

Instructions for Form 990

2022

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 6 of 9



Department of the Treasury
Internal Revenue Service

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**Fair market
value (FMV)**

The price at which property, or the right to use property, would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy, sell, or transfer property or the right to use property, and both having reasonable knowledge of relevant facts.

**Family
member,
family
relationship**

Unless specified otherwise, the family of an individual includes only his or her spouse (see Rev. Rul. 2013-17 regarding same-sex marriage), ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great-

grandchildren, and spouses of brothers, sisters, children, grandchildren, and great-grandchildren.

**FIN 48
(FASB ASC
740)**

*Financial Accounting Standards Board (FASB) Interpretation No. 48, Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109, now codified in FASB Accounting Standards Codification 740, Income Taxes (ASC 740). The organization can be required to provide in Schedule D (Form 990), Supplemental Financial Statements, the text of the footnote to its **financial statements** regarding the organization's liability for*

uncertain tax positions under FIN 48 (ASC 740).

Financial statements

An organization's statements of revenue and expenses and balance sheet, or similar statements prepared regarding the financial operations of the organization.

Fiscal year

*An annual accounting period ending on the last day of a month other than December. See also **Tax year** and **Current year**.*

Foreign government

*A governmental agency or entity, or a political subdivision thereof, that isn't classified as a **United States** agency or **governmental unit**,*

regardless of where it is located or operated.

Foreign individual

*A person, including a U.S. citizen or resident, who lives or resides outside the **United States**. For purposes of Form 990, Part IX, and Schedule F (Form 990), Statement of Activities Outside the United States, a person who lives or resides outside the United States at the time the grant is paid or distributed to the individual is a **foreign individual**.*

Foreign organization

*An organization that isn't a **domestic organization**. A foreign organization includes an affiliate that is organized as a legal entity separate from the filing organization, but doesn't include any*

*branch office, account, or **employee** of a domestic organization located outside the **United States**.*

Fundraising *See **Fundraising activities**.*

Fundraising activities *Activities undertaken to induce potential donors to contribute money, securities, services, materials, facilities, other assets, or time. They include publicizing and conducting **fundraising campaigns**; maintaining donor mailing lists; conducting **fundraising events**; preparing and distributing fundraising manuals, instructions, and other materials; **professional fundraising***

services; and conducting other activities involved with soliciting **contributions** from individuals, foundations, governments, and others. Fundraising activities don't include **gaming**, the conduct of any trade or business that is regularly carried on, or activities substantially related to the accomplishment of the organization's exempt purpose (other than by raising funds).

Fundraising events

Include dinners and dances, door-to-door sales of merchandise, concerts, carnivals, sports events, auctions, casino nights (in which participants can play casino-style games but the only prizes or auction items provided to participants are noncash items that were donated to the organization), and similar events not regularly carried on that are conducted for the primary purpose of raising funds. Fundraising events don't include:

- 1. The conduct of a trade or business that is regularly carried on;*
- 2. Activities substantially related to the*

accomplishment of the organization's exempt purposes (other than by raising funds);

*3. Solicitation campaigns that generate only **contributions**, which may involve gifts of goods or services from the organization of only nominal value, or sweepstakes, lotteries, or raffles in which the names of contributors or other respondents are entered in a drawing for prizes of only nominal value; and*

4. Gaming.

GAAP

See Generally accepted accounting principles.

Gaming

*Includes (but isn't limited to) **bingo, pull tabs/instant bingo** (including satellite and progressive or event bingo), Texas Hold-Em Poker, 21, and other card games involving betting, raffles, scratch-offs, charitable gaming tickets, break-opens, hard cards, banded tickets, jar tickets, pickle cards, Lucky Seven cards, Nevada Club tickets, casino nights/Las Vegas nights (other than events not regularly carried on in which participants can play casino-style games but the only prizes or auction items provided to participants are noncash items that were donated to the organization,*

*which events are **fundraising events**), and coin-operated gambling devices. Coin-operated gambling devices include slot machines, electronic video slot or line games, video poker, video blackjack, video keno, video bingo, video pull tab games, etc. See Pub. 3079, Tax-Exempt Organizations and Gaming.*

**Generally
accepted
accounting
principles/
GAAP**

*The accounting principles set forth by the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants (AICPA) that guide the work of accountants in reporting financial information and preparing **audited financial***

statements for
organizations.

**Governing
body**

*The group of one or more persons authorized under state law to make governance decisions on behalf of the organization and its shareholders or members, if applicable. The governing body is, generally speaking, the board of **directors** (sometimes referred to as "board of **trustees**") of a corporation or association, or the trustee or trustees of a trust (sometimes referred to as the "board of **trustees**").*

**Government
official**

A federal, state, or local official described within section 4946(c).

