

THE OFFICIAL GUIDE FOR OFFICERS - CRYSOPHYLOS



TAU KAPPA EPSILON

— Better Men for a Better World —

THE HOW TO GUIDE FOR CRYSOPHYLOS

THE INS AND OUTS OF BEING A CHAPTER CRYSOPHYLOS

WHERE DOES YOUR MONEY GO?

BE INFORMED ON HOW FEES ARE SPENT

APPENDIX

EVERYTHING YOU NEED TO KNOW



Table of Contents

The role of Crysophylos is to manage the finances of the chapter. To do this, it will take hard work and time management as there is a lot of planning and accountability required. This Resource Guide has been created to be a reference tool for each group's Crysophylos.

It is more than collecting money. The Crysophylos has to plan for money coming in and going out. Particular attention needs to be paid to budgeting, bill due dates, presenting financials to the officers and chapter, and working with your bank and TKE HQ.

This Resource Guide covers important due dates and billing information, in addition to other important (but often overlooked) items that fall under the Crysophylos umbrella of responsibility.

03	The Fraternity's Fee Structure
05	Important Dates
06	What Does Our Money Go?
09	How to Budget
10	How to Collect Money & Pay Bills
11	Your Crysophylos Support System
13	Special Projects Funds
14	Appendix

The Fraternity's Fee Structure

The following are the fees to keep in mind, and budget for, during the academic year. Both chapter and individual fees can be paid by the chapter/colony through the TKE Chapter Module. Individual based fees can be paid through MyTKE.org.

01 CHAPTER BASED FEES

Chapter Assessment Fee (CAF) = \$500 per year or \$390 per semester

The Chapter Assessment Fee is an annual fee each chapter pays to support the TKE Nation ensuring dependable access to chapter services and resources. Applies to chapters only.

Conclave Savings Plan (CSP) = \$250 per semester per group

The CSP is a savings plan which offsets the cost of sending a delegate from each chapter to Conclave. Conclave 2017 is August 3-6, 2017 in New Orleans.

02 INDIVIDUAL BASED FEES

Annual Membership Fee (AMF) = \$162 per year or \$97 per person per semester

This fee is used to support the operating budget of the International Fraternity for items such as travel to visit each TKE chapter/colony and to provide services and materials to each group. Any graduate student wishing to be an active member must pay Annual Membership Fees.

Risk Management Fee (RMF) = \$200 per person

This fee is to cover the cost of the insurance policy through James R. Favor that TKE HQ has to protect our chapters and members. If your Risk Management Fee (RMF) is paid in full by October 1st, your chapter/colony will receive a 10% Credit on your chapter statement, which can be applied to any bill on your chapter statement.

Founders Housing Fee (FHF) = \$10 per semester per person

This fee is used to establish a long-term plan to help secure, maintain, improve and re-establish housing at active chapters through the Founders Housing Fund.

The Fraternity's Fee Structure (cont.)

03 NEW MEMBER FEES

Candidate Fee = \$75 per new Candidate

All candidates must pay this non-refundable fee, which is due within 15 days of bid acceptance.

Initiation Fee = \$225 per new Initiate

Prior to initiation, each candidate must pay an Initiation Fee, which should be done using MyTKE.org.

04 OPTIONAL FEES & PENALTIES FOR MISSED DEADLINES

One-Time Annual Membership Fee = \$485

Initiates who pay the one-time Annual Membership Fee option will not have to pay Annual Membership Fees for the rest of their collegiate careers.

Finance Charges = Varied Amount

This fee is calculated on the remaining balance which is 30 days past due on the first of each month at a rate of 1.5%.

Penalty Fees = \$90 per past due candidate

Assessed twice a year only to candidates who have an initiation fee that is past due with the International Headquarters. Make sure each candidate has paid both his candidate and initiation fee prior to the end of each semester and this fee will not be charged.

Important Dates for Crysophylos

Each year, three forms must be completed by the chapter/colony. These forms all need input from the group's Crysophylos and Board of Advisors. The Fraternity's fiscal year is June 1 through May 31.

Annual Membership Fee Worksheet (Annual Roster) - Due September 15

Rosters provide the International Headquarters a point in time snapshot of every member that is currently in the local chapter. Your chapter and individual fees will be based off of your completed roster.

