

Short Form Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)
▶ Sponsoring organizations and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than \$1,000,000 and total assets less than \$2,500,000 at the end of the year may use this form.
▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

Open to Public Inspection

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

B Check if applicable:

- Address change
- Name change
- Initial return
- Termination
- Amended return
- Application pending

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

C Name of organization

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

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

D Employer identification number

E Telephone number
() ()

F Group Exemption Number . . . ▶

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

G Accounting method: Cash Accrual
Other (specify) ▶

I Website: ▶ _____

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

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

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

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

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 47 of the instructions.)

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

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

(See page 51 of the instructions.)

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

Part V Other Information (Note the statement requirement in General Instruction V.)

		Yes	No
33	Did the organization engage in <u>any activity not previously reported to the IRS?</u> If "Yes," attach a detailed description of each activity		
34	Were any changes made to the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes		
35	If the organization had income from business activities, such as those reported on lines 2, 6, and 7 (among others), but not reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T.		
35a	a Did the organization have unrelated business gross income of \$1,000 or more <u>or 6033(e) notice, reporting, and proxy tax requirements?</u> . . . = <u>certain c4,5,6 lobbying</u>		
35b	b If "Yes," has it filed a tax return on Form 990-T for this year?		
36	36 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," complete applicable parts of <u>Schedule N</u>		
37a	37a Enter amount of political expenditures, direct or indirect, as described in the instructions. ▶ 37a		
37b	b Did the organization file Form 1120-POL for this year? <u>NOT lobbying...this is about candidates</u>		
38a	38a Did the organization <u>borrow from</u> , or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still unpaid at the start of the period covered by this return?		
38b	b If "Yes," complete <u>Schedule L, Part II</u> and enter the total amount involved 38b		
39	39 <u>501(c)(7) organizations</u> . Enter:		
39a	a Initiation fees and capital contributions included on line 9 39a		
39b	b Gross receipts, included on line 9, for public use of club facilities 39b		
40a	40a <u>501(c)(3) organizations</u> . Enter amount of tax imposed on the organization during the year under: section 4911 ▶ _____ ; section 4912 ▶ _____ ; section 4955 ▶ _____		
40b	b <u>501(c)(3) and (4) organizations</u> . Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," complete <u>Schedule L, Part I</u> 40b		
40c	c Enter amount of tax imposed on organization managers or disqualified persons during the year under sections <u>4912, 4955, and 4958</u> ▶ _____		
40d	d Enter amount of tax on line 40c reimbursed by the organization ▶ _____		
40e	e <u>All organizations</u> . At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? 40e		
41	41 List the states with which a copy of this return is filed. ▶ _____		
42a	42a The books are in care of ▶ _____ Telephone no. ▶ (_____) _____ Located at ▶ _____ ZIP + 4 ▶ _____		
42b	b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? 42b	Yes	No
42c	If "Yes," enter the name of the foreign country: ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1 . 42c		
43	43 <u>Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041</u> —Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 43 <input type="checkbox"/>		
44	44 Did the organization maintain any donor advised funds? If "Yes," Form 990 must be completed instead of Form 990-EZ 44	Yes	No
45	45 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," Form 990 must be completed instead of Form 990-EZ 45	Yes	No

4912 excess lobbying, 4955 political intervention, 4958 excess benefit transactions

Cash method no longer required; same method as rest of return. Bad news? Go back and restate 2007, 2006, 2005, 2004 in accrual if 2008 is accrual (if this causes a support test failure there are relief transition provisions). Also, 509(a)(2) now has its own page (next).

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Five years now, through the CURRENT year, not the prior year.

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1-3						
5 Amounts included on line 1 from each person (other than a governmental unit or publicly supported organization) whose total payments for the years in columns (a) through (e) exceeded 2% of the amount shown on line 11, column (f)						the old line 26b excess contributions
6 Public support. Subtract line 5 from line 4.						

Some information on unusual grants (not donor name) is reported in Part IV narrative.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions) prog svc rev & IRC 513 UBI exclusions 12						
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here in other words you don't have to run the % until Year 6 for filing purposes. ▶ <input type="checkbox"/>						

This is not a change in the rules but was commonly overlooked in the past, and unrelated income excluded due to "not regularly carried on" ended up out of denominator because it stayed in program service revenue.

This line should be avoided if there is any problem with public support, or even to just lay a solid foundation for a future larger gift. Examine the income: it is either donative, earned, or maybe a prior period adjustment (which can go on Schedule D).

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	%
16a 33% support test—2008. If the organization did not check the box on line 13, and line 14 is 33% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
b 33% support test—2007. If the organization did not check a box on line 13 or 16a, and line 15 is 33% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ <input type="checkbox"/>		

It has always been true that once past the advance ruling period (years 1-5) that public support for any one measurement period conferred public charity status for the next two years - that is what all the 2008 and 2007 testing above amounts to.

* Line 9 (into the denominator) includes income excluded from UBI under 512 (not regularly carried on), but income excluded under 513 (substantially by volunteers, convenience of members, donated merchandise, qualified convention & tradeshow activities) goes onto Line 12 and escapes the formula along with program service revenue.
* What this is saying is that of the common exclusions from UBTI characterization, "not regularly carried on" is the least desirable because the money stays in the denominator, but if the exclusion is volunteers, convenience of members, donated merchandise, bingo, low cost premiums and qualified sponsorship payments, that the number drops out of the calculation as if it is program service revenue.

