

2023

Instructions for Form 990-EZ

**Short Form Return of Organization Exempt From
Income Tax Under Section 501(c), 527, or
4947(a)(1) of the Internal Revenue Code (except
private foundations)**

Volume 1 of 4



Department of the Treasury
Internal Revenue Service

Instructions for Form 990-EZ (Rev. 2023) Catalog Number 52734N
Department of the Treasury **Internal Revenue Service** www.irs.gov



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Section references are to the Internal Revenue Code unless otherwise noted.

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Future developments. For the latest information about developments related to Form 990-EZ and its instructions, such as legislation enacted after they were published, go to [IRS.gov/ Form990EZ](https://www.irs.gov/Form990EZ).

Reminders

Required electronic filing of Form 990-EZ by exempt organizations. Form 990-EZ must be filed electronically. See *General Instructions D. When, Where, and How To File*, later, for more information.

Ann. 2021-18 revoked Ann. 2001-33.

Ann. 2001-33, 2001-17 I.R.B. 1137, provided tax-exempt organizations with reasonable cause for purposes of relief from the penalty imposed under section 6652(c)(1)(A)(ii) if they reported compensation on their annual information returns in the manner described in Ann. 2001-33 instead of accordance with certain form instructions. Ann. 2021-18, 2021-52 I.R.B. 910, revoked Ann. 2001-33

and instructs affected tax-exempt organizations to follow the specific instructions to the Forms 990, 990-EZ, and 990-PF, effective for annual information returns required for taxable years beginning on or after January 1, 2022.

Purpose of Form

Form 990, Return of Organization Exempt From Income Tax, and Form 990-EZ are used by tax-exempt organizations, nonexempt charitable trusts (that are not treated as private foundations), and section 527 political organizations to provide the IRS with the information required by section 6033.

An organization's completed Form 990 or 990-EZ, and a section 501(c)(3) organization's Form 990-T, Exempt Organization Business Income Tax Return, are generally available for public inspection as required by section 6104. Schedule B (Form 990), Schedule of Contributors, is open for

public inspection for section 527 organizations filing Form 990 or 990-EZ. Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation, is also open for public inspection for organizations filing Form 990-PF. For other organizations that file Form 990 or 990-EZ, parts of Schedule B (Form 990) can be open to public inspection. For more details, see *Appendix D: Public Inspection of Returns*, later, and the Instructions for Schedule B (Form 990).

Some members of the public rely on Form 990 or 990-EZ as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return.

Other purposes of Form 990 and 990-EZ include the following.

1. Form 990-EZ can be filed by organizations with gross receipts of

less than \$200,000 and total assets of less than \$500,000 at the end of their tax year.

2. Sponsoring organizations of donor advised funds (as defined in section 4966(d)(1)), organizations that operate a hospital facility, organizations recognized by the IRS as section 501(c)(29) nonprofit health insurance issuers, and certain controlling organizations defined in section 512(b) (13) must file Form 990 rather than Form 990-EZ regardless of the amount of their gross receipts and total assets. See *General Instructions A. Who Must File*, and the instructions for lines 44 and 45, later, before completing this form.
3. Form 990-EZ can't be used by a private foundation required to file Form 990-PF. A section 501(c)(3) or section 4947(a) (1) organization

should refer to the Instructions for Schedule A (Form 990), Public Charity Status and Public Support, to determine whether it is a private foundation.

4. Form 990 must be used to file a group return, not Form 990-EZ. See *General Instructions A*, later.

General Instructions

Overview of Form 990-EZ. Form 990-EZ is an annual information return required to be filed with the IRS by many organizations exempt from income tax under section 501(a), and certain political organizations and nonexempt charitable trusts. Parts I through V of the form must be completed by all filing organizations (Part VI must be completed by section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts), and require reporting on the organization's exempt and other activities, finances, compliance with certain federal tax filings and requirements, and compensation paid to certain persons. Additional schedules are required to be completed depending on the activities and type of organization. The completed Form 990-EZ filed with the IRS, except for certain contributor information on Schedule B (Form 990), is required to be made available to the public by the IRS and

the filing organization (see *Appendix D*, later). Also, the organization may be required to file the completed Form 990-EZ with state governments to satisfy state reporting requirements. See *Appendix G: Use of Form 990 or 990-EZ To Satisfy State Reporting Requirements*, later.



Reminder: Don't Include Social Security Number on Publicly Disclosed Forms. Because the filing organization and the IRS are required to publicly disclose the organization's annual information returns, social security numbers (SSNs) shouldn't be included on this form. By law, with limited exceptions, neither the organization nor the IRS may remove that information before making the form publicly available. Documents subject to disclosure include schedules and attachments filed with the form. For more information, see *Appendix D*, later.

Helpful hints. The following hints may help you more efficiently review these instructions and complete the form.

1. Throughout these instructions, “the organization” and the “filing organization” both refer to the organization filing Form 990-EZ.
2. The examples appearing throughout these instructions are illustrative only and for the purpose of completing Form 990-EZ, but aren’t all-inclusive.
3. Instructions for the Form 990-EZ schedules are published separately from these instructions.
4. Unless otherwise specified, information should be provided for the organization’s tax year. For instance, an organization should answer “Yes” to a question asking whether it conducted a certain type of activity only if it

conducted that activity during the tax year.



Organizations that have total gross income from unrelated trades or businesses of at least \$1,000 are also required to file Form 990-T in addition to any required Form 990, 990-EZ, or 990-N.

A. Who Must File

Most organizations exempt from income tax under section 501(a) must file an annual information return (Form 990 or 990-EZ) or submit an annual electronic notice (Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required To File Form 990 or Form 990-EZ), depending upon the organization's gross receipts and total assets.

Form 990-EZ. If an organization has gross receipts less than \$200,000 and total assets at the end of the year less than \$500,000, it can file Form 990-EZ, instead of Form 990.

But see the special rules later regarding *Section 501(c)(21) black lung trusts, Sponsoring organizations of donor advised funds, Organizations that operate one or more hospital facilities, Section 501(c)(29) nonprofit health insurance issuers, and Controlling organizations described in section 512(b)(13).*

Form 990. Form 990 (not 990-EZ or 990-N) must be filed by an organization exempt from income tax under section 501(a) (including an organization that hasn't applied for recognition of exemption or whose application for recognition of exemption is pending) if it has either gross receipts greater than or equal to \$200,000 or total assets greater than or equal to \$500,000 at the end of the tax year (with exceptions described below for organizations eligible to submit Form 990-N and for certain organizations described in *General Instructions B. Organizations Not Required To File Form 990 or 990-EZ*, later).

Organizations that must file include the following.

- Organizations described in section 501(c)(3) (other than private foundations).
- Organizations described in other section 501(c) subsections.

Gross receipts. Gross receipts are the total amounts the organization received from all sources during its annual accounting period, without subtracting any costs or expenses. See *Appendix B: How To Determine Whether an Organization's Gross Receipts Are Normally \$50,000 (or \$5,000) or Less*, later, for a discussion of gross receipts. Total assets is the amount reported by the organization on its balance sheet (Form 990-EZ, Part II, line 25, column (B)) as of the end of the year, without reduction for liabilities.

For purposes of Form 990 or 990-EZ reporting, the term "section 501(c)(3)"

includes organizations exempt under sections 501(e) and (f) (cooperative service organizations), 501(j) (amateur sports organizations), 501(k) (childcare organizations), and 501(n) (charitable risk pools). In addition, any organization described in one of these sections is also subject to section 4958 if it obtains a determination letter from the IRS stating that it is described in section 501(c)(3).

