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# C H A P T E R O N E

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## Redesigned Form 990

The responsibility of the IRS to grant, or approve, qualification for tax-exempt status for all §501(c) organizations, which includes charities designated as §501(c)(3)s, civic associations (c)(4)s, labor unions (c)(5)s, business leagues (c)(6)s, social clubs (c)(7)s, and more than 30 other types of tax-exempt organizations, is accompanied by the burden to evaluate continued qualification. The 990 series of tax returns serves this purpose. The challenge in designing a form suitable for overseeing and scrutinizing ongoing qualification for the diverse types of organizations qualifying under §501(c) is evidenced by the ever-expanding girth of the form, culminating with the 2008 version, which has a Core Form with 11 pages plus 16 schedules to be completed when applicable. The fact that the form has been available for inspection by anyone that asks to see it since 1987<sup>1</sup> has made this form the most accessible source of information about a tax-exempt organization. Form 990 for §501(c)(3) organizations (and others) is also available on the Internet at [www.guidestar.org](http://www.guidestar.org). Therefore, its redesign has an impact on all those involved in the nonprofit sector.

The various Forms 990 are designed to accomplish many purposes that go far beyond simply reporting to the Internal Revenue Service (referred to in this book as the IRS). Accurate and complete preparation of the forms should be given top priority by a nonprofit organization. The forms are part of the electronic age; many are accessible to one and all on the Internet. An organization's public reporting responsibilities are beyond the form's physical dimension and deserve careful attention. Since March 1997, when the IRS contracted with the Urban Institute of Washington, D.C., to receive and place the forms for the years 1996 through 2001 on CD-ROMs, the Forms 990 have been made available on the Internet. In a coordinated effort, Philanthropic Resources, Inc. began in 1998 to digitize the information so that it could be sorted and searched. Information from prior 990s of some 40,000 public charities was originally entered. The Guidestar site also provides an abstract of the information they glean from the forms, and it also posts the complete form;<sup>2</sup> the site can be accessed at <http://www.guidestar.org>. The IRS has also begun to implement an electronic filing system for 990s to eliminate the paperwork altogether and allow them to more effectively monitor exempts in a statistical and focused fashion. As of December 2008, the IRS has not yet worked out a system to transmit Forms 990 submitted electronically into a format suitable for posting on Guidestar's website, so organizations filing electronically may not see their returns on Guidestar for some years. Such organizations can voluntarily submit their return and other documents to Guidestar.

In essence, Form 990 is designed to be, and in fact, is a public document. Yet another reason for a tax-exempt organization to pay careful attention to

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completion of the forms is the requirement that copies of the three most recent year's returns, now including Forms 990-T of §501(c)(3) entities, must be given upon request to those that pay a modest fee. Between 1984 and 1997, an organization had to allow anyone who knocked on its door a look at its Forms 990 and 1023 or 1024 in its office. Beginning June 8, 1999, a copy of the forms must be furnished for a fee as discussed in §1.12. Forms 990 are also used for a wide variety of state and local purposes. In many states, an exempt organization can satisfy its annual filing requirement by furnishing a copy of Form 990 to the appropriate state authority. Many grant-making foundations request a copy of Form 990 in addition to, or in lieu of, audited financial statements, to verify an organization's fiscal activity. The open-records standards applicable in many states also require all financial reports and records to be open to the public.

Form 990 provides a wealth of information. An organization's basic financial information—revenues, expenses, assets, and liabilities—is classified into meaningful categories to allow the IRS to evaluate a nonprofit's ongoing qualification for federal tax exemption under Internal Revenue Code §501 (hereinafter code section numbers are simply identified with the symbol “§”). The revised 990 contains a wide range of questions and information regarding governance policies, other tax compliance filings, and for those that must file the new schedules, significantly enhanced details about activities and accomplishments. The returns are also used by funders, states, and other persons to evaluate the scope and type of a nonprofit's activity. Information pertaining to the accomplishment of the organization's mission is presented—how many persons are served, papers researched, reports completed, students enrolled, and the like. Extensive details are furnished for grants paid to support other organizations and disbursed as aid to the poor, sick, students, and others in need. Details are furnished to reflect overall compensation for services and loans (if any) to or from persons who run and control the organization. The program accomplishment reports should particularly be prepared with a view to presenting the organization to funders and other supporters. Some use the information to compare nonprofit organizations statistically.

A long list of questions and financial details fish for failures to comply with the federal and to some extent, state, requirements for donor and member disclosures, political and lobbying activity, transactions with nonexempt organizations, insider transactions, and more. In sum, the returns are designed to show that a nonprofit organization is entitled to maintain its tax-exempt status and also to provide a wealth of other information of interest to funders, constituents, and regulators. Questions that can be answered with information on the forms follow:

- Do the organization's activities focus on an exempt purpose as reflected on the first page of the Core Form and as detailed in Part III?
- Do the fundraising costs shown on Part IX, line 25 (with details in column (D)) equal too high a percentage of the total expenses indicating the nonprofit fails the commensurate test?<sup>3</sup> Notice input of professional fundraising expenses as a single item on the front page, line 16a.
- Does Part I, line 7 (on the Core front page) and column (c) of Part VIII show a high percentage of unrelated business revenues in relation to the total revenues, indicating the organization is devoted to business interests rather than exempt purposes?<sup>4</sup>

## §1.1 HISTORY OF REDESIGN PROJECT

- Do amounts reported in Part VII and Schedule J reflect significant compensation payments to officials and related parties, particularly in relation to overall expenses?<sup>5</sup>
- Is the amount a public charity reported on Schedule C, Part II-A or B for lobbying expenditures excessive (private foundations can spend none and some nonprofits exempt in categories other than §501(c)(3) can spend an unlimited amount)?<sup>6</sup>
- Does the calculation of a public charity's sources of support shown on Schedule A indicate it receives at least 33 $\frac{1}{3}$  percent of its support from the public so it continues to be classified as a public charity under §509(a)(1) or (a)(2)?<sup>7</sup>
- Are there "No" answers to governance Questions 8, 10, 12, 13, 14, and 15 in Part VI indicating the organization has not adopted policies and procedures recommended by the IRS (though not technically required by the tax code)?
- Are "Yes" answers in Part V (a) questions followed by "Yes" answers for (b) indicating the organization has complied with the tax rule asked in the question? Some (but not all) "No" answers in this part indicate noncompliance).

It is extremely important by way of introduction to remind readers that tax-exempt organizations are taxpayers. Though certain types of revenues they collect may not be subject to income tax under §501(c), they are subject to all of the sections contained in the Internal Revenue Code and the tax rules imposed by the states in which they operate. Many of the problems nonprofits ask the authors to solve stem from lack of awareness of this fact. Matters that deserve attention include federal payroll taxes, gift and estate taxes, donor and dues deductibility rules that impact persons who provide the revenues, and other federal issues, such as labor laws and employee retirement plans (ERISA rules).

Lastly, representatives of federally tax-exempt organizations must also inform themselves of the wide variety of state and local tax collection, compliance, and filing requirements—beyond the scope of this guide—to which the nonprofit may be subject. Due to the increasing globalization of activity fostered by the Internet, readers must pay close attention for developments in this regard. Professional help should be sought; CPA and Bar Association referral services should be able to recommend persons with nonprofit-organization experience. For those organizations that cannot afford to pay, a nonprofit management assistance program can be found. Many civic-minded CPAs, lawyers, and business people volunteer their time through local Bar and CPA societies, United Ways, associations of retired executives, and others.

## §1.1 HISTORY OF REDESIGN PROJECT

The Form 990 revision project was undertaken by the IRS in response to the changes in the tax-exempt sector over the quarter century since it was last overhauled. "We need a Form 990 that reflects the way this growing sector operates in the twenty-first century. The new 990 aims to give both the IRS and the public an improved window into the way tax-exempt organizations go about their vital mission."<sup>8</sup>

The forms have evolved slowly over the years through cooperative efforts between the IRS, the American Institute of Certified Public Accountants (AICPA), and

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the American Bar Association (ABA). Congress people, state officials, along with non-profit organizations such as Independent Sector, have also contributed to the effort to achieve adequate disclosure of the financial and program activities of tax-exempt organizations. The new Form 990 grew from a modest five pages in 1988 that was expanded in 1989 to add, in response to a Congressional mandate, page 6 to identify the related and unrelated nature of an organization's revenues. In 1995, parts were added to reconcile the numbers reported on the 990 to an organization's financial statements issued in accordance with reporting methods required by the Financial Accounting Standards Board. The form grew another two pages in 2005 when it first contained governance questions and disclosed compensation of former officials and key employees. In 2007, a page reflecting "information regarding transfers to and from controlled entities" brought the total to nine pages. Now, we have eleven pages resulting from a full page of governance questions (new Part VI) and other questions.

The draft of the revised Form 990 released by the Internal Revenue Service on June 14, 2007, materially expanded the information submitted annually by tax-exempt organizations. The initial draft inspired over 7,000 e-mails and letters, with some 3,000 pages of suggestions during a 90-day comment period. The authors were gratified that the IRS accepted several of our suggestions, particularly showing a synopsis of prior- and current-year financial data on the front page, removing metrics (many called for this change), and reordering of the compliance questions now contained in Parts IV and V.

The redesign has features intended to foster the enhanced transparency requested by Congress, the Independent Sector's Panel on the Nonprofit Sector, and many others. In order to achieve this goal, however, the job of gathering the information and preparing Form 990 for filing will be much harder for most. Lois G. Lerner, Director of the IRS's Exempt Organizations division, disagrees and, as the draft was released, said in the announcement of the draft, "Most organizations should not experience a change in burden. However, those with complicated compensation arrangements, related entity structures and activities that raise compliance concerns may have to spend more time providing meaningful information to the public."<sup>9</sup> The authors and those that submitted the more than 3,000 pages of e-mail comments respectfully disagreed.

The second, and final, draft issued December 20, 2007, reflected some changes in response to public comments. For history buffs, the June 2007, draft of the Core Form is illustrated in Appendix 1A. Our suggestion for redesign of the first page is shown in Appendix 1B. One will notice that the right-hand column reflecting metrics was removed and replaced with a column that displays prior year financial information for comparison purposes. Many objected to the metrics and agreed with the authors' comments to the IRS that "a comparison of functionally allocated expenses to total expenses without room for an explanation is prejudicial against organizations with special circumstances and should be eliminated. A more informative comparison would be between current year totals and last year's totals." Indeed this change was adopted in the final form.