Part III Support Schedule for Organizations Described in Section 509(a)(2)
 (Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1-5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of line 13 for the year or \$5,000						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage for 2007 Schedule A, Part IV-A, line 27g	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	%

19a 33 1/3 % support tests—2008. If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

b 33 1/3 % support tests—2007. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ►

No Change to Schedule B, so following pages not included

Schedule B (Form 990, 990-EZ, or 990-PF)

Department of the Treasury Internal Revenue Service

Schedule of Contributors

Attach to Form 990, 990-EZ, and 990-PF. See separate instructions.

OMB No. 1545-0047

2008

Name of the organization

Employer identification number

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

- 501(c)() (enter number) organization
4947(a)(1) nonexempt charitable trust not treated as a private foundation
527 political organization

Form 990-PF

- 501(c)(3) exempt private foundation
4947(a)(1) nonexempt charitable trust treated as a private foundation
501(c)(3) taxable private foundation

Check if your organization is covered by the General Rule or a Special Rule. (Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.)

General Rule

- For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

- For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3 % support test...
For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor...
For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor...

Caution. Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must answer "No" on Part IV, line 2 of their Form 990...

For Paperwork Reduction Act Notice, see the Instructions for Form 990. These instructions will be issued separately.

Cat. No. 30613X

Schedule B (Form 990, 990-EZ, or 990-PF) (2008)

**Substantial changes for Political (candidate) activity reporting;
some changes for NON-electing public charities reporting lobbying.**

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2008

For Organizations Exempt From Income Tax Under section 501(c) and section 527

Department of the Treasury
Internal Revenue Service

▶ **To be completed by organizations described below.**
▶ **Attach to Form 990 or Form 990-EZ.**

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization

Employer identification number

501(c)(3) orgs answering Yes to any Part I-A or I-B questions should get counsel before filing

Part I-A To be completed by all organizations exempt under section 501(c) and section 527 organizations.
See the instructions for Schedule C for details.

- 1 Provide a **description** of the organization's direct and indirect political campaign activities in Part IV. *new requirement*
- 2 Political expenditures **prohibited for 501(c)(3) organizations; non-primary purpose for others** ▶ \$
- 3 Volunteer hours **entirely new question / line of inquiry - attempt to measure primary activity**

Part I-B To be completed by all organizations exempt under section 501(c)(3).
See the instructions for Schedule C for details.

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 . . . ▶ \$
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 . ▶ \$
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV.

Part I-C To be completed by all organizations exempt under section 501(c), except section 501(c)(3).
See the instructions for Schedule C for details.

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities **in general "section 527" means all candidate-related work (contrary to media usage)** ▶ *i.e. spent to influence candidate election* \$
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ *i.e. contributed to other orgs to influence candidate election* \$
- 3 Total of direct and indirect exempt function expenditures. Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b ▶ \$
- 4 Did the filing organization file **Form 1120-POL** for this year? *alert! due: earlier than 990; if 527 tax due* Yes No
- 5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations **to which payments were made. Enter the amount paid and indicate if the amount was paid from the filing organization's own internal funds** or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's own internal funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.
Use of "own internal funds" was criticized as possibly confusing. Was removed from instructions, but form had already been finalized. Speculation that it will be changed on 2009 Schedule C.				

A few comments:

1. Usually any of this sort of activity would be unwise without counsel skilled in both tax and election law (may mean TWO expensive lawyers as well as a staff sufficiently skilled to reconcile the advice from both).
2. Work to influence the appointment of certain public officials - classic example was the fight over the Bork nomination to the Supreme Court - is a complex topic which is lobbying activity for a 501(c) yet is 527 exempt function activity for a 527, and may generate 527f tax and require Form 1120-POL filing for either depending on investment income and whether a separate fund with its own EIN and banking accounts was used by the reporting organization, another complex wrinkle requiring experienced counsel.
3. As a practical matter, a small amount of effort on appointments can probably be simply treated as lobbying by 501(c) organizations and left at that.

Virtually unchanged for ELECTING public charities reporting

Part II-A To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)). See the instructions for Schedule C for details.

- A** Check if the filing organization belongs to an affiliated group.
B Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)														
c	Total lobbying expenditures (add lines 1a and 1b)														
d	Other exempt purpose expenditures														
e	Total exempt purpose expenditures (add lines 1c and 1d)														
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">If the amount on line e is:</th> <th style="text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line e is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line e is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
g	Grassroots nontaxable amount (enter 25% of line 1f)														
h	Subtract line 1g from line 1a. Enter -0- if line g is more than line a														
i	Subtract line 1f from line 1c. Enter -0- if line f is more than line c														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

4-Year Averaging Period Under Section 501(h)
 (Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page xx of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)). See the instructions for Schedule C for details.

This (new) question has been criticized harshly. It amounts to turning in a form to terminate your own tax exemption if you check "yes." Certainly don't file a "yes" without getting qualified counsel first.

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1j)?			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?			
i Other activities? If "Yes," describe in Part IV			
j Total lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6). See the instructions for Schedule C for details.

Parts III-A & III-B are re: the non-deductibility &/or proxy tax on dues used by (mostly) trade associations to lobby and the calculations associated.

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?		
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?		
3 Did the organization agree to carryover lobbying and political expenditures from the prior year?		

Part III-B To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes." See Schedule C instructions for details.

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (line 2c total minus 3 and 4)	5	

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1 Part I-B, line 4 Part I-C, line 5 and Part II-B, line 1i. Also, complete this part for any additional information.

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Schedule C includes a full Supplemental Information Page after this one

Entirely new schedule - some questions similar to old Schedule A, some brand new.

SCHEDULE D (Form 990)

Very much about incomplete schedules in the past.