Form 990-N. If an organization normally has annual gross receipts of \$50,000 or less, it must submit Form 990-N if it doesn't file Form 990 or 990-EZ (with exceptions described later for certain section 509(a)(3) supporting organizations and for certain organizations described in *General Instructions B*, later). If the organization chooses to file Form 990-EZ, be sure to file a complete return. See *Appendix B*, later, for a discussion of gross receipts and *General Instructions H. Requirements for a Properly*

Completed Form 990-EZ, later, for a discussion of a complete return.

Foreign and U.S. territory organizations.

Foreign organizations and U.S. territory organizations, as well as domestic organizations, must file Form 990 or 990-EZ unless specifically excepted under *General Instructions B*, later. Report amounts in U.S. dollars, and state what conversion rate the organization uses. Combine amounts from inside and outside the United States and report the total for each item. All information must be written in English.

Section 501(c)(21) black lung trusts. The trustee of a trust exempt from tax under section 501(a) and described in section 501(c)(21) must file Form 990 and not Form 990-EZ, unless the trust normally has gross receipts in each tax year of not more than \$50,000 and can file Form 990-N.

Sponsoring organizations of donor advised funds. Sponsoring organizations of

donor advised funds (as defined in section 4966(d)(1)) must file Form 990 and not Form 990-EZ. See line 44a and the related instructions.

Organizations that operate one or more hospital facilities. Organizations that operated one or more hospital facilities during the tax year must file Form 990, and not Form 990-EZ, and complete Schedule H (Form 990), Hospitals. A “hospital facility” is a facility that is required to be licensed, registered, or similarly recognized by a state as a hospital. See line 44b and the related instructions.

Section 501(c)(29) nonprofit health insurance issuers. Nonprofit health insurance issuers described in section 501(c)(29) must file Form 990 and not Form 990-EZ.

Controlling organizations described in section 512(b)(13). A controlling organization of one or more controlled

entities, as described in section 512(b)(13), must file Form 990 and not Form 990-EZ if it is required to file an annual information return for the year and if there was a certain type of transfer of funds between the controlling organization and any controlled entity during the year. See line 45 and the related instructions.

Section 509(a)(3) supporting

organizations. A section 509(a)(3) supporting organization must file Form 990 or 990-EZ, even if its gross receipts are normally \$50,000 or less, and even if it is described in Rev. Proc. 96-10, 1996-1 C.B. 577, or is an affiliate of a governmental unit described in Rev. Proc. 95-48, 1995-2 C.B. 418, unless it qualifies as one of the following.

1. An integrated auxiliary of a church, as described in Regulations section 1.6033-2(h).
2. The exclusively religious activities of a religious order.

3. An organization whose gross receipts are normally not more than \$5,000 that supports a section 501(c)(3) religious organization.

If the organization is described in (3), then it must submit Form 990-N unless it voluntarily files Form 990 or 990-EZ.

Section 501(c)(7) and 501(c)(15) organizations. Section 501(c)(7) and 501(c)(15) organizations apply the same gross receipts test as other organizations to determine whether they must file a Form 990 or 990-EZ, but use a different definition of gross receipts to determine whether they qualify as tax exempt for the tax year. See *Appendix C: Special Gross Receipts Tests for Determining Exempt Status of Section 501(c)(7) and Section 501(c)(15) Organizations*, later, for more information.

Section 527 political organizations. Tax-exempt political organizations must file Form 990 or 990-EZ unless their annual gross

receipts are less than \$25,000 during the tax year or they are otherwise excepted under *General Instructions B*, later. A section 527 political organization that is a qualified state or local political organization must file Form 990 or 990-EZ only if it has gross receipts of \$100,000 or more. Political organizations aren't required to submit Form 990-N.

Section 4947(a)(1) nonexempt charitable trusts. A nonexempt charitable trust described under section 4947(a)(1) (if it isn't treated as a private foundation) is required to file Form 990 or 990-EZ unless excepted under *General Instructions B*, later. Such a trust is treated like an exempt section 501(c)(3) organization for purposes of completing the form. Section 4947(a)(1) trusts must complete all sections of the Form 990-EZ and schedules that 501(c)(3) organizations must complete. All references to a section 501(c)(3) organization in Form 990-EZ, schedules, and instructions include a

section 4947(a)(1) trust (for instance, such a trust must complete Schedule A (Form 990)), unless otherwise specified. If such a trust doesn't have any taxable income under subtitle A of the Code, it can file Form 990 or 990-EZ to meet its section 6012 filing requirement and doesn't have to file Form 1041, U.S. Income Tax Return for Estates and Trusts.

Group returns. A group return filed by the central or parent organization on behalf of the subordinates in a group exemption must be filed using Form 990, not Form 990-EZ.

Returns when exempt status not established. An organization is required to file Form 990 or 990-EZ in accordance with these instructions if the organization claims exempt status under section 501(a) but hasn't established such exempt status by filing Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code; Form 1023-EZ,

Streamlined Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code; Form 1024, Application for Recognition of Exemption Under Section 501(a) or Section 521 of the Internal Revenue Code; or Form 1024-A, Application for Recognition of Exemption Under Section 501(c)(4) of the Internal Revenue Code, and receiving an IRS determination letter recognizing exempt status. In such cases, the organization must check the "Application pending" checkbox in *Item B* of the Form 990 or 990-EZ header (whether or not a Form 1023, 1023-EZ, 1024, or 1024-A has been filed) to indicate that Form 990 or 990-EZ is being filed in the belief that the organization is exempt under section 501(a).

To qualify for recognition of tax exemption retroactive to its date of organization or formation, an organization claiming tax-exempt status must generally file Form 1023,

1023-EZ, 1024, or 1024-A within 27 months of the end of the month in which it was legally organized or formed.

B. Organizations Not Required To File Form 990 or 990-EZ

An organization described below doesn't have to file Form 990 or 990-EZ even if it has at least \$200,000 of gross receipts or \$500,000 total assets at the end of the tax year (except for section 509(a)(3) supporting organizations described in *General Instructions A*). See *General Instructions A*, earlier, for determining whether the organization can file Form 990-EZ instead of Form 990. An organization described in item 10 or 11 under *Certain organizations with limited gross receipts*, later, is required to submit Form 990-N unless it voluntarily files Form 990 or 990-EZ, as applicable.

Certain religious organizations

1. A church, an interchurch organization of local units of a church, a convention or association of churches, or an integrated auxiliary of a church as described in Regulations section 1.6033-2(h) (such as a men's or women's organization, religious school, mission society, or youth group).
2. A church-affiliated organization that is exclusively engaged in managing funds or maintaining retirement programs and is described in Rev. Proc. 96-10. But see the filing requirements for section 509(a)(3) supporting organizations in *General Instructions A*, earlier.
3. A school below college level affiliated with a church or operated by a religious order, as described in

Regulations section 1.6033-2(g)(1)(vii).

4. A mission society sponsored by, or affiliated with, one or more churches or church denominations, if more than half of the society's activities are conducted in, or directed at, persons in foreign countries.
5. An exclusively religious activity of any religious order described in Rev. Proc. 91-20, 1991-1 C.B. 524. **Certain governmental organizations**
6. A state institution whose income is excluded from gross income under section 115.
7. A governmental unit or affiliate of a governmental unit described in Rev. Proc. 95-48. But see the filing requirements for section 509(a)(3) supporting organizations in *General Instructions A*, earlier.