When the final draft of new Form 990 was released, the Commissioner of Tax Exempt/Governmental Entities, said: "When we released the redesigned draft form this past June, we said we needed a Form 990 that reflects the way this growing sector operates in the 21<sup>st</sup> century. The public comments we received in response to our draft form helped us develop a final form consistent with our guiding principles of transparency, compliance and burden minimization. Tax-exempt organizations provide

## §1.2 HIGHLIGHTS OF REVISED FORM 990

tremendous benefits to the people and the communities they serve, but their ability to do good work hinges upon the public's trust. The new Form 990 will foster this trust by greatly improving transparency and compliance in the tax-exempt sector."<sup>10</sup>

## §1.2 HIGHLIGHTS OF REVISED FORM 990

The new Form 990 has been significantly redesigned and consists of an 11-page Core Form and a series of 16 schedules designed to require reporting of information only from those organizations that conduct particular activities. What the IRS calls the "Core Form" is in some respects similar to its predecessor, except for the new first page, Part IV, "Checklist of Required Schedules," and Part VI, "Governance, Management and Disclosure." Significantly, the form no longer asks for attachments that the filer is free to design. Instead, schedules with specific columns and directions must be submitted to provide required additional details. Schedule D, in its five pages as an example, illustrates both the extensive details that are requested in order to reveal an organization's type of assets and funds, but also the requirement that the information be submitted in the format provided by the IRS.

What may be the most challenging to the IRS in terms of reviewing the forms once they are all electronically filed is the new, unformatted, Schedule O. The form has many questions that require an explanation in Schedule O when the answer is "Yes." Schedule O may become the first page viewers go to in studying the forms in the future. The other features that will cause some confusion and mistakes are the dollar thresholds for submitting the schedules. Part IV, "Checklist of Required Schedules," contains an array of thresholds ranging from \$5,000 to \$100,000. To compound the matter, the attachment of some schedules has no threshold, but is simply prompted by the existence of, for example, donor-advised funds or conservation easements without regard to the associated dollar amounts.

The IRS worked long and hard to redesign the form and also to provide instructions and helpful information to aid in preparing the form. Indeed the Core Form instructions have 40 pages. An amazing 14-page glossary contains detailed definitions of terms used in the instructions and on the form. "TIP" suggestions and "NOTE" ideas appear throughout the instructions. A 19-page appendix rounds out the 75 pages of instructions for the core and contains the following information:

- A. Exempt Organizations Reference Chart
- B. How to Determine Whether an Organization's Gross Receipts Are Normally \$25,000 (or \$5,000) or Less
- C. Special Gross Receipts Test for Determining Exempt Status of §501(c)(7) and §501(c)(15) Organizations
- D. Public Inspection of Returns
- E. Group Returns: Reporting Information on Behalf of the Group
- F. Disregarded Entities and Joint Ventures; Inclusion of Activities and Items
- G. Section 4958 Excess Benefit Transactions
- H. Forms and Publications To File or Use
- I. Use of Form 990, or Form 990-EZ, To Satisfy State Reporting Requirements

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The distinguishing features and a brief description of the changes to the Core form and the new schedules follow:

**Form 990, Part I.** The front page of the Core Form presents a snapshot of the organization's mission and revenues, expenses and net assets for the year compared to the prior year. Boxes were added to list the name and address of the organization's principal officer, type of organization (corporation, trust, association, or other), year of formation, and state of legal domicile. With seven lines, what the IRS considers to be key organizational indicators are presented:

Line 1. First, a brief description of its mission or most significant activities (preparers will notice that essentially the same space is provided for this line and the opening description of the mission in Part III)

Line 2. A check box if operations were discontinued or >25 percent of assets disposed of

Line 3. Number of voting board members

Line 4. Number of independent voting members

Line 5. Number of employees

Line 6. Number of volunteers

Line 7a. Amount of gross unrelated business revenue

Line 7b. Amount of net unrelated business taxable income

**Form 990, Part II.** The signature block now appears at the bottom of the first page rather than the last page. A check box that practitioners will welcome was added to authorize the IRS to discuss the return with the preparer signing the return.

**Form 990, Part III, "Statement of Program Service Accomplishments,"** essentially follows the format of the existing Part III with significant additions:

- Expanded space for input of mission description (may duplicate lines on front page)
- Check box to say "Yes" or "No" that there are (or are not) new program services
- Check box to say activities and program services have changed or been discontinued
- Blank to input revenue derived from conduct of each program service
- Blank for what will probably be NTEE (National Taxonomy of Exempt Entities) codes developed by the National Center for Charitable Statistics (input not required for 2008 as the IRS has not finalized what set of codes should be used)

**Form 990, Part IV, "Checklist of Required Schedules,"** has 37 questions with thresholds that prompt completion of one of the 16 schedules.

**Form 990, Part V, "Statements Regarding Other IRS Filings and Tax Compliance,"** has a very useful list of other federal tax filings that might be required and requests numbers of certain forms actually filed.

**Form 990, Part VI, "Governance, Management and Disclosure,"** requests nonfinancial information about the filer's policies and procedures. It has been widely criticized since the draft was released because the information requested goes beyond

## §1.2 HIGHLIGHTS OF REVISED FORM 990

what is required by the tax code and regulations setting forth standards for maintaining tax-exempt status.

**Form 990, Part VII, "Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees,"** presents organizational officials, highly compensated employees, and five top independent contractors receiving more than \$100,000. For those reported, the amount shown on Form W-2 or 1099 for the calendar year corresponding with the filing year is presented, plus amounts paid by related organizations to any listed person. Thus for fiscal year filers, the amounts reported on Part VII will not agree with Part IX.

**Form 990, Part VIII, "Statement of Revenue,"** combines the former front-page categories of revenue combined with columns from former Part VII, "Analysis of Income-Producing Activities." The revenue report now displays revenues in three categories: related or exempt function, unrelated business revenue, or unrelated revenue excluded from tax.

**Form 990, Part IX, "Statement of Functional Expenses,"** retains the display of program service, management, and general and fundraising expenses in three columns. The expense categories have been expanded with new lines for six types of professional services, information technology, payments to affiliates, insurance, and royalties and combination of office-type expenses, such as telephone, supplies, repairs, and the like into one line.

**Form 990, Part X, "Balance Sheet,"** has been streamlined to reflect receivables as net numbers and only one line for land, buildings, and equipment. Prior attachments are now replaced with Schedule D.

**Form 990, Part XI, "Financial Statements and Reporting,"** asks three questions: What is the accounting method used? Were the organization's financial statements compiled, reviewed, or audited by an independent accountant, and if so, is there an audit committee? If the entity received a federal award, did it have the required A-133 single audit? Surprisingly, a filer included in consolidated audited statement is instructed to say they receive no audit.

**Schedule A, "Public Charity Status and Public Support,"** is to be completed by organizations described in §501(c)(3) and §4947(a)(1) to provide information relevant to their status as public charities, including satisfaction of applicable public support tests on an ongoing five-year basis.

**Schedule B, "Schedule of Contributors,"** is to be completed by organizations to provide information regarding contributions they report as revenues.

**Schedule C, "Political Campaign and Lobbying Activities,"** is to be completed by organizations that conduct political campaign activities, organizations described in §501(c)(3) and §4947(a)(1) that conduct lobbying activities, and organizations subject to §6033(e) notice and reporting requirements and potential proxy tax on certain membership dues, assessments and similar amounts.

**Schedule D, "Supplemental Financial Statements,"** is to be completed by organizations to supplement certain balance sheet information, as well as conservation organizations, museums, and other organizations maintaining collections, credit counseling organizations, and others holding funds in escrow or custodial arrangements, and organizations maintaining endowments or donor-advised funds and similar funds or accounts;

**Schedule E, "Schools,"** is the private school questionnaire previously contained in former Schedule A.

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**Schedule F**, "Statement of Activities Outside the United States," reports the organization's activities conducted outside the United States.

**Schedule G**, "Supplemental Information Regarding Fundraising or Gaming Activities," requires that details be provided by organizations that reported certain amounts of professional fundraising expenses, revenue from special events, and revenue from gaming activities.

**Schedule H**, "Hospitals," is to be completed by organizations that operate one or more facilities licensed or registered as a hospital under state law.

**Schedule I**, "Grants and Other Assistance to Organizations, Governments and Individuals in the U.S.," reports grants and other assistance provided by the organization to others within the United States.

**Schedule J**, "Compensation Information," is to be completed by organizations to provide detailed compensation information for certain current or former officers, directors, trustees, key employees, and highest compensated employees, and certain information regarding the organization's compensation practices and arrangements.

**Schedule K**, "Supplemental Information for Tax Exempt Bonds," is to be completed by organizations with outstanding tax-exempt bond liabilities.

**Schedule L**, "Transactions with Interested Persons," is to be completed by organizations that engage in certain types of relationships or transactions with interested persons, including excess benefit transactions, loans, grants or other financial assistance, and other financial or business transactions or arrangements.

**Schedule M**, "Non-Cash Contributions," reports contributions other than cash received by the organization.

**Schedule N**, "Liquidation, Termination, Dissolution or Significant Disposition of Assets," reports major financial contractions of the organization.

**Schedule O**, "Supplemental Information to Form 990," is to be used by organizations to provide supplemental information to describe or explain the organization's responses to questions contained in the Core Form or Schedules.

**Schedule R**, "Related Organizations and Unrelated Partnerships," is to provide information regarding the organization's relationships with other exempt and taxable organizations.

Another big change is elimination of the former 6-page Schedule A, which has grown in one leap for 2008 to 16 schedules, existing Schedule B plus 15 new ones devoted to specific topics. Little did author Blazek anticipate in 1989, when she suggested redesign of Schedule A to contain a summary page to prompt attachment of detailed attachments only by those public charities to which they apply, the resulting form and schedules and broad expanse of information that are now required of all 990 filers, not just public charities.

This significant change is troubling for business leagues and other non-(c)(3) organizations that have never been required to disclose the compensation of certain employees. New Schedule J provides names and details of compensation in excess of \$150,000 for officials, key, and highly paid employees. Some business leagues and the American Society of Association Executives have requested a change in this requirement.<sup>11</sup> Many non-c3s are troubled to be required, for the first time, to disclose detailed information about lobbying and political activities (Schedule C), programs conducted in foreign countries (Schedule F), transactions with interested persons (Schedule L), and much more, which readers will see as they review the new schedules.