Governmental issuer *A state or local governmental unit that issues a **tax-exempt bond**.*

Governmental unit *A state, a **possession of the United States**, or a **political subdivision** of a state or U.S. possession, the United States, or the District of Columbia. See section 170(c)(1).*

Grants and other assistance *For purposes of Part IX, lines 1–3; Schedule F (Form 990); and Schedule I (Form 990), includes awards, prizes, contributions, noncash assistance, cash allocations, stipends, scholarships, fellowships, research grants, and similar payments and distributions made by the organization during the tax year. It doesn't include*

*salaries or other
compensation to
employees or payments to
independent contractors if
the primary purpose is to
serve the direct and
immediate needs of the
organization (such as legal,
accounting, or fundraising
services); the payment of
any benefit by a section
501(c)(9) voluntary
employees' beneficiary
association (VEBA) to
employees of a sponsoring
organization or contributing
employer, if such payment is
made under the terms of the
VEBA and in compliance with
section 505; or payments or
other assistance to affiliates
or branch offices that aren't
organized as legal entities*

separate from the filing organization.

**Gross
proceeds**

*For purposes of Schedule K (Form 990), Supplemental Information on Tax-Exempt Bonds, generally any sale **proceeds**, investment proceeds, transferred proceeds, and replacement proceeds of an issue. See Regulations sections 1.148-1(b) and -1(c).*

**Gross
receipts**

The total amounts the organization received from all sources during its tax year, 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 *and* Appendix C. Special Gross Receipts Tests for Determining Exempt Status of Section 501(c)(7) and 501(c)(15) Organizations.

Group exemption

*Tax exemption of a group of organizations all exempt under the same Code section, applied for and obtained by a **central organization** on behalf of **subordinate organizations** under the central organization's general supervision or control. See Rev. Proc. 80-27, 1980-1 C.B. 677; Rev. Proc. 96-40, 1996-2 C.B. 301; and Appendix E. Group*

Returns—Reporting Information on Behalf of the Group, *for more information.*

**Group
return**

*A Form 990 filed by the **central organization** of a **group exemption** for two or more of the **subordinate organizations**. See General Instructions, Section I.*

*Group Return, earlier, and Appendix E. Group Returns—Reporting Information on Behalf of the Group, *for more information.**

**Highest
compensate
d employee**

*One of the five highest compensated **employees** of the organization (including employees of a **disregarded entity** of the organization), other than current **officers, directors, trustees, or key***

employees, whose aggregate **reportable compensation** from the organization and **related organizations** is greater than \$100,000 for the calendar year ending with or within the organization's **tax year**. These employees should be reported in Part VII, Section A, of Form 990.

**Historical
treasure**

A building, structure, area, or property (real or personal) with recognized cultural, aesthetic, or historical value that is significant in the history, architecture, archaeology, or culture of a country, state, or city.

**Hospital/
hospital
facility**

*For purposes of Schedule H (Form 990), Hospitals, a hospital, or hospital facility, is a facility that is, or is required to be, licensed, registered, or similarly recognized by a state as a hospital. This includes a hospital facility that is operated through a **disregarded entity** or a **joint venture** treated as a partnership for federal income tax purposes. It doesn't include hospital facilities that are located outside the **United States**. It also doesn't include hospital facilities that are operated by entities organized as separate legal entities from the*

*organization that are taxable as a corporation for federal tax purposes (except for members of a **group exemption** included in a **group return** filed by an organization).*

**Hospital
organization**

*An organization which operates one or more **hospital facilities**.*

**Hospital (or
cooperative
hospital
service
organization)**

For purposes of Schedule A (Form 990), Public Charity Status and Public Support, a hospital (or cooperative hospital service organization) is an organization whose main purpose is to provide hospital or medical care. For purposes of Schedule A, a rehabilitation institution or an outpatient clinic can

qualify as a hospital if its principal purposes or functions are the providing of hospital or medical care, but the term doesn't include medical schools, medical research organizations, convalescent homes, homes for children or the aged, animal hospitals, or vocational training institutions for handicapped individuals.

**Household
goods**

Include furniture, furnishings, electronics, appliances, linens, and other similar items. They don't include food, paintings, antiques and other objects of art, jewelry and gems (other than costume jewelry), and collections.

Independent contractor *An individual or organization that receives compensation for providing services to the organization but who isn't treated as an **employee**. See Pub. 1779 for more information.*

Independent voting member of governing body *A **voting member of the governing body**, if all four of the following circumstances applied at all times during the organization's tax year.*

- 1. The member wasn't compensated as an **officer** or other **employee** of the organization or of a **related organization** (see the Instructions for Schedule R (Form 990),*

Related Organizations and Unrelated Partnerships), except as provided in the religious exception discussed in the instructions for Form 990, Part VI.

2. *The member didn't receive total **compensation** or other payments exceeding \$10,000 during the organization's tax year from the organization or from related organizations as an **independent contractor**, other than **reasonable compensation** for services provided in the capacity as a **member of the governing body**. For*

*example, a person who receives reasonable expense reimbursements and reasonable compensation as a **director** of the organization doesn't cease to be independent merely because he or she also received payments of \$7,500 from the organization for other arrangements.*

- 3. Neither the member, nor any **family member** of the member, was involved in a transaction with the organization (whether directly or indirectly through affiliation with another organization) required to be reported on*

*Schedule L (Form 990),
Transactions With
Interested Persons, for the
organization's tax year.*

- 4. Neither the member, nor
any family member of the
member, was involved in a
transaction with a taxable
or tax-exempt related
organization of a type and
amount that would be
reportable on Schedule L
(Form 990) if required to
be filed by the related
organization.*

*A member of the governing
body isn't considered to lack
independence merely
because of any of the
following circumstances.*

- 1. The member is a donor
to the organization,*

regardless of the amount of the contribution.

