

Instructions for Form 990

Return of Organization Exempt From Income Tax

**Under section 501(c), 527, or 4947(a)(1)
of the Internal Revenue Code
(except private foundations)**

Volume 6 of 10



Department of the Treasury
Internal Revenue Service

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Mission Statement

Provide America's taxpayers top-quality service by helping them understand and meet their tax responsibilities and enforce the law with integrity and fairness to all.

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Collectibles

Include autographs, sports memorabilia, dolls, stamps, coins, books (other than books and publications reported on line 4 of Schedule M (Form 990)), gems, and jewelry (other than costume jewelry reportable on line 5 of Schedule M (Form 990)).

Collections of works of art, historical treasures, and other similar assets

*Include collections, as described in ASC 958-360-45, of **works of art, historical treasures**, and other similar assets held for public exhibition, education, or research in furtherance of public service.*

Compensation *Unless otherwise provided, all forms of cash and noncash payments or benefits provided in exchange for services, including salary and wages, bonuses, severance payments, deferred payments, retirement benefits, fringe benefits, and other financial arrangements or transactions such as personal vehicles, meals, housing, personal and family educational benefits, below-market loans, payment of personal or family travel, entertainment, and personal use of the organization's property.*

*Compensation includes payments and other benefits provided to both **employees** and **independent contractors** in exchange for services. See also **Deferred compensation**, **Nonqualified deferred compensation**, and **Reportable compensation**.*

**Compilation
(compiled
financial
statements)**

*A compilation is a presentation of **financial statements** and other information that is the representation of the management or ownership of an organization and which hasn't been reviewed or audited by an independent accountant.*

**Conflict of
interest policy**

*A policy that defines conflict of interest, identifies the classes of individuals within the organization covered by the policy, facilitates disclosure of information that can help identify conflicts of interest, and specifies procedures to be followed in managing conflicts of interest. A conflict of interest arises when a person in a position of authority over an organization, such as an **officer, director, or manager**, can benefit financially from a decision she or he could make in such capacity, including indirect benefits such as to **family members** or*

*businesses with which the person is closely associated. For this purpose, a conflict of interest doesn't include questions involving a person's competing or respective duties to the organization and to another organization, such as by serving on the boards of both organizations, that don't involve a material financial interest of, or benefit to, such person. For a description of "conflict of interest" for purposes of determining whether **governing body** members who are reviewing a potential **excess benefit transaction** have a conflict of interest, pursuant to*

*Regulations section
53.4958-6(c)(1)(iii), see
the instructions for Part VI,
line 15.*

**Conservation
easement**

A restriction (granted in perpetuity) on the use that may be made of real property granted exclusively for conservation purposes. Conservation purposes include preserving land areas for outdoor recreation by, or for the education of, the general public; protecting a relatively natural habitat of fish, wildlife, or plants, or a similar ecosystem; preserving open space, including farmland and forest land, where such preservation will yield a significant public benefit and is either for the scenic enjoyment of the general public or pursuant to a

clearly defined federal, state, or local governmental conservation policy; and preserving a historically important land area or a certified historic structure. For more information, see section 170(h) and Notice 2004-41, 2004-1 C.B. 31.

Contributions *Unless otherwise provided, includes donations, gifts, bequests, grants, and other transfers of money or property to the extent that adequate consideration isn't provided in exchange and that the contributor intends to make a gift, whether or not made for charitable purposes. A transaction can be partly a sale and partly a contribution, but discounts provided on sales of goods in the ordinary course of business shouldn't be reported as contributions. Neither donations of services (such as the value of donated advertising space, broadcast air time, or discounts on services)*

*nor donations of use of materials, equipment, or facilities should be reported as contributions. For purposes of Form 990, a distribution to a section 501(c)(3) organization from a split-interest trust (for example, charitable remainder trust, charitable lead trust) is reportable as a contribution. See also **Cash contributions** and **Noncash contributions**.*

