
FINANCE SUPPORT DIVISION

TO: Scout Executives, Regional and National Management Staff **DATE:** March 28, 2008
FROM: Finance Support Division
RE: Local BSA Unit Federal Reporting Requirement Regarding IRS Form 990-N

In August of last year, the IRS released new filing requirements for small tax-exempt organizations. In summary, the filing requirement states that any small tax-exempt organization that has annual gross revenues of \$25,000 or less may be required to file an electronic notice Form 990-N with the IRS.

The attached letter has been prepared for your distribution to unit leaders, council volunteers and staff, and/or chartered organizations. In addition, consider posting the attached letter on your council Web site. Here are some key points to assist you in responding to inquiries from your unit leaders and/or chartered organizations as to whether or not the unit has an obligation to file a Form 990-N (electronic postcard) for their unit.

- The BSA National Council has conferred with outside counsel and the IRS to seek clarification as to the application of these new IRS filing requirements to BSA units.
- **The BSA has determined that most units are not required to file the Form 990-N** because they are unincorporated and not legal entities. The exceptions are those units which are incorporated and have separately applied for tax-exempt status from the IRS.
- Incorporated BSA units with annual gross receipts of \$25,000 or less must file IRS Form 990-N.
- Incorporated BSA units with annual gross receipts of \$25,000 or more must file IRS Form 990 or 990-EZ.
- For BSA units required to file the Form 990-N, 990, or 990-EZ the deadline to file with the IRS is May 15.
- Additional information is available on the IRS' Web site: www.irs.gov/charities/index.html.

Should you have additional questions, please contact Brian Sindors at bsindors@netbsa.org or 972-580-2490.