2. The member has taken a bona fide vow of poverty and either:

*a. Receives **compensation** as an agent of a **religious order** or a section 501(d) religious or apostolic organization, but only under circumstances in which the member doesn't receive taxable income (for example, Rev. Rul. 77-290, 1977-2 C.B. 26; and Rev. Rul. 80-332, 1980-2 C.B. 34); or*

b. Belongs to a religious order that receives sponsorship or payments from the organization that

don't constitute taxable income to the member.

3. *The member receives financial benefits from the organization solely in the capacity of being a member of the charitable or other class served by the organization in the exercise of its exempt function, such as being a member of a section 501(c)(6) organization, so long as the financial benefits comply with the organization's terms of membership.*

**Initial
contract**

*A binding written contract between an **applicable tax-exempt organization** and a person who wasn't a **disqualified person***

immediately before entering into the contract.

**Instant
bingo**

See ***Pull tabs.***

**Institutional
trustee**

*A **trustee** that isn't an individual or natural person but an organization. For instance, a bank or trust company serving as the trustee of a trust is an institutional trustee.*

**Joint
venture**

Unless otherwise provided, a partnership, limited liability company, or other entity treated as a partnership for federal tax purposes, as described in Regulations sections 301.7701-1 through 301.7701-3.

**Key
employee**

*For purposes of Form 990, an **employee** of an organization (other than an **officer, director, or trustee**) who meets all three of the following tests applied in the following order.*

- 1. \$150,000 Test. Receives **reportable compensation** from the organization and all **related organizations** in excess of \$150,000 for the **calendar year** ending with or within the organization's **tax year**.*
- 2. Responsibility Test. The employee:*
 - a. Has responsibilities, powers or influence over the organization as a*

whole similar to those of officers, directors, or trustees;

b. Manages a discrete segment or activity of the organization that represents 10% or more of the activities, assets, income, or expenses of the organization, as compared to the organization as a whole; or

c. Has or shares authority to control or determine 10% or more of the organization's capital expenditures, operating budget, or compensation for employees.

3. Top 20 Test. Is one of the 20 employees (that satisfy the \$150,000 Test

*and Responsibility Test)
with the highest reportable
compensation from the
organization and related
organizations for the
calendar year ending with
or within the organization's
tax year. See the
instructions for Part VII for
examples of **key
employees.***

Legislation

*Includes action by
Congress, any state
legislature, any local
council, or similar governing
body about acts, bills,
resolutions, or similar
items, or action by the
public in referenda, ballot
initiatives, constitutional
amendments, or similar
procedures. It doesn't*

include actions by executive, judicial, or administrative bodies.

Lobbying

*See **Lobbying activities**.*

Lobbying activities

*All activities intended to influence foreign, national, state, or local **legislation**. Such activities include direct lobbying (attempting to influence the legislators) and grassroots lobbying (attempting to influence legislation by influencing the general public).*

Maintaining offices, employees, or agents

For purposes of Schedule F (Form 990), Statement of Activities Outside the United States, includes principal, regional, district, or branch offices, such offices maintained by agents,

*independent contractors, and persons situated at those offices paid wages for services performed. "Agent" is defined under traditional agency principles (but doesn't include **volunteers**).*

Management company

*An organization that performs management duties for another organization customarily performed by or under the direct supervision of the other organization's **officers, directors, trustees, or key employees**. These management duties include, but aren't limited to, hiring, firing, and supervising personnel; planning or*

*executing budgets or financial operations; and supervising exempt operations or **unrelated trades or businesses**.*

When a management company is used, the employees may be employed by either the management company or the exempt organization. Whether the management company or the exempt organization is the employer will be determined by the facts and circumstances.

**Medical
research**

For purposes of a medical research organization operated in conjunction with a hospital (see Schedule A (Form 990), Public Charity

Status and Public Support), medical research means investigations, studies, and experiments performed to discover, develop, or verify knowledge relating to physical or mental diseases and impairments and their causes, diagnoses, prevention, treatments, or control.

Member of the governing body

*A person who serves on an organization's **governing body**, including a **director** or **trustee**, but not if the person lacks voting power.*

**Net assets
with donor
restrictions**

*Includes **endowment funds** established by donor-restricted gifts that are maintained to provide a source of income for either a specified period of time or until a specific event occurs (see **ASC 958-205-45**), as well as all other temporarily restricted net assets held in a donor-restricted endowment, including unappropriated income from **permanent endowments** that isn't subject to a permanent restriction. After Accounting Standards Update 2016-14, **ASC 958** uses two classifications, instead of three—net*

assets with donor restrictions and net assets without donor restrictions.

ASC 958 no longer uses the term "temporarily-restricted endowment."

