



FAQs – Tax ID#'s for Epsilon Sigma Alpha International Council Chapters and Councils (ESAICCC):

- Is ESA a charity?
 - NO, ESAICCC's have 501 c 4 "not-for-profit" status with the IRS, we do not have charitable status. This means that ESAICCC's who file their tax facts with ESA HQ and pay their \$40 chapter dues with the International Council's Treasurer are "not-for-profit" entities in good standing with the IRS and do not have to pay income tax on the money they earn, they just have to report their monetary transactions annually via tax facts.
 - ESAICCC's are NOT charities... charities have 501 c 3 "charitable" status with the IRS. Donations to 501 c 3 entities are tax deductible for donors. DONATIONS TO ESA PROJECTS OR CHAPTERS ARE NOT TAX DEDUCTIBLE FOR DONORS. If someone wants to donate, they should make their check payable directly to the charity you are supporting and the charity can issue a tax letter to the donor using the charity's tax ID #. The charity can also issue tax letters for in-kind services or goods donated (donors get a tax letter from St. Jude, Susan G. Komen, Wounded Warriors or whoever your project is supporting). Your chapter's tax ID number and the ESA national tax ID number are invalid for such purposes and should not be given out for this purpose. The only ESA entity that has 501 c 3 status is the ESA Foundation. Their work is governed by all the rules and regulations of public foundations and is therefore quite specific about the donations they receive and the projects they undertake. The ESA Foundation tax number is not to be used by anyone or any project without the specific permission and supervision of the ESA Foundation.
 - ESAICCC's are not exempt from sales tax on purchases. When purchasing goods for your conventions, meetings, chapter fundraisers etc., you are not eligible for sales tax exemptions, do not attempt to provide your tax ID number for this purpose. Many ESAICCC's have applied for sales tax exemptions at their local and state levels and all are encouraged to do so if they want to be exempt from these taxes. ESA HQ staff does not make these applications on behalf of the ESAICCC.
- How does our chapter get a tax ID?
 - When a new chapter is chartered, ESA HQ applies for your tax ID number with the IRS, and once it is assigned by the IRS, we will send the tax ID number to the chapter president of record. You will not be able to open a bank account until your tax ID number has been assigned by the IRS. Please do NOT file for a tax ID number on your own as this causes duplication, which can take months to rectify.
- What are valid uses of our chapter/council tax ID numbers?
 - You need your tax ID number to file your tax facts and have ESA HQ report to the IRS on your behalf.

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- You need your tax ID number to open a bank account for your chapter. (If your chapter/council already has a tax ID number, your lives will be much easier if you do not attempt to open a new account. Each bank has its own requirements for opening a new account and MANY TIMES the process is painfully long and arduous. Our advice for existing chapters/councils is to keep the account(s) you already have and don't change bank accounts just because you have a new treasurer.)
- You may need to provide proof of your valid 501 c 4 status if you have the opportunity to partake in a business's program supporting non-profit organizations in your community (sometimes businesses allow local groups like the Southwest Softball League, Metro Quarter Horse Association, Alpha Gamma chapter of ESA and so on) to use their facilities, have a booth in their parking lot etc. and require proof of your "not-for-profit" 501 c 4 status to determine your eligibility.
- What do we have to do to maintain valid "not-for-profit" status for our chapter?
 - EVERY YEAR, your chapter must do two things to be considered in good standing as a not-for-profit 501 c 4 group in the eyes of the IRS:
 - 1. You must file your tax facts with ESA HQ by September 15
 - 2. You must pay your IC chapter/council dues of \$40 to the ESA IC treasurer
 - Chapters/councils who have done both of these things and request a verification letter from ESA HQ stating that the chapter is in good standing are eligible for such a letter (for example, this letter is needed when you open a new bank account or need to prove you are in good standing to participate in a community event). If you have not done both, we cannot send a letter.
- What do we do if we receive correspondence from the IRS?
 - Please forward any correspondence from the IRS to ESA HQ if you'd like assistance in the matter.