



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)

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

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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.

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

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.

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.

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).

Certain organizations with limited gross receipts

10. 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.
11. 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.

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

12. 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.
13. A religious or apostolic organization described in section 501(d). Use Form 1065, U.S. Return of Partnership Income.
14. A stock bonus, pension, or profit-sharing trust that qualifies under section 401. Use Form 5500, Annual Return/Report of Employee Benefit Plan.

TIP *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.*

TIP *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 2024 Form 990-EZ to report on the 2024 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 2024 Form 990-EZ to report on the organization's fiscal year that began in 2024 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 2024 and the date the fiscal year ended in 2025.

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 2024 and ended before December 31, 2024 (not on or after December 31, 2024), it may use either 2023 Form 990 or 2024 Form 990-EZ to file for the short year. If using the 2023 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 2024 on the 2023 Form 990-EZ, provide the information on Schedule A (Form 990), Part II, for the tax years 2020-2024, rather than for tax years 2019-2023. 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 the change of accounting period field provided by the software provider 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. 2024-23, 2024-23 I.R.B. 1334, as modified by Rev. Proc. 2024-30, 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](https://www.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 2024 Form 990-EZ, you are required to file electronically.

For additional information on the electronic filing requirement, including information about when electronic filing ceases to be available for a given year, 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 \$25 a day, not to exceed the lesser of \$12,500 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 \$1,274,000 are subject to a penalty of \$125 for each day failure continues (with a maximum penalty for any one return of \$63,500). 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](https://www.irs.gov/charities-nonprofits/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.

 **TIP** 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 2024 return for calendar year 2024 and fiscal years that began in 2024 and ended in 2025. 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 return.



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 33 $\frac{1}{3}$ % Support Test of Section 170(b)(1)(A)(vi)

If	a section 501(c)(3) organization that met the 33 $\frac{1}{3}$ % 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 <i>Item H</i> to certify that it isn't required to attach Schedule B (Form 990).
Otherwise	complete and attach Schedule B (Form 990).

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 <i>exclusively</i> 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,
Then	the organization should check the box in <i>Item H</i> 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 <i>Item H</i> to certify that it isn't required to attach Schedule B (Form 990).
Otherwise	complete and attach Schedule B (Form 990).

* 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 ASB Accounting Standards Codification 958, Not-for-Profit Entities (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.

and 7b (\$500) to its total revenue of \$50,000 and determined that its gross receipts for the tax year were \$54,000.

\$50,000 Gross Receipts Test

To determine whether an organization's gross receipts are normally \$50,000 or less, apply the following test. An organization's gross receipts are considered normally to be \$50,000 or less if the organization is:

1. Up to a year old and has received, or donors have pledged to give, \$75,000 or less during its first tax year;
2. Between 1 and 3 years old and averaged \$60,000 or less in gross receipts during each of its first 2 tax years; or
3. Three years old or more and averaged \$50,000 or less in gross receipts for the immediately preceding 3 tax years (including the year for which the return would be filed).

If the organization's gross receipts are normally \$50,000 or less, it must submit Form 990-N if it chooses not to file Form 990 or 990-EZ. In general, organizations excepted from filing Form 990 or 990-EZ because of low gross receipts must submit Form 990-N. See the filing exceptions described in *General Instructions B*, earlier.

\$5,000 Gross Receipts Test

To determine whether an organization's gross receipts are normally \$5,000 or less, apply the following test. An organization's gross receipts are considered normally to be \$5,000 or less if the organization is:

1. Up to a year old and has received, or donors have pledged to give, \$7,500 or less during its first tax year;
2. Between 1 and 3 years old and averaged \$6,000 or less in gross receipts during each of its first 2 tax years; or
3. Three years old or more and averaged \$5,000 or less in gross receipts for the immediately preceding 3 tax years (including the year for which the return would be filed).

Appendix C: Special Gross Receipts Tests for Determining Exempt Status of Section 501(c)(7) and Section 501(c)(15) Organizations

Section 501(c)(7) organizations (social clubs) and 501(c)(15) organizations (insurance companies) apply the same gross receipts test as other organizations to determine whether they must file Form 990 or 990-EZ. However, section 501(c)(7) and section 501(c)(15) organizations are also subject to separate gross receipts tests to determine if they qualify as tax exempt for the tax year. The following tests use a special definition of gross receipts for purposes of determining whether these organizations are exempt for a particular tax year.

Section 501(c)(7)

A section 501(c)(7) organization can receive up to 35% of its gross receipts, including investment income, from sources outside its membership and remain tax exempt. Part of the 35% (up to 15% of gross receipts) can be from public use of a social club's facilities.

"Gross receipts," for purposes of determining the tax-exempt status of section 501(c)(7) organizations, are the club's income from its usual activities and include:

- Charges;
- Admissions;

- Membership fees;
- Dues;
- Assessments; and
- Investment income (such as dividends, rents, and similar receipts), and normal recurring capital gains on investments.

Gross receipts for this purpose don't include:

- Capital contributions (see Regulations section 1.118-1),
- Initiation fees, or
- Unusual amounts of income (such as the sale of the clubhouse).



College fraternities or sororities or other organizations that charge membership initiation fees, but not annual dues, must include initiation fees in their gross receipts.

Section 501(c)(15)

If any section 501(c)(15) insurance company (other than life insurance) meets both parts of the following test, then the company can file Form 990 (or Form 990-EZ, if applicable).

1. The company's gross receipts must be equal to or less than \$600,000.
2. The company's premiums must be more than 50% of its gross receipts.

If the company didn't meet this test and the company is a mutual insurance company, then it must meet the *Alternate test* to qualify to file Form 990 (or Form 990-EZ, if applicable). Insurance companies that don't qualify as tax exempt must file Form 1120-PC, U.S. Property and Casualty Insurance Company Income Tax Return; or Form 1120, U.S. Corporation Income Tax Return, as taxable entities for the year. See Notice 2006-42, 2006-19 I.R.B. 878, available at [IRS.gov/irb/2006-19_IRB/ar08.html](https://www.irs.gov/irb/2006-19_IRB/ar08.html).

Alternate test. If any section 501(c)(15) insurance company (other than life insurance) is a mutual insurance company and it didn't meet the above test, then the company must meet both parts of the following alternate test.

1. The company's gross receipts must be equal to or less than \$150,000.
2. The company's premiums must be more than 35% of its gross receipts.

If the company doesn't meet either test, then it must file Form 1120 or 1120-PC (if the company isn't entitled to insurance reserves) instead of Form 990 or 990-EZ.



The alternate test doesn't apply if any employee of the mutual insurance company or a member of the employee's family is an employee of another company that is exempt under section 501(c)(15) (or would be exempt if this provision didn't apply).

Gross receipts. To determine whether a section 501(c)(15) organization satisfies either of the above tests described in *Appendix C*, figure gross receipts by adding:

1. Premiums (including deposits and assessments) without reduction for return premiums or premiums paid for reinsurance;
2. Gross investment income of a non-life insurance company (as described in section 834(b)); and
3. Other items that are included in the filer's gross income under subchapter B, chapter 1, subtitle A, of the Code.

This definition doesn't, however, include contributions to capital. For more information, see Notice 2006-42.

Premiums. Premiums consist of all amounts received as a result of entering into an insurance contract. They are reported on Form 990, Part VIII, line 2, or on Form 990-EZ, Part I, line 2.

Anti-abuse rule. The anti-abuse rule, found in section 501(c)(15)(C), explains how gross receipts (including premiums) from all members of a controlled group are aggregated in figuring the tests described earlier.

Appendix D: Public Inspection of Returns

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 returns.

An organization's completed Form 990 or 990-EZ is available for public inspection as required by section 6104. Schedule B (Form 990) is open for public inspection for section 527 organizations filing Form 990 or 990-EZ, and for organizations filing Form 990-PF. For other organizations that file Form 990 or 990-EZ, the names and addresses of contributors listed on Schedule B (Form 990) aren't required to be made available for public inspection. The instructions for Schedule B (Form 990) describe which filers for Form 990-EZ are not required to provide contributor names and addresses. All other information reported on Schedule B (Form 990), including the amount of contributions, the description of noncash contributions, and any other information, is required to be made available for public inspection unless it clearly identifies the contributor. Form 990-T filed after August 17, 2006, by a section 501(c)(3) organization to report any unrelated business income is also available for public inspection and disclosure.

Note. Any annual return required to be filed electronically under section 6033(n) will be made available by the Secretary to the public as soon as practicable in a machine-readable format.

Through the IRS

Use Form 4506-A to request a copy of an exempt or political organization's return, report, notice, or exemption application.

The IRS can provide electronic copies of exempt organization returns. Requesters can order the complete set (for example, all Forms 990 and 990-EZ or all Forms 990-PF filed for a year) or a partial set by state or by month. Complete information, including the cost, is available on the IRS website. Search Copies of EO Returns Available at [IRS.gov/Charities-Non-Profits/Copies-of-EO>Returns-Available](https://www.irs.gov/Charities-Non-Profits/Copies-of-EO>Returns-Available).

The IRS generally can't disclose portions of an exemption application relating to trade secrets, etc. The IRS can, however, disclose the names and addresses of contributors of section 527 organizations filing Form 990 or 990-EZ and for organizations that file Form 990-PF. For other organizations that file Form 990 or 990-EZ, the names and addresses of contributors aren't required to be made available for public inspection. See the Instructions for Schedule B (Form 990) for more information about the disclosure of that schedule.

Form 990-T must be made available for public inspection by both the IRS and section 501(c)(3) organizations under Notice 2008-49, 2008-20 I.R.B. 979.

A section 527 organization's Form 990 or 990-EZ can only be requested for tax years beginning after June 30, 2000.

A private foundation's Form 990-PF can only be requested for tax years beginning after March 13, 2000.

A return, report, notice, or exemption application can be inspected at an IRS office free of charge. Copies of these items can also be obtained through the organization as discussed in the following section.

Note. The publicly available data on electronically filed Forms 990 is now available in a machine-readable format through Amazon Web Services (AWS). The publicly available data doesn't include donor information or other personally identifiable information.