IRS Tax Form 990 - Due October 15 (Due date may vary)

Tax returns are due on the 15th day of the fifth month after your group's tax year-end. TKE Headquarters has a fiscal year end date of May 31st, making our IRS Form 990 due on October 15th. If you aren't sure of your year end, you can refer to the previous year's filing paperwork. Additionally, you may visit [GuideStar](#), a search engine providing the most up-to-date nonprofit data available, and search by your groups EIN. For more tax filing information, please reference the appendix.

Annual Report - Due May 15

Per Black Book, TKE's International Bylaws and Constitution, each chapter and colony is required to file an annual report with the TKE International Headquarters. This report can be located on the TKE Chapter Module at [module.tke.org](#).

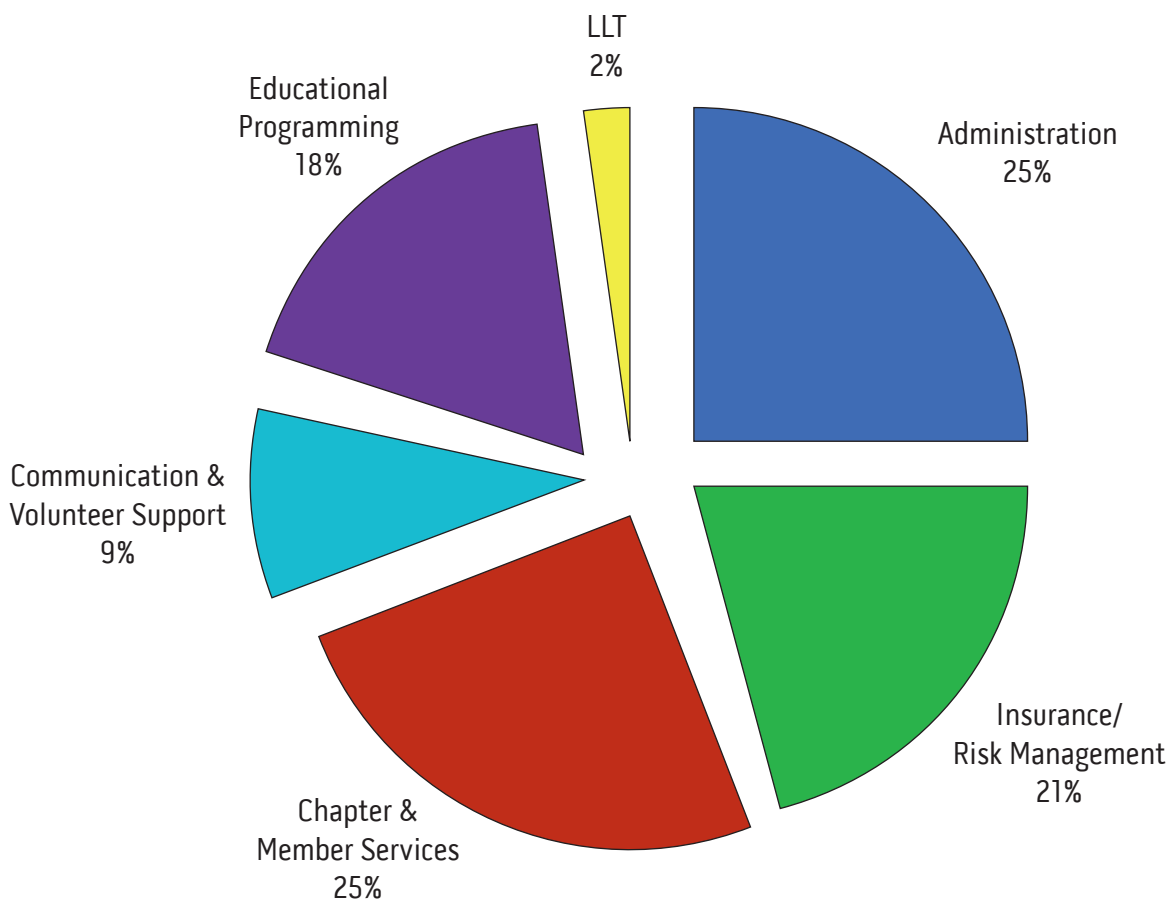
To make sure you don't miss any deadlines, please download the latest Year at a Glance found here: www.tke.org/yearataglance.



Where Does Our Money Go?

One of the most sought after answers by collegiate members deals with where their dollars go once given to the Offices of the Grand Chapter. To keep Tau Kappa Epsilon financially stable and provide the best service per dollar, provisions need to be made for a myriad of fraternity functions. Being one of the world's largest college social fraternities has its challenges, but TKE has always exceeded expectations thanks to great budgeting and hard work by the entire Professional Staff, an amazing group of volunteers and oversight from the Grand Council.