OMB No. 1545-0047

No 990-EZ

Supplemental Financial Statements

2008

Department of the Treasury Internal Revenue Service

Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Open to Public Inspection

Name of the organization

see Glossary & Schedule instructions for distinction

Employer identification number

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate Contributions to (during year), 3 Aggregate Grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors... required in receipts, 6 Did the organization inform all grantees... not sure if required.

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply).
2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

Table with 2 columns: Held at the End of the Year. Rows include: 2a Total number of conservation easements, 2b Total acreage restricted by conservation easements, 2c Number of conservation easements on a certified historic structure included in (a), 2d Number of conservation easements included in (c) acquired after 8/17/06.

- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year
4 Number of states where property subject to conservation easement is located

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? Yes No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year
7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year \$

- 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements. common practice is to carry them as \$1 each (assets)

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a** Public exhibition
- b** Scholarly research
- c** Preservation for future generations
- d** Loan or exchange programs
- e** Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Trust, Escrow and Custodial Arrangements Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain why in Part XIV and complete the following table:

	Amount
1c Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f Ending balance	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

- a** Board designated or quasi-endowment ▶%
- b** Permanent endowment ▶%
- c** Term endowment ▶%

IRS is going to cause confusion - Board designated endowments are just another form of unrestricted net asset. Various commenters told IRS they were ahead of their skis here it's part of the commensurate debate raging on endowments.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i)** unrelated organizations
- (ii)** related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments—Land, Buildings, and Equipment See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

Total. Add lines 1a–1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶

This schedule should have minimums. I have one organization that will file all of Schedule D only because they are depreciating two laptops. Schedule D (Form 990) 2008

Part VII Investments—Other Securities See Form 990, Part X, line 12.		
(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives and other financial products . . .		
Closely-held equity interests		
Other		
.....		
.....		
.....		
.....		
.....		
.....		
Total. (Column (b) should equal Form 990, Part X, col. (B) line 12.) ▶		

Draft as of 07/21/2008

Part VIII Investments—Program Related See Form 990, Part X, line 13.		
(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Total. (Column (b) should equal Form 990, Part X, col. (B) line 13.) ▶		

These are usually part of Private Foundation payout requirements. For a public charity it would only seem pertinent re: prudence.

Part IX Other Assets See Form 990, Part X, line 15.	
(a) Description	(b) Book value
Total. (Column (b) should equal Form 990, Part X, col. (B) line 15.) ▶	

This is what we get for too many preparers writing "miscellaneous" as their attached explanatory schedule for "other".

Part X Other Liabilities. See Form 990, Part X, line 25.	
(a) Description of liability	(b) Amount
Federal income taxes <u>FIN 48 self-confession.</u>	
Total. (Column (b) should equal Form 990, Part X, col. (B) line 25.) ▶	

This is what we get for too many preparers writing "miscellaneous" as their attached explanatory schedule for "other".

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)		1
2	Total expenses (Form 990, Part IX, column (A), line 25)		2
3	Excess or (deficit) for the year. Subtract line 2 from line 1		3
4	Net unrealized gains (losses) on investments	old Form 990 "Line 20"	4
5	Donated services and use of facilities		5
6	Investment expenses		6
7	Prior period adjustments	better here than as "other revenue" if public support is an issue	7
8	Other (Describe in Part XIV)		8
9	Total adjustments (net). Add lines 4-8		9
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9		10

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements		1
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
	a Net unrealized gains on investments	2a	
	b Donated services and use of facilities	2b	
	c Recoveries of prior year grants	2c	
	d Other (Describe in Part XIV)	2d	
	e Add lines 2a through 2d		2e
3	Subtract line 2e from line 1		3
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
	a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
	b Other (Describe in Part XIV)	4b	
	c Add lines 4a and 4b		4c
5	Total revenue. Add lines 3 and 4c . (This should equal Form 990, Part I, line 12.)		5

990
v
Audit
pretty
much
the
same
as
before

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements		1
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
	a Donated services and use of facilities	2a	
	b Prior year adjustments	2b	
	c Losses reported on Form 990, Part IX, line 25	2c	
	d Other (Describe in Part XIV)	2d	
	e Add lines 2a through 2d		2e
3	Subtract line 2e from line 1		3
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
	a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
	b Other (Describe in Part XIV)	4b	
	c Add lines 4a and 4b		4c
5	Total expenses. Add lines 3 and 4c . (This should equal Form 990, Part I, line 18.)		5

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, line 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

No substantive changes from earlier for Schools - all about non-discrimination

**SCHEDULE E
(Form 990 or 990-EZ)**

Schools

OMB No. 1545-0047

2008

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 990 or Form 990-EZ. To be completed by organizations that answer "Yes" to Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.**

Name of the organization

Employer identification number

		YES	NO
1	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
2	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
3	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe. If "No," please explain ----- ----- -----		
4	Does the organization maintain the following?		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
5	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
6a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either line 6a or line 6b, please explain using an attached statement.		
7	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation.		

