

Instructions for Form 990Return of Organization Exempt From Income Tax

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

2024

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Department of the Treasury
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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, 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, 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**.*

Legislation

Includes action by Congress, any state legislature, any local council, or similar governing body about acts, bills, resolutions, or similar items, or

action by the public in referenda, ballot initiatives, constitutional amendments, or similar procedures. It doesn't include actions by executive, judicial, or administrative bodies.

Lobbying

*See **Lobbying activities**.*

Lobbying activities

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

**Maintaining offices,
employees, or agents**

*For purposes of Schedule F (Form 990), Statement of Activities Outside the United States, includes principal, regional, district, or branch offices, such offices maintained by agents, independent contractors, and persons situated at those offices paid wages for services performed. "Agent" is defined under traditional agency principles (but doesn't include **volunteers**).*

**Management
company**

An organization that performs management duties for another organization customarily

*performed by or under the direct supervision of the other organization's **officers, directors, trustees, or key employees.** These management duties include, but aren't limited to, hiring, firing, and supervising personnel; planning or executing budgets or financial operations; and supervising exempt operations or **unrelated trades or businesses.** When a management company is used, the employees may be employed by either the management company or the exempt organization. Whether*

the management company or the exempt organization is the employer will be determined by the facts and circumstances.

Medical research

For purposes of a medical research organization operated in conjunction with a hospital (see Schedule A (Form 990), Public Charity Status and Public Support), medical research means investigations, studies, and experiments performed to discover, develop, or verify knowledge relating to physical or mental diseases and

impairments and their causes, diagnoses, prevention, treatments, or control.

Member of the governing body

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

Net assets with donor restrictions

*Includes **endowment funds** established by donor-restricted gifts that are maintained to provide a source of income for either a specified period of time or until a specific event occurs (see **ASC 958-205-45**), as well as all*

other temporarily restricted net assets held in a donor-restricted endowment, including unappropriated income from
permanent endowments *that isn't subject to a permanent restriction. After Accounting Standards Update 2016-14, **ASC 958** uses two classifications, instead of three—net assets with donor restrictions and net assets without donor restrictions. **ASC 958** no longer uses the term "temporarily-restricted endowment." The part of net assets of a not-for-profit entity that is*

*subject to **donor-imposed restrictions.***

Net assets without donor restrictions

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

Noncash contributions

Contributions of property, tangible or intangible, other than money. Noncash contributions include, but aren't limited to, stocks, bonds, and other **securities**; real estate; **works of art**; stamps, coins, and other **collectibles**; clothing and **household goods**; vehicles, boats, and airplanes; inventories of food, medical equipment

*or supplies, books, or seeds; intellectual property, including patents, trademarks, copyrights, and trade secrets; donated items that are sold immediately after donation, such as publicly traded stock or used cars; and items donated for sale at a charity auction. Noncash contributions don't include **volunteer** services performed for the reporting organization or donated use of materials, facilities, or equipment.*

Nonexempt charitable trust

A trust that meets the following conditions.

Isn't exempt from tax under section 501(a).

All of its unexpired interests are devoted to charitable purposes.

*A charitable deduction was allowed for **contributions** to the trust under section 170, section 545(b)(2), section 642(c), section 2055, section 2106(a)(2), or section 2522, or for amounts paid by or permanently set aside by the trust under section 642(c).*

Nonqualified deferred compensation

Deferred

compensation *that is earned pursuant to a nonqualified plan or nongovernmental section 457 plan.*

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

Officer

Unless otherwise provided (for example, Signature Block, principal officer in

*Heading), a person elected or appointed to manage the organization's daily operations at any time during the **tax year**, such as a president, vice president, secretary, treasurer, and, in some cases, Board Chair. The officers of an organization are determined by reference to its organizing document, bylaws, or resolutions of its governing body, or as otherwise designated consistent with state law, but at a minimum include those officers required by applicable state law. For purposes*

*of Form 990, treat the organization's **top management official** and **top financial official** as officers.*

“On behalf of” issuer

*A corporation organized under the general nonprofit corporation law of a state whose obligations are considered obligations of a state or local **governmental unit**. See Rev. Proc. 82-26, 1982-1 C.B. 476, for a description of the circumstances under which the IRS will ordinarily issue an advance ruling that the obligations of a nonprofit corporation were issued*

*on behalf of a state or local governmental unit. See also Rev. Rul. 63-20, 1963-1 C.B. 24; Rev. Rul. 59-41, 1959-1 C.B. 13; and Rev. Rul. 54-296, 1954-2 C.B. 59. An "on behalf of" issuer also includes any corporation organized by a state or local governmental unit specifically to issue **tax-exempt bonds** to further public purposes. See Rev. Rul. 57-187, 1957-1 C.B. 65.*

Organization manager *For purposes of section 4958, any **officer, director, or trustee** of an **applicable tax-exempt organization**,*

or any individual having powers or responsibilities similar to officers, directors, or trustees of the organization, regardless of title.

