

Tax Accounting Guidelines for Subordinate Councils

Tax Accounting Guidelines as of

January 2013

Each Subordinate Council of the Grand Council of Royal and Select Master Masons of Pennsylvania is responsible for the correct filing of all tax returns unless otherwise notified specifically by the Grand Council R. & S. M. M. of PA. In order to assist the Officers of the various Councils to maintain an efficient filing of returns, an outline is presented below. Any questions should be directed to the Office of the Grand Council Secretary.

A. Federal Income Tax Returns (Forms 990, 990EZ or 990N)

The Grand Council R. & S. M. M. of PA is filing Form 990 or from 990EZ entitled "Return of Organization Exempt from Income Tax" on behalf of the Grand Council as required by the Internal Revenue Code. It DOES NOT include any information about the Subordinate Councils.

Each Subordinate Council with Gross Receipts under \$50,000.00 and/or total assets less than \$500,000.00 is required by Internal Revenue Code to file Form 990N. This is an ePostcard and is required to be filed on line on the computer with the Internal Revenue Service. NO PAPER FORM 990N IS AVAILABLE. Each Subordinate Council is required to forward a copy of the acceptance eMail from the Internal Revenue Service to the Grand Council Secretary. THIS IS NOT OPTIONAL.

Each Subordinate Council with Gross Receipts over \$50,000.00 and/or total assets over \$500,000.00 is required by Internal Revenue Code to file Form 990 or 990EZ. Any Subordinate Council filing form 990 or 990EZ is required to forward a copy of that return to the Grand Council Secretary.

B. Officers, Directors and Trustees and any other compensated individuals. (Form 1099/1096)

Officers, Directors and Trustees are considered employees of the respective Councils and are not under any circumstance to be considered Independent Contractors. The Councils are not permitted to file under any circumstance or interpretation Form 1099/1096 for such individuals for any compensation they might receive from the Council.

C. Federal and State Employee Payroll Tax Withholding (Fed 941 or 944, Annual W-2, State W-3)

1. Who must withhold and File returns?	Each Subordinate Council.	
2. Who is subject to Withholding?	Every employee of each Subordinate Council.	
3. Who are employees?	All persons rendering services to the Council for a salary or wage or any compensation, which are under the direction and control of the Council.	
4. How much must be withheld?	Rates are based on Gross Income Paid an individual.	
Federal	Social Security	State
IRS Publication 15/Circular E	Employer @ 7.65%	3.07% of Gross
Tables of required amounts to be withheld	Employee @ 7.65%	Amount Paid
5. When must returns be filed and tax paid?	Calendar Quarterly Filers with Annual reconciliation.	
	For the period	Due
	January 1 to March 31	April 30
	April 1 to June 30	July 31
	July 1 to September 30	October 31
	October 1 to December 31	January 31
	Annual reconciliation is due	January 31

Note: Some employers may be required to file Form 944 annually instead of Form 941 quarterly.