*The part of net assets of a not-for-profit entity that is subject to **donor-imposed restrictions**.*

Net assets without donor restrictions

*Part of net assets of a not-for-profit entity that is not subject to **donor-imposed restrictions**.*

Noncash contributions

Contributions of property, tangible or intangible, other than money. Noncash contributions include, but aren't limited to, stocks, bonds, and other **securities**; real estate;

works of art; stamps, coins, and other **collectibles;** clothing and **household goods;** vehicles, boats, and airplanes; inventories of food, medical equipment or supplies, books, or seeds; intellectual property, including patents, trademarks, copyrights, and trade secrets; donated items that are sold immediately after donation, such as publicly traded stock or used cars; and items donated for sale at a charity auction. Noncash contributions don't include **volunteer** services performed for the reporting organization or

donated use of materials, facilities, or equipment.

**Nonexempt
charitable
trust**

A trust that meets the following conditions.

- Isn't exempt from tax under section 501(a).
- All of its unexpired interests are devoted to charitable purposes.
- A charitable deduction was allowed for **contributions** to the trust under section 170, section 545(b)(2), section 642(c), section 2055, section 2106(a)(2), or section 2522, or for amounts paid by or permanently set aside by the trust under section 642(c).

**Nonqualified
deferred
compensation**

Deferred compensation that is earned pursuant to a nonqualified plan or nongovernmental section 457 plan. Different rules can apply for purposes of identifying arrangements subject to sections 83, 409A, 457(f), and 3121(v). Earned but unpaid incentive compensation can be deferred pursuant to a nonqualified deferred compensation plan.

Officer

Unless otherwise provided (for example, Signature Block, principal officer in Heading), a person elected or appointed to manage the organization's daily operations at any time

during the **tax year**, such as a president, vice president, secretary, treasurer, and, in some cases, Board Chair. The officers of an organization are determined by reference to its organizing document, bylaws, or resolutions of its governing body, or as otherwise designated consistent with state law, but at a minimum include those officers required by applicable state law. For purposes of Form 990, treat the organization's **top management official** and **top financial official** as officers.

**"On behalf
of" issuer**

*A corporation organized under the general nonprofit corporation law of a state whose obligations are considered obligations of a state or local **governmental unit**. See Rev. Proc. 82-26, 1982-1 C.B. 476, for a description of the circumstances under which the IRS will ordinarily issue an advance ruling that the obligations of a nonprofit corporation were issued on behalf of a state or local governmental unit. See also Rev. Rul. 63-20, 1963-1 C.B. 24; Rev. Rul. 59-41, 1959-1 C.B. 13; and Rev. Rul. 54-296, 1954-2 C.B. 59. An "on*

*behalf of” issuer also includes any corporation organized by a state or local governmental unit specifically to issue **tax-exempt bonds** to further public purposes. See Rev. Rul. 57-187, 1957-1 C.B. 65.*

**Organization
manager**

*For purposes of section 4958, any **officer, director, or trustee** of an **applicable tax-exempt organization**, or any individual having powers or responsibilities similar to officers, directors, or trustees of the organization, regardless of title.*

**Political
campaign
activities**

All activities that support or oppose candidates for elective federal, state, or local public office. It doesn't matter whether the candidate is elected. A candidate is one who offers himself or herself or is proposed by others for public office. Political campaign activity doesn't include any activity to encourage participation in the electoral process, such as voter registration or voter education, provided that the activity doesn't directly or indirectly support or oppose any candidate.

**Political
subdivision**

*A division of any state or local **governmental unit** which is a municipal corporation or which has been delegated the right to exercise part of the sovereign power of the unit. Sovereign power includes the power to make and enforce laws.*

**Possession of
the United
States**

Includes the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, American Samoa, and the U.S. Virgin Islands.

**Principal
officer**

For purposes of the Heading on page 1 of Form 990 (but not for the purposes of the Signature Block or other parts of the

*Form 990), an officer of the organization who, regardless of title, has ultimate responsibility for implementing the decisions of the organization's **governing body**, or for supervising the management, administration, or operation of the organization.*

**Private
business use**

*For purposes of Schedule K (Form 990), Supplemental Information on Tax-Exempt Bonds, use by the organization or another 501(c)(3) organization in an **unrelated trade or business**. Private business use also generally includes any use by a*

nongovernmental person, other than a section 501(c)(3) organization, unless otherwise permitted through an exception or safe harbor provided under the regulations or a revenue procedure.

**Private
foundation**

*An organization described in section 501(c)(3) that isn't a **public charity**. Some private foundations are classified as operating foundations (also known as private operating foundations) under section 4942(j)(3) or exempt operating foundations under section 4940(d)(2). A private foundation retains its private foundation status until*

such status is terminated under section 507. Thus, a tax-exempt private foundation becomes a taxable private foundation if its section 501(c)(3) status is revoked.

Proceeds

For purposes of Schedule K (Form 990), Supplemental Information on Tax-Exempt Bonds, generally the sale proceeds of an issue (other than those sale proceeds used to retire bonds of the issue that aren't deposited in a reasonably required reserve or replacement fund). Proceeds also include any investment proceeds from investments that accrue during the project period (net of

rebate amounts attributable to the project period). See Regulations section 1.141-1(b).

