

**Failure to file and its effect on contributions**

Organizations that are eligible to receive tax deductible contributions are listed in Publication 78, Cumulative List of Organizations described in Section 170(c) of the Internal Revenue Code of 1986. An organization may be removed from this listing if our records show that it is required to file Form 990, or Form 990-EZ, but it does not file a return or advise us that it is no longer required to file. However, contributions to such an organization may continue to be deductible by the general public until the IRS publishes a notice to the contrary in the Internal Revenue Bulletin.

**B. Organizations Not Required To File**

**Note:** Organizations not required to file this form with the IRS may wish to use it to satisfy state reporting requirements. For details, see General Instruction E.

The following types of organizations exempt from tax under section 501(a) (section 527 for political organizations) do not have to file Form 990, or Form 990-EZ, with the IRS. However, if the organization chooses to file a Form 990 or Form 990-EZ, it must also attach the schedules and statements described in the instructions for these forms.

1. A church, an interchurch organization of local units of a church, a convention or association of churches, an integrated auxiliary of a church (such as a men's or women's organization, religious school, mission society, or youth group).
2. Church-affiliated organizations that are exclusively engaged in managing funds or maintaining retirement programs and are described in Rev. Proc. 96-10, 1996-1 C.B. 577.
3. A school below college level affiliated with a church or operated by a religious order.
4. A mission society sponsored by, or affiliated with, one or more churches or church denominations, if more than half of the society's activities are conducted in, or directed at, persons in foreign countries.
5. An exclusively religious activity of any religious order.
6. A state institution whose income is excluded from gross income under section 115.
7. An organization described in section 501(c)(1). Section 501(c)(1) organizations are corporations organized under an Act of Congress that are:
  - Instrumentalities of the United States, and
  - Exempt from federal income taxes.
8. A private foundation exempt under section 501(c)(3) and described in section 509(a). Use Form 990-PF, Return of Private Foundation.
9. A black lung benefit trust described in section 501(c)(21). Use Form 990-BL, Information and Initial Excise Tax Return for Black Lung Benefit Trusts and Certain Related Persons.
10. A stock bonus, pension, or profit-sharing trust that qualifies under section 401. Use Form 5500, Annual Return/Report of Employee Benefit Plan.
11. A religious or apostolic organization described in section 501(d). Use Form 1065, U.S. Return of Partnership Income.
12. A foreign organization whose annual gross receipts from sources within the U.S. are normally \$25,000 or less (Rev. Proc. 94-17, 1994-1 C.B. 579). See the \$25,000 gross

receipts test in 15c. See also *General Instruction A* if the organization received a Form 990 Package.

13. A governmental unit or affiliate of a governmental unit described in Rev. Proc. 95-48, 1995-2 C.B. 418.

14. A political organization that is:

- A state or local committee of a political party;
- A political committee of a state or local candidate;
- A caucus or association of state or local officials;
- An authorized committee (as defined in section 301(6) of the Federal Election Campaign Act of 1971) of a candidate for federal office;
- A national committee (as defined in section 301(14) of the Federal Election Campaign Act of 1971) of a political party;
- A United States House of Representatives or United States Senate campaign committee of a political party committee;
- Required to report under the Federal Election Campaign Act of 1971 as a political committee (as defined in section 301(4) of such Act); or
- An organization described under section 6033(g)(3)(G).

15. An organization whose annual gross receipts are normally \$25,000 or less (but see *General Instruction A*, if the organization received a Form 990 Package).

a. **Calculating gross receipts.** The organization's gross receipts are the total amount it received from all sources during its annual accounting period, without subtracting any costs or expenses.

i. **Form 990.** Gross receipts are the sum of lines 1d, 2, 3, 4, 5, 6a, 7, 8a (both columns), 9a, 10a, and 11 of Part I. Gross receipts can also be calculated by adding back the amounts on lines 6b, 8b (both columns), 9b, and 10b to the total revenue reported on line 12.

ii. **Form 990-EZ.** Gross receipts are the sum of lines 1, 2, 3, 4, 5a, 6a, 7a, and 8 of Part I. Gross receipts can also be calculated by adding back the amounts on lines 5b, 6b, and 7b to the total revenue reported on line 9.