Through the Organization

Public inspection and distribution of certain returns of unrelated business income. Section 501(c)(3) organizations that are required to file Form 990-T after August 17, 2006, must make Form 990-T available for public inspection under section 6104(d)(1)(A)(ii).

Public inspection and distribution of returns and reports for a political organization. Section 527 political organizations required to file Form 990 or 990-EZ must, in general, make their Form 8871, Political Organization Notice of Section 527 Status; Form 8872, Political Organization Report of Contributions and Expenditures; Form 990; or Form 990-EZ available for public inspection in the same manner as annual information returns of section 501(c) organizations. See *Public inspection and distribution of applications for tax exemption and annual information returns of tax-exempt organizations* next. Generally, Forms 8871 and 8872 are available for inspection and printing in the Charities & Nonprofits section of the IRS website at [IRS.gov/Charities-&-Non-Profits](https://www.irs.gov/Charities-&-Non-Profits).

TIP A section 527 political organization (and an organization filing Form 990-PF) must disclose their Schedule B (Form 990). See the Instructions for Schedule B (Form 990). The penalties discussed in General Instructions G also apply to section 527 political organizations (Rev. Rul. 2003-49, 2003-20 I.R.B. 903).

Public inspection and distribution of applications for tax exemption and annual information returns of tax-exempt organizations. Under Regulations sections 301.6104(d)-1 through 3, a tax-exempt organization must:

- Make its application for recognition of exemption and its annual information returns available for public inspection without charge at its principal, regional, and district offices during regular business hours;
- Make each annual information return available for a period of 3 years beginning on the date the return is required to be filed (determined with regard to any extension of time for filing) or is actually filed, whichever is later; and
- Provide a copy without charge (for Form 990-T, this requirement applies only to Forms 990-T filed after August 17, 2006), other than a reasonable fee for reproduction and actual postage costs, of all or any part of any application or return required to be made available for public inspection to any individual who makes a request for such copy in person or in writing (except as provided in Regulations sections 301.6104(d)-2 and (d)-3).

Definitions

Tax-exempt organization is any organization that is described in section 501(c) or (d) and is exempt from taxation under section 501(a). The term "tax-exempt organization" also includes any section 4947(a)(1) nonexempt charitable trust or nonexempt private foundation that is subject to the reporting requirements of section 6033.

Application for tax exemption includes:

- Any prescribed application form (such as Form 1023, 1023-EZ, 1024, or 1024-A),
- All documents and statements the IRS requires an applicant to file with the form,
- Any statement or other supporting document submitted in support of the application, and
- Any letter or other document issued by the IRS concerning the application.

Application for tax exemption does not include:

- Any application for tax exemption filed before July 15, 1987, unless the organization filing the application had a copy of the application on July 15, 1987;
- In the case of a tax-exempt organization other than a private foundation, the name and address of any contributor to the organization; or
- Any material that isn't available for public inspection under section 6104.



If there is no prescribed application form, see Regulations section 301.6104(d)-1(b)(3)(ii).

Annual information return includes:

- An exact copy of the Form 990 or 990-EZ filed by a tax-exempt organization as required by section 6033,
- Any amended return the organization files with the IRS after the date the original return is filed (both the original and amended return are subject to the public inspection requirements), and
- An exact copy of Form 990-T if one is filed by a 501(c)(3) organization.

The copy must include all information furnished to the IRS on Form 990, 990-EZ, or 990-T, as well as all schedules, attachments, and supporting documents, except for the name and address of any contributor to the organization. See the Instructions for Schedule B (Form 990). However, schedules, attachments, and supporting documents filed with Form 990-T that don't relate to the imposition of unrelated business income tax aren't required to be made available for public inspection and copying. See Notice 2008-49.

Annual returns more than 3 years old. An annual information return doesn't include any return after the expiration of 3 years from the date the return is required to be filed (including any extension of time that has been granted for filing such return) or is actually filed, whichever is later.

If an organization files an amended return, however, the amended return must be made available for a period of 3 years beginning on the date it is filed with the IRS.

Local or subordinate organizations. For rules relating to annual information returns of local or subordinate organizations, see Regulations section 301.6104(d)-1(f)(2).

Regional or district offices. A regional or district office is any office of a tax-exempt organization, other than its principal office, that has paid employees, whether part time or full time, whose aggregate number of paid hours a week are normally at least 120.

A site isn't considered a regional or district office, however, if:

- The only services provided at the site further exempt purposes (such as day care, health care, or scientific or medical research); and
- The site doesn't serve as an office for management staff, other than managers who are involved solely in managing the exempt function activities at the site.

Special Rules Relating to Public Inspection

Permissible conditions on public inspection. A tax-exempt organization:

- Can have an employee present in the room during an inspection;
- Must allow the individual conducting the inspection to take notes freely during the inspection; and
- Must allow the individual to photocopy the document at no charge, if the individual provides photocopying equipment at the place of inspection.

Organizations that don't maintain permanent offices. A tax-exempt organization with no permanent office:

- Must make its application for tax exemption and its annual information returns available for inspection at a reasonable location of its choice;
- Must permit public inspection within a reasonable amount of time after receiving a request for inspection (normally not more than 2 weeks) and at a reasonable time of day;
- Can mail, within 2 weeks of receiving the request, a copy of its application for tax exemption and annual information returns to the requester instead of allowing an inspection; and
- Can charge the requester for copying and actual postage costs only if the requester consents to the charge.

An organization that has a permanent office, but has no office hours, or very limited hours during certain times of the year, must make its documents available during those periods when office hours are limited, or not available, as though it were an organization without a permanent office.

Special Rules Relating to Copies

Time and place for providing copies in response to requests made in person. A tax-exempt organization must:

- Provide copies of required documents under section 6104(d) in response to a request made in person at its principal, regional, and district offices during regular business hours; and
- Provide such copies to a requester on the day the request is made, except for unusual circumstances (see next).

Unusual circumstances. In the case of an in-person request, where unusual circumstances exist so that fulfilling the request on the same business day causes an unreasonable burden to the tax-exempt organization, the organization must provide the copies no later than the next business day following the day that the unusual circumstances cease to exist, or the fifth business day after the date of the request, whichever occurs first.

Unusual circumstances include:

- Requests received that exceed the organization's daily capacity to make copies;
- Requests received shortly before the end of regular business hours that require an extensive amount of copying; or
- Requests received on a day when the organization's managerial staff capable of fulfilling the request is conducting special duties, such as student registration or attending an off-site meeting or convention, rather than its regular administrative duties.

Agents for providing copies. For rules relating to use of agents to provide copies, see Regulations sections 301.6104(d)-1(d)(1)(iii) and 1(d)(2)(ii)(C).

Request for copies in writing. A tax-exempt organization must honor a written request for a copy of documents (or the requested part) required under section 6104(d) if the request:

1. Is addressed to a principal, regional, or district office of the organization, and delivered by mail, electronic mail,

facsimile, or a private delivery service, as defined in section 7502(f); and

2. Sets forth the address to which the copy of the documents should be sent.

Time and Manner of Fulfilling Written Requests

IF the organization...	THEN the organization...
receives a written request for a copy	must mail the copy of the requested documents (or the requested parts) within 30 days from the date it receives the request.
mails the copy of the requested document	is deemed to have provided the copy on the postmark date or private delivery mark (if sent by certified or registered mail, the date of registration or the date of the postmark on the sender's receipt).
requires payment in advance	is required to provide the copies within 30 days from the date it receives payment.
receives a request or payment by mail	is deemed to have received it 7 days after the date of the postmark, absent evidence to the contrary.
receives a request transmitted by electronic mail or facsimile	is deemed to have received it the day the request is transmitted successfully.
receives a written request without payment or with an insufficient payment, when payment in advance is required	must notify the requester of the prepayment policy and the amount due within 7 days from the date of the request's receipt.
receives consent from an individual making a request	can provide a copy of the requested document exclusively by electronic mail (the material is provided on the date the organization successfully transmits the electronic mail).

Request for a copy of parts of a document. A tax-exempt organization must fulfill a request for a copy of the organization's entire application for tax exemption or annual information return or any specific part of its application or return. A request for a copy of less than the entire application or less than the entire return must specifically identify the requested part or schedule.

Fees for copies. A tax-exempt organization can charge a reasonable fee for providing copies. Before the organization provides the documents, it can require that the individual requesting copies of the documents pay the fee. If the organization has provided an individual making a request with notice of the fee, and the individual doesn't pay the fee within 30 days, or if the individual pays the fee by check and the check doesn't clear upon deposit, the organization can disregard the request.

Form of payment—(A) Request made in person. If a tax-exempt organization charges a fee for copying, it must accept payment by cash and money order for requests made in person. The organization can accept other forms of payment, such as credit cards and personal checks.

(B) Request made in writing. If a tax-exempt organization charges a fee for copying and postage, it must accept payment by certified check, money order, and either personal check or credit card for requests made in writing. The organization can accept other forms of payment.

Avoidance of unexpected fees. Where a tax-exempt organization doesn't require prepayment and a requester doesn't enclose payment with a request, an organization must receive consent from a requester before providing copies for which the fee charged for copying and postage exceeds \$20.

Documents to be provided by regional and district offices. Except as otherwise provided, a regional or district office of a tax-exempt organization must satisfy the same rules as the principal office about allowing public inspection and

providing copies of its application for tax exemption and annual information returns.

A regional or district office isn't required, however, to make its annual information return available for inspection or to provide copies until 30 days after the date the return is required to be filed (including any extension of time that is granted for filing such return) or is actually filed, whichever is later.

Documents Provided by Local and Subordinate Organizations

Applications for tax exemption. Except as otherwise provided, a tax-exempt organization that didn't file its own application for tax exemption (because it is a local or subordinate organization covered by a group exemption letter) must, upon request, make available for public inspection, or provide copies of, the application submitted to the IRS by the central or parent organization to obtain the group exemption letter and those documents that were submitted by the central or parent organization to include the local or subordinate organization in the group exemption letter.

