

STRUCTURE DECISIONS FOR LOCAL AFFILIATE SOCIETIES

Should The Chapter Incorporate?

YES

Incorporation protects members against personal liability for corporate liabilities.

NO

Incorporation is not legally required but members can be personally liable for chapter liabilities.

Should The Chapter Have An EIN?

YES

An EIN is required for every entity, incorporated or not.

NO

Not an option. An EIN is legally required.

Should A Chapter Obtain Federal Tax Exemption?

YES

Most profit will be shielded from tax.

NO

Every dollar of profit will be subject to State and Federal tax.

Should A Chapter File An Annual Federal Tax Return?

YES

It's the law. Every entity, incorporated or unincorporated, taxable or nontaxable, must file a return every year.

NO

Not an option. Failure to file returns violates Federal and State law.

Should A Chapter File For Sales Tax Exemption In Its State?

YES

It is worth checking if exemption is available in its state.

NO

It is worth checking if exemption is available in its state.