## § 1.3 FILING OF NEW FORM DELAYED FOR MANY

## § 1.3 FILING OF NEW FORM DELAYED FOR MANY

The IRS has provided for the phase-in of certain portions of the new form as described below. What will be most welcomed by some is a delay in filing the new Form 990. A new four-page Form 990-EZ was released with filing thresholds as follows:

MAY FILE 990-EZ FOR:	IF GROSS RECEIPTS ARE:	IF ASSETS ARE:
2008 tax year (filed in 2009)	> \$25,000 and < \$1 million	< \$2.5 million
2009 tax year (filed in 2010)	> \$25,000 and < \$500,000	< \$1.25 million
2010 and later tax years	> \$50,000 and < \$200,000	< \$500,000

For 2008 returns, a large number of Form 990 filers will thereby have the option of filing a much simpler Form 990-EZ in which, for example, expenses are not reported in a functional fashion. The balance sheet will have 6, rather than 30, lines. There is no reconciliation to audited financials, no analysis of income-producing activities, and a reduced number of compliance questions.

It is important to study line L of the Form 990-EZ that addresses the calculation of gross receipts that determines eligibility to file the 990-EZ. The three items of cost (tax basis of assets sold, fundraising expense, and cost of inventory items sold) that reduce total revenue on the front page must be added back. In other words, the total proceeds from sale of investments (such as stock), special events, and inventory sales are counted as gross receipts.

See Appendix 1-C for Form 990-EZ. The basic format of Form 990-EZ was not redesigned for 2008. It did grow from three to four pages when the following were added:

- Prompt in bold on the front page that §501(c)(3) and §4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A.
- 14 additional lines for reporting names, titles, and compensation of officials.
- New Question 35 prompts completion of Schedule N if the organization was liquidated, dissolved, terminated, or substantially contracted during the year.
- New Questions 38a and 40b ask whether the organization had any transactions with interested parties and requires completion of Schedule L if so.
- New Question 44 informs an organization that maintains donor-advised funds that it must file Form 990.
- New Question 45 similarly prompts filing of Form 990 if the filer has a §512(b)(13) related entity.
- New page 4 "For §501(c)(3) organizations only" requires filing of the following schedules:
  - Schedule C if the organization has any political campaign activity
  - Schedule C if the organization engaged in lobbying activity
  - Schedule E if the organization is a school

Organizations that file Form 990-EZ (2008) must review the instructions for Schedules A, B, C, E, G, L, and N to determine whether they must report any of their

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activities or information on those Schedules. Form 990-EZ filers will not be required to complete any of the other 2008 Form 990 Schedules.

## § 1.4 FIND OUT WHY ORGANIZATION QUALIFIES FOR TAX EXEMPTION

The world of tax-exempt organizations includes a broad range of nonprofit institutions: churches, schools, charities, business leagues, political parties, schools, country clubs, and united giving campaigns conducting a wide variety of pursuits intended to serve the public good. For purposes of federal tax exemption, each category has its own distinct set of criteria for qualification.<sup>12</sup> It is also important to keep their nonprofit nature in mind in preparing the Form 990. All exempt organizations share the common attribute of being organized for the advancement of a group of persons, rather than particular individuals or businesses. Most exempt organizations are afforded special tax and legal status precisely because of the unselfish motivation behind their formation. The common thread running through the various types of exempt organizations is the lack of private ownership and profit motive. A broad definition of an exempt organization is a nonprofit entity operated without self-interest to serve a societal or group mission that pays none of the income or profit to private individuals.

Federal and state governments view nonprofits as relieving their burdens and performing certain functions of government. Thus, many nonprofits are exempted from the levies that finance government, including income, sales, ad valorem, and other local property taxes. This special status recognizes the work they perform essentially on behalf of the government. In addition, for charitable nonprofits, labor unions, business leagues, and other types of exempt organizations, the tax deductibility of dues and donations paid to them further evidences the government's willingness to forego money in their favor. At the same time, deductibility provides a major fund-raising tool. For complex reasons, some of which are not readily apparent, all nonprofits are not equal for tax deduction purposes, and not all "donations" are deductible.<sup>13</sup>

Form 990 return preparers should always familiarize themselves with the organization's proper exemption category and its past and current mission and activities conducted to accomplish its goals. To correctly answer the questions in Part III that ask if there are changes and to properly describe the organization, it is important that the preparer review, if available, the original IRS Application for Recognition of Exemption, Form 1023 or 1024, and any IRS correspondence pertaining to the organization's qualification to understand why the IRS originally approved exemption for the organization. For many reasons, it is important to know why the IRS granted exempt status. To identify revenues as related or unrelated to the nonprofit's mission necessitates an understanding of an entity's exempt functions. The starting point for evaluating whether a proposed program might in any way endanger the organization's exempt status is the rationale for their original qualification.

Scrutiny of the IRS determination letter is particularly important for §501(c)(3) organizations qualifying for public charity status under §509. Whether Form 990 or 990-EZ is filed, Schedule A must be completed to disclose the designated §509 category and to calculate satisfaction of the public support test, if applicable. The authors

## §1.5 WHO IS REQUIRED TO FILE WHAT

too often find that the returns disagree with the determination letter. As a result of enhanced rules placed on §509(a)(3) Supporting Organizations by the 2006 Pension Protection Act, it may be necessary for the organization to seek reclassification of its public status.<sup>14</sup>

### §1.5 WHO IS REQUIRED TO FILE WHAT

The numerous categories of organizations exempt from income tax are reflected in the different types of returns to be filed. Not all organizations are required to file annual reports with the Internal Revenue Service. Churches, their affiliated organizations, and divisions of states or municipalities, in a manner similar to the Form 1023 rules, do not file Form 990, except churches must file 990-T. Modest-sized organizations may also be excused from filing. The different types of exempt organization annual reports and their basic requirements are as follows:

- No Form Filed.** Churches and certain of their affiliates, and other types of organizations listed below in §1.7 need not file.
- Form 990-N.** Organizations with gross annual receipts “normally” under \$25,000 must now electronically file this brief report that contains only six items. A list of those that need not file appears in §1.7.
- Form 990-EZ.** All exempt organizations, except for private foundations, whose gross annual receipts equal between \$25,000 and \$1,000,000 and whose total assets are less than \$2,500,000 (for 2008) file Form 990-EZ.<sup>15</sup>
- Form 990.** All exempt organizations, except private foundations, whose gross annual receipts are more than \$1,000,000 or who have assets of more than \$2,500,000 must file Form 990 (see Chapter 3). §501(c)(3) organizations that are public charities also file new Schedule A to reflect information about qualification as a public charity.
- Form 990-PF.** All private foundations (PFs) file Form 990-PF annually, regardless of annual receipts or asset levels (yes, even if the PF has no gross receipts). See Chapter 6.
- Form 990-T.** Any organization exempt under §501(a), including churches, state colleges, and universities,<sup>16</sup> and §401 pension plans (including individual retirement accounts) with \$1,000 or more gross income from an unrelated trade or business must file Form 990-T. See Chapter 5.
- Form 990-BL.** Black lung trusts, §501(c)(21), file an annual Information and Initial Excise Tax Return for Black Lung Benefit Trusts and Certain Related Persons.
- Form 4720.** Form 4720 is filed to report excise taxes and to claim abatement of such taxes imposed on §501(c)(3) charities and their insiders for conducting prohibited activities.
- Form 5500.** One of several Forms 5500 may be due to be filed annually by pension, profit-sharing, and other employee welfare plans. Form 5500-EZ is filed for one-participant pension benefit plans.
- Form 5768.** The form is filed to elect or revoke an election by a public charity to measure its permissible lobbying expenditures under §501(h).<sup>17</sup>

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**Forms 941, 1099, W-2, W-3** and other federal and state compensation reporting forms are filed to report payments to workers that perform personal services for tax-exempt organizations.<sup>18</sup>

## § 1.6 FILING FOR NEW ORGANIZATIONS

An organization qualified for, and claiming exempt status under, §501(a) is entitled to file a Form 990 prior to receipt of formal IRS approval for its qualification. Even though Heading B on the front page of the Core Form contains a check box for "Application Pending," the revised instructions acknowledge that an exempt organization return, rather than Form 1120 or 1041, can be filed whether or not Form 1023 or 1024 seeking recognition of its qualification has been filed and whether or not, if filed, approval is still pending.<sup>19</sup>

This procedure stems from the fact that a properly organized §501(c) organization is recognized as exempt retroactively to date of its formation.<sup>20</sup> As a practical matter, the revenue of new organizations is often comprised of voluntary contributions that are gifts excluded from taxable income by §103 so that income tax returns may not technically be due to be filed. It is, therefore, reasonable for the IRS to accept Forms 990 filed by those organizations. If subsequently, exempt status is denied, normal income tax returns can be requested when denial is issued.

## § 1.7 WHO IS NOT REQUIRED TO FILE

The list of organizations not required to file is reproduced each year in the instructions to Form 990. The most recent version should be consulted if there is any question about filing requirements. The instructions for 2008 list the following organizations as being excused from filing:

- Churches and their affiliates, a convention or association of churches, an integrated auxiliary of a church (such as a men's or women's society, religious school, mission society, or youth group) or an internally supported, church-controlled organization.<sup>21</sup>
- Church-affiliated organizations that are exclusively engaged in managing funds or maintaining retirement programs.<sup>22</sup>
- Schools below college level affiliated with a church or operated by a religious order.
- Mission societies sponsored by or affiliated with one or more churches or church denominations, if more than half of the societies' activities are conducted in or directed at persons in foreign countries.
- Exclusively religious activities of any religious order.
- State institutions whose income is excluded from gross income under §115.
- §501(c)(1) organizations that are instrumentalities of the United States and organized under an act of Congress.<sup>23</sup>
- Governmental units and their affiliates granted exemption under §501(a).<sup>24</sup>

### §1.9 NEW FORM 990-N (e-POSTCARD)

- Religious and apostolic organizations described in §501(d) that file Form 1065.
- An LLC or LLP that elects to be treated as a disregarded entity and the transactions of which are reported as the parent's information.<sup>25</sup>

## §1.8 FILING DEADLINE AND FISCAL YEAR

The due date for Forms 990 gives tax practitioners and exempt organizations a reprieve. The forms are due to be filed within  $4\frac{1}{2}$  months after the end of the organization's fiscal year, rather than the  $2\frac{1}{2}$  allowed for Form 1120 (for-profit corporations) and the  $3\frac{1}{2}$  months for Form 1041 (trusts). Thus, the filing due date for an organization reporting for a calendar year organization is May 15, and the return for an entity reporting on a July–June fiscal year period would be due November 15. An extension of time can be requested if the organization has not completed its year-end accounting soon enough to timely file. For Forms 990-T and 990-PF, an extension of time to file does not extend the time to pay the tax.