Over thirty men and women and a few thousand volunteers are charged with making the fraternity experience of more than 11,000 undergraduates and 225,000 living alumni the highest caliber possible. Below is the breakdown of TKE Expenses.



Functions of the Fraternity's Headquarters

01 ADMINISTRATION - 25%

The home for the Offices of the Grand Chapter, salaries and benefits for Professional Staff, office supplies, and overall operations of the Fraternity are included in this category. Additionally, this includes chapter archives, TKE Heritage Center and legal files managed and maintained by TKE Professional Staff.

02 CHAPTER & MEMBER SERVICES - 25%

The Fraternal Services staff and others on the professional staff make an effort to visit every chapter and colony in the TKE Nation. They do this to assist in solving problems, help with recruitment, educating officers, and help meet all of the chapter and TKE Nation goals.

03 INSURANCE & RISK MANAGEMENT - 21%

A Fraternity is very expensive to insure, primarily because of risk management situations. From basic incidents to lawsuits, the organization needs to be covered in the unfortunate time when a problem occurs. Things like Crisis Communication, Response Ability (Preventing Bystander Behavior), eCompliance and other Risk Management Education are offered to keep you and your guests safe.

04 PROGRAMMING - 18%

Conclave, Regional Leadership Conferences, Province Forums, the Charles R. Walgreen TKE Leadership Academy, and the William V. Muse Alumni Volunteer Academy are all included under this vital tool in Tau Kappa Epsilon. There are also several smaller functions that assist the Fraternity to increase involvement (collegiate and alumni), better themselves personally and professionally, network and much more.

05 COMMUNICATION & VOLUNTEER SUPPORT - 9%

In a world where the speed of technological advances and communication keeps increasing, it is vital to have a solid foundation in this area. From a membership database to the website and beyond, TKE seeks to offer the best virtual experience possible. The TEKE Magazine, Recruitment Supplies and Marketing Materials, Social Networking, Website, Crisis Communication Plan and Press Relations are just a handful of services provided in the Communication & Marketing Department. In addition, volunteer and alumni support require vigilant effort to keep the membership informed of the past, present and future of TKE. The talented Professional Staff helps make the TKE's presence felt for every member and the rest of the world.

06 LIFE LOYAL TEKE - 2%

The Life Loyal Teke Program is a way to reaffirm the commitment you made as a collegiate member joining TKE. When a Frater enrolls in the Life Loyal Teke program he receives lifetime communication from the Fraternity. Receptions and webinars are among the functions offered to LLTs.

The reality is our Fraternity has a cost, but Tau Kappa Epsilon is an investment in both today and tomorrow. You are helping continue a tradition of brotherhood not seen in the fraternal world and ensuring it will be here forever. At the Offices of the Grand Chapter, we want to help you succeed in every phase of life and it's why we work here. The member fees go right back into making your experience memorable, worthwhile, and something you'll carry with you forever. Our goal is to deliver value to you through vehicles such as this document.

The answer to the question of where your money goes is YOU.

How to Budget

Chapter budgeting is a crucial step in the chapter playbook for a successful year. There are multiple methods to creating and maintaining an effective chapter budget. Financial responsibility is a key component of every successful organization on campus. Having a budget in place for the upcoming year will ensure that funds are available for recruitment, philanthropy, scholarships, brotherhood events, Red Carnation Ball, and most importantly, Conclave!

Your budget for the following year should be completed with your Board of Advisors by May 15th. You should have enough information by then to estimate the number of members you have returning, have your housing and fees established for the next fiscal year, and also be able to project expenses.

TKE HQ provides suggestions, and even a link to a working budget on tke.org. One of the most important pieces of effective budgeting is accountability. Ensure that you not only create one, but you also need to review it regularly and make proper adjustments throughout the year in order to hit your expected outcomes.

From our experience working with hundreds of TKE chapters and colonies across the country, we recommend the following:

- Do not set flat rate dues amount in your chapter's bylaws and constitution.
- Do not set a flat rate dues amount before creating a chapter budget.
- Set a minimum of \$400 per semester (*Note: In 2016, individual members will incur fees of at least \$375 to the International Headquarters in the Fall semester.*)
- Schedule due dates of your bills to take advantage of TKE Risk Management Fee Early Bird Rebate.
- To build an appropriate budget, decide prior to May 15th on how your chapter/colony would like to be billed for the following year. You have the option to pay single or split for Annual Membership Fees, Risk Management Fees and Chapter Assessment Fee as referred to on page 3.

