

**FILING CORPORATE REPORTS  
& EXECUTIVE DIRECTOR'S  
REPORTS TO THE BOARD OF  
DIRECTORS**

There is a myth that nonprofit corporations do not have to file Federal income tax returns. Don't confuse taxability of income with tax reporting. All nonprofit corporations must file income tax returns. They are information returns. The failure to file such a return exposes the nonprofit corporation, and its officers, directors and management to penalties, and can jeopardize a nonprofit corporation's Section 501(c)(3) status.

There are a discouraging number of tax returns that can be required of nonprofit corporations in general and charitable corporations in particular. The list is too long to set out in full, but here are a few of the more common requirements.

### Annual Information Return - Form 990.

This is the basic information return for nonprofit corporations (except private foundations). If your nonprofit corporation's gross receipts in a year were less than \$25,000, you need not file a return, unless you received one in the mail. Note that the laws of some states (not Alaska) require all nonprofit corporations to file information returns.

If your nonprofit corporation is required to file a Form 990, then it is also required to make a copy of that form available for inspection and copying by interested persons. The IRS, to my knowledge, has not yet issued regulations setting out what the rules will be for third party inspection of Form 990's.

The Short Form 990-EZ is a simplified Form 990. It's available for exempt organizations except private foundations whose total assets are less than \$250,000 at year end and whose gross receipts are less than \$100,000 for the tax year.

Copies of your most recent Form 990's and your Form 1023 (Application for Exempt Status) must be available for inspection by the public. Copies of the forms must be furnished to interested persons upon request, at cost. IRC Section 6104. New rules about public disclosure went into effect in 1999. See the discussion below.

### Special Returns.

There are also numerous special returns that must be filed, including:

- o Exempt organization business income tax return — Form 990-T. This form is used to report unrelated business income and to calculate unrelated business income tax.
- o Reporting excess benefits transactions - Form 4720. If your charitable corporation engaged in "excess benefits transactions," then it must file a Form 4720.
- o Election of "expenditure test" on lobbying - Form 5768. A charitable corporation may elect to engage in certain kind of legislative activities, "lobbying," as described above. If it does, then it will probably want to elect the "expenditure test" for its certainty. If it makes that election, it does so using Form 5768.
- o Reporting political activities - Form 1120-POL. If your nonprofit corporation spent any amount on political activities (see above), your nonprofit corporation may also have to file Form 1120-POL. Of course, filing this return will likely cause your charitable corporation's exemption to be lost.

### Public Disclosure Requirements

New disclosure requirements were imposed by the IRS under IRC §6104 and regulations at Regs. §301.6104, effective June 8, 1999. Under the new rules, an *exempt organization* is required to make most of its tax records available to the general public.

**General Rules.** An exempt organization must make its application for an exemption, its determination letter, and all of its Form 990s, including the Special Returns discussed in the preceding section, available for inspection and copying. The requirement includes all schedules and supplementary materials. These materials must be made available for a period of three years, beginning on the date the return was due or the date it was filed, whichever is later. Generally, the names and addresses of donors need not be disclosed, except that Private Foundations are required to disclose that information as well.

**Inspection of Records.** The records must be available for inspection during regular business hours at the principal, regional and district offices of the exempt organization. The inspection must be without charge and, except in narrow exceptions described below, there simply is no right to refuse to produce records.

**Copies of Records.** An exempt organization generally must provide copies of documents requested in-person on the day they are requested. In certain kinds of unusual circumstances, the exempt organization can have an additional day or, if special duties exist that truly prevent staff from providing copies, then the delay interval may be as many as five days. But the general rule is same day service.

If the request is made in writing, then the exempt organization has thirty days from the date of receipt of the request to comply. Facsimile and electronic mail requests are treated as written requests.

The exempt organization may require payment in advance. If so, then the time to respond to a written request does not begin to run until the organization receives that payment.

An exempt organization can charge for the reasonable costs of the copies and postage. The "reasonable costs" can't exceed the rate the IRS itself charges for copies. That can work true hardship in rural Alaska.