An automatic procedure for changing an organization's tax reporting year is available for an entity that has not made a change within the 10 years prior to the desired year of change. Advance IRS approval is not required. Assume a calendar year reporting entity wishes to change from a calendar year reporting cycle to a June 30 fiscal year ending. It has filed a full year return for the year 2007. A short-period 2008 return<sup>26</sup> reporting financial activity and information for the six months January through June 2008 would be filed in a timely manner by November 15 or the extended time frame for a June year end filer. For the period July 2008 through June 2009, it would file another 2008 return reporting on its new fiscal year. If permission is required, Form 1128 is filed.

The penalty for late filing is \$20 a day (up from \$10) for organizations with gross receipts under \$1 million a year, not to exceed the greater of \$10,000 or 5 percent of the annual gross receipts for the year of late filing.<sup>27</sup> The penalty can also be imposed if the form is incomplete as filed. The penalty for a large organization (>\$1 million of annual gross receipts) is \$100 a day up to a maximum penalty of \$50,000. IRS officials have suggested an increase in penalties to encourage timely filing.

The annual Forms 990 are submitted, since 1997, to a processing center devoted exclusively to exempt return filings for Forms 990, 990-EZ, 990-PF, 990-T, 1041-A, 4720, 5227, 5578, and 5768 in the Ogden, Utah, Service Center. The centralization was planned to improve the speed and accuracy of return processing through a consolidation of expertise on exempt organization matters. In a similar fashion, the applications for recognition of initial qualification for tax-exempt status, Forms 1023 and 1024, are all filed with the Cincinnati, Ohio, Key District Office.<sup>28</sup> Examination of exempt organizations is the responsibility of the Dallas, Texas, Key District; technical advice and rulings continue to be issued by the Washington, D.C., office.

### §1.9 NEW FORM 990-N (e-POSTCARD)

Modest tax-exempt organizations whose gross receipts are normally \$25,000 or less may be required to electronically submit Form 990-N, also known as the e-Postcard. The Pension Protection Act of 2006 added this filing requirement to ensure that the

## REDESIGNED FORM 990

IRS and potential donors have current information about all recognized as tax-exempt organizations. The first e-Postcards are due in 2008 for tax years ending on or after December 31, 2007. The e-Postcard is due every year by the 15th day of the 5th month after the close of the tax year and can *only* be filed electronically on the IRS web site at <http://epostcard.form990.org>. A private foundation cannot file this form. There is no paper form. The following information is required:

- Employer identification number (EIN), or taxpayer identification number (TIN)
- Tax year
- Legal name and mailing address
- Any other names the organization uses
- Name and address of a principal officer
- Web site address, if the organization has one
- Confirmation that the organization's annual gross receipts are normally \$25,000 or less
- If applicable, a statement that the organization has terminated or is terminating (going out of business)

Although there is no monetary penalty for filing Form 990-N late or not at all, after three consecutive years of failing to file the Form, the organization will have its exempt status revoked. Another important issue arises for the filer relying on its public support to qualify to file 990-N rather than form 990-PF. The filer should retain donor history and check its qualification using Schedule A. The following organizations are not required to file Form 990-N:

- Churches and their affiliates listed above in §1.7.
- Subordinates included in a group return

The following organization cannot file Form 990-N:

- Organizations with annual gross receipts that are normally greater than \$25,000
- Private foundations (file Form 990-PF)
- §509(a)(3) supporting organizations
- §527 (political) organizations

### § 1.10 ELECTRONIC FILING OF RETURNS

Any organization can voluntarily file Form 990 and related forms, schedules, and attachments electronically. Electronic filing is required, however, for an organization that files at least 250 returns of any type during the calendar year and has total assets of \$10 million or more at the end of the tax year. "Returns" for this purpose include information returns, for example, Forms W-2, Forms 1099, income tax returns, employment tax returns (including quarterly Forms 941), and excise tax returns. If an organization is required to file a return electronically but does not, the organization is considered not to have filed its return, even if a

### §1.11 GROUP RETURNS AND ANNUAL AFFIDAVIT

paper return is submitted.<sup>29</sup> For the most current information about this requirement, go to [www.irs.gov/efile](http://www.irs.gov/efile). The IRS may waive the requirements to file electronically in cases of undue hardship.<sup>30</sup>

### §1.11 GROUP RETURNS AND ANNUAL AFFIDAVIT

A parent organization that is willing to be in “general supervision or control” of a group of subsidiary exempt organizations, once its own qualification for exemption is established, may apply for recognition of exemption for members of its group to be covered by a group exemption letter. The parent organization of the group may assume the burden of filing a consolidated Form 990 for its subordinate organizations. If the subordinate revenue is below the current filing level (for 2008 \$25,000 of gross revenue), it need not be included in the group return or file a separate return. The group return reports an aggregate of financial information and data for all subordinates.

The 2008 Form 990 Instructions Appendix E contains a very useful listing of individual parts of the return that require special attention by group return filers. For example, if the answer to the Question in Part VI, line 4, is “Yes,” the instruction says to report only changes to standardized organizational documents maintained by the central organization that subordinates are required to adopt. Group return filers should carefully use this resource as a guide to correct completion of the consolidated return.<sup>31</sup>

Rather than filing a consolidated return on their behalf, the parent can also require each subordinate to file its own return or only include some subordinates in the group return. The parent always separately files its own 990. The parent and the subordinates must each file separate 990-Ts. To be included in a group Form 990, there must be two or more consenting subordinate member organizations that possess all the following attributes:

- Affiliated with the central organization at the time its annual accounting period ends
- Subject to the central organization’s general supervision or control
- Exempt from tax under a group exemption letter that is still in effect
- Use the same accounting period as the central organization

When the parent or controlling member of the group takes responsibility for filing a consolidated Form 990, each affiliate member covered by the group exemption must annually give written authority for its inclusion in the group return. A declaration, made under penalty of perjury, that the financial information to be combined into the group Form 990 is true and complete is included. An attachment showing the name, address, and employer identification number of included local organizations is attached to the group return. An affiliate choosing not to be included in the group return files a separate return and checks Block H(a) and enters the Group Exemption Number in Block H(c) on page 1 of Form 990. Each year, 90 days before the end of the fiscal year, the parent organization separately reports a current list of subsidiary organizations to the Ogden, Utah, Service Center.<sup>32</sup>

Appendix E of the IRS instructions contains five pages of specific instructions for “Reporting Information on Behalf of the Group” that should be studied by a parent filing a group Form 990. Special directions are also provided for attachment of

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Schedule B for group returns. Again there is a choice, but importantly the instructions provide that once a method is adopted it cannot be changed without IRS consent. Any change must be reported on Schedule O. The alternative methods of reporting include:

- Parent includes Schedule B reporting on its donors.
- A consolidated Schedule B, including all subordinates is included in the group return (if one is filed).
- A consolidated Schedule B, including the parent and all subsidiaries, is included in the group return.
- The instructions are silent, but, one presumes, each subordinate submits its own Schedule B if no consolidated return is filed.

### § 1.12 PUBLIC INSPECTION OF FORMS 990 AND 1023/1024

An actual copy of Forms 990, 990-PF, and 990-EZ for the three most recent years and Form 1023 or 1024 must be given by tax-exempt organizations to anyone requesting one.<sup>33</sup> The names and addresses of the organization's contributors are not subject to public inspection and can be omitted from the copy made available to the public, except for private foundations and §527 organizations.

Form 990-T, Organization Business Income Tax Return, filed by a charity after August 17, 2006 must also be made available by §501(c)(3) organizations.<sup>34</sup> An exact copy of the return, plus any schedules, attachments, and supporting documents that relate to the imposition of tax on the unrelated business income of the charity, must be provided.

If the request is made in person at the organization's office, the copy must be provided immediately. In response to a written request, the copy must be mailed within 30 days. Between 1987 and 1997, the returns had to be made available for inspection in the organization's offices. Payment terms provided in the regulations say:

- An organization may charge \$1.00 for the first page and \$0.15 for each subsequent page.
- Payments must be accepted in cash, money orders, personal checks, or credit cards.
- Written requests can be transmitted by mail, electronic mail, facsimile, or private delivery service, or in person and must contain the address to which the copies can be mailed.
- Alternative methods an organization can use to make the forms widely available include through electronic media instead of furnishing copies.

If the organization that charges a fee for copying receives a request containing no payment, it must, within seven days of receipt of the request, notify the requester of its prepayment policy and the amount due. If the copy charge exceeds \$20 and prepayment is not required, the organization must obtain the requester's consent to the charge. An organization can satisfy its public inspection requirement by making its returns available on the Internet either through its own site or a database of other exempt organizations on another site. The forms will be considered widely available

## NOTES

only if they are posted in the same format used by the IRS to post forms and publication on the IRS website. The site must contain instructions to enable the user to download and print the forms without charge. The Guidestar.org posting is not mentioned in the statute and the 2008 instructions for Form 990 do not mention it as a source to satisfy this requirement.

If the Exempt Organization (EO) is the subject of a harassment campaign, the regulations contain procedures for applying to the key district office for relief. As an example, the regulation indicates the receipt of 200 requests following a national news report about the organization is not considered harassment. Receipt of 100 requests from known supporters of another organization opposed to the policies and positions the organization advocates are said to be disruptive to the organization's operations and to thereby constitute harassment.

An organization having more than one administrative office must have a copy available at each office where three or more full-time employees work. Service-providing facilities are not counted for this purpose if management functions are not performed there. A branch organization that does not file its own Form 990 because it is included in a group return must make the group return available.