However, if the central or parent organization submits to the IRS a list or directory of local or subordinate organizations covered by the group exemption letter, the local or subordinate organization is required to provide only the application for the group exemption ruling and the pages of the list or directory that specifically refer to it. The local or subordinate organization must permit public inspection, or comply with a request for copies made in person, within a reasonable amount of time (normally not more than 2 weeks) after receiving a request made in person for public inspection or copies and at a reasonable time of day. See Regulations section 301.6104(d)-1(f) for further information.

Annual information returns. A local or subordinate organization that doesn't file its own annual information return (because it is affiliated with a central or parent organization that files a group return) must, upon request, make available for public inspection, or provide copies of, the group returns filed by the central or parent organization.

However, if the group return includes separate schedules for each local or subordinate organization included in the group return, the local or subordinate organization receiving the request can omit any schedules relating only to other organizations included in the group return.

The local or subordinate organization must permit public inspection, or comply with a request for copies made in person, within a reasonable amount of time (normally not more than 2 weeks) after receiving a request made in person for public inspection or copies and at a reasonable time of day.

In a case where the requester seeks inspection, the local or subordinate organization can mail a copy of the applicable documents to the requester within the same time period instead of allowing an inspection. In such a case, the organization can charge the requester for copying and actual postage costs only if the requester consents to the charge.

If the local or subordinate organization receives a written request for a copy of its annual information return, it must fulfill the request by providing a copy of the group return in the time and manner specified in *Request for copies in writing*, earlier.

The requester has the option of requesting from the central or parent organization, at its principal office, inspection or copies of group returns filed by the central or parent organization. The central or parent organization must fulfill such requests in the time and manner specified in *Special Rules Relating to Public Inspection* and *Special Rules Relating to Copies*, earlier.

Failure to comply. Any person who doesn't comply with the public inspection requirements will be assessed a penalty of \$25 for each day that inspection wasn't permitted, up to a maximum

of \$12,500 for each return. The penalties for failure to comply with the public inspection requirements for applications are the same as those for annual returns, except that the \$12,500 limitation doesn't apply (sections 6652(c)(1)(C) and (D)). Any person who willfully fails to comply with the public inspection requirements for annual returns or exemption applications will be subject to an additional penalty of \$5,000 (section 6685).

Making Applications and Returns Widely Available

A tax-exempt organization isn't required to comply with a request for a copy of its application for tax exemption or an annual information return if the organization has made the requested document widely available (see below).

An organization that makes its application for tax exemption and/or annual information return widely available must nevertheless make the document available for public inspection as required under Regulations section 301.6104(d)-1(a).

A tax-exempt organization makes its application for tax exemption and/or an annual information return widely available if the organization complies with the Internet posting requirements and the notice requirements given next.

Internet posting. A tax-exempt organization can make its application for tax exemption and/or an annual information return widely available by posting the document on a web page that the tax-exempt organization establishes and maintains or by having the document posted, as part of a database of similar documents of other tax-exempt organizations, on a web page established and maintained by another entity. The document will be considered widely available only if:

- The web page through which it is available clearly informs readers that the document is available and provides instructions for downloading it;
- The document is posted in a format that, when accessed, downloaded, viewed, and printed in hard copy, exactly reproduces the image of the application for tax exemption or annual information return as it was originally filed with the IRS, except for any information permitted by statute to be withheld from public disclosure; and
- Any individual with access to the Internet can access, download, view, and print the document without special computer hardware or software required for that format (other than software that is readily available to members of the public without payment of any fee) and without payment of a fee to the tax-exempt organization or to another entity maintaining the web page.

Reliability and accuracy. In order for the document to be widely available through an Internet posting, the entity maintaining the web page must have procedures for ensuring the reliability and accuracy of the document that it posts on the page and must take reasonable precautions to prevent alteration, destruction, or accidental loss of the document when posted on its page. In the event that a posted document is altered, destroyed, or lost, the entity must correct or replace the document.

Notice requirement. If a tax-exempt organization has made its application for tax exemption and/or an annual information return widely available, it must notify any individual requesting a copy where the documents are available (including the address on the web page, if applicable). If the request is made in person, the organization must provide such notice to the individual immediately. If the request is made in writing, the notice must be provided within 7 days of receiving the request.

Tax-Exempt Organization Subject to Harassment Campaign

If the Office of Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes) (EEE) determines that the organization is being harassed, a tax-exempt organization isn't required to comply with any request for copies that it reasonably believes is part of a harassment campaign.

Whether a group of requests constitutes a harassment campaign depends on the relevant facts and circumstances, such as:

- A sudden increase in requests,
- An extraordinary number of requests by form letters or similarly worded correspondence,
- Hostile requests,
- Evidence showing bad faith or deterrence of the organization's exempt purpose,
- Prior provision of the requested documents to the purported harassing group, and
- A demonstration that the organization routinely provides copies of its documents upon request.

A tax-exempt organization can disregard any request for copies of all or part of any document beyond the first two received within any 30-day period or the first four received within any 1-year period from the same individual or the same address, regardless of whether the Office of Associate Chief Counsel (EEE) has determined that the organization is subject to a harassment campaign.

A tax-exempt organization can apply for a determination that it is the subject of a harassment campaign and that compliance with requests that are part of the campaign wouldn't be in the public interest by submitting a signed application to the Office of Associate Chief Counsel (EEE). See Rev. Proc. 2024-1, 2024-1 I.R.B. 1, available at [IRS.gov/irb/2024-01](https://www.irs.gov/irb/2024-01).

In addition, the organization can suspend compliance with any request it reasonably believes to be part of the harassment campaign until it receives a response to its application for a harassment campaign determination. However, if the Office of Associate Chief Counsel (EEE) determines that the organization didn't have a reasonable basis for requesting a determination that it was subject to a harassment campaign or reasonable belief that a request was part of the campaign, the officer, director, trustee, employee, or other responsible individual of the organization remains liable for any penalties for not providing the copies in a timely fashion. See Regulations section 301.6104(d)-3.

Appendix E: Section 4958 Excess Benefit Transactions

The intermediate sanction regulations are important to the exempt organization community as a whole, and for ensuring compliance in this area. The rules provide a roadmap by which an organization can steer clear of situations that may give rise to inurement.

Under section 4958, any disqualified person who benefits from an excess benefit transaction with an applicable tax-exempt organization is liable for a 25% tax on the excess benefit. The disqualified person is also liable for a 200% tax on the excess benefit if the excess benefit isn't corrected by a certain date. Also, organization managers who participate in an excess benefit transaction knowingly, willfully, and without reasonable cause are liable for a 10% tax on the excess benefit, not to exceed \$20,000 for all participating managers on each transaction.

Applicable Tax-Exempt Organization

These rules only apply to certain applicable section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. An “applicable tax-exempt organization” is a section 501(c)(3), 501(c)(4), or 501(c)(29) organization that is tax exempt under section 501(a), or was such an organization at any time during a 5-year period ending on the day of the excess benefit transaction.

An applicable tax-exempt organization doesn't include:

- A private foundation as defined in section 509(a),
- A governmental entity that is exempt from (or not subject to) taxation without regard to section 501(a) or relieved from filing an annual return under Regulations section 1.6033-2(g)(6), and
- Certain foreign organizations.

An organization isn't treated as a section 501(c)(3), 501(c)(4), or 501(c)(29) organization for any period covered by a final determination that the organization wasn't tax exempt under section 501(a), so long as the determination wasn't based on private inurement or one or more excess benefit transactions.

Disqualified Person

The vast majority of section 501(c)(3), 501(c)(4), or 501(c)(29) organization employees and independent contractors won't be affected by these rules. Only the few influential persons within these organizations are covered by these rules when they receive benefits, such as compensation, fringe benefits, or contract payments. The IRS calls this class of covered individuals disqualified persons.

A “disqualified person,” regarding any transaction, is any person who was in a position to exercise substantial influence over the affairs of the applicable tax-exempt organization at any time during a 5-year period ending on the date of the transaction. Persons who hold certain powers, responsibilities, or interests are among those who are in a position to exercise substantial influence over the affairs of the organization. This would include, for example, voting members of the governing body, and persons holding the power of:

- Presidents, chief executive officers, or chief operating officers; and
- Treasurers and chief financial officers.

A disqualified person also includes certain family members of a disqualified person, and 35% controlled entities of a disqualified person.

The following persons are considered disqualified persons for the following organizations, along with certain family members and 35% controlled entities associated with them.

- For a transaction involving a donor advised fund, a donor or donor advisor of that donor advised fund.
- For a donor advised fund sponsoring organization, an investment advisor of the sponsoring organization.
- A supported organization of a section 509(a)(3) supporting organization, and the disqualified persons of the section 509(a)(3) supporting organization.

See the Instructions for Form 4720, Schedule I, for more information regarding these disqualified persons.

Who isn't a disqualified person? The rules also clarify which persons aren't considered to be in a position to exercise substantial influence over the affairs of an organization. They include:

- An employee who receives benefits that total less than the highly compensated amount (see *Highly Compensated*

Employee Benefits—Limitation Amounts) and who doesn't hold the executive or voting powers just mentioned, isn't a family member of a disqualified person, and isn't a substantial contributor;

- Tax-exempt organizations described in section 501(c)(3); and
- Section 501(c)(4) organizations engaging in transactions with other section 501(c)(4) organizations.

Year	Limitation Amount
2015 through 2018	\$120,000
2019	\$125,000
2020 through 2021	\$130,000
2022	\$135,000
2023	\$150,000
2024	\$155,000

Who else can be considered a disqualified person? Other persons not described above can also be considered disqualified persons, depending on all the relevant facts and circumstances.

Facts and circumstances tending to show substantial influence.

- The person founded the organization.
- The person is a substantial contributor to the organization under the section 507(d)(2)(A) definition, only taking into account contributions to the organization for the past 5 years.
- The person's compensation is primarily based on revenues derived from activities of the organization that the person controls.
- The person has or shares authority to control or determine a substantial portion of the organization's capital expenditures, operating budget, or compensation for employees.
- The person manages a discrete segment or activity of the organization that represents a substantial portion of the activities, assets, income, or expenses of the organization, as compared to the organization as a whole.
- The person owns a controlling interest (measured by either vote or value) in a corporation, partnership, or trust that is a disqualified person.
- The person is a nonstock organization controlled directly or indirectly by one or more disqualified persons.