8. An organization described in section 501(c)(1). A section 501(c)(1) organization is a corporation organized under an act of Congress that is an instrumentality of the United States, and exempt from federal income taxes.

Certain political organizations

9. A political organization that is:
- A state or local committee of a political party,
 - A political committee of a state or local candidate,
 - A caucus or association of state or local officials, or

Required to report under the Federal Election Campaign Act of 1971 as a political committee (as defined in section 301(4) of such Act).

10. **Certain organizations with limited gross receipts**

11. An organization whose gross receipts are normally \$50,000 or less. Such organizations are generally required to submit Form 990-N if they choose not to file Form 990 or 990-EZ. To determine what an organization's gross receipts "normally" are, see *Appendix B*, later.

12. Foreign organizations and organizations located in U.S. territories, whose gross receipts from sources within the United States are normally \$50,000 or less, and which didn't engage in significant activity in the United States (other than investment activity). Such organizations, if they claim U.S. tax exemption or are recognized by the IRS as tax exempt, are generally

required to submit Form 990-N if they choose not to file Form 990 or 990-EZ.

13. If a foreign organization or organization located in a U.S. territory is required to file a Form 990 or 990-EZ, then its worldwide gross receipts, as well as assets, are taken into account in determining whether it qualifies to file Form 990-EZ. To determine what an organization's gross receipts normally are, see *Appendix B*, later.

Certain organizations that file different kinds of annual information returns

14. A private foundation (including a private operating foundation) exempt under section 501(c)(3) and described in section 509(a). Use Form 990-PF for a taxable private foundation, a section 4947(a)(1) nonexempt charitable trust treated as a private foundation, and a

private foundation terminating its status by becoming a public charity under section 507(b)(1)(B) for tax years within its 60-month termination period. If the section 507(b)(1)(B) organization successfully terminates, then it files Form 990 or 990-EZ in its final year of termination.

15. A religious or apostolic organization described in section 501(d). Use Form 1065, U.S. Return of Partnership Income.
16. A stock bonus, pension, or profit-sharing trust that qualifies under section 401. Use Form 5500, Annual Return/Report of Employee Benefit Plan.



Subordinate organizations in a group exemption that are included in a group return filed for the tax year by the central organization shouldn't file a separate

Form 990 or 990-EZ, or submit Form 990-N for the tax year.



A public charity described in section 170(b)(1)(A)(iv) or (vi) or 509(a)(2) that isn't within its initial 5 years of existence should first complete Part II or III of Schedule A (Form 990) to ensure that it continues to qualify as a public charity for the tax year. If it fails to qualify as a public charity, then it must file Form 990-PF rather than Form 990-EZ.

C. Accounting Periods and Methods

Accounting Periods

Calendar year. Use the 2023 Form 990-EZ to report on the 2023 calendar year accounting period. A calendar year accounting period begins on January 1 and ends on December 31.

Fiscal year. If the organization has established a fiscal year accounting period, use the 2023 Form 990-EZ to report on the organization's fiscal year that began in 2023 and ended 12 months later. A fiscal year accounting period should normally coincide with the natural operating cycle of the organization. Be certain to indicate in the heading of Form 990-EZ the date the organization's fiscal year began in 2023 and the date the fiscal year ended in 2024.

Short period. A short accounting period is a period of less than 12 months, which exists when an organization first commences operations, changes its accounting period, or terminates. If the organization's short year began in 2023 and ended before December 31, 2023 (not on or after December 31, 2023), it may use either 2022 Form 990 or 2023 Form 990-EZ to file for the short year. If using the 2022 return, provide the information for designated years listed on the

return, other than the tax year being reported, as if the years shown in the form text and headings were updated.

For example, if filing for a short period beginning in 2023 on the 2022 Form 990-EZ, provide the information on Schedule A (Form 990), Part II, for the tax years 2019-2023, rather than for tax years 2018-2022. Check the "Initial return" box or the "Final return/terminated" box in Item B of the Heading if either of those situations apply.

Accounting period change. If the organization changes its accounting period, it must file a Form 990 for the short period resulting from the change. If you are filing a short period return because you changed your accounting period, use software with a change of accounting period field to file. Also, include the reason for the change, either "Form 1128 was approved" or "Revenue Procedure 85-58 rules apply."

If the organization has previously changed its annual accounting period at any time within the 10-calendar-year period that includes the beginning of the **short period resulting from the current change in accounting period**, and it had a Form 990 series or income tax return filing requirement at any time during that 10-year period, it must also file a Form 1128, Application To Adopt, Change, or Retain a Tax Year, with the short-period return. See Rev. Proc. 85-58, 1985-2 C.B. 740. See also IRS.gov for further instructions.

If an organization that submits Form 990-N changes its accounting period, it must report this change on Form 990, 990-EZ, or 1128, or by sending a letter to:

Internal Revenue Service
1973 Rulon White Blvd.
Ogden, UT 84201

Accounting Methods

An “accounting method,” for federal income tax purposes, is a practice a taxpayer follows to determine the tax year in which to report revenue and expenses for federal income tax purposes. An accounting method includes not only the overall plan of accounting for gross income or deductions (for example, an accrual method or the cash receipts and disbursement method), but also the treatment of any item that involves the proper time for the inclusion of an item in income or the taking of an item as a deduction, or both. However, a practice that does not affect the timing for reporting an item of income or deduction for purposes of determining taxable income is not an accounting method. A taxpayer, including a tax-exempt entity, generally adopts any permissible accounting method in the first year in which it uses the method in determining its taxable income. See Rev.

Proc. 2015-13, 2015-5 I.R.B. 419 as modified by Rev. Proc. 2021-34, 2021-35 I.R.B. 337.



An exempt organization may adopt an accounting method not only for purposes of calculating taxable income, but also for purposes of determining whether taxable income will be subject to federal income tax. For example, a tax-exempt entity may adopt an accounting method for an item of income from an unrelated trade or business activity even if the gross income from such activity is less than \$1,000 and is therefore not taxed for federal income tax purposes pursuant to Regulations section 1.6012-2(e).

An accounting method for an item of income or deduction may generally be adopted separately for each of the taxpayer's trades or businesses. However, in order to be permissible, an accounting method must clearly reflect the taxpayer's income. Unless instructed otherwise, the organization should

generally use the same accounting method on the return (including Form 990-EZ and all schedules) to report revenue and expenses that it regularly uses to keep its books and records.

Accounting method change. Once a taxpayer, including a tax-exempt entity, adopts an accounting method for federal income tax purposes, the taxpayer must generally request the IRS's consent before it can change its accounting method (even if the year in which the taxpayer seeks to make the change is a year in which it generates only tax-exempt income or is otherwise not taxed on its taxable income). In most cases, a taxpayer requests consent to change an accounting method by filing Form 3115, Application for Change in Accounting Method. See Rev. Proc. 2015-13, or any successor, for general procedures for obtaining consent to change an accounting method.



Depending on the specific accounting method change being requested, the taxpayer may be able to request "automatic" consent. This means that as long as the taxpayer follows the applicable procedures, the taxpayer does not have to wait for formal approval by the IRS before applying the new accounting method. See Rev. Proc. 2022-14, 2022-7 I.R.B. 502, as modified by Rev. Proc. 2023-24, 2023-28 I.R.B. 1207, or its successor, for a list of accounting method changes that generally qualify for automatic consent.