**Failure to Provide Records; Penalties.** A person who fails to allow inspection or who fails to allow copying of records without reasonable cause faces a penalty of \$20 per day for each day with a maximum penalty of \$10,000. A willful failure to comply subjects a person to a fine of \$5,000 with respect to each return or application. Note these penalties are imposed on the individual who refuses to comply, not the exempt organization.

**Compliance by Posting to the Web.** An exempt organization is not required to comply with a copy request if it has made the information described above "widely available" by posting it to the organization's web site or by linking to a site maintained by a third party for that purpose. Web availability does not excuse an organization from compliance with inspection requirements. The rules for availability on the Web are fairly stringent.

The Web page through which the information is made available must clearly describe what is available and provide instructions for accessing and downloading it. The organization must take steps to assure the information posted at the web site is reliable and accurate, and must have reasonable procedures in place to prevent that information from being altered or destroyed.

Perhaps unreasonably, the documents must be posted in a format which, when downloaded and printed, exactly reproduces the image of the original, except for deletions permitted by the IRS.

Any individual with access to the Internet must be able to access, download and print the document without special hardware or software. The commentary to the regulations strongly suggests that PDF is acceptable. Note, however, you will have to scan the returns and post them as graphic images to meet the "reproduce exactly" requirement.

**Harassment Campaign Exception.** There are procedures by which an organization can complain to the IRS if it believes it is the subject of a campaign of harassment by which someone is attempting to disrupt its operations by repeated requests for documents. There's also a limited self-help right, by which an exempt organization may ignore any request for copies beyond the first two received in a 30 day period or the first 4 received in a one year that come from the same individual or the same address.

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Revised 5/6/01

# TEXAS CRIMESTOPPERS ADVISORY COUNCIL ADULT QUARTERLY STATISTICAL REPORT

Program \_\_\_\_\_ Date: \_\_\_\_\_  
 Coordinator \_\_\_\_\_ Counties Served \_\_\_\_\_  
 Address \_\_\_\_\_ City/St/Zip \_\_\_\_\_  
 Email \_\_\_\_\_ Phone \_\_\_\_\_ Fax \_\_\_\_\_  
 Program Inception Date \_\_\_\_\_ Population Served \_\_\_\_\_

Submit reports online (or by mail):  
<http://cjd3.tamu.edu>

Crime Stoppers / CJD Grantee Evaluation • Public Policy Research Institute • 314 H.C.  
 Dulle Bell Bldg. • Texas A&M University • College Station, TX 77843-4476  
 Phone: (979) 845-8800 • Fax: (979) 458-4179 • Email: cjd@ppri.tamu.edu

	Circle one: 1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	Quarter	Yearly *During 4 <sup>th</sup> quarter only.	Since Inception *During 4 <sup>th</sup> quarter only.
	Number of Arrests		Number of Cases Cleared			Number of Arrests	Number of Cases Cleared
Homicide							
Sexual Assault							
Assault							
Robbery							
Theft							
Burglary of Vehicle							
Burglary of Habitation							
Burglary of Building							
Forgery							
Arson							
Narcotics							
Fugitive							
Other							

	Circle one: 1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	Quarter	Yearly *During 4 <sup>th</sup> quarter only.	Since Inception *During 4 <sup>th</sup> quarter only.
Suspects Arrested							
Offenses Cleared							
Number of Calls Received							
Code Numbers Assigned							
Number of Rewards Paid or Declined							
Amount of Rewards Paid							
Stolen Property Recovered							
Narcotics Seized							
Forfeitures or Restitutions							
Prosecutions or Convictions							

All reports must be submitted quarterly: Q1 = January 1 thru March 30; Due April 15<sup>th</sup> Q2 = April 1 thru June 30; Due July 15<sup>th</sup> Q3 = July 1 thru September 30; Due October 15<sup>th</sup> Q4 = October 1 thru December 31; Due January 15<sup>th</sup>