Political campaign activities

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

as voter registration or voter education, provided that the activity doesn't directly or indirectly support or oppose any candidate.

Political subdivision

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

Principal officer

For purposes of the Heading on page 1 of Form 990 (but not for the purposes of the

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

Private business use

For purposes of Schedule K (Form 990), Supplemental Information on Tax-Exempt Bonds, use by the organization or another 501(c)(3)

organization in an **unrelated trade or business**. Private business use also generally includes any use by a nongovernmental person, other than a section 501(c)(3) organization, unless otherwise permitted through an exception or safe harbor provided under the regulations or a revenue procedure.

Private foundation

An organization described in section 501(c)(3) that isn't a **public charity**. Some private foundations are classified as operating foundations (also known

as private operating foundations) under section 4942(j)(3) or exempt operating foundations under section 4940(d)(2). A private foundation retains its private foundation status until such status is terminated under section 507. Thus, a tax-exempt private foundation becomes a taxable private foundation if its section 501(c)(3) status is revoked.

Proceeds

For purposes of Schedule K (Form 990), Supplemental Information on Tax-

Exempt Bonds, generally the sale proceeds of an issue (other than those sale proceeds used to retire bonds of the issue that aren't deposited in a reasonably required reserve or replacement fund). Proceeds also include any investment proceeds from investments that accrue during the project period (net of rebate amounts attributable to the project period). See Regulations section 1.141-1(b).

Professional fundraising services

Services performed for the organization requiring the exercise of professional judgment or

*discretion consisting of planning, management, preparation of materials (such as direct mail solicitation packages and applications for grants or other assistance), provision of advice and consulting regarding solicitation of **contributions**, and direct solicitation of **contributions**, such as soliciting restricted or unrestricted grants to provide services to the general public. However, professional fundraising doesn't include services provided by the organization's **employees** in their capacity as employees*

(except as provided in the instructions for Part I, line 16a), nor does professional fundraising include purely ministerial tasks, such as printing, mailing services, or receiving and depositing contributions to a charity, such as services provided by a bank or caging service.

Program-related investment

Investments made primarily to accomplish the organization's exempt purposes rather than to produce income. Examples of program-related investments include student loans and notes receivable from other exempt

organizations that obtained the funds to pursue the filing organization's exempt function.

Public charity

An organization described in section 501(c)(3) and that is excepted from private foundation status because it is described in section 509(a)(1) (which cross-references sections 170(b)(1)(A)(i) through (vi), and (ix)), 509(a)(2), 509(a)(3), or 509(a)(4).

Publicly traded securities

Generally, include common and preferred stocks, bonds (including governmental

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

Pull tabs

Includes games in which an individual places a wager by purchasing preprinted cards that are

covered with pull tabs. Winners are revealed when the individual pulls back the sealed tabs on the front of the card and compares the patterns under the tabs with the winning patterns preprinted on the back of the card. Included in the definition of pull tabs are "instant bingo," "mini bingo," and other similar scratch-off cards. Satellite, Internet, and progressive or event bingo are games conducted in many different places simultaneously and the winners aren't all present when the wagers are placed, the

*winners are determined, and the prizes are distributed. Revenue and expenses associated with satellite, Internet, and progressive bingo should be included under this category. However, certain bingo games within a hybrid gaming event (such as progressive or event bingo) can also qualify as bingo if the individual game meets the preceding definition of **bingo**.*

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

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

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

*All property financed by the bond issue is to be owned by a section 501(c)(3) organization or a **governmental unit**.*

*At least 95% of net proceeds of the **bond issue** are used either by a **governmental unit** or a section 501(c)(3) organization in activities that aren't **unrelated trades or businesses***

(determined by applying section 513).

Qualified conservation contribution

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

The entire interest of the donor.

A remainder interest.

A restriction (such as an easement), granted in perpetuity, on the use

which may be made of the real property.

