



# friendship force

INTERNATIONAL

To: Friendship Force club presidents in the United States  
Re: IRS tax status of Friendship Force clubs  
Objective: **To help US clubs understand the nature of FFI's tax status and the status of individual clubs.**

1. Friendship Force International, Inc. (FFI) is a non profit organization, registered in the state of Georgia. FFI has also been recognized by the IRS as an educational exchange organization that qualifies for tax exemption under IRS section 501(c)(3). In addition to exempting FFI from paying federal taxes, this also entitles those who make donations to FFI to deduct the amount of the donation from their taxes. As required by law, FFI files an IRS form 990 each year providing the key financial information to the IRS that is required to maintain our 501(c)(3) status.
2. Friendship Force clubs are independent organizations authorized to conduct Friendship Force exchanges. They are not branches or subsidiaries of FFI. Therefore, Friendship Force clubs are NOT covered by the FFI tax status. They are not permitted to use FFI's tax status (or tax ID number) as a basis for their own tax exemption or to offer tax deductions for donations made to the club for club purposes.
3. If a club collects donations for FFI from its members and passes these funds on to FFI the individuals who made the contribution will receive acknowledgment directly from FFI for their tax purposes. The tax deduction they receive for such donations is from FFI, not from the club. However, fees paid to FFI by individuals as part of their participation in a Friendship Force exchange are NOT tax deductible since the ambassador receives a direct benefit from participation in the exchange.
4. Some Friendship Force clubs have received their own status from the IRS as a 501(c)(3) organization, which is fine. In these cases it is important that they use their own tax ID number, provide their own acknowledgment for any donations, and file reports as required by the IRS. In past years the IRS required the filing of an annual report only if gross revenues were more than \$25,000. Beginning with the 2008 tax year, however, every 501(c)(3) organization will be required to file a report. For organizations with less than \$25,000 the report can be done very easily online by completing IRS form 990-N.

If you have any questions please feel free to contact [finance@friendshipforce.org](mailto:finance@friendshipforce.org) or (404) 522-9490.