How to Collect Money

Collecting dues is a vital part of a successful chapter and chapter budget. It is important to collect dues at the beginning of the academic year. When members fail to pay dues, chapters and colonies are unable to afford the expenses associated with recruitment, philanthropy, IFC, etc. By collecting dues right away, chapter and colonies are able to properly manage a budget and afford fixed expenditures. TKE has compiled a list of COLLECTION TECHNIQUES for you to utilize. Please review the Appendix for this list.

How to Pay Bills

There are a few different ways to pay your bills to TKE HQ.

Online

The quickest and most effective way to pay bills to TKE HQ is through the TKE Chapter Module located at module.tke.org. From there, you can process a payment via credit card, debit card or eCheck. Be mindful, many debit cards put a daily limit on purchases. \$2,500 and \$5,000 are common daily transaction limits. To learn how to use the Chapter Module, please visit tke.org/modulehelp.

Mail a Check

Tau Kappa Epsilon International Fraternity
ATTN: Finance Team
7439 Woodland Dr Suite 100
Indianapolis, IN 46278

Phone

Call TKE HQ at 317-872-6533 and give payment information over the phone to a member of the finance team.

Take Advantage of Early Birds

Early Bird dates are in place to incentivize groups to pay ahead of time. Pay less if you pay up in full up front. Paying RMF in full by 10/1 will earn you a 10% chapter credit.

Crysophylos Support System

01 WHAT

Each chapter should be equipped with a Board of Advisors (BOA). The BOA has many responsibilities and duties, one of which is to support the chapter in financial operations. It is the responsibility of the BOA to ensure sound chapter financial management. As the Crysophylos of your chapter, you serve as an ex-officio member of the BOA. By serving as an ex-officio member, this means that the Crysophylos has a permanent position on the BOA, regardless of appointment or election to the board.

To learn more about the Board of Advisors and their role in advising the collegiate chapter, reference The Black Book, Constitution and Bylaws of Tau Kappa Epsilon. Below are bullet points listing a summarized rundown of the general supervision duties of the BOA as found in Division Three: Collegiate Organization, Chapter XXI: The Board of Advisors and Chapter Corporation, Sec. 13. General Supervision:

- Approval of chapter budgets
- Prevent incurring of unnecessary or unwise expenditures or indebtedness
- Penalties to the fraternity
- Require prompt collection by the chapter of all monies due or due to the BOA or due to the International Fraternity
- Require all chapter accounts to be kept and reports made on the forms and at the times required by law such as tax filing (Form 990)
- Collaborate with chapter officers (Prytanis and Crysophylos) on the execution of duties.

Crysophylos Support System (cont.)

02 WHY

“The heart of a volunteer is never measured in size, but by the depth of the commitment to make a difference in the lives of others” – Deann Hollis. This is why the BOA is involved in chapter finances. They care. They want to see the chapter be successful and advise you through the good and bad times. The financial stability of the chapter doesn’t rest on the shoulders of the Crysophylos. Instead, it rest on the entire chapter, including your advisors.

During your collegiate experience, there will be scenarios where a brother is unable to pay his dues on time. Depending on the particular situation, these dues may also involve rent for your chapter house. In situations that involve rent, the BOA should engage in these conversations, not the chapter leadership. Through the support of your advisors, the chapter should foster an environment where being delinquent isn’t acceptable.

03 How

How do you create a genuine, collaborative relationship with the Board of Advisors? Well, below are a few suggestions...

Clarify Expectations – Although expectations of the Crysophylos and BOA should be outlined in your local bylaws, it is important to clarify said expectations at the beginning of the school year. If the advisors are not on the same page as the officers, it will make for a tough year ahead.

Be Transparent – Communication is a key component to a functioning, positive relationship with your BOA. It should be discussed as part of your expectations what communication will look like between you and the BOA. Are you attending every BOA meeting? Are you copying them on all emails? What does this relationship look like...? Remember, it is always better to over communicate.

Relationship Investment – Get to know the BOA or at the very least, the BOA Treasurer. Don’t forget that you are Fraters in the bond. Enjoy time together outside of BOA meetings and phone calls getting to know each other. You will get out of the experience and relationship what you put in to it.

Special Projects Funds

The TKE Educational Foundation manages Special Project Funds for chapters at colleges and universities across the U.S. and Canada. These funds give loyal Tekes the opportunity to give back to the chapters that helped make them who they are today.