Entirely new Schedule; some new information, some from old Line 22 "attach schedule"

Schedule F
(Form 990)

Statement of Activities Outside the United States

OMB No. 1545-0047

No 990-EZ

2008

Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 990. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.**

Open to Public Inspection

Name of the organization

Employer identification number

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 For grantmakers. Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No

Foreign operations that do not make grants would fill out only 3 not 1 & 2, and not Parts II and III

2 For grantmakers. Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States. **important not to prepare this answer until you understand the "voluntary guidelines" based on "know your customer" banking rules - all from Treasury (above IRS). See comments in Part IV.**

3 Activities per Region. (Use Schedule F-1 (Form 990) if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i.e., fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures in region
Central America & Caribbean					
East Asia & the Pacific					
Europe (incl Iceland & Greenland)					
Middle East & North Africa					
North America (Canada, Mexico)					
Russia & the newly indep States					
South America					
South Asia					
Sub-Saharan Africa					

East Asia & the Pacific	1	1	grantmaking		403,500
East Asia & the Pacific	1	1	program services	coral reef research	179,500

* Instructions say that there are only four types of activities in Column D - grantmaking, program services, fundraising, and unrelated trade or business. Furthermore, if Col d is "program services" then Col e is to be more specific.
 * It says to do a line for each activity in each region (why there are more than 9 lines if only 9 regions), and to show expenditures in Col F based on financial statements. This makes an assumption that organizations are maintaining general ledger detail by these four activities by region, so there will be a need to keep records (or do a good-faith estimate via workpaper) to split up by program and region, because costs in Column F are to include all costs related to each activity. Worse, they want the "method" to be described in Part IV, so possibly if the General Ledger doesn't track, then the workpaper methodology will need to be explained in Part IV which is similar to Schedule O but is just for this Schedule.
 * The instructions do not explain what to do if you have, for example, a single office with two staffers who do coral reef research and make grants related to coral reef preservation. So, in this example, is it one office and two staff or one office and one staff or 2 and 2?

Totals ▶

Part IV Supplemental Information

Complete this part to provide the information required in Part I, line 2, and any other additional information.

Instructions:

"Use Part IV to provide narrative information required in Part I, line 2, regarding monitoring of funds. Use Part IV to describe the method used to account for expenditures in Part I, line 3, Column (f). Also use Part IV to provide other narrative explanations and descriptions, as needed. Identify the specific part and line(s) that the response supports. Part IV may be duplicated if more space is needed."

Comment / Suggestion:

In constructing an answer based on the reporting organization's facts, it is important first to read and understand the context of the Treasury Department's "voluntary guidelines" for foreign grants. These guidelines do not fully have the force of law but are based in banking "know your customer" rules designed originally to deter international drug dealers' money laundering and are now being used to encourage good practice to avoid US funds being used for "terrorism." The danger is that if the Federal government determines there is a risk of diversion to terrorism, they will seize funds first, and ask questions later. The PATRIOT Act is key to this area of concern.

The key thing is to emphasize direct awareness of foreign grantees and foreign work. This is outside of tax law which does not specifically require public charities to do anything beyond provide general support if to a charity, or support for a specific charitable purpose if to a non-charity, and it may rely on representations of the grantee. That's the basic tax law, but in this case, concerns about terrorism trump.

Therefore a well-crafted answer will emphasize monitoring and awareness of foreign work. In other words, if you are funding the construction of a hospital in Vietnam, or a road to a nunnery in Tibet, it is helpful to have first hand photographs or verification that a hospital or road is actually being built. This may be through formal site visits by paid staff, by various firms that have sprung up to do this due diligence, or even by volunteers or friends of the US Charity who pay a visit while in the area and sniff around a little. In other words, the reasonable due diligence stops short of going in and doing an audit (though an agreement providing the right to do so would be a helpful fact) but some direct awareness.

There have been a number of useful commentaries published about the voluntary guidelines. These can probably be found using Google or in the Chronicle of Philanthropy's online site for subscribers (who can search).

In addition to the voluntary guidelines, the PATRIOT Act makes it illegal to provide support to a "listed person" directly or indirectly. For this reason, some funders are requiring the use of software which checks names against the three "lists" maintained by parts of the Federal government (with some notorious matching problems such as a famous case where the national CEO of the ACLU, Anthony Romero, was the same name as a listed person. In any case, this software is expensive, and is just an annual license. The problem it solves is that the listed persons tend to spell their names in other alphabets, so the software checks for various English "transliteration" (sound alike) spellings of names spelled often in Arabic.

Each charity will need to decide how important it is to obtain this "listed persons" software. If a funder requires your charity to represent that you have used the software (I have a case of a very small entirely domestic charity with a long time staff in the Pacific Northwest, none of whose names sound even faintly foreign, but whose funder requires this) the funder will often add the \$1000 per year to the grant to enable the grantee to afford it.

**SCHEDULE G
(Form 990 or 990-EZ)**

Department of the Treasury
Internal Revenue Service

Entirely new Schedule - substantial amount of new detail
**Supplemental Information Regarding
Fundraising or Gaming Activities**

▶ Attach to Form 990 or Form 990-EZ. Must be completed by organizations that answer "Yes" to Form 990, Part IV, lines 17, 18, or 19, and by organizations that enter more than \$15,000 on Form 990-EZ, line 6a.

OMB No. 1545-0047

2008

**Open To Public
Inspection**

Name of the organization

Employer identification number

Triggers: Part I >\$15K prof fundraising svcs; Part II >\$15K fundraising events gross; Part III >\$15K Gaming

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a Mail solicitations
- b Email solicitations
- c Phone solicitations
- d In-person solicitations
- e Solicitation of non-government grants
- f Solicitation of government grants
- g Special fundraising events

Always Yes or you wouldn't be filling out Part I

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? Yes No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
instructions point out there won't always be gross receipts						
If Yes, Sched O explain						

Examples in instructions for Column II Activity (won't necessarily fit) are: "consults on direct mail program" or "provides database consulting for direct mail, telephone and email."