For example, a tax-exempt entity that has adopted an accounting method for an item of income from an unrelated trade or business must generally request consent before it can change its method of accounting for that item in any subsequent year. This is true regardless of whether gross income from the unrelated trade or business is greater than or equal to \$1,000 in such subsequent year.

Alternatively, if a taxpayer, including a tax-exempt entity, has not yet adopted an accounting method for an item of income or deduction, a change in how the entity reports the item is not a change in accounting method. In this case, the procedures applicable to requests for accounting method changes (for example, the requirement to file Form 3115) are not applicable.

Thus, a tax-exempt entity that has never taken into account an item of income or deduction in determining taxable income does not have to request consent to change its method of reporting that item on Form 990-EZ. Additionally, a tax-exempt entity that has never been subject to federal income tax on an item of income or deduction but that is required to file a Form 990-T solely due to owing a section 6033(e)(2) proxy tax does not have to request consent to change its method for reporting the item.

Adjustments required when changing an accounting method. A taxpayer, including a tax-exempt entity, that changes its accounting method must generally calculate and report an adjustment to ensure that no portion of the item being changed is permanently omitted or duplicated (see section 481(a)). However, depending on the specific method change, the IRS may provide that an adjustment is not required or permitted. An organization must report any adjustment required by section 481(a) in Part I, line 20 (other changes in net assets or fund balances), as a net asset adjustment made during the tax year. The organization must explain in Schedule O (Form 990), Supplemental Information to Form 990 or 990-EZ, the change and net asset adjustment.



Generally, a taxpayer, including a tax-exempt entity, will recognize a positive section 481(a) adjustment (that is, an

increase to income) ratably over 4 tax years and will recognize a negative section 481(a) adjustment in full in the year of change. See Rev. Proc. 2015-13, or its successor.

However, as discussed above, if a tax-exempt entity has not yet adopted an accounting method for an item, a change in how the entity reports the item for purposes of the Form 990-EZ is not a change in accounting method. In this case, an adjustment under section 481(a) is not required or permitted.

State reporting. Many states that accept Form 990-EZ in place of their own forms require that all amounts be reported based on the accrual method of accounting. If the organization prepares Form 990-EZ for state reporting purposes, it can file an identical return with the IRS even though the return doesn't agree with the books of account, unless the way one or more items are reported on the state return conflicts with the

instructions for preparing Form 990-EZ for filing with the IRS.

Example 1. The organization maintains its books on the cash receipts and disbursements method of accounting but prepares a Form 990-EZ return for the state based on the accrual method. It could use that return for reporting to the IRS.

Example 2. A state reporting requirement requires the organization to report certain revenue, expense, or balance sheet items differently from the way it normally accounts for them on its books. A Form 990-EZ prepared for that state is acceptable for IRS reporting purposes if the state reporting requirement doesn't conflict with the Instructions for Form 990-EZ.

An organization should keep a reconciliation of any differences between its books of account and the Form 990-EZ that is filed.



See Pub. 538, Accounting Periods and Methods, and the instructions for Forms 1128 and 3115, about reporting changes to accounting periods and methods. See IRS.gov for details.

D. When, Where, and How To File

File Form 990-EZ by the 15th day of the 5th month after the organization's accounting period ends (May 15 for a calendar-year filer). If the due date falls on a Saturday, Sunday, or legal holiday, file by the next business day. A business day is any day that isn't a Saturday, Sunday, or legal holiday.

If the organization is liquidated, dissolved, or terminated, file the return by the 15th day of the 5th month after liquidation, dissolution, or termination.

If the return isn't filed by the due date (including any extension granted), attach a statement giving the reason(s) for not filing on time.

Required electronic filing. If you are filing a 2023 Form 990-EZ, you are required to file electronically.

For additional information on the electronic filing requirement, visit [IRS.gov/EOefile](https://www.irs.gov/EOefile).

E. Extension of Time To File

Use Form 8868, Application for Extension of Time To File an

Exempt Organization Return or Excise Taxes Related to Employee Benefits Plans, to request an automatic extension of time to file.

F. Amended Return/Final Return

To amend the organization's return for any year, file a new return including any required schedules. Use the version of Form 990-EZ applicable to the year being amended. The amended return must provide all the information called for by the form and instructions, not just the new or corrected information. Check the "Amended return" box

in *Item B* of the heading of the return. Also, list in Schedule O (Form 990) which parts and schedules of Form 990-EZ were amended and describe the amendments.

The organization can file an amended return at any time to change or add to the information reported on a previously filed return for the same period. It must make the amended return available for inspection for 3 years from the date of filing or 3 years from the date the original return was due, whichever is later.

If the organization needs a copy of its previously filed return, it can file Form 4506-A, Request for a Copy of Exempt or Political Organization IRS Form. Go to [IRS.gov/Forms](https://www.irs.gov/forms) for information on getting blank tax forms.

If the return is a final return, the organization must check the “Final return/terminated” box in *Item B* of the heading of the return and complete Schedule N (Form 990), Liquidation,

Termination, Dissolution, or Significant Disposition of Assets.

Amended returns and state filing considerations. State law can require that the organization send a copy of an amended Form 990-EZ return (or information provided to the IRS supplementing the return) to the state with which it filed a copy of Form 990-EZ originally to meet that state's filing requirement. A state can require an organization to file an amended Form 990-EZ to satisfy state reporting requirements, even if the original return was accepted by the IRS.

G. Failure-To-File Penalties

Against the organization. Under section 6652(c)(1)(A), a penalty of \$20 a day, not to exceed the lesser of \$12,000 or 5% of the gross receipts of the organization for the year, can be charged when a return is filed late, unless the organization can show that the late filing was due to reasonable cause.

Organizations with annual gross receipts exceeding \$1,208,500 are subject to a penalty of \$120 for each day failure continues (with a maximum penalty for any one return of \$60,000). The penalty applies on each day after the due date that the return isn't filed.

Tax-exempt organizations that are required to file electronically but don't are deemed to have failed to file the return. This is true even if a paper return is submitted.

The penalty can also be charged if the organization files an incomplete return, such as by failing to complete a required line item or a required part of a schedule. To avoid penalties and having to supply missing information later:

1. Complete all applicable line items;
2. Unless instructed to skip a line, answer each question on the return;
3. Make an entry (including a zero when appropriate) on all lines requiring an

amount or other information to be reported; and

4. Provide required explanations as instructed.

Also, this penalty can be imposed if the organization's return contains incorrect information. For example, an organization that reports contributions net of related fundraising expenses may be subject to this penalty.

Use of a paid preparer doesn't relieve the organization of its responsibility to file a complete and accurate return.

Against responsible person(s). If the organization doesn't file a complete return or doesn't furnish correct information, the IRS will send the organization a letter that includes a fixed time to fulfill these requirements. After that period expires, the person failing to comply will be charged a penalty of \$10 a day. The maximum penalty

on all persons for failures for any one return will not exceed \$6,000.

There are also penalties (fines and imprisonment) for willfully not filing returns and for filing fraudulent returns and statements with the IRS (sections 7203, 7206, and 7207). States can impose additional penalties for failure to meet their separate filing requirements.

Automatic revocation for nonfiling for 3 consecutive years. The law requires most tax-exempt organizations to file an annual Form 990, 990-EZ, or 990-PF with the IRS, or to submit a Form 990-N e-Postcard to the IRS. For more information on exceptions to this requirement, visit [Annual Exempt Organization Return: Who Must File](#).

After the organization's second consecutive failure to file their required return or notice, and if the second consecutive year is required to be filed after 2019, the IRS is required to

notify the organization with information about how to comply with the filing requirements.