Special Project Funds support:

- Educational facilities at chapter houses
- Grants for chapter members to attend TKE leadership programs

Most groups use Special Projects Funds to send members to the TKE Regional Leadership Conferences hosted in February or Conclave, held every two years.

As part of your registration for each of these events, if your chapter has funds available, the online registration system allows you to request an amount to help offset the cost to attend the conference.

Appendix

- 14** Opening a Chapter Bank Account
- 15** Collection Techniques
- 17** GreekBill Online Payment
- 18** Budget FAQ
- 20** Filing IRS 990 Tax Forms
- 24** Fundraising

Appendix - Opening a Chapter Bank Account

1. Obtain EIN for Chapter if you do not already have one. If you do not have one go to www.IRS.gov and click on Apply online and follow instructions
2. Bank shop; find the bank that best fits your needs. i.e. Free checking, no minimum balance
3. Ask the bank what type of documents they will need in order to open an account.
4. All authorized signers for account must be present when account is opened. Be prepared to have personal ID and information for all signers.
5. You may be asked for a list of all Chapter officers
6. The financial institution may ask for a letter from the Offices of the Grand Chapter confirming your affiliation; if so please contact Brett Widner 317.872.6533 so it can be provided to you
7. Do not use your personal address for the primary account address; use the chapter address

How to Title the Account

Accounts must be titled as follows:

Tau Kappa Epsilon Fraternity
"Chapter name"

i.e.

Tau Kappa Epsilon Fraternity
Omega-Omega Chapter

Best Practices

1. Require 2 signatures on all checks to protect your account from embezzlement/fraud.
2. When making payments, only use checks and do not have a chapter debit card.
3. Each month, update your budget and make sure your bank statement matches your account activity.
4. For added security, you may add a chapter advisor to your account for additional oversight.
5. During your officer transition period, go to the bank and update the authorized users on the account.

Appendix - Collection Techniques

Here are some ideas which represent a composite of many collection procedures used by other TKE chapters.

- Meet with all members at the beginning of each semester to make sure they understand the financial expectations and establish a payment plan if necessary.
- Request that he sign a promissory note.
- Require the member to appear before the Membership Quality Board (MBQ) to explain and resolve his delinquency.
- Begin trial proceedings as outlined in the Black Book to hold the member accountable by suspending some or all of his membership privileges or remove his membership in the Fraternity.

Outsource Dues Collections

Many chapters are having success using a third party to bill and collect dues from their members. The vendor usually collects directly from a checking account or credit card, and then makes the funds available to the Crysophylos over the internet.

Regular Monthly Billings

This method sounds so obvious that many chapters overlook it completely. By sending every member a written statement of his bill each month, payment is more likely. A regular billing procedure is just as good a business practice. If you haven't tried it, take time to do it. Establish a series of friendly collection letters to follow-up delinquent accounts. In each case, leave the door open for explanations of any misunderstandings and set a definite date for action.

Discounts

Grant a discount to men who pay in advance. You might budget for a 10% discount to any Frater who pays his entire dues early. This will also permit adequate cash at the onset of a semester when it may be needed most. When budgeting, the Crysophylos will have to consider the number of members who will take advantage of this feature because it will mean a reduction in income for the chapter.

Appendix - Collection Techniques (cont.)

Fines or Penalties

Probably one of the most widely used methods of aiding in dues collecting is the penalty or fine. Very simply stated, if you don't pay your dues, a fine or penalty is added to what you owe. Since this system adds an additional burden to those who are already not able to pay, the Crysophylos should discuss the indebtedness with each man involved so that a schedule of payments may be set up.

Letters to Parents

Another effective method may be a letter to the parents. This method should be used only after you have tried to collect from the Frater and have not been successful. It is also advisable to tell a man that you will have to write his parents. Some chapters invoice the parents instead of the member.

Notes

Once an obligation has been established, and especially if the Frater is leaving the chapter, have him sign a note. This promise to pay must have a date, location, amount, reason for the indebtedness, and be signed. An account is much more collectible in the form of a note rather than an open account because the member has acknowledged the debt. In most states, a note for room and board is collectible even if a member is not of legal age because they are necessities.

College or University Assistance

Check with your college or university to see if they will hold diplomas, transcripts or grades until all obligations are paid. If they will, don't be embarrassed to give them your delinquent accounts and ask for help. If your college or university will not aid in this way, possibly your IFC could undertake this as a project.

