

Advocate FAQ

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Q1. What is the IRS position on the Knights of Columbus federal tax exempt status (councils, assemblies, chapters etc.)?

A1. The Knights of Columbus is a fraternal benefit society, recognized by the IRS as a tax-exempt organization under Section 501(c)(8) of the Internal Revenue Code (IRC). Additionally, pursuant to the group exemption, the IRS recognizes all councils in the United States as “fraternal lodges.”

The term “council” used in the context of the exemption, refers to Knights of Columbus councils, assemblies and chapters. To claim an exemption from federal income tax under Section 501(c)(8), each council must (1) obtain its own Employer Identification Number (EIN) from the IRS and submit its own tax return; and (2) provide its EIN and written authorization to the Office of the Supreme Advocate in order for it to be recognized under the Order’s group exemption.

As 501(c) (8) exempt entities, local councils, assemblies and chapters may not, under any circumstances, establish a 501(c) (3) tax-exempt charitable corporation or charitable foundation. They should work within the existing structure of the Knights of Columbus, which has enabled councils, assemblies and chapters throughout the Order to raise and donate hundreds of millions of dollars to charitable causes over the course of many years.

Donations to Knights of Columbus councils, assemblies and chapters for fraternal or social purposes are never deductible and most donations for charitable purposes are not deductible. If a council, assembly or chapter wishes to host an event where they would like individual donations to be tax deductible, they should contact the State Advocate to discuss potential options well in advance of the proposed event/activity.

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Q2. What is the appropriate use of the Knights of Columbus emblem in regards to social issues?

A2. When a Social Policy issue directly affects our most fundamental Values as Catholics, as LEADERS IN THE CATHOLIC COMMUNITY we must and do take a stand. The Knights of Columbus is a Catholic Fraternal benefits organization of members who are Practical Catholics in union with the Holy See. The Knights of Columbus as an organization therefore espouses supporting fundamental Catholic Values when Social policy directly affects these values.

As a Corporation the Knights of Columbus has stated purposes for which the organization was formed (Section 2 of the Charter Constitution Laws of the Order). The Charter Constitution Laws of the order are the guiding principles of the order. The emblem of the order should be used responsibly to reflect these purposes the Knights of Columbus represent in a uniform representation.

When the Knights of Columbus take a stand on social policy issues that affect fundamental Catholic values, individuals as leaders in the Catholic community and members of the Knights of Columbus, provide support to uphold Catholic Values in the community and nation. The emphasis is Catholic Leaders and Citizens who take a stand on social policy issues and are members of the Knights of Columbus.

When using the emblem of the order to espouse a position on social issues the Supreme Advocate (Paul Devin) has provided the following guidelines in a letter dated October 18, 2007.

“Use of the emblem with respect to social policy issues: I would suggest that wherever the State of Colorado wishes to use the emblem of the Order in connection with espousing its positions of social issues that a request is made through the Supreme Secretary to the Board of Directors for such permission. A copy to me might also be helpful.”

As a Knight of Columbus, members are encouraged to stand for and support fundamental Catholic values, when public Policy issues directly affect fundamental Catholic Values. It is a Knight of Columbus member's

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responsibility to support awareness and education programs on fundamental Catholic values when social public policy issues directly affect Catholic Values.

The Knights of Columbus support many educational social awareness and specific organized functions to promote an awareness of social policy issues, when social policy issues directly affect fundamental Catholic Values.

As leaders in the Catholic Community and members of the Knights of Columbus, it is a responsibility to promote a positive environment, not a confrontational environment, when espousing positions when social policy issues directly affect fundamental Catholic Values. As members of the Catholic Community and Knights of Columbus, awareness and education should be promoted when espousing a position regarding social policies.

The Conduct and actions of members of the Knights of Columbus as Catholic Leaders in the community should espouse fundamental Catholic Values. The Social policies of entities of our society should be examined. If social policy issues of entities in our society undermine fundamental Catholic values then an appropriate and responsible response should be exercised.

The Knights of Columbus, as a Catholic Organization comprised of practical Catholics in union with the Holy See, espouse fundamental Catholic values and teachings. Members of the Knights of Columbus should and must conduct themselves in a responsible manner when espousing a position on Social Policy issues.

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Q3. What is Supreme's guidance on Council Incorporation?

A3. Memorandum from the Supreme Advocate, Paul R. Devin, regarding Council Incorporation

MEMORANDUM

TO: State Deputies

FROM: Paul R. Devin, Supreme Advocate

DATE: July 30, 2008

RE: Incorporation of Councils

Recently, the Office of the Supreme Advocate has received a number of requests from councils who seek permission to incorporate the council as a nonprofit 501(c)(3) corporation under the law of their state. Please be advised that under the Laws of the Order, councils should not, under any circumstances, incorporate under state law (to obtain nonprofit 501(c)(3) status or for any other purpose).

The Knights of Columbus is a Fraternal Benefit Society under Internal Revenue Code Section 501(c)(8). It is recognized as a nonprofit tax-exempt organization under a group exemption ruling from the Internal Revenue Service dated from 1940.

The group tax exemption of the Knights of Columbus extends to subordinate councils of the Knights of Columbus, state councils and assemblies provided their Employer Identification Number (EIN) is properly listed with the Supreme Advocate and by the Supreme Advocate, listed with the IRS for inclusion in the group exemption listing.

Under Section 97 of the Laws of the Order, subordinate councils of the Knights of Columbus are unincorporated associations, which exist under charters issued by the Supreme Council, which could be revoked. A subordinate council cannot be organized under a charter granted by a State government, but only a charter issued by the Supreme Council.

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Because a council's charter may be revoked by the Supreme Council, the council lacks independent continuity of existence and is not eligible to be incorporated.

Councils cannot obtain recognition as 501(c)(3) charitable organizations. Councils are only eligible for federal income tax exempt status through the group exemption of the Knights of Columbus as a 501(c)(8) Fraternal Benefit Society as explained above; they are not eligible for any form of recognition for exemption individually.

If you have any questions concerning this memo, please direct them to the Supreme Advocate's Office.