Facts and circumstances tending to show no substantial influence.

- The person is an independent contractor whose sole relationship to the organization is providing professional advice (without having decision-making authority) for transactions from which the independent contractor won't economically benefit.
- The person has taken a vow of poverty.
- Any preferential treatment the person receives based on the size of the person's donation is also offered to others making comparable widely solicited donations.
- The direct supervisor of the person isn't a disqualified person.
- The person doesn't participate in any management decisions affecting the organization as a whole or a discrete segment of the organization that represents a substantial portion of the activities, assets, income, or expenses of the organization, as compared to the organization as a whole.

What about persons who staff affiliated organizations? In the case of multiple affiliated organizations, the determination of whether a person has substantial influence is made separately

for each applicable tax-exempt organization. A person can be a disqualified person for more than one organization in the same transaction.

Excess Benefit Transaction

An “excess benefit transaction” is generally a transaction in which an economic benefit is provided by an applicable tax-exempt organization, directly or indirectly, to or for the use of any disqualified person, and the value of the economic benefit provided by the applicable tax-exempt organization exceeds the value of the consideration (including the performance of services) received for providing such benefit, but see the special rules later for donor advised funds and supporting organizations. An excess benefit transaction can also occur when a disqualified person embezzles from the exempt organization.

To determine whether an excess benefit transaction has occurred, all consideration and benefits exchanged between a disqualified person and the applicable tax-exempt organization, and all entities it controls, are taken into account.

For purposes of determining the value of economic benefits, the value of property, including the right to use property, is the FMV. FMV is 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.

Donor advised funds. For a donor advised fund, an excess benefit transaction includes a grant, loan, compensation, or similar payment from the fund to a:

- Donor or donor advisor,
- Family member of a donor or donor advisor,
- 35% controlled entity of a donor or donor advisor, or
- 35% controlled entity of a family member of a donor or donor advisor.

For these transactions, the excess benefit is defined as the amount of the grant, loan, compensation, or similar payment. For additional information, see the Instructions for Form 4720.

Supporting organizations. For any supporting organization defined in section 509(a)(3), an excess benefit transaction includes grants, loans, compensation, or similar payment provided by the supporting organization to a:

- Substantial contributor,
- Family member of a substantial contributor,
- 35% controlled entity of a substantial contributor, and
- 35% controlled entity of a family member of a substantial contributor.

Additionally, an excess benefit transaction includes any loans provided by the supporting organization to a disqualified person (other than an organization described in section 509(a)(1), (2), or (4)).

A “substantial contributor” is any person who contributed or bequeathed an aggregate of more than \$5,000 to the organization, if that amount is more than 2% of the total contributions and bequests received by the organization before the end of the tax year of the organization in which the contribution or bequest is received by the organization from such person. In the case of a trust, a substantial contributor also means the creator of the trust.

The excess benefit for substantial contributors and parties related to those contributors includes the amount of the grant, loan, compensation, or similar payment. For additional information, see the Instructions for Form 4720.

When does an excess benefit transaction usually occur?

An excess benefit transaction occurs on the date the disqualified

person receives the economic benefit from the organization for federal income tax purposes. However, when a single contractual arrangement provides for a series of compensation payments or other payments to a disqualified person during the disqualified person's tax year, any excess benefit transaction for these payments occurs on the last day of the disqualified person's tax year.

In the case of the transfer of property subject to a substantial risk of forfeiture, or in the case of rights to future compensation or property, the transaction occurs on the date the property, or the rights to future compensation or property, isn't subject to a substantial risk of forfeiture. Where the disqualified person elects to include an amount in gross income in the tax year of transfer under section 83(b), the excess benefit transaction occurs on the date the disqualified person receives the economic benefit for federal income tax purposes.

Section 4958 applies only to post-September 1995 transactions. Section 4958 applies the general rules to excess benefit transactions occurring on or after September 14, 1995. Section 4958 doesn't apply to any transaction occurring under a written contract that was binding on September 13, 1995, and at all times before the transaction occurs. The special rules relevant to transactions with donor advised funds and supporting organizations apply to transactions occurring after August 17, 2006, except that taxes on certain transactions between supporting organizations and their substantial contributors apply to transactions occurring on or after July 25, 2006.

What Is Reasonable Compensation?

“Reasonable compensation” is the valuation standard that is used to determine if there is an excess benefit in the exchange of a disqualified person's services for compensation.

Reasonable compensation is the value that would ordinarily be paid for like services by like enterprises under like circumstances. This is the section 162 standard that will apply in determining the reasonableness of compensation. The fact that a bonus or revenue-sharing arrangement is subject to a cap is a relevant factor in determining the reasonableness of compensation.

For determining the reasonableness of compensation, all items of compensation provided by an applicable tax-exempt organization in exchange for the performance of services are taken into account in determining the value of compensation (except for certain economic benefits that are disregarded, as discussed later in *What benefits are disregarded*). Items of compensation include the following.

- All forms of cash and noncash compensation, including salary, fees, bonuses, severance payments, and deferred and noncash compensation.
- The payment of liability insurance premiums for, or the payment or reimbursement by, the organization of taxes or certain expenses under section 4958, unless excludable from income as a de minimis fringe benefit under section 132(a)(4). (A similar rule applies in the private foundation area.) Inclusion in compensation for purposes of determining reasonableness under section 4958 doesn't control inclusion in income for income tax purposes.
- All other compensatory benefits, whether or not included in gross income for income tax purposes.
- Taxable and nontaxable fringe benefits, except fringe benefits described in section 132.
- Foregone interest on loans.

Written intent required to treat benefits as compensation. An economic benefit isn't treated as consideration for the performance of services unless the

organization providing the benefit clearly indicates its intent to treat the benefit as compensation when the benefit is paid.

An applicable tax-exempt organization (or entity that it controls) is treated as clearly indicating its intent to provide an economic benefit as compensation for services only if the organization provides written substantiation that is contemporaneous with the transfer of the economic benefits under consideration. Ways to provide contemporaneous written substantiation of its intent to provide an economic benefit as compensation include:

- The organization produces a signed written employment contract;
- The organization reports the benefit as compensation on an original Form W-2, 1099, 990, or 990-EZ, or on an amended form filed before the start of an IRS examination; or
- The disqualified person reports the benefit as income on the person's original Form 1040 or 1040-SR, or on an amended form filed before the start of an IRS examination.

Exception. To the extent the economic benefit is excluded from the disqualified person's gross income for income tax purposes, the applicable tax-exempt organization isn't required to indicate its intent to provide an economic benefit as compensation for services (for example, employer-provided health benefits, and contributions to qualified plans under section 401(a)).

What benefits are disregarded? The following economic benefits are disregarded for purposes of section 4958.

- Nontaxable fringe benefits; for example, an economic benefit that is excluded from income under section 132.
- Benefits to volunteers; for example, an economic benefit provided to a volunteer for the organization if the benefit is provided to the general public in exchange for a membership fee or contribution of \$75 or less per year.
- Benefits to members or donors; for example, an economic benefit provided to a member of an organization due to the payment of a membership fee, or to a donor as a result of a deductible contribution, if a significant number of nondisqualified persons make similar payments or contributions and are offered a similar economic benefit.
- Benefits to a charitable beneficiary; for example, an economic benefit provided to a person solely as a member of a charitable class that the applicable tax-exempt organization intends to benefit as part of the accomplishment of its exempt purpose.
- Benefits to a governmental unit; for example, a transfer of an economic benefit to or for the use of a governmental unit, as defined in section 170(c)(1), if exclusively for public purposes.

Is there an exception for initial contracts? Section 4958 doesn't apply to any fixed payment made to a person under an initial contract. This is a very important exception, since it would potentially apply, for example, to all initial contracts with new, previously unrelated officers and contractors.

An *initial contract* is 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.

A *fixed payment* is an amount of cash or other property specified in the contract, or determined by a fixed formula that is specified in the contract, which is to be paid or transferred in exchange for the provision of specified services or property.

A *fixed formula* can, in general, incorporate an amount that depends upon future specified events or contingencies, as long as no one has discretion when figuring the amount of a payment or deciding whether to make a payment (such as a bonus).

Treatment as new contract. A binding written contract, providing that it can be terminated or canceled by the applicable tax-exempt organization without the other party's consent

(except as a result of substantial nonperformance) and without substantial penalty, is treated as a new contract, as of the earliest date that any termination or cancellation would be effective. Also, a contract in which there is a material change, which includes an extension or renewal of the contract (except for an extension or renewal resulting from the exercise of an option by the disqualified person), or a more than incidental change to the amount payable under the contract, is treated as a new contract as of the effective date of the material change. Treatment as a new contract can cause the contract to fall outside the initial contract exception, and it thus would be tested under the FMV standards of section 4958.

Rebuttable Presumption of Reasonableness

Payments under a compensation arrangement are presumed to be reasonable and the transfer of property (or right to use property) is presumed to be at FMV if the following three conditions are met.

1. The transaction is approved by an authorized body of the organization (or an entity it controls) that is composed of individuals who don't have a conflict of interest concerning the transaction.
2. Before making its determination, the authorized body obtained and relied upon appropriate data as to comparability. There is a special safe harbor for small organizations. If the organization has gross receipts of less than \$1 million, appropriate comparability data includes data on compensation paid by three comparable organizations in the same or similar communities for similar services.
3. The authorized body adequately documents the basis for its determination concurrently with making that determination. The documentation should include:
 - a. The terms of the approved transaction and the date approved;
 - b. The members of the authorized body who were present during debate on the transaction that was approved and those who voted on it;
 - c. The comparability data obtained and relied upon by the authorized body and how the data was obtained;
 - d. Any actions by a member of the authorized body having a conflict of interest; and
 - e. Documentation of the basis for the determination before the later of the next meeting of the authorized body or 60 days after the final actions of the authorized body are taken, and approval of records as reasonable, accurate, and complete within a reasonable time thereafter.

