



Starting a JGS: IRS TAX-EXEMPT STATUS

Deborah Long, [Triangle Jewish Genealogical Society](#) (2015) Revised 2022

The organization may want to obtain IRS tax-exempt status under IRS Code 501 (c) (3) so that net revenue is tax-exempt and so the organization's members can deduct dues and contributions. As noted in the article on [Starting a JGS: Organizing Structure](#), this can be done directly, or as a subordinate of IAJGS, or with a tax-exempt fiscal sponsor.

After you form your organization, you will want to obtain a TIN (Tax ID Number- sometimes referred to as an Employer ID Number or EIN) in order to get a bank account for the organization.

Obtaining a TIN

You can apply for a TIN on-line, over the telephone, via fax or through the mail. See the [instructions](#) for Form SS-4, *Application for Employer I.D. Number*, for further details.

If you apply for a TIN [electronically](#), you will receive it within 48 hours.

The IRS cautions to not apply for an EIN until your organization is legally formed. Nearly all organizations are subject to automatic revocation of their tax-exempt status if they fail to file a required return or notice for three consecutive years. When you apply for an EIN, the IRS presumes the organization is legally formed, and the clock starts running on this three-year period.

Three Ways to Seek 501 (c) (3) Tax-Exempt Status

If the organization decides to file directly it will want to review information from the IRS on [applying for recognition of exemption](#). Should it decide to pursue 501 (c) (3) status as a subordinate of IAJGS, after getting a bank account, it will need to apply to IAJGS for membership and then ask to be included in their tax exemption. Contact treasurer@iajgs.org. The IAJGS Treasurer will provide a form titled *Request for 501 (c) (3) Tax Exemption as a Subordinate of IAJGS* to complete and return. IAJGS submits information to the IRS about its subsidiary member societies every September and you will become a subordinate member to IAJGS at that time if you meet the requirements. The organization will need to be organized as a nonprofit and have a fiscal year-end of December 31. The JGS will be responsible for managing its own finances and filing its 990 or 990N. It will likely be filing a 990N which you can learn more about [here](#).

An alternative to filing for non-profit status directly or as a subordinate is to operate under a fiscal sponsorship arrangement with an existing nonprofit with a shared mission, perhaps a Jewish Historical Society or Jewish Museum. Under this arrangement the JGS operates under the charitable status of the fiscal sponsor and may benefit from back-office resources related to financial management. The fiscal sponsor would include the JGS revenues within their 990 filing, so the JGS need not file individually. This may be desirable as it minimizes some of the financial functions that must be performed by the JGS. You can find more information on this alternative through the [National Council of Nonprofits](#).