Professional fundraising services

*Services performed for the organization requiring the exercise of professional judgment or discretion consisting of planning, management, preparation of materials (such as direct mail solicitation packages and applications for grants or other assistance), provision of advice and consulting regarding solicitation of **contributions**, and direct solicitation of **contributions**, such as soliciting restricted or unrestricted grants to*

*provide services to the general public. However, professional fundraising doesn't include services provided by the organization's **employees** in their capacity as employees (except as provided in the instructions for Part I, line 16a), nor does professional fundraising include purely ministerial tasks, such as printing, mailing services, or receiving and depositing contributions to a charity, such as services provided by a bank or caging service.*

Investments made primarily to accomplish the

**Program-
related
investment**

organization's exempt purposes rather than to produce income. Examples of program-related investments include student loans and notes receivable from other exempt organizations that obtained the funds to pursue the filing organization's exempt function.

**Public
charity**

An organization described in section 501(c)(3) and that is excepted from private foundation status because it is described in section 509(a)(1) (which cross-references sections 170(b)(1)(A)(i) through

(vi), and (ix)), 509(a)(2), 509(a)(3), or 509(a)(4).

**Publicly
traded
securities**

Generally, include common and preferred stocks, bonds (including governmental obligations such as bonds and Treasury bills), mutual fund shares, and other investments listed and regularly traded in an over-the-counter market or an established exchange and for which market quotations are published or are otherwise readily available. (See further explanation in the instructions for Part X, line 11; and Schedule M (Form 990), Noncash Contributions, line 9).

Pull tabs

Includes games in which an individual places a wager by purchasing preprinted cards that are covered with pull tabs. Winners are revealed when the individual pulls back the sealed tabs on the front of the card and compares the patterns under the tabs with the winning patterns preprinted on the back of the card. Included in the definition of pull tabs are "instant bingo," "mini bingo," and other similar scratch-off cards. Satellite, Internet, and progressive or event bingo are games conducted in many different places

*simultaneously and the winners aren't all present when the wagers are placed, the winners are determined, and the prizes are distributed. Revenue and expenses associated with satellite, Internet, and progressive bingo should be included under this category. However, certain bingo games within a hybrid gaming event (such as progressive or event bingo) can also qualify as bingo if the individual game meets the preceding definition of **bingo**.*

**Qualified
501(c)(3)
bond**

*A **tax-exempt bond**, the proceeds of which are used by a section 501(c)(3) organization to advance its*

charitable purpose.

Requirements generally applicable to a qualified section 501(c)(3) bond under section 145 include the following.

- 1. All property financed by the bond issue is to be owned by a section 501(c)(3) organization or a **governmental unit**.*
- 2. At least 95% of net proceeds of the **bond issue** are used either by a **governmental unit** or a section 501(c)(3) organization in activities that aren't **unrelated trades or businesses** (determined by applying section 513).*

**Qualified
conservation
contribution**

*Any **contribution** of a qualified real property interest to a qualified organization exclusively for conservation purposes. A "qualified real property interest" means any of the following interests in real property.*

- 1. The entire interest of the donor.*
- 2. A remainder interest.*
- 3. A restriction (such as an easement), granted in perpetuity, on the use which may be made of the real property.*

A "qualified organization" means an organization which is:

- a. A **governmental unit** described in section 170(c)(1);*

b. A publicly supported charitable organization described in sections 509(a)(1) and 170(b)(1)(A)(vi) or section 509(a)(2) (see the instructions for Parts II and III of Schedule A (Form 990));

*c. A **supporting organization** described in sections 501(c)(3) and 509(a)(3) that is controlled by a governmental unit or a publicly supported charitable organization.*

In addition, a qualified organization must have a commitment to protect the conservation purposes of a qualified conservation contribution, and have the resources to enforce the restrictions.

A "conservation purpose" means:

- 1. The preservation of land areas for outdoor recreation by, or the education of, the general public;*
- 2. The protection of a relatively natural habitat of fish, wildlife, plants, or similar ecosystems;*

3. *The preservation of open space (including farm and forest land) where such preservation will yield a significant public benefit and is for the scenic enjoyment of the general public or is pursuant to a clearly delineated federal, state, or local governmental conservation policy; or*
4. *The preservation of a historically important land area or a certified historic structure.*

*See section 170(h) for additional information, including special rules about the conservation purpose requirement for buildings in registered historic districts. See also **Conservation easement**.*

Qualified state or local political organization	<i>A type of political organization that meets the following requirements.</i>
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- It limits its exempt function to the selection process relating solely to any state or local public office or office in a state or local political organization.
- It is required under a state law to report to a state agency (and does report) information that would otherwise be required to be reported on Form 8872, Political Organization Report of Contributions and Expenditures, or it is required to report under state law (and does report) at least the following information.

