

SWE Section e-Postcard Instructions

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*Please note that these instructions were developed for collegiate SWE sections but the information contained within this document is also applicable to professional SWE sections.

Background Information:

About the e-Postcard:

The Pension Protection Act of 2006 (PPA) includes a number of provisions applicable to the tax treatment of nonprofit entities. The most important change affecting SWE sections and other small nonprofits is a new annual tax reporting requirement applicable to all nonprofit entities.

- This reporting requirement is commonly called the “e-Postcard,” because the new short-form return may only be filed electronically; the official name of the new filing form is Internal Revenue Service Form 990-N
- Exceptions to the annual e-Postcard requirement for small nonprofits include those organizations that file the full IRS Form 990 (section’s gross receipts exceed \$25,000) and subordinate organizations (in other words, chapters and units of larger organizations) that are covered by their superior organization. The Society of Women Engineers does not cover its sections, however some Universities may cover collegiate sections.
- Before the PPA, most tax-exempt organizations with less than \$25,000 in annual revenues were exempt from any annual filing requirements. Now, however, virtually all tax-exempt organizations must file annually.
- Due to the lack of required filing there is a lot of confusion with regard to tax-exempt status. Many SWE sections have obtained a tax identification number (EIN) in order to open a bank account, but that does not indicate that the IRS has approved them as a tax-exempt nonprofit. This is why all SWE sections are asked to file as a subordinate organization under the SWE group tax exemption.
- This new e-Postcard requirement helps the IRS maintain up to date information on small nonprofit organizations (like contact information).
- For organizations with tax years beginning after January 1, 2007, the e-Postcard filing deadline is the 15th day of the fifth month after the end of their first tax year after January 1, 2007. For SWE sections this would be November 15, 2008.
- Failure to file the e-Postcard consequences include loss of tax-exempt status for three years’ consecutive failure to file. The IRS may then choose to treat the organization as a business entity with income treated as business income. The organization would also face potential penalties for failure to file, even though the organization would not owe any tax.
- **All SWE sections MUST submit an e-Postcard by November 15, 2010.**

How this affects SWE sections:

Beginning in 2008, SWE sections that previously were not required to file returns may be required to file an annual electronic notice, IRS Form 990-N, otherwise known as the e-Postcard. This requirement applies to all SWE sections with less than \$25,000 in income (gross receipts) for the year or during any period where the three year average of income falls below \$25,000. It does not apply to those SWE sections that already file IRS Form 990 or IRS Form 990-EZ. It is possible that some collegiate SWE sections may be exempt if they are covered by their University's 990 (please note that most Universities do not claim professional societies that are part of larger national organizations like SWE, IEEE, ASME, etc.), but this new requirement will affect nearly all SWE sections as the Society of Women Engineers does not claim the sections on the 990 it files.

The e-Postcard is the result of the IRS trying to fix an information deficit whereby some small non-profits were not even on its radar. In order to file an e-Postcard (aka IRS Form 990-N), a SWE section must have a unique tax ID # (aka EIN) that is different from the national SWE organization's EIN and different from their University's EIN. In the past all SWE sections did not need to have their own EIN, but now they do. If a SWE section does not have a unique EIN and is not covered by the 990 filed by its University, then it will need to request one from the IRS. Many sections already have an EIN as one is often required in order to open a bank account. Even though your section may have an EIN, it is not necessarily tax exempt. In order for your SWE section to be tax exempt you must have requested that your section be added as a subordinate organization under the SWE group tax exemption.

Thus, in order to file the required e-Postcard you must first determine if your section already has a unique EIN and get one if it doesn't. Many collegiate sections put an EIN on their annual Financial Report but this EIN often turns out to be their University's EIN which they are usually not allowed to use. Once a section has a unique EIN they will have to confirm that the section is covered by the SWE group tax exemption and get covered if not already. After all of this, they are ready to file the e-Postcard. Please note that the forms will ask for the section treasurer's information. If your section is covered by the SWE group tax exemption, SWE will update the treasurer information with the IRS each year according to the submitted Financial Reports.

Organizations that fail to meet their annual filing requirement for three consecutive years are subject to losing their tax-exempt status. Thus **all SWE sections MUST file an e-Postcard by November 15, 2010 and annually thereafter**. This document is meant to direct you in complying with the new e-Postcard requirement.

Please note that it is recommended you bring this document with you when meeting with accounting or University personnel, and they should be able to help you fill out the appropriate forms.