Pro-Rating

Pro-rating is a technique which is designed to aid a Crysophylos because it puts additional pressure on the debtor. At the end of a collection period, the amount owed is divided up among all the Fraters who have paid their bills. They must pay this additional assessment, but will receive credit for their share when all of the delinquent Fraters pay. The bookkeeping involved in this system is quite complex. The principle, however, is to have all members put pressure on the few who fail to pay past due accounts.

Reporting

Often overlooked, a Crysophylos report to the chapter each month should contain the names of the delinquent members along with the amount owed.

Appendix - GreekBill Online Payment

GreekBill was founded on the vision of providing value added financial management services to the Greek Community. They have led the industry in collection rate, customer service, satisfaction and the ability to adapt and customize solutions to meet each client's unique needs.

They are constantly evaluating feedback that they receive from chapters and international organizations. Feedback from international officers, advisors, chapter officers and members is key in maintaining a product that is cutting edge and ahead of the rest. Throughout the years GreekBill has added additional services and tools in order to improve our clients GreekBill experience.

Their clients' success in the financial arena has proven that GreekBill's tools and management are a vital and essential piece to all Greek organizations that plan on growing and moving forward as a top organization. To ensure this success they will continue providing innovative technology, in-depth reporting and superb customer service so that they not only service the market but define it.

What They Offer

- Special Discounted Rates for TKE Chapters (More information located in the TKE Chapter Module)
- Monthly Paper and/or Electronic Billing
- Real-Time Member Data and Financial Reporting
- 24-Hour Access to Accounts
- Online Payment Options (Credit Card, Debit Card, and E-check)
- GreekBill Chapter Representative
- Extensive Collection Process – Itemized Statements, Phone Contact, Collection Letters, and Credit Marking (optional)
- Online Donation and Registration Management
- Email Blasts and Announcement Tools
- Budget Builder/Tracker
- 990 State/Federal Tax Filing

Tau Kappa Epsilon has negotiated a discounted rate for any TKE chapter or colony who signs on with GreekBill.

Check out the [GreekBill Services FAQ page](#) to get more detailed answers to common questions. You can also visit [Get a Quote/Request More Info](#) page to ask a question about our services or request an information packet.

Appendix - Budget FAQs

One of the most important tools in the management of expenses is the Chapter budget. A budget is an intelligent estimate of income and an expense plan for the spending of that estimated income.

Why is a budget important?

A budget must be written. Without putting it on paper, it is just a dream. Failing to plan is planning to fail. You have to plan, project, and adjust your revenue and expenses in order to be successful.

[Download the 2016-2017 Sample Budget](#)

We have updated the sample budget to fit the new fee structure for 2016-2017. Additionally, we have split the annual budget in separate tabs by semester. This sample budget shows both the fixed and variable expenses your chapter may deal with throughout the year. The fixed expenses (TKE HQ fees) are set amounts from the fee structure. The variable expenses (local chapter expenses) are not set amounts and can be adjusted to fit your chapter operations. With the variable expenses, you may add rows and remove this lower section of the sample budget. Keep in mind this is a basic budget that does not include items such as housing. The purpose of this tool is to assist your chapter in the budgeting process.

Below are some notes to keep in mind for each budget when using this tool.

It is important to note that in its original form, the fall and spring sample budgets show the chapter paying the “one-time” option for Chapter Assessment, Annual Membership Fees, and Risk Management Fee.

Fall Semester Budget – To determine your fixed expenses for the fall semester, you will simply input the number of men returning in the fall as well as divide out how you would like the AMFs to be billed. From there, all of your fixed expenses for the fall should calculate accordingly and you will only need to adjust the variable expenses as needed.

Spring Semester Budget – To determine your fixed expenses for the spring semester, you will input the number of men returning in the spring. When entering the AMF billing numbers, these should mirror what you entered for the fall semester. The only difference will be if you have men returning to the chapter after time away from school or from studying abroad. These Fraters will be billed a half year AMF and put in the “Spring Semester Only” row. If your chapter is not paying all of the one-time options in the fall,

Appendix - Budget FAQs (cont.)

please make sure to update the spring budget formulas/amounts for Chapter Assessment Fee, Full Year Annual Membership Fees, and the Risk Management Fee.

Who develops and approves the budget?

The budget is compiled by the Crysophylos with the input of officers and the chapter or colony finance committee (if applicable).

Once ready, the Board of Advisors reviews, helps adjust, and approves the budget.