Special rebuttable presumption rule for nonfixed payments. As a general rule, in the case of a nonfixed payment, no rebuttable presumption arises until the exact amount of the payment is determined, or a fixed formula for figuring the payment is specified, and the three requirements creating the presumption have been satisfied. However, if the authorized body approves an employment contract with a disqualified person that includes a nonfixed payment (for example, discretionary bonus) with a specified cap on the amount, the authorized body can establish a rebuttable presumption as to the nonfixed payment when the employment contract is entered into by, in effect, assuming that the maximum amount payable under the contract will be paid, and satisfying the requirements giving rise to the rebuttable presumption for that maximum amount.

An IRS challenge to the presumption of reasonableness. The IRS can refute the presumption of reasonableness only if it

develops sufficient contrary evidence to rebut the probative value of the comparability data relied upon by the authorized body. This provision gives taxpayers added protection if they faithfully find and use contemporaneous persuasive comparability data when they provide the benefits.

Organizations that don't establish a presumption of reasonableness. An organization can still comply with section 4958 even if it didn't establish a presumption of reasonableness. In some cases, an organization may find it impossible or impracticable to fully implement each step of the rebuttable presumption process described above. In such cases, the organization should try to implement as many steps as possible, in whole or in part, to substantiate the reasonableness of benefits as timely and as well as possible. If an organization doesn't satisfy the requirements of the rebuttable presumption of reasonableness, a facts-and-circumstances approach will be followed, using established rules for determining reasonableness of compensation and benefit deductions in a manner similar to the established procedures for section 162 business expenses.

Section 4958 Taxes

Tax on disqualified persons. An excise tax equal to 25% of the excess benefit is imposed on each excess benefit transaction between an applicable tax-exempt organization and a disqualified person. The disqualified person who benefited from the transaction is liable for the tax. If the 25% tax is imposed and the excess benefit transaction isn't corrected within the tax period, an additional excise tax equal to 200% of the excess benefit is imposed.

If a disqualified person makes a payment of less than the full correction amount, the 200% tax is imposed only on the unpaid portion of the correction amount. If more than one disqualified person received an excess benefit from an excess benefit transaction, all such disqualified persons are jointly and severally liable for the taxes.

To avoid the imposition of the 200% tax, a disqualified person must correct the excess benefit transaction during the tax period. The tax period begins on the date the transaction occurs and ends on the earlier of the date the statutory notice of deficiency is issued or the section 4958 taxes are assessed. This 200% tax can be abated if the excess benefit transaction subsequently is corrected during a 90-day correction period.

Tax on organization managers. An excise tax equal to 10% of the excess benefit may be imposed on the participation of an organization manager in an excess benefit transaction between an applicable tax-exempt organization and a disqualified person. This tax, which can't exceed \$20,000 for any single transaction, is only imposed if the 25% tax is imposed on the disqualified person, the organization manager knowingly participated in the transaction, and the manager's participation was willful and not due to reasonable cause. There is also joint and several liability for this tax. An organization manager may be liable for the tax on both disqualified persons and on organization managers in appropriate circumstances.

An "organization manager" is 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. An organization manager isn't considered to have participated in an excess benefit transaction where the manager has opposed the transaction in a manner consistent with the fulfillment of the manager's responsibilities to the organization. For example, a director who votes against giving an excess benefit would ordinarily not be subject to this tax.

A person participates in a transaction knowingly if the person has actual knowledge of sufficient facts so that, based solely upon such facts, the transaction would be an excess benefit transaction. Knowing doesn't mean having reason to know. The organization manager ordinarily won't be considered knowing if, after full disclosure of the factual situation to an appropriate professional, the organization manager relied on the professional's reasoned written opinion on matters within the professional's expertise or if the manager relied on the fact that the requirements for the rebuttable presumption of reasonableness have been satisfied. Participation by an organization manager is willful if it is voluntary, conscious, and intentional. An organization manager's participation is due to reasonable cause if the manager has exercised responsibility on behalf of the organization with ordinary business care and prudence.

Correcting an Excess Benefit Transaction

A disqualified person corrects an excess benefit transaction by undoing the excess benefit to the extent possible, and by taking any additional measures necessary to place the organization in a financial position not worse than that in which it would be if the disqualified person were dealing under the highest fiduciary standards. The organization isn't required to rescind the underlying agreement; however, the parties may need to modify an ongoing contract for future payments.

A disqualified person corrects an excess benefit by making a payment in cash or cash equivalents equal to the correction amount to the applicable tax-exempt organization. The correction amount equals the excess benefit plus the interest on the excess benefit; the interest rate can be no lower than the applicable federal rate. There is an anti-abuse rule to prevent the disqualified person from effectively transferring property other than cash or cash equivalents.

Exception. For a correction of an excess benefit transaction described in *Donor advised funds*, earlier, no amount repaid in a manner prescribed by the Secretary can be held in a donor advised fund.

Property. With the agreement of the applicable tax-exempt organization, a disqualified person can make a payment by returning the specific property previously transferred in the excess benefit transaction. The return of the property is considered a payment of cash (or cash equivalent) equal to the lesser of:

- The FMV of the property on the date the property is returned to the organization, or
- The FMV of the property on the date the excess benefit transaction occurred.

Insufficient payment. If the payment resulting from the return of the property is less than the correction amount, the disqualified person must make an additional cash payment to the organization equal to the difference.

Excess payment. If the payment resulting from the return of the property exceeds the correction amount described earlier, the organization can make a cash payment to the disqualified person equal to the difference.

Churches and Section 4958

The regulations make it clear that the IRS will apply the procedures of section 7611 when initiating and conducting any inquiry or examination into whether an excess benefit transaction has occurred between a church and a disqualified person.

Revenue-Sharing Transactions

Proposed intermediate sanction regulations were issued in 1998. The proposed regulations had special provisions covering “any transaction in which the amount of any economic benefit provided to or for the use of a disqualified person is determined in whole or in part by the revenues of one or more activities of the organization,” so-called revenue-sharing transactions. Rather than setting forth additional rules on revenue-sharing transactions, the final regulations reserve this section. Consequently, until the IRS issues new regulations for this reserved section on revenue-sharing transactions, these transactions will be evaluated under the general rules (for example, the FMV standards) that apply to all contractual arrangements between applicable tax-exempt organizations and their disqualified persons.

Revocation of Exemption and Section 4958

Section 4958 doesn't affect the substantive standards for tax exemption under section 501(c)(3), 501(c)(4), or 501(c)(29), including the requirements that the organization be organized and operated exclusively for exempt purposes, and that no part of its net earnings inure to the benefit of any private shareholder or individual. The legislative history indicates that in most instances, the imposition of this intermediate sanction will be in lieu of revocation. The IRS has indicated that the following factors will be considered (among other facts and circumstances) in determining whether to revoke an applicable tax-exempt organization's exemption status where an excess benefit transaction has occurred.

- The size and scope of the organization's regular and ongoing activities that further exempt purposes before and after the excess benefit transaction or transactions occurred.
- The size and scope of the excess benefit transaction or transactions (collectively, if more than one) in relation to the size and scope of the organization's regular and ongoing activities that further exempt purposes.
- Whether the organization has been involved in multiple excess benefit transactions with one or more persons.
- Whether the organization has implemented safeguards that are reasonably figured to prevent excess benefit transactions.
- Whether the excess benefit transaction has been corrected, or the organization has made good faith efforts to seek correction from the disqualified person(s) who benefited from the excess benefit transaction.

Appendix F: Forms and Publications To File or Use

How To Get Forms and Publications



Internet. You can access the IRS website at [IRS.gov](https://www.irs.gov) 24 hours a day, 7 days a week to:

- Download forms, including talking tax forms, instructions, and publications;
- Order IRS products online;

- Research your tax question online;
- Search publications online by topic or keyword;
- Use the online Internal Revenue Code, regulations, or other official guidance;
- View Internal Revenue Bulletins (IRBs) published in the last few years; and
- Sign up to receive local and national tax news by email.

How To Get Tax Help

If you have questions about a tax issue, need help preparing your tax return, or want to download free publications, forms, or instructions, go to [IRS.gov](https://www.irs.gov) and find resources that can help you right away.

Coronavirus. Go to [IRS.gov/Coronavirus](https://www.irs.gov/Coronavirus) for links to information on the impact of the coronavirus, as well as tax relief available for individuals and families, small and large businesses, and tax-exempt organizations.

Getting answers to your tax questions. On [IRS.gov](https://www.irs.gov), you can get up-to-date information on current events and changes in tax law.

- [IRS.gov/Help](https://www.irs.gov/Help): A variety of tools to help you get answers to some of the most common tax questions.
- [IRS.gov/ITA](https://www.irs.gov/ITA): The Interactive Tax Assistant, a tool that will ask you questions and, based on your input, provide answers on a number of tax law topics.
- [IRS.gov/Forms](https://www.irs.gov/Forms): Find forms, instructions, and publications. You will find details on the most recent tax changes and hundreds of interactive links to help you find answers to your questions.
- [Online EIN Application \(IRS.gov/EIN\)](https://www.irs.gov/EIN) helps you get an employer identification number (EIN) at no cost.
- You may also be able to access tax law information in your electronic filing software.

Getting tax forms and publications. Go to [IRS.gov/Forms](https://www.irs.gov/Forms) to view, download, or print all the forms, instructions, and publications you may need. Or, you can go to [IRS.gov/OrderForms](https://www.irs.gov/OrderForms) to place an order.

Getting tax publications and instructions in eBook format. You can also download and view popular tax publications and instructions (including the Instructions for Form 1040) on mobile devices as eBooks at [IRS.gov/eBooks](https://www.irs.gov/eBooks).

Note. IRS eBooks have been tested using Apple's iBooks for iPad. Our eBooks haven't been tested on other dedicated eBook readers, and eBook functionality may not operate as intended.