Control

*For purposes of determining **related organizations**: Control of a nonprofit organization (or other organization without owners or persons having beneficial interests, whether the organization is taxable or tax exempt) One or more persons (whether individuals or organizations) control a nonprofit organization if they have the power to remove and replace (or to appoint, elect, or approve or veto the appointment or election of, if such power includes a continuing power to appoint, elect, or approve or veto the appointment or election of,*

periodically or in the event of vacancies) a majority of the nonprofit organization's directors or trustees, or a majority of members who elect a majority of the nonprofit organization's directors or trustees. Such power can be exercised directly by a (parent) organization through one or more of the (parent) organization's officers, directors, trustees, or agents, acting in their capacities as officers, directors, trustees, or agents of the (parent) organization. Also, a (parent) organization controls a (subsidiary) nonprofit organization if a majority of the subsidiary's

directors or trustees are trustees, directors, officers, employees, or agents of the parent. Control of a stock corporation One or more persons (whether individuals or organizations) control a stock corporation if they own more than 50% of the stock (by voting power or value) of the corporation. Control of a partnership or limited liability company One or more persons control a partnership if they own more than 50% of the profits or capital interests in the partnership (including a limited liability company treated as a partnership or disregarded entity for

federal tax purposes, regardless of the designation under state law of the ownership interests as stock, membership interests, or otherwise). A person also controls a partnership if the person is a managing partner or managing member of a partnership or limited liability company which has three or fewer managing partners or managing members (regardless of which partner or member has the most actual control), or if the person is a general partner in a limited partnership which has three or fewer general partners (regardless of which partner has the most

actual control). For this purpose, a "managing partner" is a partner designated as such under the partnership agreement, or regularly engaged in the management of the partnership even though not so designated. Control of a trust with beneficial interests One or more persons control a trust if they own more than 50% of the beneficial interests in the trust. A person's beneficial interest in a trust shall be determined in proportion to that person's actuarial interest in the trust as of the end of the tax year. See Regulations sections 301.7701-2, -3, and -4 for more information

on classification of corporations, partnerships, disregarded entities, and trusts. Control can be indirect. See the Schedule R (Form 990) instructions for a description of indirect control.

Controlled entity

*An organization controlled by a **controlling organization under section 512(b)(13)**. A controlled entity may be an exempt organization. For the definition of control in this context, see section 512(b)(13)(D) and Regulations section 1.512(b)-1(l)(4) (substituting "more than 50%" for "at least 80%" in the regulation, for purposes of this definition). Controlled entities are a subset of **related organizations**. For purposes of Form 990, controlled entities don't include **disregarded***

entities of the filing
organization.

**Controlling
organization
under section
512(b)(13)**

*An exempt organization that controls a **controlled entity**. Section 512(b)(13) treats payments of interest, annuity, royalties, and rent from a controlled entity to a controlling organization as unrelated business taxable income under certain circumstances. Control in this context means (i) in the case of a corporation, ownership (by vote or value) of more than 50% of the stock in such corporation; (ii) in the case of a partnership, ownership of more than 50% of the profits interests or capital interests in such partnership; or (iii) in any other case, ownership of*

more than 50% of the beneficial interests in the entity. Section 318 (relating to constructive ownership of stock) shall apply for purposes of determining ownership of stock in a corporation. Similar principles shall apply for purposes of determining ownership of interests in any other entity.

Core form

The Form 990, Return of Organization Exempt From Income Tax. It doesn't include any schedules that may be attached to Form 990.

**Credit
counseling
services**

Include the providing of information to the general public on budgeting, personal finance, and saving and spending practices, or assisting individuals and families with financial problems by providing them with counseling. See section 501(q)(4)(A).

Current year

*The **tax year** for which the Form 990 is being filed; see also **Fiscal year**.*

**Debt
management
plan services**

Services related to the repayment, consolidation, or restructuring of a consumer's debt, including the negotiation with creditors of lower interest rates, the waiver or reduction of fees, and the marketing and processing of debt management plans. See section 501(q)(4)(B).