A request to see a copy of the return can also be sent to the District Director of the Internal Revenue Service in the area in which the organization is located, or to the National Office of the IRS. Form 4506-A can also be used to request a copy of any return, and a photocopying fee will be imposed.

Up to a \$10,000 penalty can be imposed against the person(s) responsible for a failure to disclose the returns. The penalty is \$20 for each day the failure continues. An additional \$10 per day, up to a maximum of \$5,000, can also be imposed if the organization's manager(s) refuse to furnish the required information after a written request by the IRS. If more than one person is responsible, they are jointly and severally liable for the penalties.<sup>35</sup>

## NOTES

1. IRC §6104 added by the Omnibus Budget Reconciliation Act of 1987.
2. In the authors' experience, some organizations are omitted.
3. See J. Blazek, *Tax Planning and Compliance for Tax-Exempt Organizations*, 4th edition, (Hoboken, N.J.: John Wiley & Sons, 2008), Ch. 2.2(d), and Ch. 20 for a discussion of factors indicating an organization is operated to benefit its founders, funders, fundraisers, or other private individuals rather than its exempt beneficiaries.
4. See Blazek, *Tax Planning and Compliance*, 4th edition, Ch. 21, for a discussion of the complicated array of definitions, exceptions, and modifications that cause certain types of business income to be taxed when the nonprofit is essentially operating a business in competition with for-profit businesses.
5. See Blazek, *Tax Planning and Compliance*, 4th edition, Ch. 20, for a discussion of penalties called Intermediate Sanctions imposed on public charities that pay excessive benefits to their insiders. The similar rules that are applicable to private foundations, called self-dealing, are discussed in Chapter 14.
6. Lobbying by public charities is limited by two different tests outlined in Blazek, *Tax Planning and Compliance*, 4th edition, Ch. 23.5. Private foundations are prohibited from making any expenditures for lobbying efforts but can support public charities that lobby so long as their grant is not designated for that purpose as discussed in Chapter 17.1.

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7. See Blazek, *Tax Planning and Compliance*, 4th edition, Ch. 3, for a brief description of the labyrinth of rules applied to determine classification under the three very different types of public charities.
8. Lois G. Lerner, Director of Exempt Organizations Division, IR-2007-204, December 20, 2007.
9. IRS Announcement 2007-117, June 14, 2007.
10. *Ibid.* Note 8.
11. A 2008 article has revealed: "The National Football League, hard at work promoting its football season set to begin September 4, has another, less-public campaign afoot: asking Congress to redact the names and salary information of the league's highest-paid employees from the expanded Form 990 when it is made available to the public." F. Stokeld and A. Elliott, "NFL Wants to Withhold Salaries of Highly Paid Employees from Public," *Exempt Organization Tax Review*, August 18, 2008.
12. See Blazek, *Tax Planning and Compliance*, 4th edition, Chs. 2-10, for over 150 pages that discuss the requirements for the most common types, compare the categories, explain the attributes that distinguish them from each other, and consider instances in which they overlap.
13. See Blazek, *Tax Planning and Compliance*, 4th edition, Ch. 24, "Deductibility and Disclosures."
14. IRS Announcement 2006-03 provided guidance for seeking a change.
15. See §1.3 for phase-in amounts for 2009 and 2010.
16. IRC §511(a)(2)(B).
17. Discussed in Blazek, *Tax Planning and Compliance*, Ch. 3.5.
18. Penalties are imposed for failure to withhold and pay federal taxes from employees and failure to file other types of compensation reports. See Blazek, *Tax Planning and Compliance*, 4th edition, ch. 25, for checklists and guidance regarding this very important subject.
19. Treas. Reg. §1.6033-2(c).
20. IRC §508 provides this retroactive recognition for a §501(c)(3) only if it files Form 1023 within 27 months of its establishment.
21. See Blazek, *Tax Planning and Compliance*, 4th edition, Ch. 3.2, for a discussion of the criteria applied to define organizations qualifying as churches and their affiliates.
22. Rev. Proc. 96-11, 1996-1 C.B. 577.
23. IRC §6033(a)(2) and (3).
24. Defined in Rev. Proc. 95-48, 1995-47 I.R.B. 13.
25. Treas. Reg. §301.7701-2(c)(2).
26. The IRS has made an exception to this rule for short periods ending before December 31, 2008. It will allow those organizations to use the 2007 Form 990 to file their short-period return even if the short period begins in 2008.
27. IRC §6652(c)(1)(A) as amended by the Taxpayer Bill of Rights 2, H.R. 2670, §1314.
28. See Blazek, *Tax Planning and Compliance*, 4th edition, Ch. 18, for a thorough outline of the determination process.
29. Treas. Reg. §301.6033-4.
30. IRS Notice 2005-88, 2005-48 I.R.B. 1060.
31. IRS Publication 4573 (12-2006) expanded on the exemption and filing requirements for group exemptions and can be studied by prospective and existing Group Exemption holders. Helpful instructions on what to include in an application for recognition of exemption for the group and subsequent annual filings are outlined.
32. Rev. Proc. 96-40, 1996-32 I.R.B. 8.
33. Effective June 8, 1999; Taxpayer Bill of Rights 2, H.R. 2670, §1313, amending IRC §6104(e); applies to Forms 990-T filed with IRS after 8/17/2006; IRS Notice 2008-49, 2008-20 IRB 979.
34. Treas. Reg. § 301.6104(d)-1 and Notice 2007-45.
35. IRC §6652 amended by Taxpayer Bill of Rights 2, §1313.

APPENDIX 1A: 6/14/07 DRAFT OF CORE FORM

APPENDIX 1A: 6/14/07 DRAFT OF CORE FORM

Form **990** **Return of Organization Exempt From Income Tax** OMB No. 1545-0047  
 Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation) **20XX**  
 Department of the Treasury Internal Revenue Service (77) **Open to Public Inspection**

The organization may have to use a copy of this return to satisfy state reporting requirements.

**A** For the 20XX calendar year, or tax year beginning \_\_\_\_\_, 20XX, and ending \_\_\_\_\_, 20

**B** Check if applicable:  Address change  Name change  Initial return  Termination  Amended return  Application pending

**C** Name of organization \_\_\_\_\_  
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite \_\_\_\_\_  
 City or town, state or country, and ZIP + 4 \_\_\_\_\_

**D** Employer identification number \_\_\_\_\_  
**E** Telephone number (\_\_\_\_) \_\_\_\_\_

**F** Name and address of Principal Officer: \_\_\_\_\_

**G** Website: \_\_\_\_\_

**I** Accounting method:  Cash  Accrual  Other \_\_\_\_\_

**J** Books: In care of \_\_\_\_\_ Located at \_\_\_\_\_ Telephone number (\_\_\_\_) \_\_\_\_\_

**H** Enter amount of gross receipts \$ \_\_\_\_\_

**K** Organization type (check only one)  501(c) (\_\_\_\_) (insert no.)  4947(a)(1) or  527

**L** Year of Formation: \_\_\_\_\_ **M** State of legal domicile: \_\_\_\_\_

**Part I Summary**

**1** Briefly describe the organization's mission: \_\_\_\_\_

**2** List the organization's three most significant activities and the activity codes (Part IX):

a	Code	b	Code	c	Code
3		4		5	
6		7		8a	
9a		b		9a	

**10** Check this box  if the organization discontinued its operations or disposed of more than 25% of its assets and attach Schedule N.

	Amount	% of Total
<b>11</b> Contributions and grants (Part IV, line 10, column (A))		
<b>12</b> Program service revenue (Part IV, line 2g, column (A))		
<b>13</b> Membership dues and assessments (Part IV, line 3, column (A))		
<b>14</b> Investment income (Part IV lines 4, 5, 6, 8, 10d)		
<b>15</b> Other revenue (Part IV, lines 3, 7, 9d, 11c, 12c, and 13e, column (A))		
<b>16</b> Total revenue add lines 11 through 15 (must equal Part IV, line 14, column (A))		100%
<b>17</b> Program service expense (Part V, line 24, column (B))		
<b>18</b> Management and general expenses (Part V, line 24, column (C))		
<b>19a</b> Fundraising expenses (Part V, line 24, column (D))		
<b>19b</b> Percentage of contributions (divide line 19a by line 11) _____ %		
<b>20</b> Total expenses (must equal Part V, line 24, column (A))		100%
<b>21</b> Net income (line 16 minus line 20)		
	Beginning of Year	End of Year
<b>22</b> Total assets (Part VI, line 17)		
<b>23</b> Total liabilities (Part VI, line 27)		
<b>24a</b> Net assets or fund balances line 22 minus line 23		
<b>24b</b> Total expenses (line 20) as percentage of net assets (line 24a) _____ %		

	(i) Gross Revenue	(ii) Expenses	(iii) Net to organization	(iv) Divide column (iii) by column (i)
<b>25</b> Gaming	(Schedule G, Part III, line 1 column (d))	(Schedule G, Part III, line 7)	(Schedule G, Part III, line 5)	%
<b>26</b> Fundraising (other than gaming)	(Schedule G, Part I, line 1b column (iii) total)	(Schedule G, Part I, line 1b column (iv) total)	(Schedule G, Part I, line 1b column (v) total)	%

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11282Y Form **990** (20XX)

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Part II Compensation and Other Financial Arrangements with Officers, Directors, Trustees, Key Employees, Highly Compensated Employees, and Independent Contractors

Section A Complete this table for all persons required to be listed. Attach additional pages as needed.

1a\* List all of the organization's current officers, directors, trustees (whether individuals or organizations) and key employees regardless of amount of compensation. Enter -0- if no compensation was paid.

\* List the organization's five highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation of more than \$100,000 from the organization and any related organizations.

\* List all of the organization's former officers, key employees or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

\* List all of the organization's former directors or trustees that received, in their capacity as a former director or trustee of the organization, more than \$10,000 in reportable compensation from the organization and any related organizations.

Table with 7 columns: (A) Name, City, and State of Residence; (B) Position (check all that apply); (C) Check box if full-time officer or employee; (D) Reportable compensation from the organization; (E) Reportable compensation from related organizations; (F) Aggregate loans and other amounts owed to the organization; (G) Aggregate loans and other amounts owed to related organizations.