**Example.** On line 9 of its Form 990-EZ for the year 2004, Organization M reported \$50,000 as total revenue. M added back the costs and expenses it had deducted on lines 5b (\$2,000); 6b (\$1,500); and 7b (\$500) to its total revenue of \$50,000 and determined that its gross receipts for the tax year were \$54,000.

b. **Gross receipts when acting as agent.** If a local chapter of a section 501(c)(8) fraternal organization collects insurance premiums for its parent lodge and merely sends those premiums to the parent without asserting any right to use the funds or otherwise deriving any benefit from collecting them, the local chapter should not include the premiums in its gross receipts. The parent lodge should report them instead. The same treatment applies in other situations in which one organization collects funds merely as an agent for another.

c. **\$25,000 gross receipts test.** An organization's gross receipts are considered normally to be \$25,000 or less if the organization is:

- i. Up to a year old and has received, or donors have pledged to give, \$37,500 or less during its first tax year;
- ii. Between 1 and 3 years old and averaged \$30,000 or less in gross receipts during each of its first 2 tax years; or

iii. Three (3) years old or more and averaged \$25,000 or less in gross receipts for the immediately preceding 3 tax years (including the year for which the return would be filed).

**C. Exempt Organization Reference Chart**

**TIP** To determine how the instructions for Form 990 and Form 990-EZ apply to you, you must know the Code section under which you are exempt.

Type of Organization	I.R.C. Section
Corporations Organized Under Act of Congress . . . . .	501(c)(1)
Title Holding Corporations . . . . .	501(c)(2)
Charitable, Religious, Educational, Scientific, etc., Organizations . . . . .	501(c)(3)
Civic Leagues and Social Welfare Organizations . . . . .	501(c)(4)
Labor, Agricultural, and Horticultural Organizations . . . . .	501(c)(5)
Business Leagues, etc. . . . .	501(c)(6)
Social and Recreation Clubs . . . . .	501(c)(7)
Fraternal Beneficiary and Domestic Fraternal Societies and Associations . . . . .	501(c)(8) & (10)
Voluntary Employees' Beneficiary Associations . . . . .	501(c)(9)
Teachers' Retirement Fund Associations . . . . .	501(c)(11)
Benevolent Life Insurance Associations, Mutual Ditch or Irrigation Companies, Mutual or Cooperative Telephone Companies, etc. . . . .	501(c)(12)
Cemetery Companies . . . . .	501(c)(13)
State Chartered Credit Unions, Mutual Reserve Funds . . . . .	501(c)(14)
Insurance Companies or Associations Other Than Life . . . . .	501(c)(15)
Cooperative Organizations To Finance Crop Operations . . . . .	501(c)(16)
Supplemental Unemployment Benefit Trusts . . . . .	501(c)(17)
Employee Funded Pension Trusts (created before 6/25/59) . . . . .	501(c)(18)
Organizations of Past or Present Members of the Armed Forces . . . . .	501(c)(19) & (23)
Black Lung Benefit Trusts . . . . .	501(c)(21)
Withdrawal Liability Payment Funds . . . . .	501(c)(22)
Title Holding Corporations or Trusts . . . . .	501(c)(25)
State-Sponsored Organizations Providing Health Coverage for High-Risk Individuals . . . . .	501(c)(26)
State-Sponsored Workmen's Compensation and Insurance and Reinsurance Organizations . . . . .	501(c)(27)
Religious and Apostolic Associations . . . . .	501(d)
Cooperative Hospital Service Organizations . . . . .	501(e)
Cooperative Service Organizations of Operating Educational Organizations . . . . .	501(f)
Child Care Organizations . . . . .	501(k)
Charitable Risk Pools . . . . .	501(n)
Political Organizations . . . . .	527