Phone. If you have questions and/or need help completing Form 990 or 990-EZ, please call 877-829-5500. This toll-free telephone service is available Monday through Friday.

Email subscription. The IRS has established a subscription-based email service for tax professionals and representatives of tax-exempt organizations. Subscribers will receive periodic updates from the IRS regarding exempt organization tax law and regulations, available services, and other information. To subscribe, visit [IRS.gov/Charities-&-Non-Profits/Subscribe-to-Exempt-Organization-Update](https://www.irs.gov/Charities-&-Non-Profits/Subscribe-to-Exempt-Organization-Update).

Other Forms That May Be Required

Schedule A (Form 990)	Public Charity Status and Public Support
Schedule B (Form 990)	Schedule of Contributors
Schedule C (Form 990)	Political Campaign and Lobbying Activities
Schedule E (Form 990)	Schools
Schedule G (Form 990)	Supplemental Information Regarding Fundraising or Gaming Activities
Schedule L (Form 990)	Transactions With Interested Persons
Schedule N (Form 990)	Liquidation, Termination, Dissolution, or Significant Disposition of Assets
Schedule O (Form 990)	Supplemental Information to Form 990 or 990-EZ
Forms W-2 and W-3	Wage and Tax Statement; and Transmittal of Wage and Tax Statements
Form W-9	Request for Taxpayer Identification Number and Certification
Form 720	Quarterly Federal Excise Tax Return
Form 926	Return by a U.S. Transferor of Property to a Foreign Corporation
Form 940	Employer's Annual Federal Unemployment (FUTA) Tax Return
Form 941	Employer's QUARTERLY Federal Tax Return. Used to report social security, Medicare, and income taxes withheld by an employer and social security and Medicare taxes paid by an employer.
Form 943	Employer's Annual Federal Tax Return for Agricultural Employees
Form 990-T	Exempt Organization Business Income Tax Return. Filed separately for organizations with gross income of \$1,000 or more from business unrelated to the organization's exempt purpose. Form 990-T is also filed to pay the section 6033(e)(2) proxy tax. For Form 990, see Part V, line 3, and its instructions; for Form 990-EZ, see Part V, line 35, and its instructions.
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)
Form 1024-A	Application for Recognition of Exemption Under Section 501(c)(4) of the Internal Revenue Code
Form 1040	U.S. Individual Income Tax Return
Form 1040-SR	U.S. Tax Return for Seniors
Form 1041	U.S. Income Tax Return for Estates and Trusts. Required of section 4947(a)(1) nonexempt charitable trusts that also file Form 990 or 990-EZ. However, if such a trust doesn't have any taxable income under subtitle A of the Code, it can file Form 990 or 990-EZ, and doesn't have to file Form 1041 to meet its section 6012 filing requirement. If this condition is met, complete Form 990 or 990-EZ, and don't file Form 1041.
Form 1096	Annual Summary and Transmittal of U.S. Information Returns
Form 1098 series	Information returns to report mortgage interest, student loan interest, qualified tuition and related expenses received, and a contribution of a qualified vehicle that has a claimed value of more than \$500.
Form 1099 series	Information returns to report acquisitions or abandonments of secured property; proceeds from broker and barter exchange transactions; cancellation of debt; dividends and distributions; certain government and state qualified tuition program payments; taxable distributions from cooperatives; interest payments; payments of long-term care and accelerated death benefits; miscellaneous income payments; nonemployee compensation; distributions from an HSA, Archer MSA, or Medicare Advantage MSA; original issue discount; distributions from pensions, annuities, retirement or profit-sharing plans, IRAs, insurance contracts, etc.; and proceeds from real estate transactions. Also, use certain of these returns to report amounts that were received as a nominee on behalf of another person.
Form 1120-POL	U.S. Income Tax Return for Certain Political Organizations
Form 1128	Application To Adopt, Change, or Retain a Tax Year
Form 2848	Power of Attorney and Declaration of Representative
Form 3115	Application for Change in Accounting Method
Form 3520	Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts
Form 4506	Request for Copy of Tax Return
Form 4506-A	Request for a Copy of Exempt or Political Organization IRS Form
Form 4562	Depreciation and Amortization
Form 4720	Return of Certain Excise Taxes Under Chapters 41 and 42 of the Internal Revenue Code
Form 5471	Information Return of U.S. Persons With Respect to Certain Foreign Corporations

Form 5500	Annual Return/Report of Employee Benefit Plan. Employers who maintain pension, profit-sharing, or other funded deferred compensation plans are generally required to file Form 5500. This requirement applies whether or not the plan is qualified under the Internal Revenue Code and whether or not a deduction is claimed for the current tax year. Available at EFAST.dol.gov/welcome.html .
Form 5578	Annual Certification of Racial Nondiscrimination for a Private School Exempt From Federal Income Tax
Form 5768	Election/Revocation of Election by an Eligible Section 501(c)(3) Organization To Make Expenditures To Influence Legislation
Form 7004	Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns
Form 8038	Information Return for Tax-Exempt Private Activity Bond Issues
Form 8274	Certification by Churches and Qualified Church-Controlled Organizations Electing Exemption From Employer Social Security and Medicare Taxes
Form 8282	Donee Information Return. Required of the donee of charitable deduction property who sells, exchanges, or otherwise disposes of donated property within 3 years after receiving it. The form is also required of any successor donee who disposes of charitable deduction property within 3 years after the date that the donor gave the property to the original donee. It doesn't matter who gave the property to the successor donee. It may have been the original donee or another successor donee.
Form 8283	Noncash Charitable Contributions
Form 8300	Report of Cash Payments Over \$10,000 Received in a Trade or Business. Used to report cash amounts in excess of \$10,000 that were received in a single transaction (or in two or more related transactions) in the course of a trade or business (as defined in section 162). However, if the organization receives a charitable cash contribution in excess of \$10,000, it isn't subject to the reporting requirement since the funds weren't received in the course of a trade or business.
Form 8328	Carryforward Election of Unused Private Activity Bond Volume Cap
Form 8718	User Fee for Exempt Organization Determination Letter Request
Form 8821	Tax Information Authorization
Form 8822-B	Change of Address or Responsible Party — Business. Used to notify the IRS of a change in mailing address that occurs after the return is filed.
Form 8868	Application for Extension of Time To File an Exempt Organization Return or Excise Taxes Related to Employee Benefit Plans
Form 8871	Political Organization Notice of Section 527 Status
Form 8872	Political Organization Report of Contributions and Expenditures
Form 8886	Reportable Transaction Disclosure Statement
Form 8886-T	Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction
Form 8899	Notice of Income From Donated Intellectual Property. Used to report net income from qualified intellectual property to the IRS and the donor.
Form SS-4	Application for Employer Identification Number
FinCEN Form 114	Report of Foreign Bank and Financial Accounts (FBAR)

Helpful Publications

Publication 15	(Circular E), Employer's Tax Guide
Publication 15-A	Employer's Supplemental Tax Guide
Publication 463	Travel, Gift, and Car Expenses
Publication 525	Taxable and Nontaxable Income
Publication 526	Charitable Contributions
Publication 538	Accounting Periods and Methods
Publication 557	Tax-Exempt Status for Your Organization
Publication 561	Determining the Value of Donated Property
Publication 598	Tax on Unrelated Business Income of Exempt Organizations
Publication 892	How to Appeal an IRS Determination on Tax-Exempt Status
Publication 946	How To Depreciate Property
Publication 947	Practice Before the IRS and Power of Attorney
Publication 976	Disaster Relief
Publication 1771	Charitable Contributions—Substantiation and Disclosure Requirements
Publication 1779	Independent Contractor or Employee
Publication 1828	Tax Guide for Churches and Religious Organizations
Publication 3079	Tax-Exempt Organizations and Gaming
Publication 3386	Tax Guide—Veterans' Organizations
Publication 3833	Disaster Relief, Providing Assistance Through Charitable Organizations
Publication 4220	Applying for 501(c)(3) Tax-Exempt Status
Publication 4221-PC	Compliance Guide for 501(c)(3) Public Charities
Publication 4221-PF	Compliance Guide for 501(c)(3) Private Foundations
Publication 4302	A Charity's Guide to Vehicle Donation
Publication 4303	A Donor's Guide to Vehicle Donation
Publication 4386	Compliance Checks
Publication 4573	Group Exemptions

Appendix G: Use of Form 990 or 990-EZ To Satisfy State Reporting Requirements

Some states and local government units will accept a copy of Form 990 or 990-EZ in place of all or part of their own financial report forms. The substitution applies primarily to section 501(c)(3) organizations, but some of the other types of section 501(c) organizations are also affected. If the organization uses Form 990 or 990-EZ to satisfy state or local filing requirements, such as those under state charitable solicitation acts, note the following discussions.

Determine State Filing Requirements

The organization can consult the appropriate officials of all states and other jurisdictions in which it does business to determine their specific filing requirements. Doing business in a jurisdiction can include any of the following.

- Soliciting contributions or grants by mail or otherwise from individuals, businesses, or other charitable organizations.
- Conducting program.
- Having employees within that jurisdiction.
- Maintaining a checking account.
- Owning or renting property there.

Monetary Tests May Differ

Some or all of the dollar limitations applicable to Form 990 or 990-EZ when filed with the IRS may not apply when using Form 990 or 990-EZ in place of state or local report forms. Examples of the IRS dollar limitations that don't meet some state requirements are the normally \$50,000 gross receipts minimum that creates an obligation to file with the IRS and the \$100,000 minimum for listing independent contractors in Form 990, Part VII, Section B; or Form 990-EZ, Part VI, line 51.

Additional Information May Be Required

State or local filing requirements may require the organization to attach to Form 990 or 990-EZ one or more of the following.

- Additional financial statements, such as a complete analysis of functional expenses or a statement of changes in net assets.
- Notes to financial statements.
- Additional financial schedules.
- A report on the financial statements by an independent accountant.
- Answers to additional questions and other information.

Each jurisdiction may require the additional material to be presented on forms they provide. The additional information doesn't have to be submitted with the Form 990 or 990-EZ filed with the IRS.