Determining What Forms you Need to Submit:

If your section listed a 9-digit EIN on the Financial Report that was submitted to SWE last year, you need to determine if that EIN is unique to your SWE section or if it is your University's EIN. If you are unsure whether or not an EIN was listed on your section's Financial Report ask your Region Collegiate Representative (RCR) at rcr-X@swe.org (where X is replaced by the letter of your region). The easiest way to determine who's EIN you listed is to look it up online (http://www3.knightfoundation.org/apply/letter/ein_lookup.aspx). Please note that in order for the EIN to be unique to your section it must have a unique identifier in its name. If the EIN you enter returns "Society of Women Engineers" with no reference to your specific section or returns only your University's name, then you will most likely need to request a new EIN that is specific to your SWE section. Make sure to ask your University (talk to whoever is in charge of student organizations and they should be able to direct you to the correct accounting person) prior to requesting an EIN as there is a small but unlikely chance that your section is covered by your University. Please ask the following questions:

1. Does this EIN belong to your SWE section?
 - a. If it is the University's, do you have permission to use this EIN?
 - b. If it is unique to your SWE section, is your section a subordinate organization under the SWE group tax exemption? (to determine this send inquiry to the SWE Finance Chair at finance-chair@swe.org)
2. Does the University consider your student group money part of the University's money (in regards to IRS filings) since you are part of a national non-profit organization? In other words, is your SWE section covered by the 990 form that the University filed?

Depending on the answer combinations, please do the following:

- *If the answer to (1) is YES, (1b) is YES and (2) is YES then you will need to do nothing.*
- If the answer to (1) is YES, (1b) is YES and (2) is NO then you will only need to file an e-Postcard.
- *If the answer to (1) is YES, (1b) is NO and (2) is YES then you will need to do nothing.*
- If the answer to (1) is YES, (1b) is NO and (2) is NO then you will need to request that your section be added as a subordinate organization under the SWE group tax exemption and file an e-Postcard.
- If the answer to (1) is NO, (1a) is YES and (2) is YES then you will need to do nothing.
- *If the answer to (1) is NO, (1a) is YES and (2) is NO then you will have to request an EIN for your SWE section, request that your section be added as a subordinate organization under the SWE group tax exemption and file an e-Postcard.*
- *If the answer to (1) is NO, (1a) is NO and (2) is YES then you will need to do nothing.*
- If the answer to (1) is NO, (1a) is NO and (2) is NO then you will need to request an EIN for your SWE section, request that your section be added as a subordinate organization under the SWE group tax exemption, and file an e-Postcard.

Please note that the options in *red italics* above are either extremely unlikely or are not possible and if you get that set of answers it is recommended that you double check them.

If your section did not list a 9-digit EIN on the Financial Report then you will only need to ask your University question (2) above.

- If the answer is **YES** then you will need to do nothing.
- If the answer is **NO** then you will have to request an EIN for your SWE section, request that your section be added as a subordinate organization under the SWE group tax exemption, and file an e-Postcard.

How to Fill out the Forms:

Requesting an EIN:

To request an EIN you will need to fill out an SS-4 and submit it to the IRS. Please refer to the file “EIN Request Form”. The SS-4 can also be found on the IRS website (<http://www.irs.gov/pub/irs-pdf/fss4.pdf>). Please fill out the fields as follows:

- Field 1. “section number”, “university/college name” SWE section
If you do not know your section number (it should be the letter of your region followed by 3 numbers), ask your RCR at rcr-X@swe.org (where X is replaced by the letter of your region).
- Field 2. Leave blank
- Field 3. The section treasurer’s name
- Field 4. The permanent mailing address for your section.
If your section doesn’t have a permanent mailing address then use your faculty advisor’s campus mailing address or the address of one of the engineering school offices. It is recommended that you ask your University which address to use.
- Field 5a. Leave blank
- Field 5b. Leave blank
- Field 6. USA, “name of the state where your section is located”
- Field 7a. The section treasurer’s name*
- Field 7b. The section treasurer’s SSN*
- Field 8a. Mark NO
- Field 8b. N/A
- Field 8c. Leave blank
- Field 9a. Mark OTHER NONPROFIT ORGANIZATION and specify “professional society”
- Field 10. Mark OTHER and specify “federal tax exemption”
- Field 11. The date your section was chartered.
If you do not know the charter date of your section, you can go to the “Governance Documents Community” in My SWE Communities. There is a child community (of the Governance Documents Community) called “Section Charter Dates” which has files listing the date each collegiate and professional section was chartered.

- Field 12. June
- Field 13. Put zero in all 3 spots
- Field 14. N/A, but mark YES
- Field 15. N/A
- Field 16. Mark OTHER and specify “educational organization”
- Field 17. Education
- Field 18. Mark NO

Have the treasurer print their name, sign, and date the document. They should also include their phone number

This form can be mailed to the following address:
Internal Revenue Service Center
ATTN: EIN Operation
Cincinnati, OH 45999

*Please note that once your SWE section has been added as a subordinate organization under the SWE group tax exemption, SWE HQ will automatically update the IRS as to the identity of your treasurer per your annual Financial Report.