A "qualified organization" means an organization which is:
*a. A **governmental unit** described in section 170(c)(1),*
b. A publicly supported charitable organization described in sections 509(a)(1) and 170(b)(1)(A)(vi) or section 509(a)(2) (see the instructions for Parts II and III of Schedule A (Form 990)), or
*c. A **supporting organization** described in sections 501(c)(3) and 509(a)(3) that is controlled by a governmental unit or a publicly supported charitable organization. In addition, a qualified organization must have a commitment to protect the conservation purposes of a qualified conservation contribution, and have the resources to enforce the restrictions.*

A "conservation purpose" means:

The preservation of land areas for outdoor recreation by, or for the education of, the general public;

The protection of a relatively natural habitat of fish, wildlife, plants, or similar ecosystems;

The preservation of open space (including farm and forest land) where such preservation will yield a significant public benefit and is for the scenic enjoyment of the general public or is pursuant to a clearly delineated federal, state, or local governmental conservation policy; or

The preservation of a historically important land area or a certified historic structure.

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

Qualified state or local political organization

A type of political organization that meets the following requirements.

It limits its exempt function to the selection process relating solely to any state or local public office or office in a state or local political organization.

It is required under a state law to report to a state agency (and does report) information that would otherwise be required to be reported on Form 8872, Political Organization Report of Contributions and Expenditures, or it is

required to report under state law (and does report) at least the following information. The name and address of every person who contributes a total of \$500 or more during the calendar year and the amount of each contribution.

The name and address of every person to whom the organization makes expenditures aggregating \$800 or more during the calendar year, and the amount of each expenditure.

Any additional information specified in

section 527(j)(3), if state law requires the reporting of that information to the state agency.

The state agency makes the reports filed by the organization publicly available.

The organization makes the reports filed with the state agency publicly available in the manner described in section 6104(d).

No federal candidate or office holder controls or materially participates in the direction of the

*organization, solicits **contributions** to the organization, or directs any of the organization's disbursements.*

Quasi-endowment

*Net assets without donor restrictions designated by an entity's governing board to be invested to provide income for generally a long but not necessarily specified period. A **board-designated endowment**, which results from an internal designation, is generally not donor-restricted and is classified as net assets without donor*

*restrictions. The governing board has the right to decide at any time to expend such funds. Also referred to as a "**board-designated endowment.**"*

Reasonable compensation

The value that would ordinarily be paid for like services by like enterprises under like circumstances.

Reasonable effort

A reasonable amount of effort in information gathering that the organization is expected to undertake in order to provide information requested on Form 990. See the specific

instructions for Part VI, lines 1b and 2; Part VII, Section A (compensation from related organizations); and Schedule L (Form 990), Parts III and IV, for examples of reasonable efforts.

Refunding escrow

*One or more funds established as part of a single transaction or a series of related transactions, containing **proceeds** of a **refunding issue** and any other amounts to provide for payment of principal or interest on one or more prior*

issues. See Regulations section 1.148-1(b).

Refunding issue

*An issue of obligations, the **proceeds** of which are used to pay principal, interest, or redemption price on another issue (a prior issue), including the issuance costs, accrued interest, capitalized interest on the refunding issue, a reserve or replacement fund, or similar costs, if any, properly allocable to that refunding issue. A current refunding issue is a refunding issue that is issued not more than 90 days before the last expenditure of any*

proceeds of the refunding issue for the payment of principal or interest on the prior issue. An advance refunding issue is a refunding issue that isn't a current refunding issue. See Regulations sections 1.150-1(d)(1), 1.150-1(d)(3), and 1.150-1(d)(4).

Related organization

An organization, including a nonprofit organization, a stock corporation, a partnership or limited liability company, a trust, and a

governmental unit or other government entity, that stands in one or more of the following relationships to the filing organization at any time during the **tax year**.

*Parent: an organization that **controls** the filing organization.*

*Subsidiary: an organization **controlled** by the filing organization.*

*Brother/Sister: an organization **controlled** by the same person or persons that control the filing organization.
However, if the filing*

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

*Supporting/Supported: an organization that claims to be at any time during the **tax year**, or that is classified by the IRS at any time during the tax year, as (i) a **supporting organization** of the*

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

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

also includes an employee organization, association, committee, joint board of trustees, or other similar group of representatives of the parties which establish or maintain a VEBA. Although a VEBA must report a sponsoring organization as a related organization, a sponsoring organization shouldn't report a VEBA as a related organization, unless the VEBA is related to the sponsoring organization in some other capacity described in this definition.

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

The organization must determine its related organizations for

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

Religious order

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