Even if the Form 990 or 990-EZ that the organization files with the IRS is accepted by the IRS as complete, a copy of the same return filed with a state won't fully satisfy that state's filing requirement if (1) required information isn't provided, including any of the additional information discussed previously; or (2) the state determines that the form wasn't completed by following the applicable Form 990 or 990-EZ instructions or supplemental state instructions. In such case, the state may ask the organization to provide the missing information or to submit an amended return.

Use of Audit Guides May Be Required

To ensure that all organizations report similar transactions uniformly, many states require that contributions, gifts, grants, similar amounts, and functional expenses be reported according to the AICPA industry audit and accounting guide, *Not-for-Profit Organizations* (New York, NY, AICPA, 2003), supplemented, as applicable, by *Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organizations* (Washington, DC, National Health Council, Inc., 1998, 4th edition).

Donated Services and Facilities

Even though donated services and facilities may be reported as items of revenue and expense in certain circumstances, many states and the IRS don't permit the inclusion of those amounts in Form 990, Parts VIII and IX; Form 990-EZ, Part I; or (except for such donations by a governmental unit) in Schedule A (Form 990). The optional reporting of donated services and facilities is discussed in the instructions for Part III of Forms 990 and 990-EZ.

Amended Returns

If the organization submits supplemental information or files an amended Form 990 or 990-EZ with the IRS, it must also send a copy of the information or amended return to any state with which it filed a copy of Form 990 or 990-EZ originally to meet that state's filing requirement. If a state requires the organization to file an amended Form 990 or 990-EZ to correct conflicts with the Instruction for Form 990 or 990-EZ, the organization must also file an amended return with the IRS.

Method of Accounting

Most states require that all amounts be reported based on the accrual method of accounting. See also *General Instructions C*.

Time For Filing May Differ

The deadline for filing Form 990 or 990-EZ with the IRS differs from the time for filing reports with some states.

Public Inspection

The Form 990 or 990-EZ information made available for public inspection by the IRS may differ from that made available by the states, such as Schedule B (Form 990).

Appendix H: Contributions

This appendix discusses certain federal tax rules that apply to exempt organizations and donors for contributions. See also Pub. 526 and Pub. 1771.

Schedule B (Form 990). Many organizations that file Form 990, 990-EZ, or 990-PF must file Schedule B (Form 990) to report on tax-deductible and non-tax-deductible contributions. See Schedule B (Form 990) and its instructions to determine whether Schedule B (Form 990) must be filed. See also the Instructions for Schedule B (Form 990) for the public inspection rules applicable to that form.

Solicitation of nondeductible contribution. See the instructions for Form 990, Part V, line 6, for rules on public notice of nondeductibility when soliciting nondeductible contributions.

Keeping fundraising records for tax-deductible contributions. A section 501(c) organization that is eligible to receive tax-deductible contributions under section 170(c) must keep sample copies of its fundraising materials, such as:

- Dues statements,
- Fundraising solicitations,
- Tickets,
- Receipts, or
- Other evidence of payments received in connection with fundraising activities.

IF...	THEN...
the organization advertises its fundraising events	it must keep samples of the advertising copy.
the organization uses radio, television, or Internet to solicit contributions	it must keep samples of scripts, transcripts, printouts of emails and web pages, or other evidence of solicitations in such media.
the organization uses outside fundraisers	it must keep samples of the fundraising materials used by the outside fundraisers.

For each fundraising event, the organization must keep records to show the portion of any payment received from patrons that isn't deductible; that is, the retail value of the goods or services received by the patrons. See *Disclosure statement for quid pro quo contributions*, later.

Noncash Contributions

Form 990 schedules. An organization may be required to file Schedule M (Form 990), Noncash Contributions, to report certain noncash (property) contributions; see the Instructions for Schedule M (Form 990) on who must file. Also, an organization that files Schedule B (Form 990) must report certain information on noncash contributions.

Dispositions of donated property. If an organization receives a charitable contribution of property and within 3 years sells, exchanges, or otherwise disposes of the property, the organization may need to file Form 8282, Donee Information Return. See Form 990, Part V, lines 7c and 7d.

Donated property over \$5,000. If the organization received from a donor a partially completed Form 8283, Noncash Charitable Contributions, the donee organization should generally complete Form 8283 and return it so the donor can get a charitable contribution deduction. The organization should keep a copy for its records. See Form 8283 for more details.

Qualified intellectual property. An organization described in section 170(c) (except a private foundation) that receives or accrues net income from a qualified intellectual property contribution must file Form 8899, Notice of Income From

Donated Intellectual Property. See Form 990, Part V, line 7g. The organization must file Form 8899 for any tax year that includes any part of the 10-year period beginning on the date of contribution but not for any tax years in which the legal life of the qualified intellectual property has expired or the property failed to produce net income.

A donee organization reports all income from donated qualified intellectual property as income other than contributions (for example, royalty income from a patent). A donee isn't required to report as contributions on Form 990 (including schedules) any of the additional deductions claimed by donors under section 170(m)(1). See Pub. 526.

Motor vehicles, boats, and airplanes. Special rules apply to charitable contributions of motor vehicles, boats, or airplanes with a claimed value of more than \$500. See Form 990, Part V, line 7h; section 170(f)(12); Pub. 4302, A Charity's Guide to Vehicle Donation; and the Instructions for Form 1098-C, Contributions of Motor Vehicles, Boats, and Airplanes.

Substantiation and Disclosure Requirements for Charitable Contributions

Recordkeeping for cash, check, or other monetary charitable gifts. To deduct a contribution of a cash, check, or other monetary gift (regardless of the amount), a donor must maintain a bank record or a written communication from the donee organization showing the donee's name, date, and amount of the contribution. See section 170(f)(17) and Regulations section 1.170A-15 for more information. In the case of a text message contribution, the donor's phone bill meets the section 170(f)(17) recordkeeping requirement of a reliable written record if it shows the name of the donee organization and the date and amount of contribution.

Acknowledgment to substantiate charitable contributions. A donee organization should be aware that a donor of a charitable contribution of \$250 or more (including a contribution of unreimbursed expenses) can't take an income tax deduction unless the donor obtains the organization's acknowledgment to substantiate the charitable contribution. See section 170(f)(8) and Regulations section 1.170A-13(f). A charitable organization that receives a payment made as a contribution is treated as the donee organization for this purpose even if the organization (according to the donor's instructions or otherwise) distributes the amount received to one or more charities. The organization's acknowledgment must:

1. Be written;
2. Be contemporaneous;
3. State the amount of any cash it received;
4. State:
 - a. Whether the organization gave the donor any intangible religious benefits (no valuation needed), and
 - b. Whether the organization gave the donor any goods or services in return for the donor's contribution (a quid pro quo contribution); and
5. Describe goods or services the organization:
 - a. Received (no valuation needed), and
 - b. Gave (good faith estimate of value needed).

If the organization accepts a contribution in the name of one of its activities or programs, then indicate the organization's name in the acknowledgment as well as the program's name. For example: "Thank you for your contribution of \$300 to (organization's name) made in the name of our Special Relief Fund program. No goods or services were provided in exchange for your contribution."

Similarly, if a domestic organization owns and controls a domestic disregarded entity, and the disregarded entity receives a contribution, then indicate the organization's name in the acknowledgment as well as the relationship with the disregarded entity. For example: "Thank you for your contribution of \$300 to (organization's name) made in the name of (name of disregarded entity), which is treated as a disregarded entity of (organization's name) for federal tax purposes. No goods or services were provided in exchange for your contribution." See Notice 2012-52, 2012-35 I.R.B. 317.

Exception. The written acknowledgment need not include a good faith estimate of value for goods or services given to the donor if they are the following.

1. Goods or services with insubstantial value.
2. Certain membership benefits.
3. Goods or services described in (1) or (2) given to the employees of a donor organization or the partners of a donor partnership.
4. Intangible religious benefits.

These exceptions are defined next.

Disclosure Statement for Quid Pro Quo Contributions

If the organization receives a quid pro quo contribution of more than \$75, the organization must provide a disclosure statement to the donor. See section 6115.

The organization's disclosure statement must:

1. Be written;
2. Estimate in good faith the value of the organization's goods or services given in return for the donor's contribution;
3. Describe, but need not value, certain goods or services given to the donor's employees or partners; and
4. Inform the donor that a charitable contribution deduction is limited as follows:

Donor's contribution

Less

The organization's money, goods, and services given in return

Equals

Donor's deductible charitable contribution.

Exceptions. No disclosure statement is required if the organization gave only the following.

1. Goods or services with insubstantial value.
2. Certain membership benefits.
3. Goods or services described in (1) or (2) given to the employees of a donor organization or the partners of a donor partnership.
4. Intangible religious benefits.

These exceptions are defined below. See also Regulations sections 1.170A-1, 1.170A-13, and 1.6115-1.

Certain Goods or Services Disregarded for Substantiation and Disclosure Purposes

Goods or services with insubstantial value. Generally, under section 170, the deductible amount of a contribution is determined by taking into account the FMV, not the cost to the charity, of any benefits that the donor received in return.

However, the cost to the charity may be used in determining whether the benefits are insubstantial. See below.

Cost basis. If a taxpayer makes a payment of \$66 or more to a charity and receives only token items in return, the items have insubstantial value if they:

- Bear the charity's name or logo, and
- Have an aggregate cost to the charity of \$13.20 or less (low-cost article amount of section 513(h)(2)).

FMV basis. If a taxpayer makes a payment to a charitable organization in a fundraising campaign and receives benefits with an FMV of not more than 2% of the amount of the payment, or \$132, whichever is less, the benefits received have insubstantial value in determining the taxpayer's contribution.



The dollar amounts given above are applicable to tax year 2024 under Rev. Proc. 2023-34. They are adjusted annually for inflation.

When a donee organization provides a donor only with goods or services having insubstantial value under Rev. Proc. 2023-34 (and any successor documents), the contemporaneous written acknowledgment may indicate that no goods or services were provided in exchange for the donor's payment.