If an organization fails to file an annual return or submit an annual notice as required for 3 consecutive years, its tax-exempt status is automatically revoked on and after the due date for filing its third annual return.

Organizations that lose their exemption may need to file income tax returns and pay income tax, but may apply for reinstatement of exemption. For details, go to [IRS.gov/EO](https://www.irs.gov/EO).

H. Requirements for a Properly Completed Form 990-EZ

All organizations filing Form 990-EZ must complete Parts I through V of Form 990-EZ, and any required schedules and attachments. Section 501(c)(3) organizations must also complete Part VI. If an organization isn't required to file Form 990-EZ but chooses to do so, it must file a complete return and

provide all of the information requested, including the required schedules.

Public inspection. In general, all information the organization reports on or with its Form 990-EZ, including schedules and attachments, will be available for public inspection. Note, however, the special rules for Schedule B (Form 990), a required schedule for certain organizations that file Form 990-EZ. Make sure the forms and schedules are clear enough to photocopy legibly. For more information on public inspection requirements, see *Appendix D*, later, and Pub. 557, *Tax-Exempt Status for Your Organization*.

Signature. A Form 990-EZ isn't complete without a proper signature. For details, see the instructions under *Signature Block*, later.

Recordkeeping. The organization's records should be kept as long as they can be needed for the administration of any provision of the Internal Revenue Code. Usually, records that

support an item of income, deduction, or credit must be kept a minimum of 3 years from the date the return is due or filed, whichever is later. Keep records that verify the organization's basis in property as long as they are needed to figure the basis of the original or replacement property. Applicable law and an organization's policies can require that the organization retain records longer than 3 years.

The organization should also keep copies of any returns it has filed. They help in preparing future returns and making computations when filing an amended return.

Rounding off to whole dollars. The organization can round off cents to whole dollars on the returns and schedules. If the organization does round to whole dollars, the organization must round all amounts. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, \$1.49 becomes \$1

and \$2.50 becomes \$3. If the organization has to add two or more amounts to figure the amount to enter on a line, include cents when adding the amounts and round off only the total.

Completing all lines. Make an entry (including a zero ("-0-")) when appropriate) on all lines requiring an amount or other information to be reported. Do not leave any applicable lines blank, unless expressly instructed to skip a line. If answering a line is predicated on a "Yes" answer to the preceding line, and if the organization's answer to the preceding line was "No," then leave the "If Yes" line blank.

In general, answers can be explained or supplemented in Schedule O (Form 990) if the allotted space in the form or other schedule is insufficient, or if a "Yes" or "No" answer is required but the organization wishes to explain its answer.

Missing or incomplete parts of the form and/or required schedules may result in the IRS contacting you to obtain the missing information. Failure to supply the information may result in a penalty being assessed to your account. For tips on filing complete returns, go to [IRS.gov/Charities](https://www.irs.gov/Charities).

Reporting proper amounts. Some lines request information reported on other forms filed by the organization, such as Forms W-2, 1099, and 990-T. If the organization is aware that the amount actually reported on the other form is incorrect, it must report on Form 990-EZ the information that should have been reported on the other form (in addition to filing an amended form with the proper amount).

In general, don't report negative numbers, but report zero ("-0-") in lieu of a negative number, unless the instructions provide otherwise. Report revenue and expenses

separately and don't net related items, unless otherwise provided.

Inclusion of activities and items of disregarded entities and joint ventures.

An organization must report in its Form 990-EZ all of the revenues, expenses, assets, liabilities, and net assets or funds of a disregarded entity of which it is the sole member, and must report in its Form 990-EZ its share of all such items of a joint venture or other investment or arrangement treated as a partnership for federal income tax purposes. This includes passive investments. In addition, the organization must generally report the activities of a disregarded entity or a joint venture as its own activities in the appropriate parts and schedules of Form 990-EZ.



A disregarded entity must generally use the employer identification number (EIN) of its sole member. An exception applies to employment taxes. For

wages paid to employees of a disregarded entity, the disregarded entity must file separate employment tax returns and use its own EIN on such returns. See Regulations sections 301.6109-1(h) and 301.7701-2(c)(2)(iv).

List of required schedules and attachments. An organization may be required to file one or more schedules of Form 990-EZ or various other attachments as described in the form or instructions. The following is a list of the Form 990-EZ schedules that the organization may have to complete.

- Schedule A, Public Charity Status and Public Support. See *Part V, Other Information*.
- Schedule B, Schedule of Contributors. See *Item H. Schedule B*.
- Schedule C, Political Campaign and Lobbying Activities, Part III. See *Line*

35c. Section 6033(e) Tax for Lobbying Expenditures.

- Schedule C, Part I. See *Line 46. Political Campaign Activities.*
- Schedule C, Part II. See *Line 47. Lobbying Activities.*
- Schedule E, Schools. See *Line 48. Schools.*
- Schedule G, Supplemental Information Regarding Fundraising or Gaming Activities, Parts II and III. See lines 6a through 6d (gaming and fundraising events).
- Schedule L, Transactions With Interested Persons, Part I. See *Line 40b* (section 4958 excess benefit transactions).
- Schedule L, Part II. See *Line 38. Loans to or From Officers, Directors, Trustees, and Key Employees.*

- Schedule N, Liquidation, Termination, Dissolution, or Significant Disposition of Assets, Parts I (liquidation, termination, or dissolution) and II (significant disposition of net assets). See *Line 36. Liquidation, Dissolution, Termination, or Significant Disposition of Net Assets*.
- Schedule O, Supplemental Information to Form 990 or 990-EZ. See lines 8, 10, 16, 20, 24, 26, 31, 33, 34, 35, and 44.

Assembling Form 990-EZ, schedules, and attachments. Before filing Form 990-EZ, assemble the package of forms, schedules, and attachments in the following order.

1. Core form with all parts completed (Parts I–V, Part VI by section 501(c)(3) organizations, Signature Block).

2. Schedules A, B, C, E, G, L, N, and/or O, completed as applicable, filed in alphabetical order.
3. Attachments, completed as applicable. These include (a) name change amendment to organizing document required by Item B of the heading on page 1 of the return; (b) reasonable cause explanation for a late-filed return; and (c) articles of merger or dissolution, resolutions, and plans of liquidation or merger required by Schedule N (Form 990).

Do not attach materials not authorized in the instructions, or not otherwise authorized by the IRS.



To facilitate the processing of your return, don't password protect or encrypt PDF attachments. Password protecting or encrypting a PDF file that is attached to an e-filed return prevents the IRS from opening the attachment.

Specific Instructions for Form 990-EZ

Completing the Heading of Form 990-EZ

Item A. Accounting Period

File the 2023 return for calendar year 2023 and fiscal years that began in 2023 and ended in 2024. For a fiscal year return, fill in the tax year space at the top of page 1 of the return. See *General Instructions C.*

Accounting Periods and Methods, earlier, for additional information about accounting periods.

Item B. Checkboxes

Address change. Check this box if the organization changed its address and hasn't reported such a change on its most recently filed Form 990, 990-EZ, or 990-N, or in correspondence to the IRS.

Name change. Check this box if the organization changed its legal name (not its “doing business as” name) and hasn’t reported such change on its most recently filed Form 990 or 990-EZ or in correspondence to the IRS. If the organization changed its name, attach the following documents. (See the line 34 instructions.)