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total				▶		

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

Instructions:
" Line 3. If the organization is registered or licensed, or has been notified that it is exempt from registration or licensing, in all states requiring registration or licensing for solicitation, it may answer "All states." "

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Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events (Add col. (a) through col. (c))
		(event type)	(event type)	(total number)	
Revenue	1 Gross receipts				
	2 Less: Charitable contributions				
	3 Gross revenue (line 1 minus line 2)				
Direct Expenses	4 Cash prizes	Sounds like Gaming (Part III) - another sort of trick question. Raffles are included in definition of Gaming, which is found in the Glossary.			
	5 Non-cash prizes				
	6 Rent/facility costs				
	7 Other direct expenses	Could be a large line item - facility, entertainment, catering, decorations, lodging for featured performers/speakers, event materials (not promo). NOT shared staff & overheads; just event staff.			
	8 Direct expense summary. Add lines 4 through 7 in column (d) ▶				()
	9 Net income summary. Combine lines 3 and 8 in column (d) ▶				

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a. Trigger: >\$15K gaming income including 990EZ filers.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col. (a) through col. (c))
Revenue	1 Gross revenue				
	2 Cash prizes				
Direct Expenses	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	% of Number of Workers (!)	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	6 Volunteer labor				
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				()
	8 Net gaming income summary. Combine lines 1 and 7 in column (d) ▶				

	Yes	No
9 Enter the state(s) in which the organization operates gaming activities: _____		
a Is the organization licensed to operate gaming activities in each of these states? <i>better be! (criminal?)</i>	9a	
b If "No," Explain: <i>Overflow to Schedule O</i>		
10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a	
b If "Yes," Explain: <i>reflects concern about lots of sharks</i>		
11 Does the organization operate gaming activities with nonmembers? <i>key UBTI issue for 501(c)(non-3) orgs</i>	11	
12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12	

Problems about dodging UBIT on gaming by claiming conducted substantially by volunteers; surprised they don't require hours analysis vs. number of workers

More questions rooted in concerns about sharks & operators

		Yes	No
13	Indicate the percentage of gaming activity operated in:		
a	The organization's facility	13a	%
b	An outside facility	13b	%
14	Provide the name and address of the person who prepares the organization's gaming/special events books and records:		
	Name ▶		
	Address ▶		
15a	Does the organization have a contract with a third party from whom the organization receives gaming revenue?	15a	
b	If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ and the amount of gaming revenue retained by the third party ▶ \$		
c	If "Yes," enter name and address:		
	Name ▶		
	Address ▶		
16	Gaming manager information:		
	Name ▶		
	Gaming manager compensation ▶ \$		
	Description of services provided ▶		
	<input type="checkbox"/> Director/officer <input type="checkbox"/> Employee <input type="checkbox"/> Independent contractor		
17	Mandatory distributions:		
a	Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?	17a	
b	Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$		

Not qualified to cover Hospital reporting, so following three pages not included; lots of focus on "community benefit standard." Roll-back to former charity care standard?

**SCHEDULE H
(Form 990)**

No 990-EZ, heh.

Hospitals

OMB No. 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990. To be completed by organizations that answer "Yes" to Form 990, Part IV, line 20.

Name of the organization

Employer identification number

Part I Charity Care and Certain Other Community Benefits at Cost (Optional for 2008)

	Yes	No
1a Does the organization have a charity care policy? If "No," skip to question 6a		
b If "Yes," is it a written policy?		
2 If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals. <input type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Applied uniformly to most hospitals <input type="checkbox"/> Generally tailored to individual hospitals		
3 Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients. a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %		
b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %		
c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4 Does the organization's policy provide free or discounted care to the "medically indigent"?		
5a Does the organization budget amounts for free or discounted care provided under its charity care policy?		
b If "Yes," did the organization's charity care expenses exceed the budgeted amount?		
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a Does the organization prepare an annual community benefit report?		
b If "Yes," does the organization make it available to the public?		

Charity Care and Means-Tested Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from worksheets 1 and 2)						
b Unreimbursed Medicaid (from worksheet 3, column a)						
c Unreimbursed costs—other means-tested government programs (from worksheet 3, column b)						
d Total Charity Care and Means-Tested Programs						
Other Benefits						
e Community health improvement services and community benefit operations (from worksheet 4)						
f Health professions education (from worksheet 5)						
g Subsidized health services (from worksheet 6)						
h Research (from worksheet 7)						
i Cash and in-kind contributions to community groups (from worksheet 8)						
j Total Other Benefits						
k Total (line 7d and 7j)						

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed. **Trigger: grant to individuals; if triggered, aggregate ALL grants no matter size.**

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
one line for each type of recipient; no names and not one line per individual					if insufficient room, use Schedule I-1
"type" to be more specific than merely "charitable" similar to prior 990's requirements					
because individual listing is not required, this is one of the few cases of LESS detailed reporting than in the past					

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Instructions:

"Part IV Supplemental Information"

Use Part IV to provide narrative information required in Part I, line 2, regarding monitoring of funds. Also use Part IV to provide other narrative explanations and descriptions, as needed. Identify the specific part and line(s) that the response supports. Part IV may be duplicated if more space is needed."

You may wish to see also my comments on Part IV of Schedule F (stakes are higher with foreign grants).

Important to note that public charities do not have an obligation to monitor grants. As a secondary indicator of how seriously they take their obligations as trustees of public funds, one hopes that they do have procedures, but there is no minimum baseline, especially for domestic grants.

As a matter of law (please seek your own qualified counsel) a public charity enjoys the right to make a grant to any entity for specific charitable purposes, and is allowed to rely on representations from the grantee that it will comply (i.e. a signed grant agreement prior to granting).