Certain membership benefits. Other goods or services that are disregarded for substantiation and disclosure purposes are annual membership benefits offered to a taxpayer in exchange for a payment of \$75 or less per year that consist of the following.

1. Any rights or privileges that the taxpayer can exercise frequently during the membership period, such as:
 - a. Free or discounted admission to the organization's facilities or events, and
 - b. Free or discounted parking.
2. Admission to events that are:
 - a. Open only to members; and
 - b. Within the low-cost article limitation, per person.

Example 1. Eli offers a basic membership benefits package for \$75. The package gives members the right to buy tickets in advance, free parking, and a gift shop discount of 10%. Eli's \$150 preferred membership benefits package also includes a \$20 poster. Both the basic and preferred membership packages are for a 12-month period and include about 50 productions. Eli offers Frankie, a patron of the arts, the preferred membership benefits in return for a payment of \$150 or more. Frankie accepts the preferred membership benefits package for \$300. Eli's written acknowledgment satisfies the substantiation requirement if it describes the poster, gives a good faith estimate of its FMV (\$20), and disregards the remaining membership benefits.

Example 2. In *Example 1*, if Frankie received only the basic membership package for its \$300 payment, Eli's acknowledgment need state only that no goods or services were provided.

Example 3. Genesis Theater Group performs four plays. Each play is performed twice. Nonmembers can purchase a ticket for \$15. For a \$60 membership fee, however, members are offered free admission to any of the performances. Charlie makes a payment of \$350 and accepts this membership benefit. Because of the limited number of performances, the membership privilege can't be exercised frequently. Therefore, Genesis's acknowledgment must describe the free admission benefit and estimate its value in good faith.

Certain goods or services provided to donor's employees or partners. Certain goods or services provided to employees of donor organizations or partners of donor partnerships may be disregarded for substantiation and disclosure purposes. Nevertheless, the donee organization's

disclosure statement must describe such goods or services. A good faith estimate of value isn't needed.

Example. Museum Juniper offers a basic membership benefits package for \$40. It includes free admission and a 10% gift shop discount. Corporation Kai makes a \$50,000 payment to Juniper and in return, Juniper offers Kai's employees free admission, a T-shirt with Juniper's logo that costs Juniper \$4.50, and a 25% gift shop discount. Because the free admission is a privilege that can be exercised frequently and is offered in both benefit packages, and the value of the T-shirts is insubstantial, Museum Juniper's disclosure statement need not value or mention the free admission benefit or the T-shirts. However, because the 25% gift shop discount to Kai's employees differs from the 10% discount offered in the basic membership benefits package, Juniper's disclosure statement must describe the 25% discount but need not estimate its value.

Definitions

Substantiation. It is the responsibility of the donor:

- To value a donation, and
- To obtain an organization's written acknowledgment substantiating the donation.

There is no prescribed format for the organization's written acknowledgment of a donation. Letters, postcards, or computer-generated forms may be acceptable. The acknowledgment must, however, provide sufficient information to substantiate the amount of the deductible contribution. The organization may either:

- Provide separate statements for each contribution of \$250 or more, or
- Furnish periodic statements substantiating contributions of \$250 or more.

Separate contributions of less than \$250 aren't subject to the requirements of section 170(f)(8), regardless of whether the sum of the contributions made by a taxpayer to a donee organization during a tax year equals \$250 or more.

Contemporaneous. A written acknowledgment is contemporaneous if the donor obtains it on or before the earlier of:

- The date the donor files the original return for the tax year in which the contribution was made, or
- The due date (including extensions) for filing the donor's original return for that year.

Substantiation of payroll contributions. An organization may substantiate an employee's contribution by deduction from its payroll by:

- A pay stub, Form W-2, or other document showing a contribution to a donee organization; together with
- A pledge card or other document from the donee organization that shows its name. For contributions of \$250 or more, the document must state that the donee organization provides no goods or services for any payroll contributions.

The amount withheld from each payment of wages to a taxpayer is treated as a separate contribution.

Substantiation of matched payments. If a taxpayer's payment to a donee organization is matched by another payer, and the taxpayer receives goods or services in consideration for its payment and some or all of the matching payment, those goods or services will be treated as provided in consideration for the taxpayer's payment and not in consideration for the matching payment.

Disclosure statement. An organization must provide a written disclosure statement to donors who make a quid pro quo contribution in excess of \$75 (section 6115). This requirement is separate from the written substantiation acknowledgment a donor needs for deductibility purposes. While, in certain

circumstances, an organization may be able to meet both requirements with the same written document, an organization must be careful to satisfy the section 6115 written disclosure statement requirement in a timely manner because of the penalties involved.

Quid pro quo contribution. A “quid pro quo contribution” is a payment that is made both as a contribution and as a payment for goods or services provided by the donee organization.

Example. A donor gives a charity \$100 in consideration for a concert ticket valued at \$40 (a quid pro quo contribution). In this example, \$60 would be deductible. Because the donor’s payment exceeds \$75, the organization must furnish a disclosure statement even though the taxpayer’s deductible amount doesn’t exceed \$75. Separate payments of \$75 or less made at different times of the year for separate fundraising events won’t be aggregated for purposes of the \$75 threshold.

Good faith estimate. An organization may use any reasonable method in making a good faith estimate of the value of goods or services provided by that organization in consideration for a taxpayer’s payment to that organization. A good faith estimate of the value of goods or services that aren’t generally available in a commercial transaction may be determined by reference to the FMV of similar or comparable goods or services. Goods or services may be similar or comparable even though they don’t have the unique qualities of the goods or services that are being valued.

Goods or services. Goods or services include:

- Cash,
- Property,
- Services,
- Benefits, and
- Privileges.

In consideration for. A donee organization provides goods or services in consideration for a taxpayer’s payment if, at the

time the taxpayer makes the payment to the donee organization, the taxpayer receives, or expects to receive, goods or services in exchange for that payment.

Goods or services a donee organization provides in consideration for a payment by a taxpayer include goods or services provided in a year other than the year in which the donor makes the payment to the donee organization.

Intangible religious benefits. Intangible religious benefits are provided only by organizations organized exclusively for religious purposes. Examples include:

- Admission to a religious ceremony; and
- De minimis tangible benefits, such as wine provided in connection with a religious ceremony.

Penalties. A charity that knowingly provides a false substantiation acknowledgment to a donor may be subject to the penalties under section 6701 and/or section 7206(2) for aiding and abetting an understatement of tax liability.

Charities that fail to provide the required disclosure statement for a quid pro quo contribution of more than \$75 will incur a penalty of \$10 per contribution, not to exceed \$5,000 per fundraising event or mailing. The charity may avoid the penalty if it can show that the failure was due to reasonable cause (section 6714).

Photographs of Missing Children

The IRS is a proud partner with the [National Center for Missing & Exploited Children® \(NCMEC\)](#). Photographs of missing children selected by the Center may appear in instructions on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

Paperwork Reduction Act Notice. We ask for the information on these forms to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103. However, certain returns and return information of tax-exempt organizations and trusts are subject to public disclosure and inspection, as provided by section 6104.

Estimates of taxpayer burden. These include forms in the 990 series and attachments and Forms 1023, 1024, 1028, 5578, 5884-C, 8038, 8038-B, 8038-CP, 8038-G, 8038-GC, 8038-R, 8038-T, 8038-TC, 8328, 8718, 8282, 8453-TE, 8453-X, 8868, 8870, 8871, 8872, 8879-TE, 8886-T, and 8899 and their schedules and all the forms tax-exempt organizations attach to their tax returns. Time spent and out-of-pocket costs are presented separately. Time burden includes the time spent preparing to file and to file, with recordkeeping representing the largest component. Out-of-pocket costs include any expenses incurred by taxpayers to prepare and submit their tax returns. Examples include tax return preparation and submission fees, postage and photocopying costs, and tax preparation software costs. Note that these estimates don't include burden associated with post-filing activities. IRS operational data indicate that electronically prepared and filed returns have fewer arithmetic errors, implying lower post-filing burden.

Reported time and out-of-pocket cost burdens are national averages and include all associated forms and schedules, across all preparation methods and taxpayer activities. As a result, the averages don't necessarily reflect a "typical" case. Most taxpayers experience lower-than-average burden, with taxpayer burden varying considerably by taxpayer type.

Fiscal Year 2024 Form 990 Series Taxpayer Compliance Cost Estimates

	Type of Return				
	Form 990	Form 990-EZ	Form 990-PF	Form 990-T	Form 990-N
Projections of the Number of Returns To Be Filed With the IRS	351,100	251,000	130,100	233,200	733,100
Estimated Average Total Time (Hours)	107	69	53	42	5
Estimated Average Total Out-of-Pocket Costs	\$2,900	\$600	\$2,200	\$2,200	\$20
Estimated Average Total Monetized Burden	\$9,900	\$1,700	\$4,600	\$5,700	\$100
Estimated Total Time (Hours)	37,710,000	17,400,000	6,940,000	9,790,000	3,660,000
Estimated Total Out-of-Pocket Costs	\$1,023,200,000	\$152,200,000	\$282,600,000	\$506,400,000	\$14,000,000
Estimated Total Monetized Burden	\$3,466,900,000	\$425,200,000	\$594,600,000	\$1,324,000,000	\$71,400,000

Note. Amounts above are for FY2024. Reported time and cost burdens are national averages and do not necessarily reflect a "typical" case. Most tax-exempt organizations experience lower-than-average burden, with tax-exempt organization burden varying considerably by tax-exempt organization type. Detail may not add due to rounding.

Comments and suggestions. We welcome your comments concerning the accuracy of these time estimates or suggestions for future editions. You can send us comments through [IRS.gov/FormComments](https://www.irs.gov/FormComments). Or you can write to:

Internal Revenue Service
 Tax Forms and Publications
 1111 Constitution Ave. NW, IR-6526
 Washington, DC 20224

Although we can't respond individually to each comment received, we do appreciate your feedback and will consider your comments as we revise our tax forms, instructions, and publications.

Don't send your return to this address. Instead, see *General Instructions D. When, Where, and How To File*, earlier, for the location for filing your return.

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