Then the budget goes to a chapter vote with acceptance of budget at 51%. The budget should not be changed without the knowledge of the Board of Advisors. It is important to note that nobody can individually change expense allocations. Doing so is called misappropriation.

When is a budget written, reviewed and evaluated?

Here is a sample timeline for effective budget management:

March 1 – Crysophylos puts together initial budget

March 15 – Budget reviewed by officers and committees

April 15 – Budget reviewed and approved by Board of Advisors

May 1 – Budget approved by chapter or colony

First meeting of Fall – Re-Review budget with chapter or colony

January 15 – Board of Advisors financial audit

The Crysophylos should track, review and balance monthly.

How can we improve our budget performance?

Contact your key volunteers or your Area Director for specific questions on your budget and how to improve chapter relations.

Login to your [Chapter Module](#), click on Dashboard on the left. You have valuable resources listed under Professional Staff Contacts and Volunteer Contacts.

Appendix - Filing IRS 990 Tax Forms

Tau Kappa Epsilon Fraternity has partnered with www.File990.org to assist and support chapters through the tax filing process. You can learn more information about the partnership by reading below. The following frequently asked questions will help you as an officer and/or advisor better understand the requirements as it relates to tax filing for groups of Tau Kappa Epsilon.

Throughout the FAQ, the word “group” will refer to all subsidiaries of Tau Kappa Epsilon Fraternity including colonies, chapters and chartered alumni associations. When a colony transitions to a chartered chapter, their EIN will not change. The following information was adopted from Sigma Phi Epsilon.

Does our chapter have to file a tax return with the IRS?

Every group of Tau Kappa Epsilon must file an annual return with the Internal Revenue Service (IRS). You will need to a short list of information to correctly file your annual return. A list of this information can be found here. The IRS enforces an automatic “three strikes and you’re out” policy with respect to annual filing. Failing to file a return three times results in automatic forfeiture of your group’s non-profit status. Once a group has lost their tax exemption, they must reapply – a sometimes costly and cumbersome process.

When’s the filing deadline with the IRS?

Tax returns are due on the 15th day of the 5th month after the group’s tax year-end. If a group’s tax year ends May 31st, the tax form would be due October 15th (the 15th of the fifth month after May 31st). If you aren’t sure of your year end, you can refer to the previous year’s filing paperwork. Additionally, you may visit GuideStar, a search engine providing the most up-to-date nonprofit data available, and search by your groups EIN. It is strongly encouraged that you select the same fiscal year dates as the International Fraternity, June 1 to May 31. Additionally, certain chapter officers will receive an email from our partners at File990.org when you are eligible to file. Click “get started” from that message, and if your chapter is able to file a 990N or 990EZ, you can do so online for a reduced price.

What happens if my Form 990 is filed late?

If an organization whose gross receipts are less than \$1,000,000 for its tax year files its Form 990 after the due date (including any extensions), and the organization doesn’t provide reasonable cause for filing late, the Internal Revenue Service will impose a penalty of \$20 per day for each day

Appendix - Filing IRS 990 Tax Forms (cont.)

the return is late. The maximum penalty is \$10,000 or 5 percent of the organization's gross receipts, whichever is less. The penalty increases to \$100 per day, up to a maximum of \$50,000, for an organization whose gross receipts exceed \$1,000,000.

What tax return does a chapter need to file?

Every group files a version of the IRS Form 990 (Return of Organization Exempt From Income Tax). The specific version is determined based on the total gross receipts and assets of a chapter. Gross receipts are all income that a group receives during the year. The chart below identifies the version of the Form 990 your group must file.

Gross Receipts and Assets	Form 990 Version
\$50,000 or less	Form 990N An e-postcard notification to IRS www.file990.org
Greater than \$50,000 but less than \$200,000 and assets < \$500,000	Form 990EZ www.file990.org
Gross receipts > \$200,000 and/or Assets > \$500,000	Form 990 Search 990 on www.irs.gov to find the form and instructions

Additionally, the chapter must file a Form 990T if “unrelated trade or business income” is greater than \$1,000. This can include earnings from or payments received from non-members. This form is available through the IRS website found here.

Aren't all TKE groups tax exempt?

Most of a group's revenue would be tax exempt (dues and member fees). However, groups are liable for federal income tax on Unrelated Business income (UBI). Income from investments such as revenue from vending machines and renting rooms to non-members are examples of UBI.

Must the undergraduate colony/chapter and the Alumni Association file separately?

Yes. The colony and/or chapter is an “unincorporated association” that derives its non-profit status from a group exemption granted the national

Appendix - Filing IRS 990 Tax Forms (cont.)