IF the organization is...	THEN attach...
a corporation	a copy of the amendment to the articles of incorporation, and proof of filing with the appropriate state authority.

a trust	a copy of the amendment to the trust instrument, or a resolution to amend the trust instrument, showing the effective date of the change of name and signed by at least one trustee.
an unincorporated association	a copy of the amendment to the articles of association, constitution, or other organizing document, showing the effective date of the change of name and signed by at least two officers, trustees, or members.

Initial return. Check this box if this is the first time the organization is filing a Form 990-EZ and it hasn't previously filed a Form 990, 990-PF, 990-T, or 990-N.

Final return/terminated. Check this box if the organization has terminated its existence or ceased to be a section 501(a) or section 527 organization and is filing its final return as an exempt organization or section 4947(a)(1) trust. See the instructions for line 36 that discuss liquidations, dissolutions, terminations, or significant disposition of net assets. An organization that checks this box because it has liquidated, terminated, ceased operations, dissolved, merged into another organization, or has had its exemption revoked during the tax year must also attach Schedule N (Form 990).



An organization must support any claim to have liquidated, terminated, dissolved, or merged by attaching a certified copy of its articles of dissolution or

merger approved by the appropriate state authority. If a certified copy of its articles of dissolution or merger isn't available, the organization may submit a copy of a resolution(s) of its governing body approving plans of liquidation, termination, dissolution, or merger.

Amended return. Check this box if the organization previously filed a return with the IRS for the same tax year and is now filing another return for the same tax year to amend the previously filed return. Explain on Schedule O (Form 990) which parts, schedules, or attachments of Form 990-EZ were amended and describe the amendments. See *General Instructions F. Amended Return/Final Return*, earlier, for more information.

Application pending. Check this box if the organization either has filed a Form 1023, 1023-EZ, 1024, or 1024-A with the IRS and is awaiting a response, or claims tax-exempt

status under section 501(a) but hasn't filed Form 1023, 1023-EZ, 1024, or 1024-A to be recognized as tax exempt by the IRS. If this box is checked, the organization must complete all parts of Form 990-EZ and any required schedules. An organization that is required to file an annual information return (Form 990 or 990-EZ) or submit an annual electronic notice (Form 990-N) for a given tax year (see *General Instructions A*, earlier) must do so even if it hasn't filed a Form 1023, 1023-EZ, 1024, or 1024-A with the IRS if it claims tax-exempt status.

To qualify for recognition of tax exemption retroactive to the date of its organization or formation, an organization claiming tax-exempt status must generally file Form 1023, 1023-EZ, 1024, or 1024-A within 27 months of the end of the month in which it was legally organized or formed.

Item C. Name and Address

Enter the organization's legal name in the "Name of organization" box. If the organization operates under a name different from its legal name, identify its alternate name, after the legal name, by writing "a.k.a." (also known as) and the alternate name of the organization. If multiple a.k.a. names won't fit in the box, list them in Schedule O (Form 990). However, if the organization has changed its legal name, follow the instructions in *Item B* for reporting the name change.

Include the suite, room, or other unit number after the street address. If the post office doesn't deliver mail to the street address and the organization has a P.O. box, enter the box number instead of the street address.

If the organization receives its mail in care of a third party (such as an accountant or an attorney), enter "C/O" on the street address

line, followed by the third party's name and street address or P.O. box.

For foreign addresses, enter information in the following order: city or town, state or province, the name of the country, and the postal code. Don't abbreviate the country name.

If a change of address occurs after the return is filed, use Form 8822-B, Change of Address or Responsible Party — Business, to notify the IRS of the new address.

Item D. Employer Identification Number (EIN)

Use the EIN provided to the organization for filing its Form 990-EZ and federal tax returns. The organization must have only one EIN. If the organization has more than one EIN and hasn't been advised which to use, send notice to:

Department of the Treasury

Internal Revenue Service Center
Ogden, UT 84201-0027

State what EINs the organization has, the name and address to which each number was assigned, and the address of the organization's principal office. The IRS will advise the organization which number to use.



A subordinate organization in a group exemption that is filing an individual Form 990-EZ return must use its own EIN, not that of the central organization or of the group



A section 501(c)(9) voluntary employees' beneficiary association must use its own EIN and not the EIN of its sponsor.

Item E. Telephone Number

Enter a telephone number of the organization that members of the public and government personnel can use during normal business hours to obtain information about the

organization's finances and activities. If the organization doesn't have a telephone number, enter the telephone number of an organization official who can provide such information.

Item F. Group Exemption Number

Enter the four-digit group exemption number if the organization is included in a group exemption. The group exemption number (GEN) is a number assigned by the IRS to the central/parent organization of a group that has a group exemption letter.

Contact the central/parent organization to ascertain the GEN assigned.



If the organization is covered by a group exemption letter as a subordinate organization, the organization should file Form 990-EZ only if the organization isn't included in a group return filed by the central/parent organization for the tax year.



The central/parent organization of a group ruling can't file a group return with Form 990-EZ but must use Form 990.

Item G. Accounting Method

Indicate the method of accounting used in preparing this return. See *General Instructions C*, earlier.

Item H. Schedule B (Form 990)

Whether or not the organization enters any amount on line 1 of Form 990-EZ, the organization must either check the box in *Item H* or attach Schedule B (Form 990). Failure to either check the box in *Item H* or file Schedule B (Form 990) will result in a determination that the return is incomplete. Complete and file Schedule B (Form 990) if the organization met any of the following conditions during the tax year.

- It is a section 501(c)(3) organization and met the $33\frac{1}{3}\%$ support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi); checks the box on Schedule A (Form 990), Part II, line 13, 16a, or 16b; and received from any one contributor, during the tax year, contributions of the greater of \$5,000 (in money or property) or 2% of the amount on Form 990-EZ, Part I, line 1 (contributions, gifts, grants, and similar amounts received). An organization filing Schedule B (Form 990) can limit the contributors it reports on Schedule B (Form 990) using this greater than \$5,000 or 2% threshold only if it checks the box on Schedule A (Form 990), Part II, line 13, 16a, or 16b.
- It is a section 501(c)(3) organization that didn't meet the $33\frac{1}{3}\%$ support

test of the regulations under sections 509(a) (1) and 170(b)(1)(A)(vi), and received during the tax year contributions of \$5,000 or more from any one contributor.

- It is a section 501(c)(7), 501(c)(8), or 501(c)(10) organization that received, during the tax year, (a) contributions of any amount for use exclusively for religious, charitable, scientific, literary, or educational purposes; or (b) contributions of \$5,000 or more not exclusively for such purposes from any one contributor.
- It isn't a section 501(c)(3), 501(c)(7), 501(c)(8), or 501(c) (10) organization and it received during the tax year contributions of \$5,000 or more from any one contributor. See the Instructions for Schedule B (Form 990) for more information.



Do not attach substitutes for Schedule B (Form 990). Parts I, II, and III of Schedule B (Form 990) may be photocopied as needed to provide adequate space for listing all contributors.



For purposes of Schedule B (Form 990), contributors include individuals, fiduciaries, partnerships, corporations, associations, trusts, and exempt organizations. For organizations described in section 170(b)(1) (A)(iv) or (vi) or section 509(a)(2), contributors also include governmental units.

Guidelines for Meeting the Requirements of Schedule B (Form 990)

Section 501(c)(3) Organization Meeting the 33¹/3% Support Test of Section 170(b)(1)(A)(vi)

If	a section 501(c)(3) organization that met the 33 ¹ /3% support test of the regulations under section 509(a)(1) and section 170(b)(1)(A)(vi) didn't receive a contribution of the greater of \$5,000 or 2% of the amount on line 1 of Form 990-EZ from any one contributor,*
Then	the organization should check the box in Item H to certify that it isn't required to attach Schedule B (Form 990).

