

# TAX INFORMATION FOR YOUR STUDENT ORGANIZATION

## **What is a Federal Tax ID Number/EIN?**

The Federal Tax ID Number (also known as the Employer Identification Number or EIN) is a number used to identify a business or other organization.

Student organizations wishing to open a bank account must apply for an Employee Identification Number (EIN). Organizations should not open a checking account using an individual's social security number. The financial burden of that account then rests with that individual and they become responsible for claiming any interest accrued on that account on their own taxes. They also become responsible for the account if there is a problem with it.

## **Why do I need a Federal Tax ID Number?**

If your organization applies for funding through the Student Association's appropriations process, or you do a fundraiser with an outside business like a restaurant, you need a tax ID number to receive money or in-kind donations. You will also need this number to open a bank account. Additionally, obtaining an EIN helps to ensure the IRS will not make any of an organization's members personally responsible for taxes on revenue that the organization has earned.

## **Can we just use the University's EIN?**

Recognition by MSU does not imply tax-exempt status and student organizations are not allowed to use the University's EIN number or non-profit status, unless they are a Sponsored Student Organization. Registered Student Organizations are independent entities responsible for their own finances and establishing and maintaining their tax status with the IRS.

## **Is the Federal Tax ID Number the same as being a non-profit organization?**

No. Student organizations are not Federally Tax-Exempt Non-profit Organizations. Only the federal government can confer charitable status on an organization. Filing for charitable status (501(c)(3) status) is a lengthy legal procedure that commits the organization to the rigorous annual reporting procedures required by the IRS. Because of the annual reporting requirements and the frequent turnover of student leadership, we do not encourage student organizations to file for charitable status.

## **How do I get a Federal Tax ID Number?**

The easiest way to apply is online through the IRS website. You will be walked through the application and receive your number immediately. You can also apply by mail or over the phone.

### **Applying for an Employee Identification Number**

1. Go to the Online EIN Application  
<https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>
2. Read instructions and click on "Apply Online Now"
3. Read instructions and click on "Begin Application"

4. Scroll to bottom of list and select on “View Additional Types including Nonprofit/Tax-Exempt Organizations,” click “Continue”
  5. Choose either “Community or Volunteer Group” or “Social or Savings Club” depending on which best describes your group. Click “Continue”
  6. Read description to confirm your selection. Click “Continue”
  7. Fill out remainder of required information
  8. Print out and retain a copy of your CP575 Confirmation. Your current and future officers will need this document for tax filing purposes.
  9. Once you have received a Federal ID Number, keep a record of it in your organization’s permanent files. You will also need to supply the Center for Student Activities with a copy of this paperwork.
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### **About filing**

Form 990-N, *Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990EZ*, must be submitted electronically.

- Form 990-N must be completed and filed electronically. There is no paper form.
- All filers must register at IRS.gov prior to filing their next Form 990-N. This is a one-time registration; you won’t be asked to register again when filing next year.
- Form 990-N filers may choose to file a complete Form 990 or Form 990-EZ instead.
- Use the Form 990-N Electronic Filing System (e-Postcard) [User Guide](#) while registering and filing. Most common problems can be avoided by following the User Guide.
- Organizations should continue efforts to file, even if late.

### **Who must file**

Most small tax-exempt organizations whose annual gross receipts are normally \$50,000 or less can satisfy their annual reporting requirement by electronically submitting Form 990-N if they choose not to file Form 990 or Form 990-EZ instead.

Exceptions to this requirement include:

- Organizations that are included in a group return,
- [Churches](#), their integrated auxiliaries, and conventions or associations of churches, and
- Organizations [required to file a different return](#)

### **Form 990-N filing due date**

Form 990-N is due every year by the 15th day of the 5th month after the close of your [tax year](#). **You cannot file the e-Postcard until after your tax year ends.**

- **Example:** If your tax year ended on December 31, the *e-Postcard* is due May 15 of the following year. If the due date falls on a Saturday, Sunday, or legal holiday, the due date is the next business day.

If your 990-N is late, the IRS will send a reminder notice to the last address we received.

While there is no penalty assessment for filing Form 990-N late, organizations that fail to file required Forms 990, 990-EZ or 990-N for three consecutive years will automatically lose their tax-exempt status. Revocation of the organization's tax-exempt status will happen on the filing due date of the third consecutively-missed year. Watch this IRS [YouTube presentation](#) for more information.

### **Information you will need when filing Form 990-N**

Form 990-N is easy to complete. You'll need only [eight items of basic information](#) about your organization.

### **Ready to file?**

After you have read the information above and the User Guide, use the [Form 990-N Electronic Filing System \(e-Postcard\)](#) page to start the process.

Who do I contact if I have questions or have trouble filling out the online form?

For assistance, you should contact the IRS directly. They can be reached at 1-800-829-4933.