



Tax Identification Number (TIN) and 501(c)(3), Non-Profit Status Frequently Asked Questions

Please direct additional questions about use of the National tax identification number to the National Office at pspoffice@phisigmapi.org or 717-299-4710.

As shared in a February 2014 communication to Collegiate and Alumni Chapters/Associations, the National Office will permit use of the National Fraternity's tax identification number and its respective 501(c)(3), non-profit status for Nationally affiliated programming only. Below are frequently asked questions from Chapters/Associations regarding tax identification numbers and 501(c)(3), non-profit status.

The "why" behind the stance.

The National Office has recently received an increased number of requests from Chapters/Associations to use the National TIN particularly for concession stand and amusement/theme park fundraisers.

As a result of reviewing the contract language, it became necessary for the National Office to consult with the Fraternity's insurance consultant and attorney to ensure that National and Chapter/Association operations are in accordance with legal regulations. Many of the contracts required for Chapters/Associations to participate with these types of fundraisers require local Chapters/Associations to have 501(c)(3) status. To date, no individual Chapter/Association has this status.

The feedback received was to remind our Chapters/Associations they are not able to enter into contracts or use the National TIN in any way. By doing so, it jeopardizes the National Fraternity's tax-exempt status and exposes the National Fraternity to unnecessary and often unintended liability.

Can my Chapter use the National TIN?

The National TIN (and its respective 501(c)(3), non-profit status) is reserved for use with Nationally affiliated programming only. Chapters are not able to enter into contracts or use the National Fraternity's TIN or name in any way. This includes agreements with concession stands, amusement/theme parks and restaurants. By doing so, it jeopardizes the National Fraternity's tax-exempt status and exposes the National Fraternity to unnecessary liability. By signing a contract under the National name of "Phi Sigma Pi", it implies that National Staff and/or National Council will be physically present, when in fact they will not.

Can my Chapter acquire its own TIN?

Yes. If a Chapter/Association is interested in acquiring its own TIN, this can be done directly through a local IRS office or by following the directions found [here](#).

Will my Chapter/Association TIN permit my Chapter/Association to participate in activities that require 501(c)(3) status?

A Chapter/Association TIN will allow the Chapter/Association to function as a business for purposes such as securing and maintaining a third party bank account. Having a TIN does not automatically designate the Chapter/Association as a 501(c)(3), non-profit organization.

Can my Chapter apply for 501(c)(3) status on the Chapter level?

To acquire 501(c)(3) status, very specific IRS guidelines and requirements must be met. To date, no Chapter has acquired 501(c)(3) status.

Since my Chapter can no longer use the National TIN, how can we process monetary donations or donations in the form of goods and services to our Chapter?

Individuals and businesses can still donate directly to your Chapter/Association. However, the donation will not be tax-deductible for the donor. In order for cash or property donations to be tax-deductible they must be processed through the National Office and meet certain criteria.

Is my Chapter/Association, or the National Fraternity exempt from sales tax?

The National Fraternity pays sales tax on all items purchased and services used. The same applies to Chapters/Associations.

What types of fundraising events can my Chapter/Association plan which do not typically require a TIN or confirmation of 501(c)(3), non-profit status?

The National Office has pulled together a listing of successful fundraising ideas from Chapters. [Take a look](#) and see which ideas best fit your Chapter/Association. Collegiate Chapters can learn more about these fundraising ideas by contacting their [Chapter Consultant](#). Alumni Chapters/Associations may contact alumnirelations@phisigmapi.org.