1b Total

2 Total number of individuals who received more than \$100,000 in reportable compensation from the organization

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**Part II (Continued)**

**Section B**

	Yes	No
<b>3</b> For the CEO, Executive Director, Treasurer, and CFO listed in Section A, did the process for determining compensation include a review and approval by independent members of the governing body, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>4</b> Did any current officer or employee listed in Section A earn or accrue more than \$100,000 of non-qualified deferred compensation?		
<b>5</b> During the tax year, did any person who is or was an officer, director, trustee, or key employee within the past 5 years:		
<b>a</b> Have a family relationship with any other person listed in Section A?		
<b>b</b> Have a business relationship with any other person listed in Section A?		
<b>c</b> Have a business relationship with the organization (other than as an officer, director, trustee, or employee) directly or indirectly through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Section A)?		
<b>d</b> Have a business relationship with the organization (other than as an officer, director, trustee, or employee) indirectly through a family member?		
<b>e</b> Serve as an officer, director, trustee, key employee, partner or member of an entity (or a shareholder of a professional corporation), doing business with the organization?		
<b>f</b> Complete this table if the organization answered "Yes" to any of lines 5a-5e (for lines 5a and b, complete columns (i)-(iii) only).		

(i) Name of Current or Former Officer, Director, Trustee, or Key Employee	(ii) Name of Individual or Entity	(iii) Relationship	(iv) Description of transaction	(v) Based on sharing of revenue or net earnings of organization? (Y/N)	(vi) Amount of the transaction

	Yes	No
<b>6</b> Did the organization list any <b>former</b> officers, directors, trustees, key employees, or highest compensated employees in Section A? If yes, complete Schedule J		
<b>7</b> For any individual listed in Section A, is the sum of columns (D) and (E) greater than \$150,000? If yes, complete Schedule J		
<b>8</b> Did any individual listed in Section A receive or accrue more than \$250,000 of reportable or other compensation including deferred compensation, nontaxable fringe benefits and expense reimbursements? If yes, complete Schedule J		
<b>9</b> Did any person listed in Section A receive or accrue compensation from any source other than the organization or a related organization for services rendered to the organization? If yes, complete Schedule J		

**10a** List the top five independent contractors that received more than \$100,000 of compensation from the organization. Exclude those included in 5f.

(A) Name, City and State of Residence	(B) Description of Services Provided	(C) Compensation

**10b** Total number of independent contractors (including those in 10a) that received more than \$100,000 in compensation from the organization

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**Part III Statements Regarding Governance, Management, and Financial Reporting**

		Yes	No
<b>1a</b>	Enter the number of members of the governing body . . . . .		
<b>1b</b>	Enter the number of independent members of the governing body . . . . .		
<b>2</b>	Did the organization make any significant changes to its organizing or governing documents? If "Yes", briefly describe these changes. .....		
<b>3a</b>	Does the organization have a written conflict of interest policy? . . . . .		
<b>3b</b>	If "Yes," how many transactions did the organization review under this policy and related procedures during the year? . . . . .		
<b>4</b>	Does the organization have a written whistleblower policy? . . . . .		
<b>5</b>	Does the organization have a written document retention and destruction policy? . . . . .		
<b>6</b>	Does the organization contemporaneously document the meetings of the governing body and related committees through the preparation of minutes or other similar documentation? . . . . .		
<b>7a</b>	Does the organization have local chapters, branches or affiliates? . . . . .		
<b>7b</b>	If yes, does the organization have written policies and procedures governing the activities of such chapters, affiliates and branches to ensure their operations are consistent with the organization's? . . . . .		
<b>8</b>	Does an officer, director, trustee, employee or volunteer prepare the organization's financial statements? Indicate whether an independent accountant provides any of the following services: Compilation <input type="checkbox"/> Review <input type="checkbox"/> Audit <input type="checkbox"/>		
<b>9</b>	Does the organization have an audit committee? . . . . .		
<b>10</b>	Did the organization's governing body review this Form 990 before it was filed? . . . . .		
<b>11</b>	How do you make the following available to the public? Check all that apply.		
	Organizing/Governing Documents <input type="checkbox"/> n/a <input type="checkbox"/> website <input type="checkbox"/> other website <input type="checkbox"/> office <input type="checkbox"/> other _____		
	Conflict of Interest Policy <input type="checkbox"/> n/a <input type="checkbox"/> website <input type="checkbox"/> other website <input type="checkbox"/> office <input type="checkbox"/> other _____		
	Form 990 <input type="checkbox"/> n/a <input type="checkbox"/> website <input type="checkbox"/> other website <input type="checkbox"/> office <input type="checkbox"/> other _____		
	Form 990-T <input type="checkbox"/> n/a <input type="checkbox"/> website <input type="checkbox"/> other website <input type="checkbox"/> office <input type="checkbox"/> other _____		
	Financial Statements <input type="checkbox"/> n/a <input type="checkbox"/> website <input type="checkbox"/> other website <input type="checkbox"/> office <input type="checkbox"/> other _____		
	Audit Report <input type="checkbox"/> n/a <input type="checkbox"/> website <input type="checkbox"/> other website <input type="checkbox"/> office <input type="checkbox"/> other _____		
<b>12</b>	List the states with which a copy of this return is filed: _____		

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Part IV Statement of Revenue		(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded From Tax under IRC 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns . . . . . 1a				
	b Outside fundraising or commercial co-ventures . . . . . 1b				
	c Fundraising events . . . . . 1c				
	d Related organizations . . . . . 1d				
	e Government grants (contributions) . . . . . 1e				
	f All other contributions, gifts grants, and similar amounts not included above . . . . . 1f				
	g Noncash \$ _____ Attach Schedule M. . . . .				
	<b>h Total.</b> . . . . .				
Program Service Revenue	Business Code				
	2a Medicare/Medicaid payments . . . . .				
	b Fees and contracts from government agencies . . . . .				
	c Revenue from related investments . . . . .				
	d . . . . .				
	e . . . . .				
	<b>g Total</b> . . . . . \$ _____				
Other Revenue	3 Membership dues and assessments . . . . .				
	4 Interest on savings and temporary cash investments . . . . .				
	5 Dividends and interest from securities . . . . .				
	6 Income from investment of tax-exempt bond proceeds . . . . .				
	7 Royalties . . . . .				
	8 Other investment income . . . . .				
	9a Gross Rents . . . . . (i) Real (ii) Personal				
	b Less rental expenses . . . . .				
	c Rental income or (loss) . . . . .				
	d Net rental income or (loss) . . . . .				
	10a Gross amount of sales of assets other than inventory . . . . . (i) Securities (ii) Other				
	b Less: Cost or other basis and sales expenses . . . . .				
	c Gain or (loss) . . . . .				
	d Net gain or (loss) from investments. <i>Combine line 10c, columns (i) and (ii)</i> . . . . .				
11a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). <i>Attach Schedule G if total exceeds \$10,000. If any amount is from gaming, check here</i> . . . . . a					
b Less direct expenses . . . . . b					
c Net income from fundraising events . . . . .					
12a Gross sales of inventory, less returns and allowances . . . . . a					
b Less cost of goods sold . . . . . b					
c Net income or loss from sales of inventory . . . . .					
Miscellaneous Revenue		Business Code			
13a . . . . .					
b . . . . .					
c . . . . .					
d . . . . .					
e <b>Total</b> . . . . . \$ _____					
14 <b>Total Revenue.</b> Add lines 1g, 2g, 3-8, 9d, 10d, 11c, 12c, and 13c. . . . .					

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**Part V Statement of Functional Expense**

501(c)(3) and (4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 9b, 10b, 11b, and 12b of Part IV.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants to governments and organizations in the U.S. Complete Parts I and III of Schedule I if total exceeds \$5,000				
2 Grants and other assistance to individuals in the U.S. Complete Parts II and III of Schedule I if total exceeds \$5,000				
3 Grants and other assistance to governments, organizations and individuals outside the U.S.				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising (Complete Schedule G if total exceeds \$10,000)				
f Investment management fees				
g Other				
12 Advertising				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any Federal, state or local public officials				
19 Conferences, conventions and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Other expenses—Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 24 below)				
a .....				
b .....				
c .....				
d .....				
e .....				
f .....				
24 <b>Total.</b> Functional expenses. Add lines 1 through 23f				

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APPENDIX 1A: 6/14/07 DRAFT OF CORE FORM

Form 990 (20XX)

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<b>Part VI Balance Sheet</b>		(A) Beginning of year	(B) End of year
<b>Assets</b>	1 Cash—non-interest-bearing . . . . .	1	
	2 Savings and temporary cash investments . . . . .	2	
	3 Pledges and grants receivable, net . . . . .	3	
	4 Accounts receivable, net . . . . .	4	
	5 Receivables from current officers, directors, trustees, key employees or other related parties. Complete Schedule L . . . . .	5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Schedule L . . . . .	6	
	7 Notes and loans receivable, net . . . . .	7	
	8 Inventories for sale or use . . . . .	8	
	9 Prepaid expenses and deferred charges . . . . .	9	
	10 Investments—publicly-traded securities . . . . .	10	
	11 Investments—other securities. Complete Part I of Schedule D . . . . .	11	
	12a Investments—Land, buildings, and equipment: Cost basis. Complete Part II, Schedule D . . . . .	12a	
	12b Less accumulated depreciation . . . . .	12b	12c
	13 Investments—other. Complete Part III of Schedule D . . . . .	13	
	14 Investments—Program Related. Complete Part IV of Schedule D . . . . .	14	
	15a Program Related—land, buildings, and equipment: cost basis. Complete Part V of Schedule D . . . . .	15a	
	15b Less: accumulated depreciation . . . . .	15b	15c
16 Other assets. Complete Part VI of Schedule D . . . . .	16		
17 <b>Total assets.</b> Add Columns A and B, lines 1 through 16 (must equal line 35) . . . . .	17		
<b>Liabilities</b>	18 Accounts payable and accrued expenses . . . . .	18	
	19 Grants payable . . . . .	19	
	20 Deferred revenue . . . . .	20	
	21 Tax-exempt bond liabilities. Complete Schedule K . . . . .	21	
	22 Escrow account liability . . . . .	22	
	23 Payable to current and former officers, directors, trustees, or key employees (attach Schedule L) . . . . .	23	
	24 Mortgages and notes payable to unrelated third parties secured by: a Investment property shown on lines 10, 11, 13, and 14 . . . . .	24a	
	b Land, building, and equipment shown on lines 12 and 15 . . . . .	24b	
	25 Unsecured notes and loans payable . . . . .	25	
	26 Other liabilities. Complete Part VII of Schedule D . . . . .	26	
27 <b>Total liabilities.</b> Add lines 18 through 26 . . . . .	27		
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 28 through 30, and lines 34 and 35</b> . . . . .		
	28 Unrestricted net assets . . . . .	28	
	29 Temporarily restricted net assets . . . . .	29	
	30 Permanently restricted net assets . . . . .	30	
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 31 through 35.</b> . . . . .		
	31 Capital stock or trust principal, or current funds . . . . .	31	
	32 Paid-in or capital surplus, or land, building or equipment fund . . . . .	32	
33 Retained earnings, endowment, accumulated income, or other funds . . . . .	33		
34 Total net assets or fund balances . . . . .	34		
35 Total liabilities and net assets/fund balances . . . . .	35		