1. The name and address of every person who contributes a total of \$500 or more during the calendar year and the amount of each contribution.
2. *The name and address of every person to whom the organization makes expenditures aggregating \$800 or more during the calendar year, and the amount of each expenditure.*
3. *Any additional information specified in section 527(j)(3), if state law requires the reporting of that information to the state agency.*

- The state agency makes the reports filed by the organization publicly available.
- The organization makes the reports filed with the state agency publicly available in the manner described in section 6104(d).
- No federal candidate or office holder controls or materially participates in the direction of the organization, solicits **contributions** to the organization, or directs any of the organization's disbursements.

**Quasi-
endowment**

*Net assets without donor
restrictions designated by*

*an entity's governing board to be invested to provide income for generally a long but not necessarily specified period. A **board-designated endowment**, which results from an internal designation, is generally not donor-restricted and is classified as net assets without donor restrictions. The governing board has the right to decide at any time to expend such funds. Also referred to as a "**board-designated endowment.**"*

Reasonable compensation

The value that would ordinarily be paid for like

services by like enterprises under like circumstances.

Reasonable effort

A reasonable amount of effort in information gathering that the organization is expected to undertake in order to provide information requested on Form 990. See the specific instructions for Part VI, lines 1b and 2; Part VII, Section A (compensation from related organizations); and Schedule L (Form 990), Parts III and IV, for examples of reasonable efforts.

Refunding escrow

One or more funds established as part of a single transaction or a

*series of related transactions, containing **proceeds** of a **refunding issue** and any other amounts to provide for payment of principal or interest on one or more prior issues. See Regulations section 1.148-1(b).*

**Refunding
issue**

*An issue of obligations, the **proceeds** of which are used to pay principal, interest, or redemption price on another issue (a prior issue), including the issuance costs, accrued interest, capitalized interest on the refunding issue, a reserve or replacement fund, or similar costs, if any,*

properly allocable to that refunding issue. A current refunding issue is a refunding issue that is issued not more than 90 days before the last expenditure of any proceeds of the refunding issue for the payment of principal or interest on the prior issue. An advance refunding issue is a refunding issue that isn't a current refunding issue. See Regulations sections 1.150-1(d)(1), 1.150-1(d)(3), and 1.150-1(d)(4).

**Related
organization**

*An organization, including a nonprofit organization, a stock corporation, a partnership or limited liability company, a trust, and a **governmental unit** or other government entity, that stands in one or more of the following relationships to the filing organization at any time during the **tax year**.*

- Parent: an organization that **controls** the filing organization.
- Subsidiary: an organization **controlled** by the filing organization.
- Brother/Sister: an organization **controlled** by the same person or

persons that control the filing organization.

However, if the filing organization is a trust that has a bank or financial institution trustee that is also the trustee of another trust, the other trust isn't a Brother/Sister related organization of the filing organization on the ground of common control by the bank or financial institution trustee.

- Supporting/Supported: an organization that claims to be at any time during the **tax year**, or that is classified by the IRS at any time during

the tax year, as (i) a **supporting organization** of the filing organization within the meaning of section 509(a)(3), if the filing organization is a **supported organization** within the meaning of section 509(f)(3); or (ii) a supported organization, if the filing organization is a supporting organization.

- Sponsoring Organization of a VEBA: an organization that establishes or maintains a section 501(c)(9) voluntary employees' beneficiary association (VEBA) during the tax

year. A sponsoring organization of a VEBA also includes an employee organization, association, committee, joint board of trustees, or other similar group of representatives of the parties which establish or maintain a VEBA.

Although a VEBA must report a sponsoring organization as a related organization, a sponsoring organization shouldn't report a VEBA as a related organization, unless the VEBA is related to the sponsoring organization in some other capacity described in this definition.

- Contributing Employer of a VEBA: an employer that makes a contribution or contributions to the VEBA during the tax year. Although a VEBA must report a contributing employer as a related organization, a contributing employer shouldn't report a VEBA as a related organization, unless the VEBA is related to the contributing employer in some other capacity described in this definition.

The organization must determine its related organizations for purposes of completing Form 990,

Parts VI (Governance), VII (Compensation), VIII (Statement of Revenue), and X (Balance Sheet); Schedule D (Form 990); Schedule J (Form 990); and Schedule R (Form 990). See the instructions for those parts and schedules for related organization reporting requirements.

**Religious
order**

An organization described in Rev. Proc. 91-20, 1991-1 C.B. 524.

**Reportable
compensation**

*In general, the aggregate **compensation** that is reported (or required to be reported, if greater) in box 1 or 5 of Form W-2 (whichever amount is greater); box 1 of Form*

*1099-NEC; and/or in box 6 of Form 1099-MISC, for the calendar year ending with or within the organization's **tax year**. For foreign persons who receive U.S. source income, reportable compensation includes the amount reportable in box 2 of Form 1042-S. For persons for whom compensation reporting on Form W-2, 1099-NEC, 1099-MISC, or 1042-S isn't required (certain foreign persons, institutional trustees, and persons whose compensation was below the \$600 reporting threshold for Form 1099-NEC or 1099-MISC),*

reportable compensation includes the total value of the compensation paid in the form of cash or property during the calendar year ending with or within the organization's tax year.

