



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

Please direct additional questions about the use of the National Tax Identification Number to the National Office at riskmanagement@phisigmapi.org or 717-299-4710. The National Office will permit the use of the National Fraternity's Tax Identification Number (TIN) and its respective 501(c)(3), Non-profit status for Nationally affiliated programming only. Below are frequently asked questions from Chapters regarding Tax Identification Numbers and 501(c)(3), Non-profit status.

1 The “why” behind the stance.

As a result of increased requests to use the National TIN, and 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 fundraisers require local Chapters/Associations to have 501(c)(3) 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.

2 Can my Chapter use the National TIN?

No. The National TIN (and its respective 501(c)(3), Non-profit status) is reserved for use with Nationally affiliated programming only. 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.

3 Can my Chapter acquire its own TIN?

Yes. If a Chapter is interested in acquiring its own TIN, this can be done directly through a local IRS office or by following the directions on Obtaining A Tax ID Number in the Resource Center.



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4 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.

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

No. A Chapter TIN will allow the Chapter 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 as a 501(c)(3), Non-profit organization.

6 Since my Chapter cannot 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. 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.

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

No. The National Fraternity pays sales tax on all items purchased and services used. The same applies to Chapters.

8 What types of fundraising events can my Chapter plan which do not typically require a TIN or confirmation of 501(c)(3)?

Chapters can learn more about fundraising ideas by contacting chapterservices@phisigmapi.org.