Nonetheless, some grantmaking public charities will confront the requirement to describe their process for monitoring funds and will be afraid to say something like "In all cases where we make grants, our Board approves each grant or the specific grantmaking strategy, and we maintain ongoing contact with grantees as part of our broader mission, besides any reports required in each grant award." Such an answer is fine, especially when there is not a lot of money or controversy involved. If the stakes are higher or the systems are better developed, those can be explained.

Basically, this section is being written more for the public and donors than it is for legal compliance in the eyes of IRS. IRS might be interested if they sense an overall looseness here and in governance, and a sense that transactions with insiders are being overlooked or treated cavalierly, but it would be just one piece of an overall risk indicator pattern for focusing audit resources.

The current form on IRS website has two pages of instructions with the form (Pages 3 & 4); looks like that could be the way instructions will be packaged.

Very new & nose; most small organizations will stop at Core Form compensation reporting.

**SCHEDULE J
(Form 990)**

Compensation Information

Department of the Treasury
Internal Revenue Service

No 990-EZ

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

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2008

Open to Public Inspection

Name of the organization

Employer identification number

Part I Questions Regarding Compensation

Big risk if compensatory payments are not reported properly and the person is a Section 4958 "disqualified person."

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <input type="checkbox"/> First-class or charter travel <i>note not Biz Class</i> <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		

presumably, policy should address when such things paid, required documentation, who approves, how reported (typically taxable)

b If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain <i>who approved & why</i>	1b	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	

Questions 3-6 are for both the reporting organization AND related organizations.

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. <i>c3's and c4's here MUST understand Section 4958</i> <input type="checkbox"/> Compensation committee <i>easy</i> <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations <i>easy</i> <i>pretty much no excuse to not check 1,3,5 & 6</i> <input type="checkbox"/> Written employment contract <input type="checkbox"/> Compensation survey or study <i>Foundation Center Libraries etc carry them</i> <input type="checkbox"/> Approval by the board or compensation committee <i>easy</i>		
---	--	--

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a: a Receive a severance payment or change of control payment?	4a	
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	
c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.	4c	

501(c)(3) and 501(c)(4) organizations only must complete lines 5-8.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: a The organization? b Any related organization? If "Yes" to line 5a or 5b, describe in Part III.	5a	
	5b	
6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: a The organization? <i>"in whole or in part"</i> b Any related organization? If "Yes" to line 6a or 6b, describe in Part III.	6a	
	6b	
7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III <i>"fixed formula" = fixed</i>	7	
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III <i>This is a specific exemption from Section 4958 - known colloquially as the "first bite" rule.</i>	8	

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 50053T

Schedule J (Form 990) 2008

OVERVIEW:

This schedule is triggered by any one of three questions. However, when triggered, Part I is a set of system-wide questions regarding compensation practices for all persons listed on Core Form Part VII. Then Part II is about the specific person(s) triggering Schedule J.

TRIGGERS:

- 1) paid anyone >\$150K who is listed on Core Form Part VII, Line 1a; OR
- 2) required to list any "formers" on Core Form Part VII, Line 1a; OR
- 3) required to list anyone on Core Form Part VII, Line 1a who was paid or accrued by an unrelated organization (such as a management company, presumably) for services to you.

**SCHEDULE K
(Form 990)**

No 990-EZ

Department of the Treasury
Internal Revenue Service

**Not qualified to cover Bond reporting, so following page not included.
Supplemental Information on Tax-Exempt Bonds**

OMB No. 1545-0047

2008

**Open to Public
Inspection**

Name of the organization

Employer identification number

Part I Bond Issues (Required for 2008)

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #		(d) Date issued	(e) Issue price		(f) Description of purpose	(g) Deceased		(h) On behalf of issuer
			No	Yes		No	Yes		No	Yes	
A											
B											
C											
D											
E											

Part II Proceeds (Optional for 2008)

	A		B		C		D		E
	Yes	No	Yes	No	Yes	No	Yes	No	
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									

Part III Private Business Use (Optional for 2008)

	A		B		C		D		E
	Yes	No	Yes	No	Yes	No	Yes	No	
1									
2									

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat. No. 50193E

Schedule K (Form 990) 2008

Entirely new schedule and many entirely new questions!

**SCHEDULE M
(Form 990)**

Department of the Treasury
Internal Revenue Service

NonCash Contributions

No 990-EZ

▶ To be completed by organizations that answered "Yes"
on Form 990, Part IV, lines 29 or 30. >\$25K non-cash
▶ Attach to Form 990. gifts, or certain types

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**Open To Public
Inspection**

Name of the organization

Employer identification number

concerns re: 1) donor over-valuation of difficult-to-value items, 2) charities accepting difficult-to-value-and-sell property as favor to donors

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods in "good used condition or better"				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution (historic structures)				
14 Qualified conservation contribution (other)				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (.....)				
26 Other ▶ (e.g. clothing and household goods not in "good used condition or better"				
27 Other ▶ (.....)				
28 Other ▶ (.....)				

Draft as of 2/2008

Thrift stores got these taken out during draft comments process

gifts (lots), not # shares, e.g. donor gives 300 shares of XYZ and 400 shares of ABC, that's 2 contributions not 700

regulatory concern (valuation & ongoing accountability)

food banks will need to develop a method, probably using USDA rules (instructions are silent)

example of over-reacting to one or two cases of bad actors!

