

CONTINENTAL SOCIETY DAUGHTERS OF INDIAN WARS, INC.  
CHER SESMA, GOVERNOR GENERAL  
18615 Asuncion Street  
Porter Ranch, CA 91326-2103

December 6, 2019

Dear State and Chapter Presidents:

I am writing to follow up on the discussion about our tax status that was presented by the Finance Committee at our National meeting in California.

### **Background**

As you know, the IRS has determined that our National Society is a 501(c)(3) public charity. As such, the National Society does not pay income taxes, and donations to the National Society are tax deductible by donors to the extent permitted by law. At this time, the exemption granted to the National Society applies only to the National Society and not to any of its state societies or chapters.

At one time, most of our state societies and chapters were included in an IRS-approved exempt group. Inclusion in that group extended the National Society's exempt status to the individual state societies and chapters. As a result, state societies and chapters did not pay income taxes, and donations to state societies and chapters were tax deductible by donors to the extent permitted by law.

Unfortunately, the National Society lost its exempt status at one point several years ago, and, when that occurred, the exemption that applied to the group of state societies and chapters was also terminated by the IRS. An effort to re-establish the exempt group was not successful. As a result, state societies and chapters that had been in the exempt group and new state societies and chapters have had to work independently to secure their exempt status. Some have submitted an application and paid a fee to the IRS. Others have filed annual returns and their current status is not completely clear. Others have not been able to file an annual return and have not applied for an independent determination from the IRS.

### **Current Plan**

After discussion at the national meeting, the National Society will try once again to establish an exempt group that would include eligible state societies and chapters that wish to be included. The IRS fee to apply for an exempt group, which will be paid by the National Society, is currently \$2,000. Volunteers from the Finance Committee will collect the required information from state societies and chapters and prepare a submission to the IRS. While we hope that the application will be successful, there is no guarantee.

The advantage of a group exemption is that newly chartered state societies and chapters that meet certain requirements may be added to the group without having to apply independently for tax exempt status. Note that all members of the group must continue filing an annual return with the IRS (probably Form 990-N), and the creation of an exempt group does not eliminate the need for annual filing with the IRS.

The Finance Committee wishes to confirm information about your state society or chapter's tax-exempt status and the state of its compliance. Information is being requested on the enclosed Attachment A, and you are respectfully requested to complete Attachment A and return it to the Finance Committee as indicated.

State societies and chapters in good standing with the IRS are invited to participate in the application for a group exemption application that will be filed. Points to note are:

- Any state society or chapter that is to be included must affirmatively indicate that it wishes to be included on the Attachment A.
- Participation in the application is limited to those state societies and chapters that are in good standing with the IRS at this time and that are considered public charities. State societies and chapters that are private foundations or that have lost their exempt status may not be included in the group application.
- Certain documents (bylaws that contain certain required provisions and articles of association) will need to be submitted to the Finance Committee to be included in the group application. They will be requested separately after receipt of Attachment A.
- If your state society or chapter applied for and received its own determination letter from the IRS, your participation in the group is optional. It is important to note that, if your state or chapter applied for and received its own determination letter and chooses to be added to the National group, your state society's or chapter's individual determination will be forfeited, and, going forward, the state society or chapter will derive its exempt status from the National Society. Continuation of the state society's or chapter's exempt status will rely on the continuation of the National Society's exempt status, and, if that status is lost by National (again), the state society or chapter will lose its exempt status as well.
- Any state society or chapter that has been in operation for more than 18 months will have its exemption dated from the date of the group application and not retroactively.

Irrespective of whether your state society or chapter wishes to be included in the group application, please complete and return Attachment A. There may be an opportunity to add your state society or chapter to the group in the future.

This effort is being undertaken by volunteers who will use their best efforts to re-establish the exempt group, but there is no guarantee that the effort will be successful.

Please complete Attachment A and return it to Finance Committee Chairman Anne Farley by January 10, 2020, at the following address:

Anne Farley  
101 Central Park W # 14E  
New York, NY 10023-4250

If you have questions, please call Anne at 212.877.2437 or email [anne.farley@gmail.com](mailto:anne.farley@gmail.com)

Sincerely,

ATTACHMENT A

Please complete the information below return this form **BY JANUARY 10, 2020**, to:

Anne Farley  
 101 Central Park W # 14E  
 New York, NY 10023-4250

1. Organization Name \_\_\_\_\_

CHOOSE ONE: State Society                  Local Chapter

2. EIN (Employer ID Number) \_\_\_\_\_ - \_\_\_\_\_

3. President's Contact Information:

Name:	
Address:	
Telephone:	Email:

4. Treasurer's Contact Information:

Name:	
Address:	
Telephone:	Email:

5. Does this organization have its own IRS determination letter? If yes, please include a copy.

Choose one: YES                          NO                          DON'T KNOW

6. Indicate the type and fiscal year of last annual filing made with the IRS. Write on one line only. Please include copy of latest filing (If 990-N, include ACCEPTED report. Do not send PENDING reports.)

EXAMPLE:			
990-N	<i>Fiscal year ended 10/31/19</i>	990-PF	
990-EZ		990	
990-N		No filing	

7. Does this organization wish to be included in a group exemption application?

Circle one:                  YES                  NO

Prepared by (signature): \_\_\_\_\_ Date: \_\_\_\_\_