

Internal Revenue Service
Tax-Exempt & Government Entities Division
Office of Exempt Organizations
Draft Form 990 Redesign- Schedule I
June 14, 2007

Rationale

The redesigned Schedule I locates in one schedule all information relating to grants and other assistance to persons inside the United States. Foreign grants are reported on Schedule F. The schedule adopts a \$5,000 grant amount filing threshold.

Overview

- Part I, line 5 replaces information that was required to be provided in the attachment to lines 22a and 22b
- Part II expands on the information required to be provided in the attachment to 2006 Form 990, lines 22a and 22b by requiring the organization to identify the EIN (if tax-exempt) and IRC code section if applicable
- Part III expands on the information required by the attachment to 2006 Form 990, line 23 by requesting the number of recipients

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20XX Schedule I Instructions

Purpose of Form

This schedule provides information on organizations, governments and individuals in the United States that received grants or other distributions from the organization during the tax year. *Grants, assistance and other distributions* include awards, prizes, allocations, stipends, scholarships, fellowships, research grants, and similar payments made by the organization. Grants or specific assistance to individuals in the United States consist of grants or assistance to persons who are citizens or residents of the United States, but do not include grants or assistance to citizens or residents of the United States living in foreign countries or for the primary purpose of study or research in foreign countries. The organization should make this determination based on its knowledge of the recipient's status or from information readily available from which a reasonable determination can be made.

All grants to U.S. government agencies should be included on this schedule regardless of where the agency is located or operated. United States persons include partnerships, corporations, and other business entities that are organized in the United States or under the law of the United States or any State; and estates and trusts other than foreign estates and trusts. A foreign grant includes (1) a grant directed to the foreign branch office of an organization that is a United States person; (2) a grant to an organization if more than one-half of its activities are conducted in foreign countries or directed at persons in foreign countries; and (3) a grant made primarily for the purpose of benefiting persons in foreign countries. Foreign grants and assistance should not be reported on this schedule, but should be reported on Schedule F, Statement of Activities Outside the U.S.

Who Must File

All organizations that enter more than \$5,000 on Form 990, Part V, lines 1 or 2 must complete and attach Schedule I to Form 990.

If the organization is not required to file Form 990, it is not required to file Schedule I.

Period Covered

The filing organization's Schedule I covers the same period as the Form 990 with which it is filed.

Part I General Information on Grants and Assistance

Line 2 Identify whether any assistance or grant was given by the organization to any individual or organization related to any person with an interest in the organization, such as a donor, officer, director, trustee, creator, highly compensated employee, or member of the selection committee. For each relevant grant or assistance, complete the table and identify each person with an interest in the organization, describe relationship of grantee if related by blood, marriage, adoption, or employment (including employees' children) to any person or corporation with an interest in the organization, and list the amount of the grant or type of assistance. Include an attachment if additional space is needed.

Part II Grants and Assistance to Governments and Organizations in the United States

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TIP: Do not complete the table if no one recipient received more than \$5,000.

Line 1 Enter information in the table for each organization or government recipient that received grants or assistance from the organization totaling more than \$5,000 throughout the year.

Column (a) State the full legal name and mailing address of each organization or government entity.

Column (b) Enter the Employer Identification Number of the grant recipient.

Column (c) Enter the subsection of section 501(c) of the Internal Revenue Code that the organization receiving the assistance is exempt under, if any, for example, a school described in section 501(c)(3), or a social club described in section 501(c)(7).

Column (d) Enter amount of cash grants. Cash grants include only grants and allocations paid by cash, checks, money orders, wire transfers, and other charges against funds on deposit at a financial institution.

Column (e) and (f). Enter the fair market value of any noncash property and method of valuation. Report property with a readily determinable market value (e.g., market quotations for securities) at its fair market value. In column (f) also enter date that fair market value was determined. For marketable securities registered and listed on a recognized securities exchange, measure market value by the average of the highest and lowest quoted selling prices or the average between the bona fide bid and asked prices, on the date the property is distributed to the grantee. When fair market value cannot be readily determined, use an appraised or estimated value.

Column (g) Enter a description of the property for non-cash grants.

Column (h) Describe the purpose or ultimate use of the grant funds. Do not use broad terms such as charitable, educational, religious or scientific. Rather use more specific descriptions such as payments for nursing services, or laboratory construction. Enter the class of assistance, such as medical, dental, and hospital fees and charges to indigents. In the case of disaster assistance the description should include a description of the disaster and the assistance provided, (e.g., food, shelter and clothing for Organization A's assistance to Hurricane Katrina disaster victims).

Line 2 Enter total number of recipient organizations that are exempt under section 501(c)(3) and government units or entities in the United States to which your organization provided assistance.

Line 3 Enter total number of recipient organizations that are not exempt or that are exempt under section 501(c) other than section 501(c)(3) to which the organization provided assistance. For purposes of this schedule a non-exempt organization is a for-profit entity or an organization that has not received a determination letter from the Internal Revenue Service recognizing exemption. Do not include grants to the following organizations in Line 3 regardless of whether a determination letter has been received unless your organization has knowledge that the organization does not qualify for exemption:

- Churches, including synagogues, temples, and mosques.
- Integrated auxiliaries of churches and conventions or associations of churches
- Any organization that has gross revenues not more than \$5,000.

Grants to the above organizations should be included in Line 2.

Part III Grants to Individuals

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Line 1 Listing of Grants to Individuals

Enter the following information for each type of assistance listed:

Column (a) List each type of assistance. Describe the purpose or ultimate use of the grant funds. Do not use broad terms such as charitable, educational, religious or scientific. Rather use more specific descriptions such as scholarships to a particular country or school; food, shelter, and clothing for indigents; or, medical, dental, and hospital fees and charges to indigents. In the case of disaster assistance, the description should include information such as a description of the assistance provided and identification of the disaster; for example, food, shelter and clothing for immediate relief for Hurricane Katrina disaster victims.

Generally, a disaster relief or emergency hardship organization must make a specific assessment that a recipient of aid is financially or otherwise in need. The beneficiaries of the assistance generally must belong to a charitable class. Individuals do not have to be totally destitute to be financially needy; they may merely lack the resources to obtain basic necessities. Under established rules, charitable funds generally cannot be distributed to individuals merely because they are victims of a disaster. Therefore, an organization's decision about how its funds will be distributed must be based on an objective evaluation of the victim's needs at the time the grant is made. There are specific requirements for disaster relief depending upon whether an organization is employer-sponsored. An organization providing disaster relief on a short-term or long-term basis has record keeping requirements. See Pub. 3833, *Disaster Relief: Providing Assistance Through Charitable Organizations*.

Column (b) Enter total number of recipients.

Columns (c) through (f). See instructions for columns (d) through (g) of Part II.