



National FFA Group Exemption

The FFA Alumni Association (local, state, and national) is considered for Internal Revenue Service exemption purposes as a subordinate to the National FFA Organization, which at the time of non-profit exemption approval in 1976 was the Future Farmers of America Organization. Article I, Section A of the FFA Alumni Association Constitution defines the FFA Alumni Affiliate as an affiliate of the National FFA Organization. Article V, Section A of the National FFA Constitution also lists the National FFA Alumni as a division of membership followed by Section C giving a definition of eligible persons for Alumni membership.

INTERNAL REVENUE TAX NUMBER

The central organization, according to the Internal Revenue Service, is the National FFA Organization. The National FFA has been designated a group exemption number (GEN) by the Internal Revenue Service. All subordinates of the National FFA, which include all **chartered and active** local and state FFA Alumni Affiliates, must use this GEN number to verify tax exempt status on all reports to the IRS. Local and state FFA Alumni Affiliates must file for their own employer identification number (EIN) which is required when filing the IRS Form 990/990-N. The EIN is also required when bank accounts are opened or other investments are established that generate interest or dividends for the local or state FFA Alumni.

The EIN is obtained by filing Form SS-4 with your regional Internal Revenue Service Center. The Form SS-4 has 18 questions and will take only a few minutes to complete. Under 9A, check box "other nonprofit organization" and write in Future Farmers of America. Line 16, check "other" box and list educational support as the principal activity. Submit application to IRS. Once you have been assigned an EIN, this information needs to be provided to National FFA on the appropriate form. National FFA will then contact the IRS to link your affiliate to the GEN. **This will automatically default your fiscal year to match National FFA's, which is January 1 – December 31. If you require a different fiscal year, you must contact the IRS to make the adjustment. This may be done by phone (801-620-6019) or mail (Internal Revenue Service Center, Ogden, UT, 84201).**

The IRS sends the National FFA Organization a list of all affiliates using the National FFA's group exemption number for their EIN on an annual basis. The national office is required to verify this list for the IRS and add/delete FFA Alumni affiliates as necessary. If an affiliate becomes inactive (less than 10 dues paying members) with the National FFA Alumni, they will be in violation if they use the GEN for non-profit status.

Newly chartered affiliates will receive a tax information packet along with their charter certificate and scroll.

WHO MUST FILE FORM 990/990-N

Any Alumni Affiliate receiving a Form 990 or Form 990-N must return it to the Internal Revenue Service. Note that if the gross income of your affiliate is normally not more than \$50,000 you are only required to complete the Form 990-N. When gross income is (over the period of two or more years) normally greater than \$50,000 a year, the affiliate must complete the entire Form 990 or 990-EZ. An affiliate should define gross receipts to mean the total amount received from all sources (including membership dues and all fund raising activities) during its annual accounting period, without subtracting any costs or expenses. If the Alumni affiliate does not receive Form 990 and does not normally have gross income of \$50,000, the affiliate is not required to file Form 990. These affiliates should receive from the IRS the Form 990-N instead. All affiliates must submit either the Form 990-N or the Form 990 to maintain their nonprofit status.

TAX ADVICE

For specific tax or accounting questions, please consult your local tax advisor/accountant. You can also visit www.irs.gov.
