

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.

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.