**Defeasance
escrow**

An irrevocable escrow established to redeem the bonds on their earliest call date in an amount that, together with investment earnings, is sufficient to pay all the principal of, and interest and call premiums on, bonds from the date the escrow is established to the earliest call date. See Regulations section 1.141-12(d)(6).

**Deferred
compensation**

Compensation that is earned or accrued in, or is attributable to, one year and deferred to a future year for any reason, whether or not funded, vested, qualified or nonqualified, or subject to a substantial risk of forfeiture. However, a deferral of compensation that causes an amount to be deferred from the calendar year ending with or within the tax year to a date that isn't more than 21/2 months after the end of the calendar year ending with or within the tax year isn't treated as deferred compensation for purposes of Form 990, if such

*compensation is currently reported as reportable compensation. Deferred compensation may or may not be included in **reportable compensation** for the **current year**.*

Director

*See **Director or trustee**.*

Director or trustee

*Unless otherwise provided, a member of the organization's **governing body** at any time during the tax year, but only if the member has any voting rights. A member of an advisory board that doesn't exercise any governance authority over the organization isn't considered a director or trustee.*

Disqualified person

*A. For purposes of section 4958; Form 990, Parts IX and X; and Schedule L (Form 990), Transactions With Interested Persons, Parts I and II, any person (including an individual, a corporation, or other entity) 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. If the 5-year period ended within the organization's **tax year**, the organization may treat the person as a disqualified person for the entire tax year. Persons*

who hold certain powers, responsibilities, or interests are among those who are in positions to exercise substantial influence over the affairs of the organization.

A disqualified person includes:

- A disqualified person's family member;
- A 35% controlled entity of a (1) disqualified person, and/or (2) family members of the disqualified person;
- A donor or donor advisor to a donor advised fund; or

- An investment advisor of a sponsoring organization.

*The **disqualified persons** of a **supported organization** include the disqualified persons of a section 509(a)(3) **supporting organization** that supports the supported organization.*

*See Appendix G for more information on **disqualified persons** and section 4958 **excess benefit transactions**.*

B. Under section 4946, a disqualified person includes the following.

*A substantial contributor, which is any person who gave an aggregate amount of more than \$5,000, if that amount is more than 2% of the total **contributions** the foundation or organization received from its inception through the end of the year in which that person's contributions were received. If the organization is a trust, a substantial contributor includes the creator of the trust (without regard to the amount of contributions the trust received from the creator and related persons). Any person who is a substantial contributor at any time generally remains a substantial*

contributor for all future periods even if later contributions by others push that person's contributions below the 2% figure discussed above. Gifts from the contributor's spouse are treated as gifts from the contributor.

*Gifts are generally valued at **FMV** as of the date the organization received them.*

*A foundation manager, defined as an **officer**, **director**, or **trustee** of the organization or any individual having powers or responsibilities similar to those of officers, directors, or trustees.*

An owner of more than 20% of the voting power of a corporation, profits interest of a partnership, or beneficial interest of a trust or an unincorporated enterprise that is a substantial contributor to the organization.

A family member of an individual in the first three categories. For this purpose, "family member" includes only the individual's spouse, ancestors, children, grandchildren, and great-grandchildren, and the spouses of children, grandchildren, and great-grandchildren.

A corporation, partnership, trust, or estate in which persons described in (1) through (4) above own more than 35% of the voting power, profits interest, or beneficial interest.

For purposes of section 509(a)(2), as referenced in Schedule A (Form 990), Public Charity Status and Public Support, a disqualified person is defined in section 4946, except that it doesn't include an organization described in section 509(a)(1).

For purposes of section 509(a)(3), as referenced in Schedule A (Form 990), a

disqualified person is defined in section 4946, except that it doesn't include a foundation manager or an organization described in section 509(a)(1) or 509(a)(2).

