

PENNSYLVANIA DEMOLAY

Tax Deductibility of Un-Reimbursed Expenses (Revised 6-29-00)

Advisors are cautioned that un-reimbursed personal expenses incurred in service to DeMolay, such as mileage and other expenses, may not be automatically deductible contributions when computing Federal Income Tax.

Expenses that meet the mission of the Order of DeMolay *may* qualify, **if properly substantiated**, in accordance with a determination letter issued by the IRS establishing DeMolay International as a 501(c)(3) organization. However, there is no recent test or ruling available relating specifically to the Order of DeMolay to substantiate this interpretation. If you have been deducting such expenses in the past. **YOU ARE STRONGLY ADVISED TO CAREFULLY DISCUSS THIS PRACTICE WITH YOUR TAX ADVISOR.**

In order to substantiate the value of services rendered, the Advisory Council Chairman would be responsible for issuing a statement from the Chapter that contains a description of the services provided, and a statement of how they help meet the core mission of the Order. There are specific regulations concerning the issuance of such statements that must be observed; therefore, any Advisory Council Chairman issuing statements of receipt of money or services contributed for deductible purposes **MUST** file a copy with the Executive Secretary.