

NonProfit Times

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# IRS' Deactivating Payment System For Private Foundations

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For private foundations with greater than \$500 in excise tax liability, using the Electronic Federal Tax Payment System (EFTPS) to make tax payments has been mandatory since 2011. The EFTPS, a free service provided by the U.S. Department of the Treasury (the Treasury), enables businesses and individuals to make secure federal tax payments online or by phone.

Users are currently advised to confirm that their EFTPS accounts are active and available well before payment due dates.

Unless the taxpayer has been actively using its EFTPS account during the past 18 months, their EFTPS account will have been deactivated by the Treasury for "enhanced security purposes." If you think you missed the Treasury's notification about this, you did not. Information regarding the impending purge was not posted on the internet, nor was notice sent to enrolled users, alerting them about inactivity and subsequent account deactivation.

If your account has been deactivated, you will need to re-enroll. There is no way to re-open your old account. It has been purged from the EFTPS system.

Once you complete the enrollment, you will be mailed a personal identification number (PIN), which could take 7 to 10 business days, so be mindful of the time needed to ensure your tax payments are timely. Once you receive the PIN, you can activate your new EFTPS account and resume making tax payments.

“Emergency” same-day payments can be made by phone, but only if the Treasury has processed your banking information. Another alternative is arranging a same-day payment directly with your banking institution, directing the funds to the EFTPS.

Be mindful that your EFTPS account must be kept active to avoid permanent deactivation of the account by Treasury. Remaining active can include logging in to make tax payments, checking tax payment history, making tax payments in advance (allowed for up to 365 days), modifying profile or banking information, or changing your password. Be aware that passwords now expire every 13 months.

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