**Disregarded
entity or
entities**

*An entity wholly owned by the organization that is generally not treated as a separate entity for federal tax purposes (for example, single-member limited liability company of which the organization is the sole member). See Regulations sections 301.7701-2 and -3. A disregarded entity must generally use the **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).*

**Domestic
government**

*See **Governmental unit.***

**Domestic
individual**

*An individual who lives or
resides in the **United
States** and isn't a **foreign
individual.***

**Domestic
organization**

*A corporation or partnership is domestic if created or organized in the United States or under the law of the United States or of any state or territory. A trust is domestic if a court within the United States or a **U.S. territory** is able to exercise primary supervision over the administration of the trust, and one or more U.S. persons (or persons in territories of the United States) have the authority to control all substantial decisions of the trust.*

Donor advised fund *A fund or account:*

*That is separately identified by reference to **contributions** of a donor or donors,*

*That is owned and controlled by a **sponsoring organization**, and*

*For which the donor or **donor advisor** has or reasonably expects to have advisory privileges in the distribution or investment of amounts held in the donor advised funds or accounts because of the donor's status as a donor.*

A donor advised fund doesn't include any fund or account:

That makes distributions only to a single identified organization or governmental entity; or

In which a donor or donor advisor gives advice about which individuals receive grants for travel, study, or other similar purposes, if: The donor or donor advisor's advisory privileges are performed exclusively by such person in his or her capacity as a committee member in which all of the committee members are appointed by the sponsoring organization;

No combination of donors or donor advisors (and related persons as defined below) directly or indirectly

*controls the committee;
and*

*All grants from the fund or
account are awarded on an
objective and
nondiscriminatory basis
following a procedure
approved in advance by the
board of directors of the
sponsoring organization.
The procedure must be
designed to ensure that all
grants meet the
requirements of section
4945(g)(1), (2), or (3); or*

*That the IRS exempts from
being treated as a donor
advised fund because either
such fund or account is
advised by a committee not*

directly or indirectly controlled by the donor or donor advisor or such fund benefits a single identified charitable purpose. For example, see section 5.01 of Notice 2006-109, 2006-51 I.R.B. 1121, and any future related guidance.

Donor advisor *Any person appointed or designated by a donor to advise a **sponsoring organization** on the distribution or investment of amounts held in the donor's **donor advised fund**.*

**Donor-
imposed
restriction**

A donor stipulation (donors include other types of contributors, including makers of certain grants) that specifies a use for a contributed asset that is more specific than broad limits resulting from:

The nature of the not-for-profit entity,

The environment in which it operates, or

The purposes specified in its articles of incorporation or bylaws or comparable documents for an unincorporated association.

Some donors impose restrictions that are temporary in nature, for example, stipulating that

resources may be used only after a specified date, for particular programs or services, or to acquire buildings and/or equipment. Other donors impose restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity.

**Donor-
restricted
endowment
fund**

An endowment fund created by a donor stipulation (donors include other types of contributors, including makers of certain grants) requiring investment of the gift in perpetuity or for a specified term. Some donors or laws may require that a portion of income, gains, or both be added to the gift and invested subject to similar restrictions.

EIN

Employer identification number, a nine-digit number. Use Form SS-4 to apply for an EIN.

Employee

Any individual who, under the usual common-law rules applicable in determining the employer-employee relationship, has the status of an employee, and any other individual who is treated as an employee for federal employment tax purposes under section 3121(d). See Pub. 1779 for more information.

Endowment fund

*An established fund of cash, securities, or other assets to provide income for the maintenance of a not-for-profit entity. The use of the assets of the fund may be with or without donor-imposed restrictions. Endowment funds are generally established by donor-restricted gifts and bequests to provide a source of income in perpetuity or for a specified period. Alternatively, a not-for-profit's governing board may earmark a portion of its net assets (see **Quasi-endowment**).*

**Escrow or
custodial
account**

Refers to an account (whether a segregated account at a financial institution or a set-aside on the organization's books and records) over which the organization has signature authority, in which the funds are held for the benefit of other organizations or individuals, whether or not the funds are reported on Part X, line 21, and whether or not the account is labeled as "escrow account," "custodial account," "trust account," or some similar term. An escrow or custodial account doesn't include a split-interest trust (or the beneficial interest in

such trust) described in section 4947(a)(2) for which the filing organization is a trustee, other than a trust in the trade or business of lending money; repairing credit; or providing debt management plan services, payment processing, or similar services.