Form 990 (20XX)

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Form 990 (20XX)

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**Part VII Statements Regarding General Activities**

	Yes	No																				
<b>1</b> Did the organization conduct any of the following outside the U.S.?																						
<b>a</b> grantmaking, fundraising, trade, business, or program service activities?																						
<b>b</b> maintain an office, employees or agents?																						
<b>c</b> maintain an interest in, or signature or other authority, over a financial account <i>If "yes" to any of these questions, complete Schedule F.</i>																						
<b>2</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If yes, complete Part VIII of Schedule D and Schedule M																						
<b>3</b> Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services? If "yes", complete part XI of Schedule D.																						
<b>4</b> Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "yes", complete Part IX of Schedule D and Schedule M																						
<b>5</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets for public exhibition, education, or research in furtherance of public service rather than financial gain? <i>If "yes", complete part X of Schedule D.</i>																						
<b>6a</b> Did the organization have any tax-exempt bonds outstanding at any time during the year? <i>If yes, answer 6b-6d and complete Schedule K. If no, go to question 7.</i>																						
<b>6b</b> Did the organization invest any net proceeds of tax-exempt bonds beyond a temporary period exception?																						
<b>6c</b> Did the organization maintain an escrow account other than an advance refunding escrow at any time during the year to defease any tax-exempt bonds?																						
<b>6d</b> Did the organization act as an "on behalf of issuer" for bonds outstanding at any time during the year?																						
<b>7</b> At any time during the year,																						
<b>a</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? If yes, attach Schedule R																						
<b>b</b> Was the organization related to any tax-exempt or taxable entity? If yes, attach Schedule R																						
<b>8a</b> During the tax year, did the filing organization conduct all or a substantial part of its exempt activities through or using a partnership, LLC, or corporation?																						
<b>b</b> If yes, identify below the name and primary activity of such partnership, LLC, or corporation in which the filing organization's ownership or control was 50% or less (attach additional pages if necessary):																						
<table border="1"> <thead> <tr> <th>Name</th> <th>Primary Activity</th> <th>Ownership %</th> <th>Type of Entity</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>	Name	Primary Activity	Ownership %	Type of Entity																		
Name	Primary Activity	Ownership %	Type of Entity																			
<b>c</b> Is the organization a partner in a partnership, member of an LLC, or shareholder of a corporation that was managed by a company that was controlled by taxable partners, members or shareholders?																						
<b>9</b> Did the organization operate, or maintain a facility to provide hospital or medical care? If yes, complete Schedule H.																						
<b>10</b> Is the organization a school as described in section 170(b)(1)(A)(ii)? If yes, complete Schedule E																						
<b>11</b> Does the organization have a written policy or procedure to review the organization's investments or participation in disregarded entities, joint ventures, or other affiliated organizations (exempt or non-exempt)?																						
<b>12</b> Does the organization have a written policy that requires the organization to safeguard its exempt status with respect to its transactions and arrangements with related organizations?																						
<b>13</b> Is the organization filing Form 990 in lieu of Form 1041? Enter the amount of tax exempt interest received or accrued during the year																						
<b>14</b> <i>501(c)(7) Organizations.</i> Enter:																						
<b>a</b> Initiation fees and capital contributions included on Part IV, line 14	<b>14a</b>																					
<b>b</b> Gross receipts, included on Part IV, line 14, for public use of club facilities	<b>14b</b>																					
<b>15</b> <i>501(c)(12) Organization.</i> Enter:																						
<b>a</b> Gross income from members or shareholders	<b>15a</b>																					
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	<b>15b</b>																					
<b>16</b> Does the organization hold assets in term or permanent endowments? If yes, complete Schedule D, Part XII																						
<b>17</b> Is the organization required to attach Schedule B, Schedule of Contributors?																						

Form 990 (20XX)

APPENDIX 1A: 6/14/07 DRAFT OF CORE FORM

Form 990 (20XX)

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**Part VIII Statements Regarding Other IRS Filings**

	Yes	No
<b>1</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes", complete Schedule C, Political Campaign and Lobbying Activities.		
<b>2</b> Did the organization engage in lobbying activities? If "Yes", complete Schedule C.		
<b>3a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		
<b>c</b> If "yes" to 3a, did the organization file Form 8886-T, <i>Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction</i> ?		
<b>4a</b> Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
<b>b</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
<b>5a</b> <i>501(c)(3) and 501(c)(4) Organizations.</i> Did the organization engage in an excess benefit transaction with a disqualified person during the year?		
<b>b</b> Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person during a prior year?		
<b>c</b> If "Yes," complete the table below.		

Name of Disqualified Person	Description of Transaction	Corrected? (Y/N)

	Yes	No
<b>d</b> Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958.		
<b>e</b> Enter the amount of tax on line 5d reimbursed by the organization.		
<b>6</b> <i>501(c)(3) supporting organizations and sponsoring organizations maintaining donor advised funds.</i> Did the supporting organizations, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
<b>7</b> <i>501(c)(3) and other sponsoring organizations maintaining donor advised funds.</i>		
<b>a</b> Did the organization make any taxable distributions under section 4966?		
<b>b</b> Did the organization make a distribution to a donor, donor advisor, or related person?		
<b>8a</b> Did the organization have unrelated business gross income of \$1000 or more during the year covered by this return?		
<b>b</b> If "Yes," has it filed a Form 990-T for this year?		
<b>9a</b> Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.		
<b>b</b> If at least one, did the organization file all required employment tax returns?		
<b>10a</b> Did the organization provide Forms 1099 as required?		
<b>b</b> If "Yes", indicate the number filed.		
<b>11a</b> Did the organization provide goods or services in exchange for any contribution of \$75 or more?		
<b>b</b> If "Yes", did the organization notify the donor of the value of the goods or services provided?		
<b>12a</b> Did the organization solicit any contributions that were not tax deductible?		
<b>b</b> If "Yes", did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>13a</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it filed Form 8282?		
<b>b</b> If "Yes", how many Forms 8282 did the organization file during the tax year?		
<b>14</b> For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		

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Form 990 (20XX)

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**Part IX Statement of Program Service Accomplishments** (See the instructions.)

- 1 Did the organization make any significant changes in its activities or methods of conducting activities?  Yes  No  
If "Yes," describe these changes.
- 2 Describe the organization's most significant program service accomplishment for the year:

		(A) Direct Revenue*	(B) Program Service Expenses** Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts; optional for others
3a	Activity Code: _____ _____ _____ _____ (Grants and allocations \$ _____)		
b	Activity Code: _____ _____ _____ _____ (Grants and allocations \$ _____)		
c	Activity Code: _____ _____ _____ _____ (Grants and allocations \$ _____)		
d	Other program services (attach schedule) (Grants and allocations \$ _____)		
e	<b>Total</b>		

**Part X Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Please Sign Here**

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_  
Type or print name and title \_\_\_\_\_

**Paid Preparer's Use Only**

Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_ Check if self-employed  Preparer's SSN or PTIN (See Gen. Inst.) \_\_\_\_\_  
Firm's name (or yours if self-employed), address, and ZIP + 4 \_\_\_\_\_ EIN \_\_\_\_\_  
Phone no. \_\_\_\_\_

**Third party designee**

Do you want to allow another person to discuss this return with the IRS?  Yes. Complete the following.  No

Designee's name \_\_\_\_\_ Phone no. \_\_\_\_\_ ( ) \_\_\_\_\_ Personal identification number (PIN) \_\_\_\_\_

Printed on recycled paper

Form 990 (20XX)

APPENDIX 1B: BV SUGGESTED REVISIONS

APPENDIX 1B: BV SUGGESTED REVISIONS

Blazek & Vetterling Revision

Form **990** **Return of Organization Exempt From Income Tax**  
 Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No. 1545-0047  
**20XX**  
**Open to Public Inspection**

Department of the Treasury  
 Internal Revenue Service (77)

The organization may have to use a copy of this return to satisfy state reporting requirements.

**A** For the 20XX calendar year, or tax year beginning , 20XX, and ending , 20

**B** Check if applicable:  
 Address Change  
 Name Change  
 Initial Return  
 Termination  
 Amended Return  
 Application pending

**C** Name of organization  
 Number and street for P.O. box if mail is not delivered to street address. Room/suite  
 City or town, state or country, and ZIP + 4

**D** Employer Identification number

**E** Telephone Number ( )

**F** Website:

**H** Accounting Method:  
 Cash  
 Accrual  Other

**I** Books  
 In care of  
 Located at

**G** Enter amount of gross receipts \$

**J** Organization type (check only one)  501(c) ( ) (insert no.)  4947 (a)(1) or  527 Telephone Number ( )

**K** Year of Formation: **L** State of legal domicile

**Part I Summary**

**1** Briefly describe the organization's exempt purpose and accomplishments. (See Part IX for details).

**2** Check this box  if the organization discontinued its operations or disposed of more than 25% of its assets and attach Schedule N. **See Att.**