Review of financial statement

*An examination of an organization's financial records and practices by an independent accountant with the objective of assessing whether the **financial statements** are plausible, without the extensive testing and external validation procedures of an audit.*

School

An organization, the primary function of which is the presentation of formal instruction, and which has a regular faculty, a curriculum, an enrolled body of students, and a place where educational activities are regularly conducted.

Security/ securities

*Any bond, debenture, note, or certificate or other evidence of indebtedness issued by a corporation, government or **political subdivision**, share of stock, voting trust certificate, or any certificate of interest or participation in, certificate of deposit or receipt for, temporary or interim*

certificate for, or warrant or right to subscribe to or purchase, any of the foregoing.

**Short
accounting
period**

*An accounting period of less than 12 months, which exists when an organization changes its annual accounting period, and which can exist in its initial or final year of existence (see **Tax year**).*

Short period

*See **Short accounting period**.*

**Significant
disposition of
net assets**

*A disposition of net assets, consisting of a sale, exchange, disposition, or other transfer of more than 25% of the **FMV** of the organization's net assets during the year,*

whether or not the organization received full or adequate consideration. A significant disposition of net assets involves:

- 1. One or more dispositions during the organization's **tax year**, amounting to more than 25% of the FMV of the organization's net assets as of the beginning of its tax year; or*
- 2. One of a series of related dispositions or events begun in a prior year that, when combined, comprise more than 25% of the FMV of the organization's net assets as of the beginning of the tax year when the*

first disposition in the series was made.

Whether a significant disposition of net assets occurred through a series of related dispositions depends on the facts and circumstances in each case.

Examples of the types of transactions that are "a significant disposition of net assets" required to be reported on Schedule N (Form 990), Liquidation, Termination, Dissolution, or Significant Disposition of Assets, Part II, include:

- *Taxable or tax-free sales or exchanges of exempt assets for cash or other consideration (a social club described in section 501(c)(7) selling land or an exempt*

organization selling assets it had used to further its exempt purposes);

- *Sales, **contributions**, or other transfers of assets to establish or maintain a partnership, **joint venture**, or corporation (for-profit or nonprofit) whether or not the sales or transfers are governed by section 721 or section 351, whether or not the transferor received an ownership interest in exchange for the transfer;*
- *Sales of assets by a partnership or joint venture in which the exempt partner has an ownership interest; and*
- *Transfers of assets pursuant to a reorganization in which the organization is a surviving entity.*

The following types of situations aren't considered significant dispositions of net assets for purposes of Schedule N, Part II.

- *The change in composition of **publicly traded securities** held in an exempt organization's passive investment portfolio.*
- *Asset sales made in the ordinary course of the organization's exempt activities to accomplish the organization's exempt purposes, for example, gross sales of inventory.*
- *Grants or other assistance made in the ordinary course of the organization's exempt activities to accomplish the organization's exempt purposes, for example, the regular charitable distributions of a United Way or other federated fundraising organization.*
- *A decrease in the value of net assets due to market fluctuation in the value of assets held by the organization.*
- *Transfers to a **disregarded entity** of which the organization is the sole member.*

**Sponsoring
organization**

*Any organization which is
all of the following.*

- Described in section 170(c), other than governmental units described in section 170(c)(1) and without regard to section 170(c)(2)(A).
- Not a **private foundation** as defined in section 509(a).
- Maintains one or more **donor advised funds**.

State of legal domicile

For a corporation, the state of incorporation (country of incorporation for a foreign corporation formed outside the United States). For a trust or other entity, the state whose law governs the organization's internal affairs (the foreign country whose law governs for a foreign organization other than a corporation).

Subordinate organization

*One of the organizations, typically local in nature, that is recognized as exempt in a **group exemption** letter and subject to the general supervision and control of a **central organization**.*

**Supported
organization**

*A **public charity** described in section 509(a)(1) or 509(a)(2) supported by a **supporting organization** described in section 509(a)(3).*

**Supporting
organization**

*A public charity claiming status on Form 990 or otherwise under section 509(a)(3). A supporting organization is organized and operated exclusively to support one or more **supported organizations**. A supporting organization that is operated, supervised, or controlled by one or more supported organizations is a Type I supporting organization.*

The relationship of a Type I supporting organization with its supported organization(s) is comparable to that of a parent-subsidiary relationship. A supporting organization supervised or controlled in connection with one or more supported organizations is a Type II supporting organization. A Type II supporting organization is controlled or managed by the same persons that control or manage its supported organization(s). A supporting organization that is operated in connection with one or more supported organizations is a Type III

*supporting organization. A Type III supporting organization is further considered either functionally integrated with its supported organization(s) or not functionally integrated with its supported organization(s) (Type III other). Finally, a supporting organization can't be controlled directly or indirectly by one or more **disqualified persons** (as defined in section 4946), other than foundation managers and other than one or more public charities described in section 509(a)(1) or (2).*

**Tax-exempt
bond**

*An obligation issued by or on behalf of a **governmental issuer** on which the interest paid is excluded from the holder's gross income under section 103. For this purpose, a bond can be any form of indebtedness under federal tax law, including a bond, note, loan, or lease-purchase agreement.*

Tax year

The annual accounting period for which the Form 990 is being filed, whether the calendar year ending December 31 or a fiscal year ending on the last day of any other month. The organization may have a short tax year in its first

*year of existence, in any year when it changes its annual accounting period (for example, from a December 31 year-end to a June 30 year-end), and in its last year of existence (for example, when it merges into another organization or dissolves). See also **Current year**, **Fiscal year**, and **Short period**.*

**Term
endowment**

An endowment fund established to provide income for a specified period.