29 Number of Forms **8283** received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29** no estimates allowed

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1–28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? likely to be abuse...3 yrs is when the donor's value		
b If "Yes," describe the arrangement in Part II. is not limited to the resale by charity, so if not for char. use...		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? a hidden governance question! belongs on Core Form Part VI...such a policy would help prevent abuse		
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? inquiry concerns arrangements with used car dealers for example		
b If "Yes," describe in Part II.		
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.		

SCHEDULE N
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

New schedule - replaces a yes/no question

Liquidation, Termination, Dissolution, or Significant Disposition of Assets

To be completed by organizations that answer "Yes" to Form 990, Part IV, lines 31 or 32; or Form 990-EZ, line 36.
▶ Attach certified copies of any articles of dissolution, resolutions, or plans.
▶ Attach to Form 990 or 990-EZ.

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2008

Open to Public Inspection

Name of the organization

Employer identification number

Part I Liquidation, Termination, or Dissolution. Complete this part if the organization answered "Yes" to Form 990, Part IV, line 31, or Form 990-EZ, line 36. Use Schedule N-1 if additional space is needed.

1	(a) Description of asset(s) distributed or transaction expenses paid	(b) Date of distribution	(c) Fair market value of asset(s) distributed or amount of transaction expenses	(d) Method of determining FMV for asset(s) distributed or transaction expenses	(e) EIN of recipient	(f) Name and address of recipient	(g) IRC Code section of recipient(s) (if tax-exempt) or type of entity
	It seems pretty clear, but the instructions do not explicitly say it, that an organization which has, say, Net Assets at Year End of \$50,000 and during the year the Net Asset balance was never over \$80,000, but the organization made a number of grants in the amount of \$25,000 or more is NOT covered here. (Example: a public charity which raises money and re-grants but operates with thin Net Assets.						
	This schedule in general strikes me as the IRS stepping in to do the work that Attorneys General should be doing under their duty to watch over assets held in trust for public benefit. I know that IRS got authority to share information with states, and perhaps this is just to gather info in cases where the state isn't paying attention. In California, charities must get permission and/or notify the Attorney General BEFORE doing any such transfer-out of substantially all of their assets.						
	Obvious concerns of abusive dissolutions and transfers, abusive of public trust, and potentially of various claimants or charitable beneficiaries. Once again...a form developed when current law would have allowed for prosecutions.						

2	Did or will any officer, director, trustee, or key employee of the organization:	Yes	No
a	Become a director or trustee of a successor or transferee organization?	2a	
b	Become an employee of, or independent contractor for, a successor or transferee organization?	2b	
c	Become a direct or indirect owner of a successor or transferee organization?	2c	
d	Receive, or become entitled to, compensation or other similar payments as a result of the organization's liquidation, termination, or dissolution?	2d	
e	If the organization answered "Yes" to any of the questions in this line, provide the name of the person involved and explain in Part III.		

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat. No. 50087Z

Schedule N (Form 990 or 990-EZ) 2008

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

No 990-EZ

Supplemental Information to Form 990

▶ **Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.**

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2008

**Open to Public
Inspection**

Employer identification number

The following Schedules have their own narrative pages and therefore do not use Schedule O:

- Schedule A, Part IV.
- Schedule C, Part IV including extension pages.
- Schedule D, Part XIV including extension pages.
- Schedule F, Part IV
- Schedule I, Part IV
- Schedule J-1
- Schedule M, Part II
- Schedule N-1
- Schedule R-1

- * Core, Heading, Item B amended return - reason for amendment (required).
- * Core, Heading, Item C "d/b/a" assumed business name(s) - put extras here if not enough room on Heading Item (required).
- * Core, Part I, Line 6, optional to explain how you determined the number of volunteers and what they do for you.
- * Core, Part III. New services / program activities (Core, Part III, line 2), discontinued activities (Core, Part III, line 3). (Required response if either is Yes.)
- * Core, Part III. Program Service Accomplishments - optional to use for overflow of narrative answer.
- * Core, Part III. Program Service Accomplishments - smaller programs not reported on main form (required if more programs than will fit on form.)
- * Core, Part V, Line 3b. Why no 990-T if UBTI > \$1000? (Required response if 3a=yes, 3b=no.)

* Core Form Part VI (Governance Management & Disclosure). **Nearly every question** may lead to a required narrative response on Schedule O. See Part VI and my Governance outline for suggestions on approaches & answers to various questions.

- Section A, Line 1a. Required explanation of any material differences in voting rights within Board.
- Section A, Line 1a. Required explanation of composition and scope of authority of any Board Committees with power to act for Board, at any time during the tax year.
- Section A, Line 1. Required explanation - may be brief - of any family or business relationships among officers, directors and key employees.
- Section A, Line 4. Required explanation of any significant changes to Articles or Bylaws.
- Section A, Line 5. Required explanation of any material diversion of assets (nature, amounts involved, corrective actions taken, and "pertinent circumstances," but NOT name of person involved.
- Section A, Line 6. Required explanation if there are members or stockholders (INCLUDING members who vote on selection of Board or to approve any decisions, or to receive distributions (prohibited to c3's) of surpluses or on dissolution); must explain the membership rights in detail.
- Section A, Lines 7a 7b. Required explanation of anyone else with power to select Board or to approve Board decisions; explain classes of such persons, nature of rights, and for 7b, nature of decisions requiring approval.
- Section A, Line 8. Required explanation if answer to contemporaneous minutes of Board and Board Committees is No.
- Section A, Line 9a. If there are chapters and no written policies to ensure their compliance with exempt purposes of parent, required explanation of how they are kept in control.
- Section A, Line 10. Required explanation of how the prepared Form 990 was reviewed, whether or not prior to filing. [Possible error in instructions - if not reviewed prior to filing, then a factual explanation of how it was actually reviewed would have to be for prior year's 990, though instructions speak as if of current year only.]
- Section A, Line 11. Required information on where any officers directors or key employees may be contacted if NOT at the organization's address.