Otherwise	complete and attach Schedule B (Form 990).
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Section 501(c)(7), (8), or (10) Organizations

If	a section 501(c)(7), (8), or (10) organization received neither (1) any contribution or bequest for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals; nor (2) any contribution of \$5,000 or more not exclusively for such purposes from any one contributor,
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Then	the organization should check the box in Item H to certify that it isn't required to attach Schedule B (Form 990).
Otherwise	complete and attach Schedule B (Form 990).

All Other Form 990-EZ Organizations (General Rule)

If	the organization didn't receive a contribution of \$5,000 or more from any one contributor* (reportable on line 1 of Form 990-EZ),
Then	the organization should check the box in Item H to certify that it isn't required to attach Schedule B (Form 990).

Otherwise	complete and attach Schedule B (Form 990).
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* To determine if the organization received a contribution of \$5,000 or more from a contributor during the year, add all direct and indirect gifts, grants, or contributions of \$1,000 or more in cash or property that a contributor made to the organization during the year. Do not include smaller gifts, grants, or contributions. See the Instructions for Schedule B (Form 990) for more information.

Item I. Website

Enter the organization's current address for its primary website, as of the date of filing this return. If the organization doesn't maintain a website, enter "N/A" (not applicable).

Item J. Tax-Exempt Status

Check the applicable box to show the organization's tax-exempt status. If the

organization is exempt under section 501(c) (other than 501(c)(3)), check the 501(c) box and insert the appropriate subsection number within the parentheses (for example, "4" for a 501(c)(4) organization). See the chart in *Appendix A: Exempt Organizations Reference Chart*, later. The term "section 501(c) (3)" includes organizations exempt under sections 501(e), (f), (k), and (n).

Item K. Form of Organization

Check the box describing the organization's legal entity form or status under state law in its state of legal domicile. Legal entity forms include corporations, trusts, unincorporated associations, and other types of entities (for example, partnerships and limited liability companies (LLCs)).



Section 527 political organizations have different gross receipts thresholds for Form 990-EZ filing, and aren't required to submit Form 990-N. See

Section 527 political organizations, *earlier, for more information.*



Section 501(c)(7) and 501(c)(15) organizations use different definitions of gross receipts to determine whether they qualify for tax exemption for the year. Appendix C defines gross receipts for the purpose of determining the exempt status of organizations described in sections 501(c)(7) and 501(c)(15). Do not use the definition of gross receipts in Appendix C to determine whether the organization's gross receipts are normally \$50,000 or less.

Item L. Determining Gross Receipts

Add lines 5b, 6c, and 7b to line 9 to determine gross receipts. See *Appendix B* and *Appendix C*, later, for a discussion of gross receipts.

Only those organizations with gross receipts of less than \$200,000 and total assets of less than \$500,000 at the end of the tax year can

use Form 990-EZ. If the organization doesn't meet these requirements, it must file Form 990, unless excepted under *General Instructions B*, earlier.



Do not use the definition of gross receipts for section 501(c)(7) or 501(c)(15) exemption purposes (discussed in Appendix C) to determine the amount to enter here.

Part I. Revenue, Expenses, and Changes in Net Assets or Fund Balances

All organizations filing Form 990-EZ with the IRS or any state must complete Part I. Some states that accept Form 990-EZ in place of their own forms may require additional information. See *Appendix G*, later.

Check the box in the heading of Part I if Schedule O (Form 990) contains any information pertaining to this part.

Neither Form 5500 nor Department of Labor (DOL) Forms LM-2 or LM-3, Labor Organization Annual Report, should be substituted for Form 990-EZ, lines 1 through 17.

Line 1. Contributions, Gifts, Grants, and Similar Amounts Received

A. What Is Included on Line 1?

- Report amounts received as voluntary contributions; for example, payments, or the part of any payment, for which the payer (donor) doesn't receive fair market value (FMV) from the recipient (donee) organization. Contributions are reported on line 1 regardless of whether they are deductible by the contributor.
- Enter the gross amounts of contributions, gifts, grants, and

bequests that the organization received from individuals, trusts, corporations, estates, affiliates, foundations, public charities, and other exempt organizations, or raised by an outside professional fundraiser.

- Report the value of noncash contributions at the time of the donation. For example, report the gross value of a donated car as of the time the car was received as a donation.
- Report all related expenses on lines 12 through 16. Enter on line 13 professional fundraising fees relating to the gross amounts of contributions collected in the charity's name by fundraisers.

Reporting line 1 amounts in accordance with ASC 958 is generally acceptable (though not required) for Forms 990 and 990-EZ purposes, but the value of donated services

or use of materials, equipment, or facilities may not be reported. However, state law may require it. An organization that receives a grant to be paid in future years should, according to ASC 958, report the grant's present value on line 1. Accruals of present value increments to the unpaid grant should also be reported on line 1 in future years.

The organization must report any contributions of conservation easements and other qualified conservation contributions consistently with how it reports revenue from such contributions in its books, records, and financial statements.

Report assets contributed to the organization by another entity in the course of the entity's liquidation, dissolution, or termination.

Do not net losses from uncollectible pledges, refunds of contributions and service revenue, or reversal of grant expenses on line 1.

Rather, report any such items as *Other changes in net assets or fund balances* on

Part I, line 20, and explain in Schedule O (Form 990).

A1. Contributions can arise from fundraising events when an excess payment is received for items offered.

Fundraising activities relate to soliciting and receiving contributions. However, fundraising activities such as dinners, door-to-door sales of merchandise, carnivals, and bingo games can produce both contributions and revenue. Report as a contribution, both on line 1 and on line 6b (within the parentheses), any amount received through such a fundraising event that is greater than the FMV (retail value) of the merchandise or services furnished by the organization to the contributor. Report all gross income from gaming activities on line 6a.

This situation usually occurs when organizations seek support from the public through solicitation programs that are in part fundraising events or activities and are in part

solicitations for contributions. The primary purpose of such solicitations is to receive contributions and not to sell the merchandise at its retail value, even though this might produce a profit.

Example. An organization holds a dinner, charging \$400 per person for the meal. The dinner has a retail value of \$160. A person who purchases a ticket is really purchasing the dinner for \$160 and making a contribution of \$240. The contribution of \$240, which is the difference between the buyer's payment and the retail value of the dinner, is reported on line 1 and again on line 6b (within the parentheses). The revenue received (\$160 retail value of the dinner) is reported on line 6b. Expenses directly related to the dinner are reported on line 6c. Fundraising expenses relating to the contribution of \$240 are reported on lines 12 through 16.

If a contributor gives more than \$160, that person would be making a contribution of the

difference between the dinner's retail value of \$160 and the amount actually given. Rev. Rul. 67-246, 1967-2 C.B. 104, as distinguished from Rev. Rul. 74-348, 1974-2 C.B. 80, explains this principle in detail. See also the instructions for line 6, later, and Pub. 526, Charitable Contributions.



At the time of any solicitation or payment, organizations that are eligible to receive tax-deductible contributions should advise patrons of the amount deductible for federal tax purposes. See Pub. 1771, Charitable Contributions Substantiation and Disclosure Requirements.