**Top financial
official**

The person who has ultimate responsibility for managing the organization's finances, for

example, the treasurer or chief financial officer.

Top management official

*A person who has ultimate responsibility for implementing the decisions of the organization's **governing body** or for supervising the management, administration, or operation of the organization (for example, the organization's president, CEO, or executive director).*

Total assets

The amount reported on Form 990, Part X, line 16, column (B).

Trustee

*See **Director or trustee**.*

United States

Unless otherwise provided, includes the 50 states, the

District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, American Samoa, and the U.S. Virgin Islands.

Unrelated business

*See **Unrelated trade or business**.*

Unrelated business income

*Income from an **unrelated trade or business** as defined in section 513.*

Unrelated business gross income

*Gross income from an **unrelated trade or business** as defined in section 513.*

Unrelated organization

*An organization that isn't a **related organization** to the filing organization.*

**Unrelated
trade or
business**

Any trade or business, the conduct of which isn't substantially related to the exercise or performance by the organization of its charitable, educational, or other purpose or function constituting the basis for its exemption. See Pub. 598 and the Instructions for Form 990-T for a discussion of what is an unrelated trade or business.

**U.S.
possession**

*See **Possession of the United States.***

Volunteer

A person who serves the organization without compensation, for example, a member of the organization's governing body who serves the

organization without compensation.

"Compensation" for this purpose includes tips and noncash benefits, except for:

- *Reimbursement of expenses under a reimbursement or other expense allowance arrangement in which there is adequate accounting to the organization,*
- *Working condition fringe benefits described in section 132,*
- *Liability insurance coverage for acts performed on behalf of*

*the exempt organization,
and*

- *De minimis* fringe benefits.

**Voting
member of
the governing
body**

*A member of the organization's **governing body** with power to vote on all matters that may come before the governing body (other than a conflict of interest that disqualifies the member from voting).*

Works of art

Include paintings, sculptures, prints, drawings, ceramics, antiques, decorative arts, textiles, carpets, silver, photography, film, video, installation and multimedia arts, rare books and manuscripts, historical

*memorabilia, and other similar objects. Art doesn't include **collectibles**.*

Year of formation

The year in which the organization was created or formed under applicable state law (if a corporation, the year of incorporation).

Appendix of Special Instructions to Form 990

Type of Organization

Internal Revenue Code Section

Corporations Organized Under Act of Congress

501(c)(1)

Title Holding Corporations

501(c)(2)

Charitable, Religious, Educational, Scientific, etc., Organizations	501(c)(3)
Civic Leagues and Social Welfare Organizations	501(c)(4)
Labor, Agricultural, and Horticultural Organizations	501(c)(5)
Business Leagues, etc.	501(c)(6)
Social and Recreation Clubs	501(c)(7)
Fraternal Beneficiary and Domestic Fraternal Societies and Associations	501(c)(8) & (c)(10)
Voluntary Employees' Beneficiary Associations	501(c)(9)
Teachers' Retirement Fund Associations	501(c)(11)
Benevolent Life Insurance Associations, Mutual Ditch or Irrigation Companies, Mutual or	501(c)(12)

Cooperative Telephone
Companies, etc.

Cemetery Companies 501(c)(13)

State-Chartered Credit Unions,
Mutual Reserve Funds 501(c)(14)

Insurance Companies or
Associations Other Than Life 501(c)(15)

Cooperative Organizations to
Finance Crop Operations 501(c)(16)

Supplemental Unemployment
Benefit Trusts 501(c)(17)

Employee Funded Pension
Trusts (created before June 25,
1959) 501(c)(18)

Organizations of Past or
Present Members of the Armed
Forces 501(c)(19)
& (c)(23)

Black Lung Benefit Trusts 501(c)(21)

Withdrawal Liability Payment Funds	501(c)(22)
Trusts described in section 4049 of the Employer Retirement Income Security Act	501(c)(24)
Title Holding Corporations or Trusts	501(c)(25)
State-Sponsored Organizations Providing Health Coverage for High-Risk Individuals	501(c)(26)
State-Sponsored Workmen's Compensation and Insurance and Reinsurance Organizations	501(c)(27)
National Railroad Retirement Investment Trust	501(c)(28)
Qualified Nonprofit Health Insurance Issuers	501(c)(29)

Religious and Apostolic Associations	501(d)
Cooperative Hospital Service Organizations	501(e)
Cooperative Service Organizations of Operating Educational Organizations	501(f)
Amateur Sports Organizations	501(j)
Child Care Organizations	501(k)
Charitable Risk Pools	501(n)
Political Organizations	527

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