Excess benefit transaction *In the case of an **applicable tax-exempt organization**, any transaction in which an excess benefit is provided by the organization, directly or indirectly to, or for the use of, any **disqualified person**, as defined in section 4958. "Excess benefit" generally means the excess of the economic benefit received from the applicable organization over the consideration given (including services) by a disqualified person, but see the special rules below regarding donor advised funds and supporting organizations. See*

Appendix G *for more information.*

Donor advised fund. *For a **donor advised fund**, an excess benefit transaction also includes a grant, a 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.

The excess benefit in this transaction is the amount

*of the grant, loan,
compensation, or similar
payments. For additional
information, see the
Instructions for Form 4720.*

Supporting organization.

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

Substantial contributor,

*Family member of a
substantial contributor,*

*35% controlled entity of a
substantial contributor, or*

35% controlled entity of a family member of a substantial contributor.

*For this purpose, the excess benefit is defined as the amount of the grant, a loan, **compensation**, or similar payments.*

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)).

Exempt bond See ***Tax-exempt bond***.

**Fair market
value (FMV)**

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

**Family
member,
family
relationship**

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

**FIN 48 (FASB
ASC 740)**

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

**Financial
statements**

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

Fiscal year

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

**Foreign
government**

*A governmental agency or entity, or a political subdivision thereof, that isn't classified as a **United States** agency or **governmental unit**, regardless of where it is located or operated.*

**Foreign
individual**

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

**Foreign
organization**

*An organization that isn't a **domestic organization**. A foreign organization includes an affiliate that is organized as a legal entity separate from the filing organization, but doesn't include any branch office, account, or **employee** of a domestic organization located outside the **United States**.*

Fundraising

*See **Fundraising activities**.*

Fundraising activities

*Activities undertaken to induce potential donors to contribute money, securities, services, materials, facilities, other assets, or time. They include publicizing and conducting **fundraising campaigns**; maintaining donor mailing lists; conducting **fundraising events**; preparing and distributing fundraising manuals, instructions, and other materials; **professional fundraising services**; and conducting other activities involved with soliciting **contributions** from individuals, foundations, governments, and others.*

*Fundraising activities don't include **gaming**, the conduct of any trade or business that is regularly carried on, or activities substantially related to the accomplishment of the organization's exempt purpose (other than by raising funds).*

Fundraising events

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

The conduct of a trade or business that is regularly carried on;

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

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

Gaming.

GAAP

*See **Generally accepted accounting principles.***

Gaming

*Includes (but isn't limited to) **bingo, pull***

tabs/instant bingo

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

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

**Generally
accepted
accounting
principles
(GAAP)**

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

**Governing
body**

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

**Government
official**

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

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

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

**Grants and
other
assistance**

*For purposes of Part IX, lines 1–3; Schedule F (Form 990); and Schedule I (Form 990), includes awards, prizes, contributions, noncash assistance, cash allocations, stipends, scholarships, fellowships, research grants, and similar payments and distributions made by the organization during the tax year. It doesn't include salaries or other **compensation** to **employees** or payments to **independent contractors** if the primary purpose is to serve the direct and immediate needs of the organization (such as legal, accounting, or fundraising*

services); the payment of any benefit by a section 501(c)(9) voluntary employees' beneficiary association (VEBA) to employees of a sponsoring organization or contributing employer, if such payment is made under the terms of the VEBA and in compliance with section 505; or payments or other assistance to affiliates or branch offices that aren't organized as legal entities separate from the filing organization.