	Revenues		See Att.
	Prior year	This year	
<b>3</b> Contributions and grants (Part IV, line 1h, column (A))			<input type="checkbox"/>
<b>4</b> Program service revenue (Part IV, line 2g, column (A))			<input type="checkbox"/>
<b>5</b> Membership dues and assessments (Part IV, line 3, column (A))			<input type="checkbox"/>
<b>6</b> Investment income (Part IV, line 11, column (A))			<input type="checkbox"/>
<b>7</b> Other revenue (Part IV, line 15, column (A))			<input type="checkbox"/>
<b>8</b> Total revenue (add lines 4 through 8, must equal Part IV, line 16, column (A)) (See Part IV for analysis of income-producing activities and Schedule G for Gaming and Fundraising Activity)			<input type="checkbox"/>
<b>9</b> Program service expenses (Part V, line 24, column (B))			<input type="checkbox"/>
<b>10</b> Management and general expenses (Part V, line 24, column (C))			<input type="checkbox"/>
<b>11</b> Fundraising expenses (Part V, line 24, column (D))			<input type="checkbox"/>
<b>12</b> Total expenses (must equal Part V, line 24, column (A)) See Part V.			<input type="checkbox"/>
<b>13</b> Excess/(Deficit) of revenue over expenses (line 8 minus line 12)			<input type="checkbox"/>
<b>14</b> Other changes in net assets:			<input type="checkbox"/>
<b>15</b> Net assets or fund balances at beginning of year (line 19, col (a))			<input type="checkbox"/>
<b>16</b> Net assets or fund balances at end of year (combine lines 13-15, should equal line 19 col(b))			<input type="checkbox"/>
	(a) Beginning of Year	(b) End of Year	
<b>17</b> Total assets (Part VI, line 17)			<input type="checkbox"/>
<b>18</b> Total liabilities (Part VI, line 27)			<input type="checkbox"/>
<b>19</b> Net assets or fund balances (line 17 minus line 18) See Part VI.			<input type="checkbox"/>
<b>20</b> Enter the number of members of the governing body (Part III, Line 1a)		20	<input type="checkbox"/>
<b>21</b> Enter the number of independent members of the governing body (Part III, Line 1b)		21	<input type="checkbox"/>
<b>22</b> Enter the total number of employees (Part VIII, Line 9a)		22	<input type="checkbox"/>
<b>23</b> Enter the estimated number of volunteers the organization had during the year		23	<input type="checkbox"/>
<b>24</b> Enter officer, director, trustee, and other key employee compensation (Part V, Line 5, column (A))		24	<input type="checkbox"/>
<b>25</b> Divide line 24 by line 12 (Also see Part II and Schedule J for details).		25 %	<input type="checkbox"/>
<b>26</b> Enter total gross unrelated business revenue (Part IV, Line 14, column (C))		26	<input type="checkbox"/>
<b>27</b> Enter net unrelated business taxable income (Form 990-T, Line 34)		27	<input type="checkbox"/>
<b>28</b> See Parts VII and VIII for listings of schedules and returns that may be required plus general information.			<input type="checkbox"/>

REDESIGNED FORM 990

APPENDIX 1C: FORM 990-EZ

Form **990-EZ**

Department of the Treasury  
Internal Revenue Service

**Short Form**  
**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code  
(except black lung benefit trust or private foundation)

▶ Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than \$1,000,000 and total assets less than \$2,500,000 at the end of the year may use this form.  
▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-1150

**2008**

**Open to Public Inspection**

**A For the 2008 calendar year, or tax year beginning** \_\_\_\_\_, **2008, and ending** \_\_\_\_\_, **20**

**B** Check if applicable:

Address change

Name change

Initial return

Termination

Amended return

Application pending

Please use IRS label or print or type. See Specific Instructions.

**C** Name of organization \_\_\_\_\_

Number and street (or P.O. box, if mail is not delivered to street address) Room/suite \_\_\_\_\_

City or town, state or country, and ZIP + 4 \_\_\_\_\_

**D** Employer identification number \_\_\_\_\_

**E** Telephone number (\_\_\_\_) \_\_\_\_\_

**F** Group Exemption Number \_\_\_\_\_

◆ **Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).**

**G** Accounting method:  Cash  Accrual  
Other (specify) ▶ \_\_\_\_\_

**H** Check  if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

**I** Website: ▶ \_\_\_\_\_

**J** **Organization type** (check only one) —  501(c) ( ) ◀ (insert no.)  4947(a)(1) or  527

**K** Check  if the organization is not a section 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

**L** Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts; if \$1,000,000 or more, file Form 990 instead of Form 990-EZ ▶ \$ \_\_\_\_\_

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See the instructions for Part I.)

Revenue	<b>1</b> Contributions, gifts, grants, and similar amounts received		<b>1</b>
	<b>2</b> Program service revenue including government fees and contracts		<b>2</b>
	<b>3</b> Membership dues and assessments		<b>3</b>
	<b>4</b> Investment income		<b>4</b>
	<b>5a</b> Gross amount from sale of assets other than inventory	<b>5a</b>	
	<b>b</b> Less: cost or other basis and sales expenses	<b>5b</b>	
	<b>c</b> Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a) (attach schedule)		<b>5c</b>
	<b>6</b> Special events and activities (complete applicable parts of Schedule G). If any amount is from gaming, check here <input type="checkbox"/>		
	<b>a</b> Gross revenue (not including \$ _____ of contributions reported on line 1)	<b>6a</b>	
	<b>b</b> Less: direct expenses other than fundraising expenses	<b>6b</b>	
<b>c</b> Net income or (loss) from special events and activities (Subtract line 6b from line 6a)		<b>6c</b>	
<b>7a</b> Gross sales of inventory, less returns and allowances	<b>7a</b>		
<b>b</b> Less: cost of goods sold	<b>7b</b>		
<b>c</b> Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)		<b>7c</b>	
<b>8</b> Other revenue (describe ▶ _____)		<b>8</b>	
<b>9</b> <b>Total revenue.</b> Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8		<b>9</b>	
Expenses	<b>10</b> Grants and similar amounts paid (attach schedule)		<b>10</b>
	<b>11</b> Benefits paid to or for members		<b>11</b>
	<b>12</b> Salaries, other compensation, and employee benefits		<b>12</b>
	<b>13</b> Professional fees and other payments to independent contractors		<b>13</b>
	<b>14</b> Occupancy, rent, utilities, and maintenance		<b>14</b>
	<b>15</b> Printing, publications, postage, and shipping		<b>15</b>
	<b>16</b> Other expenses (describe ▶ _____)		<b>16</b>
<b>17</b> <b>Total expenses.</b> Add lines 10 through 16		<b>17</b>	
Net Assets	<b>18</b> Excess or (deficit) for the year (Subtract line 17 from line 9)		<b>18</b>
	<b>19</b> Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)		<b>19</b>
	<b>20</b> Other changes in net assets or fund balances (attach explanation)		<b>20</b>
	<b>21</b> Net assets or fund balances at end of year. Combine lines 18 through 20		<b>21</b>

**Part II Balance Sheets.** If Total assets on line 25, column (B) are \$2,500,000 or more, file Form 990 instead of Form 990-EZ. (See the instructions for Part II.)

	(A) Beginning of year	(B) End of year
<b>22</b> Cash, savings, and investments		<b>22</b>
<b>23</b> Land and buildings		<b>23</b>
<b>24</b> Other assets (describe ▶ _____)		<b>24</b>
<b>25</b> <b>Total assets</b>		<b>25</b>
<b>26</b> <b>Total liabilities</b> (describe ▶ _____)		<b>26</b>
<b>27</b> <b>Net assets or fund balances</b> (line 27 of column (B) must agree with line 21)		<b>27</b>

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**Part V Other Information** (Note the statement requirements in the instructions for Part VI.)

		Yes	No
33	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		
34	Were any changes made to the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes		
35	If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T.		
35a	a Did the organization have unrelated business gross income of \$1,000 or more or section 6033(e) notice, reporting, and proxy tax requirements?		
35b	b If "Yes," has it filed a tax return on Form 990-T for this year?		
36	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," complete applicable parts of Schedule N		
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions. ▶ <b>37a</b>		
37b	b Did the organization file Form 1120-POL for this year?		
38a	38a Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still unpaid at the start of the period covered by this return?		
38b	b If "Yes," complete Schedule L, Part II and enter the total amount involved <b>38b</b>		
39a	39 Section 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 9 <b>39a</b>		
39b	b Gross receipts, included on line 9, for public use of club facilities <b>39b</b>		
40a	40a Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ▶ ; section 4912 ▶ ; section 4955 ▶		
40b	b Section 501(c)(3) and (4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," complete Schedule L, Part I <b>40b</b>		
40c	c Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
40d	d Enter amount of tax on line 40c reimbursed by the organization		
40e	e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T. <b>40e</b>		
41	41 List the states with which a copy of this return is filed. ▶		
42a	42a The books are in care of ▶ Telephone no. ▶ ( ) Located at ▶ ZIP + 4 ▶		
42b	b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? <b>42b</b> If "Yes," enter the name of the foreign country: ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	Yes	No
42c	c At any time during the calendar year, did the organization maintain an office outside of the U.S.? <b>42c</b> If "Yes," enter the name of the foreign country: ▶		
43	43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶ <b>43</b> <input type="checkbox"/>		
44	44 Did the organization maintain any donor advised funds? If "Yes," Form 990 must be completed instead of Form 990-EZ <b>44</b>		
45	45 Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)? If "Yes," Form 990 must be completed instead of Form 990-EZ <b>45</b>		

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APPENDIX 1C: FORM 990-EZ

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**Part VI Section 501(c)(3) organizations only.** All section 501(c)(3) organizations must answer questions 46-49 and complete the tables for lines 50 and 51.

- |     | Yes | No |
|-----|-----|----|
| 46  |     |    |
| 47  |     |    |
| 48  |     |    |
| 49a |     |    |
| 49b |     |    |
- 46 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I . . . . .
- 47 Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II . . . . .
- 48 Is the organization operating a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E . . . . .
- 49a Did the organization make any transfers to an exempt non-charitable related organization? . . . . .
- b If "Yes," was the related organization(s) a section 527 organization? . . . . .
- 50 Complete this table for the five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each employee paid more than \$100,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Total number of other employees paid over \$100,000 ▶				

51 Complete this table for the five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each independent contractor paid more than \$100,000	(b) Type of service	(c) Compensation
Total number of other independent contractors each receiving over \$100,000 . . . ▶		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer _____ Date _____
	Type or print name and title. _____
<b>Paid Preparer's Use Only</b>	Preparer's signature _____ Date _____ Check if self-employed <input type="checkbox"/> Preparer's Identifying Number (See instructions) _____
	Firm's name (or yours if self-employed), address, and ZIP + 4 _____ EIN _____
	Phone no. _____
May the IRS discuss this return with the preparer shown above? See instructions <input type="checkbox"/> Yes <input type="checkbox"/> No	

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