Fraternity, a 501(c)7 corporation. The Fraternity's Headquarters is required to update its roster of colonies, chapters, and alumni associations annually with the IRS. TKE's group exemption code is 4275 and should be included on all subordinate group returns. The Alumni Association is a separate corporation and must apply for its own non-profit status.

Are funds from fundraisers taxable income?

No. It must be included in your revenue total for the year, but is not considered UBI and will not be taxed.

Are donations to colonies, chapters, and alumni associations tax deductible for the donor?

No. "Tax deductible" refers to a donor being able to deduct the amount of the donation from his/her income, thus reducing his/her taxes. Donations are only tax deductible when given to a charitable or educational 501(c)(3) corporation. A chapter, colony and/or alumni association does not qualify for this status. The TKE Educational Foundation (TEF) exists as 501(c)3 corporation for this express purpose—to receive and manage contributions for educational scholarships and programs.

The chapter has no employees, so why would it have an EIN?

The IRS uses EINs to track organizations just as it uses social security numbers to track individuals. The IRS requires all banks to relate either a personal social security number or EIN to any account opened. All chapters, colonies and alumni associations are strongly encouraged to use their groups EIN to open an organizational bank account.

Will we owe income tax?

It depends. Anything over \$1,000 in Unrelated Business Income (UBI) is taxable. If the group has over \$1,000 in UBI then they must ALSO file a 990T.

How much will the income tax be?

The tax rate for organizations with less than \$50,000 in unrelated business income (UBI) is 15%. It is highly unlikely that any group would have more than \$50,000 UBI.

Appendix - Filing IRS 990 Tax Forms (cont.)

Is there any way to avoid owing income tax?

Chapters can avoid the tax on investment income only by following IRS procedures called “set-aside.” This IRS provision (originally written in a case for Sigma Phi Epsilon Fraternity in 1969 which still stands as IRS ruling for all fraternal organizations) allows organizations to “set aside” net investment income for charitable, religious, scientific, or literary or educational purposes. More information about “set-asides” can be found [here](#).

What do I do if my group has lost its tax status?

If your group has lost its tax status, you will need to file IRS 1024 to be reinstated as a 501(c)7. You can find form 1024 on the IRS website. There is a onetime fee of \$850.00 due to the IRS in order to process your paperwork. More information about the revocation and reinstatement can be found [here](#).

Where can I go with additional questions?

Tau Kappa Epsilon Fraternity has partnered with File990.org for IRS 990 & 1024 support. Through this support, File990.org will provide the following services to TKE groups:

Form 990 (Annual Filing)

- Reminders to all TKE groups when they need to file their 990 tax form.
- Phone and email support to any TKE group with their annual 990 tax filing.
- If you are interested in filing IRS Form 990 using the file990.org system, the cost will be at a discounted price \$29.95. For all 990 questions, please contact JB Goll, Director of National Accounts, at jb@legfi.com.

Form 1024 (Reinstatement Filing)

- Support and assistant through the reinstatement filing process.
- Through this support, File990.org will provide a certified public accountant (CPA) to assist you with your reinstatement filing using Form 1024. The fee for this service will be at a discounted rate of \$1,000.00 in addition to the IRS refiling fee of \$850.00. If you are interested in using this service, please contact Cindy Bell, File990.org CPA, at cindy@legfi.com.

For more information about File990.org, you may visit their website – file990.org, or give them a call at 859.309.3640.

Appendix - Fundraising

Tau Kappa Epsilon is a not-for-profit corporation in the state of Indiana, and is recognized by the Internal Revenue Service as a not-for-profit corporation. This means that the federal government will not tax any profit generated by TKE. It does not mean, however, that donations to TKE are tax deductible.

Section 6113 of the Internal Revenue Code imposes a requirement on not-for-profit tax-exempt organizations that a “conspicuous and easily recognizable” statement appear on all fund-raising solicitations, including dues billings and housing invoices. The statement must specify that all contributions and payments made to the organization are non-deductible as charitable contributions for federal income tax purposes. 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, which includes almost all TKE chapter corporations, unless organized as a 501(c)(3) corporation (like the TKE Educational Foundation).

Our legal counsel advises that the following language should appear on all fundraising 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.



TAU KAPPA EPSILON

— Better Men for a Better World —

Established January 10, 1899, Tau Kappa Epsilon is a men's social fraternity founded on the honest convictions of Love, Charity and Esteem.

For more information,
please visit tke.org