Gross proceeds

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

Gross receipts

The total amounts the organization received from all sources during its tax year, without subtracting any costs or expenses. See Appendix B. How To Determine Whether an Organization's Gross Receipts Are Normally \$50,000 (or \$5,000) or Less and Appendix C. Special Gross Receipts Tests for Determining Exempt Status of Section 501(c)(7) and 501(c)(15) Organizations.

Group exemption

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

Information on Behalf of the Group *for more information.*

Group return

*A Form 990 filed by the **central organization** of a **group exemption** for two or more of the **subordinate organizations**. See General Instructions, Section I, *earlier*; and Appendix E. Group Returns—Reporting Information on Behalf of the Group *for more information.**

**Highest
compensated
employee**

*One of the five
highest compensated
employees of the
organization
(including employees
of a **disregarded
entity** of the
organization), other
than current
**officers, directors,
trustees, or key
employees**, whose
aggregate
**reportable
compensation** from
the organization and
**related
organizations** is
greater than
\$100,000 for the
calendar year ending
with or within the*

*organization's **tax year**. These employees should be reported on Part VII, Section A, of Form 990.*

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

Hospital/hospital facility

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

*located outside the **United States**. It also doesn't include hospital facilities that are operated by entities organized as separate legal entities from the organization that are taxable as a corporation for federal tax purposes (except for members of a **group exemption** included in a **group return** filed by an organization).*

Hospital organization

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

Hospital (or cooperative hospital service organization)

For purposes of Schedule A (Form 990), Public Charity Status and Public Support, a hospital (or cooperative hospital service organization) is an organization whose main purpose is to provide hospital or medical care. For purposes of Schedule A, a rehabilitation institution or an outpatient clinic can qualify as a hospital if its principal purposes or functions are the providing of hospital or medical care, but the term doesn't

include medical schools, medical research organizations, convalescent homes, homes for children or the aged, animal hospitals, or vocational training institutions for handicapped individuals.

Household goods

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

Independent contractor

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

Independent voting member of governing body

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

*The member wasn't compensated as an **officer** or other **employee** of the organization or of a **related organization** (see the Instructions for Schedule R (Form 990), Related Organizations and Unrelated Partnerships), except*

as provided in the religious exception discussed in the instructions for Form 990, Part VI.

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

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

Neither the member nor any ***family member*** of the member was involved in a transaction with

*the organization
(whether directly or
indirectly through
affiliation with
another organization)
required to be
reported on Schedule
L (Form 990),
Transactions With
Interested Persons,
for the organization's
tax year.*

*Neither the member
nor any family
member of the
member was involved
in a transaction with
a taxable or tax-
exempt related
organization of a type
and amount that
would be reportable*

on Schedule L (Form 990) if required to be filed by the related organization.

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

The member is a donor to the organization, regardless of the amount of the contribution.

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

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

Belongs to a religious order that receives sponsorship or payments from the organization that don't constitute

taxable income to the member.

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

Initial contract

*A binding written contract between an **applicable tax-exempt organization** and a person who wasn't a **disqualified person** immediately before entering into the contract.*

Instant bingo

*See **Pull tabs**.*

Institutional trustee

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

Joint venture

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

Key employee

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

\$150,000 Test.

*Receives **reportable compensation** from the organization and all **related organizations** in excess of \$150,000 for the **calendar year** ending with or within the*

organization's **tax year**.

Responsibility Test.

The employee: a. Has responsibilities, powers or influence over the organization as a whole similar to those of officers, directors, or trustees; b. Manages a discrete segment or activity of the organization that represents 10% or more of the activities, assets, income, or expenses of the organization, as compared to the organization as a whole; or c. Has or shares authority to

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

Top 20 Test. Is one of the 20 employees (that satisfy the \$150,000 Test and Responsibility Test) with the highest reportable compensation from the organization and related organizations for the calendar year ending with or within the organization's tax year. See the instructions for Part

*VII for examples of
key employees.*