...continued

Name of the organization

Employer identification number

- Section B, Line 12c. If there is a conflict of interest policy which also required periodic (at least annual) reports of potential conflicts by listed persons, required explanation of process for monitoring conflicts, who is covered, how determinations of actual conflicts are made (at what level in the organization), and what actions are then taken.

- Section B, Lines 15a 15b. If the process for reviewing and approving compensation for CEO and/or senior financial staffperson is done by independent directors or committee, using comparables data, and deliberations are contemporaneously documented [bad to answer No, so most will answer Yes], then required explanation of which positions were dealt with on this level, who was involved in the decision, and when the process was last undertaken for each such person.

- Section C, Line 17. Optional space if more room is needed to report states where 990 is filed.

- Section C, Line 18. Required explanation if organization does not make 1023/1024, 990, 990-T (if any) available for public inspection. [Caution - it's legally required in nearly all cases.]

- Section C, Line 19. Required explanation of if, and if so, how, the organization makes its governing documents, conflict of interest policy, and financial statements available to the general public.

* Core Form Part VII, Section A. Compensation, Line 1a. Estimate of hours per week devoted to work for Related organizations (if any). (required).

* Core Form Part VII, Section A, Compensation, Line 1a, Column E. Narrative explaining "reasonable efforts undertaken" to determine compensation to listed persons from any related organizations. (Appears to be required from instructions for Column E).

* Core Form Part XI, Line 1, Accounting Method. If accounting method changed from prior year, or method checked is "other," an explanation is required.

* Core Form Part XI, Line 2, Financial Statements by Independent Accountant. If compiled, reviewed, or audited as part of a consolidated financial statement, must answer "No" and if so, it is optional to explain that there was independent preparation, but as part of a consolidated statement (rather than separately). Required.

* Core Form Part XI, Line 2c, Audit Committee. If there is an audit committee that both oversees and selects the independent accountant, and this has changed from prior year, required to explain the change.

* Core Form Part XI, Line 3b, OMB A-133 Audits. If required by government award, and NOT done, required explanation as to why.

* Schedule G, Part I, Line 2b, Column iii, Professional Fundraiser with custody of funds. Required explanation of arrangements if any professional fundraiser has custody of organizational funds.

* Schedule G, Part I, Line 2b, Column v, Professional Fundraiser paid for other costs. Required explanation of other kinds of payments to professional fundraiser for organizational expenses such as printing, paper, envelopes, postage, list rental, and equipment rental.

* Schedule G, Part III, Line 9, Gaming in various states. Extra room for reporting states in which Gaming activities carried on.

* Schedule G, Part III, Line 9b, unlicensed Gaming in various states. Extra room for reporting states in which Gaming activities carried on where it was not licensed [warning...admission of potential criminal act].

* Schedule G, Part III, Line 15b Gaming activities by third-party operator. Extra room to report if more than one third party operator.

* Schedule G, Part III, Line 16 Management of Gaming activities. Extra room to report if more than one gaming manager (contact info).

* Schedule G, Part III, Lines 17a 17b States with required distributions from gaming proceeds. Extra room to report.

* Schedule K, Bonds. Various questions may lead to Schedule O - both required and optional.

* Schedule L, Transactions with Interested Persons. Optional to use Schedule O to better explain any type of insider transactions if reporting organization feels that Schedule L may cast it in an unfavorable light to the public.

* Schedule R, Group Exemptions. (Abstract notion; rare). If a subordinate organization to a group exemption has a related organization which is not listed as such because it is subordinate to a different group exemption, then explain the details.

This takes the place, in some ways, of the old Schedule A Lines 51 & 52, but now is due from all 501(c) not just charities, and is ONLY for RELATED 501(c)(non-3) organizations (classic c3/c4 tandems for example). This is also interested in controlled entities in 512(b)(3), which concerns subsidiary non- or for-profits who may overpay rents, royalties, interest and the like to their parent to dodge UBIT.

Part V Transactions With Related Organizations

Note. Complete line 1 if any entity is listed in Parts II, III, or IV.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity		
b Gift, grant, or capital contribution to other organization(s)		
c Gift, grant, or capital contribution from other organization(s)		
d Loans or loan guarantees to or for other organization(s)		
e Loans or loan guarantees by other organization(s)		
f Sale of assets to other organization(s)		
g Purchase of assets from other organization(s)		
h Exchange of assets		
i Lease of facilities, equipment, or other assets to other organization(s)		
j Lease of facilities, equipment, or other assets from other organization(s)		
k Performance of services or membership or fundraising solicitations for other organization(s)		
l Performance of services or membership or fundraising solicitations by other organization(s)		
m Sharing of facilities, equipment, mailing lists, or other assets		
n Sharing of paid employees		
o Reimbursement paid to other organization for expenses		
p Reimbursement paid by other organization for expenses		
q Other transfer of cash or property to other organization(s)		
r Other transfer of cash or property from other organization(s)		

There are scant instructions for this Part. The key is to understand the law in the area you are operating, and the actual cost allocations in practice. Operating tandems and complex organizations is not something that is realistic without effort and education about appropriate systems.

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(A) Name of other organization(s)	(B) Transaction type (e-f)	(C) Amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

