

IRS Warning: Charitable Contributions

Section 6113 of the Internal Revenue Code imposes a requirement on tax-exempt organizations that a "conspicuous and easily recognizable" statement appear on all fund-raising solicitations, including dues billings. The statement must specify that all contributions and payments made to the organization are non-deductible as charitable contributions for federal income tax purposes. The disclosure requirement became effective January 1, 1988.

Failure to comply can result in a \$1,000 per day penalty by the Internal Revenue Service.

This disclosure requirement is applicable to all organizations exempt from taxation under 501 (c) of the internal Revenue Code except 501 (c)(3) organizations. Other than the TKE Educational Foundation, we are aware of very few TKE corporations that are 501 (c)(3) organizations. Therefore, the requirements of the Act will need to be followed by TKE chapters, house corporations, and most other entities within TKE.

We have been advised by our legal counsel, Leagre & Barnes, that the following language should appear on all fund-raising solicitations, dues billings, and invoices:

"Contributions and payments to (insert name of chapter, Board of Advisors, house corporation, etc) are not deductible as charitable contributions for federal Income tax purposes. However, they may be deductible under other provisions of the Internal Revenue Code."

Thank you and hope this information is adopted by your chapter, colony, Board, etc., to avoid any IRS penalties.