Requesting to be added as a subordinate organization under the SWE group tax exemption:

Once you have your section specific EIN you will need to request that your SWE section be added as a subordinate organization under the SWE group tax exemption. Please refer to the file “Tax Exemption Request Form”. Please fill out the form as follows:

1. “university/college name” SWE section
2. “section number”
If you do not know your section number (it should be the letter of your region followed by 3 numbers), ask your RCR at rcr-X@swe.org (where X is replaced by the letter of your region).
3. Your section’s unique EIN
4. The permanent mailing address for your section. This should be the same address listed on your SS-4.
If your section doesn’t have a permanent mailing address then use your faculty advisor’s campus mailing address or the address of one of the engineering school offices. It is recommended that you ask your University which address to use.
5. Mark YES
6. Mark NO unless otherwise known.
7. Mark NO

Please have your section treasurer sign and date the document and either e-mail it to director-finance@swe.org with the subject “REQUEST FOR SWE GROUP TAX EXEMPTION” or mail it to:

John Dee
SWE Headquarters
230 East Ohio Street, Suite 400
Chicago, IL 60611-3265

Filing an E-Postcard:

To learn more about the IRS e-Postcard requirement and electronically file your section's e-Postcard (IRS Form 990-N), you will need to follow the instructions on the IRS website (<http://www.irs.gov/charities/article/0,,id=169250,00.html>). Please note that the e-Postcard is submitted through a third party website and the directions are below.

Step 1: Getting a login ID and password

In order to get a login ID and password you will need your section's unique employer identification number (EIN). The EIN is a 9-digit number with the following format (xx-xxxxxxx). Please enter your section's EIN on the Request Login ID page (<https://epostcard.form990.org/frmNPRequestLogin1Type.asp>). All SWE sections are EXEMPT ORGANIZATIONS. The system will create your login ID based on your section's EIN. The login ID will be the EIN (without the dash) plus a two digit number (i.e. xxxxxxxxx01). Your login ID will never change. If another user requests a login ID for the same EIN, the last two digits of his or her login ID will be different (i.e. xxxxxxxxx02, xxxxxxxxx03, etc).

As part of the login ID request process you will be asked to provide an e-mail address. This is the address where your password will be sent if ever forgotten in the future. It is thus recommended that use your section's permanent e-mail address.

Once you have completed the login ID request process, you will receive an email containing an activation link. Click on the link to activate (and use) your login ID. Please remember to record both the login ID and password you are given and pass this information on to future section Treasurers.

Step 2: Creating your e-Postcard (Form 990-N)

Once you have a login ID and password you will need to fill out your e-Postcard (<https://epostcard.form990.org/frmSecurityLogin.Asp?StatusRequired=LoggedIn>). The e-Postcard is easy to complete. All you need is the following information about your organization:

- Your section's unique EIN
 - If you do not have one please see the section on requesting an EIN above
- The tax year
 - SWE's tax year starts July 1st and is named according to the year in which it ends (e.g. FY09 is from July 2008 to June 2009). All e-Postcard filings occur after the end of the fiscal year. Thus if you file your e-Postcard anytime between (and including) July 2009 and June 2010 you would list the tax year as 2009.
- Your section's legal name and permanent mailing address

- Your section's legal name is: "section number", "university/college name" SWE section
- If you do not know your section number (it should be the letter of your region followed by 3 numbers), ask your RCR at rcr-X@swe.org (where X is replaced by the letter of your region).
- Any other names the organization uses
 - N/A
- The name and address of a principal officer
 - The section treasurer's name and address.
- The website address of your section (if applicable)
- Answers to the following questions:
 - Are your gross receipts still normally \$25,000 or less?
 - Mark YES
 - Has your organization terminated or gone out of business?
 - Mark NO unless your section has been deactivated

Step 3: Submitting your e-Postcard (Form 990-N)

Once you have completed your section's e-Postcard, click the "Submit Filing to IRS" button.

The Section's e-Postcard has been filed, now what?

Every year your section will need to file a new e-Postcard. It is thus very important that you keep track of all documents related to this process. The important pieces of information are listed below:

- A copy of your section's SS-4 & the tax determination letter received from the IRS assigning the EIN number.
- A copy of your section's request to be added as a subordinate organization under the SWE group tax exemption and the letter from SWE-HQ confirming the section's inclusion in the SWE Group Exemption.
- The e-Postcard login ID and password issued to your section.

Please note that all sections are required to have submitted their first e-Postcard by November 15, 2010. e-Postcards are then due every subsequent year by November 15th. Each section will only have the 4 ½ month period between July 1st and November 15th to file their e-Postcard.

If you have any questions about the material presented in this document please contact the SWE Finance Chair at finance-chair@swe.org.