cost of operation, expenses of earning, or collecting such amounts. Gross receipts include, but are not limited to, the gross amount received from contributions, gifts, grants and similar amounts; the gross amount received as dues or assessments from chapter members or affiliate organizations; the gross sales or receipts from business activities (whether or not it relates to your exempt purpose); the gross amount received from the sale of assets; and, the gross amount received as investment income.

2. ***Unrelated Business Income:*** Defined as income received from a trade or business which is regularly carried on by the organization and is not substantially related to the performance by the organization of its exempt purpose or function except that the organization needs the profits derived from this activity. Examples of income from business unrelated to the chapter's exempt purpose include, but are not limited to, receipt of fees from member advertising in the chapter newsletter or proceeds of sale of items unrelated to ASHRAE business. (05-06-27-28)

The above statement is taken from Appendix LL of the Manual for Chapter Operations (MCO). For more details review Section 1.5, Treasurer; Section 4.1, Chapter Finances; Section 4.3, Tax Status; and Section 4.4, Record Keeping of the MCO or visit the IRS website at the above web address.