A2. Contributions can arise from fundraising events when items of only nominal or insubstantial value are given or offered. If an organization offers goods or services of only nominal or insubstantial value through a fundraising event, or distributes free, unordered, low-cost items to patrons, report the entire amount received for such

benefits as a contribution on line 1. See also the instruction for *Line 6b. B1*, later, regarding nominal or insubstantial value. Report all related expenses on lines 12 through 16.

Benefits have a nominal or insubstantial value if the organization informs patrons how much of their payment is a deductible contribution, and either:

1. The FMV of all of the benefits received in connection with the payment isn't more than 2% of the payment or \$125, whichever is less; or
2. The payment is \$62.50 or more and the only benefits received in connection with the payment are token items (bookmarks, calendars, key chains, mugs, posters, T-shirts, etc.) bearing the organization's name or logo. The cost to the organization (as opposed to FMV) of all benefits

received by a donor must be, in the aggregate, \$12.50 or less.

A3. Contributions in the form of membership dues. Include on line 1 membership dues and assessments to the extent they are contributions and not payments for benefits received. See the instructions for *Line 3. C1*, later.

A4. Grants equivalent to contributions. Grants made to encourage an organization receiving the grant to carry on programs or activities that further the grant recipient's exempt purposes are grants that are equivalent to contributions. Report them on line 1. The grantor can specify which of the recipient's activities the grant may be used for, such as an adoption program or a disaster relief project.

A grant is still equivalent to a contribution if the grant recipient performs a service, or produces a work product, that benefits the

grantor incidentally, but see the instructions for *Line 1. B1*, later.

A5. Contributions or grants from governmental units. Whether a payment from a governmental unit is labeled a “grant” or a “contract” doesn’t determine whether the payment should be reported on line 1. Rather, a grant or other payment from a governmental unit is treated as a grant equivalent to a contribution if its primary purpose is to enable the recipient to provide a service to, or maintain a facility for, the direct benefit of the public rather than to serve the direct and immediate needs of the grantor (even if the public pays part of the expense of providing the service or facility). See the instructions for *Line 2. D*, later.

The following are examples of governmental grants and other payments that are treated as contributions and reported on line 1.

- Payments by a governmental unit for the construction or maintenance of

library or museum facilities open to the public.

- Payments by a governmental unit to nursing homes to provide health care to their residents (but not Medicare, Medicaid, and other similar payments on behalf of specific individuals under the line 2 instructions).
- Payments by a governmental unit to child placement or child guidance organizations under government programs to better serve children in the community.

The following examples illustrate the distinction between government payments reportable on lines 1 and 2.

- A payment by a governmental agency to a medical clinic to provide vaccinations to the general public is a contribution reported on line 1. A payment by a governmental agency to

a medical clinic to provide vaccinations to employees of the agency is program service revenue reported on line 2.

- A payment by a governmental agency to an organization to provide job training and placement for disabled individuals is a contribution reported on line 1. A payment by a governmental agency to the same organization to operate the agency's internal mail delivery system is program service revenue reported on line 2.

A6. Contributions received through other fundraising organization. Contributions received indirectly from the public through solicitation campaigns of federated fundraising agencies (United Way) are included on line 1.

A7. Contributions received from associated organizations. Include on line 1 amounts contributed by other organizations

closely associated with the filing organization. This includes contributions received from a parent organization, subordinate, or another organization having the same parent.

A8. Contributions from a commercial co-venture. Include amounts contributed by a commercial co-venture on line 1. These contributions are amounts received by the organization for allowing an outside organization (donor) or individual to use the recipient organization's name in a sales promotion campaign, such as where the outside organization agrees to contribute 2% of all sales proceeds to the organization.

B. What Isn't Included on Line 1?

B1. Grants that are payments for services are not contributions. A grant is a payment for services, and not a contribution, when the terms of the grant provide the grantor with a specific service, facility, or product, rather than providing a benefit to the

general public or that part of the public served by the grant recipient. The recipient organization would report such a grant as income on line 2 (program service revenue).

B2. Donations of services or use of property. Do not include the value of services donated to the organization (such as the value of donated advertising space, broadcast air time (including donated public service announcements), or discounts on services), or of the free use of property (materials, equipment, or facilities) as contributions on line 1. However, for the optional reporting of those amounts, see the instructions for donated services in Part III, later.

B3. Unreimbursed expenses. Any unreimbursed expenses of officers, employees, or volunteers don't belong on Form 990-EZ. See the explanations of charitable contributions and employee

business expenses in Pub. 526, and Pub. 463, Travel, Gift, and Car Expenses.

B4. Section 501(c)(9), (17), and (18) organizations. Section 501(c)(9)

organizations provide participants with life, sick, accident, or other similar benefits.

Section 501(c)(17) organizations provide participants with supplemental unemployment benefits, and sickness and accident benefits subordinate to supplemental unemployment benefits. Section 501(c)(18) organizations provide participants with pension(s) and similar benefits. When such an organization receives payments from participants, or their employers, to provide these benefits, report the payments on line 2 as program service revenue, rather than on line 1 as contributions.

C. How To Value Noncash Contributions

Report noncash contributions on line 1 at FMV. If FMV can't be readily determined, use an appraised or estimated value. See also the Instructions for Schedule B (Form 990), Part II.

D. Schedule of Contributors

Attach Schedule B (Form 990), if required. See the instructions for *Item H*, earlier.



The information on Form 1099-K, Payment Card and Third Party Network Transactions, may be useful in helping you to prepare your return but you aren't required to report the information on any specific line of your return. An organization that receives a Form 1099-K reporting a gross amount of payment card or third party network payments received in the tax year should consider these amounts when

reporting contributions and revenue on lines 1 through 8, according to the instructions for preparing the return. You should retain all Forms 1099-K with your other records.



Section 501(c)(3) organizations must figure the amount of contributions according to the above instructions in preparing the support schedule in Part II or III of Schedule A (Form 990).

Line 2. Program Service Revenue Including Government Fees and Contracts

Enter the total program service revenue (exempt function income). Program services are primarily those that form the basis of an organization's exemption from tax.

A. Examples

A clinic would include on line 2 all of its charges for medical services (whether to be paid directly by the patients or through

Medicare, Medicaid, or other third-party reimbursement), laboratory fees, and related charges for services.

Program service revenue also includes tuition received by a school; revenue from admissions to a concert or other performing arts event or to a museum; royalties received as author of an educational publication distributed by a commercial publisher; payments received by a section 501(c)(9) organization from participants or employers of participants for health and welfare benefits coverage; and registration fees received in connection with a meeting or convention.

B. Program-Related Investment Income

Program service revenue also includes income from program-related investments. These investments are made primarily to accomplish an exempt purpose of the investing organization rather than to produce income.

Examples of program-related investments are scholarship loans and low-interest loans to charitable organizations, indigents, or victims of a disaster. See also the instructions for line 4.

Rental income received from an exempt function is another example of program-related investment income (below-market rents from housing leased to low-income persons). For purposes of this return, report all rental income from an affiliated organization on line 2.

C. Unrelated Trade or Business Activities

Unrelated trade or business activities (other than fundraising activities that aren't regularly carried on) that generate fees for services can also be program service activities. A social club, for example, should report as program service revenue the fees it

charges both members and nonmembers for the use of its tennis courts and golf course.

D. Government Fees and Contracts

Program service revenue includes income earned by the organization for providing a government agency with a service, facility, or product that benefited that government agency directly rather than benefiting the public as a whole. See the instructions for *Line 1. A5*, earlier, for reporting guidelines when payments are received from a government agency for providing a service, facility, or product for the primary benefit of the general public.