

# AFCEA Educational Foundation



IRS Rules & Regulations for 501(c)  
(3) – (c)(6) Status



## The Form – from the highest level

- Starting in 2008, Form 990 was redesigned to 12 pages and 11 parts – this is the base form that is completed by organizations that file the Form 990
- In addition to the base form there are 16 additional schedules – A through O and then R (the IRS was absent the days they learned about P and Q).
- The good news – many of these don't apply to AFCEA chapters. The bad news – some do apply and must be completed
- Failure to file – \$20 daily penalty not to exceed \$10,000; revenues over \$1 is \$100 daily up to \$50,000
- Incomplete return – “... such as by failing to complete a required line item or a required part of a schedule.” You have a chance to respond and correct with the IRS, but if not, \$10 per day up to \$5,000.



## What Form do I use?

**Form 990 – N (e-postcard):** For small tax exempt organizations where annual “... gross receipts are normally \$25,000 or less.”

You need 8 pieces of information – EIN, tax year, legal name and address, any other names used by the organization, name and address of the principal officer, web site (if applicable), confirmation of gross receipts normally \$25,000 or less, statement that the organization has not terminated or is terminating.



If you can't go "N" – go "EZ"

**Form 990 – EZ** can be used based on the following:

**2008 return** – gross receipts less than \$1,000,000 **and** total assets less than \$2,500,000

**2009 return** – gross receipts less than \$500,000 **and** total assets less than \$1,250,000

**2010 return** – gross receipts less than \$200,000 **and** total assets less than \$500,000

So much for getting EZ and "Burden Minimizing" – the movement is towards the Form 990



**"It appears to be some sort of tax cut promise."**



## When to file your returns

The Form 990 (any variation) is due “...; by the 15<sup>th</sup> day of the 5<sup>th</sup> month after the organization’s accounting period ends.”

If your chapter operates on a **calendar year**, the return is due by **May 15<sup>th</sup>**.

If you can’t complete the return by that date, file for an extension. Use Form 8868 to request an automatic 3 month extension of time to file. There’s even a second extension available but the organization must show reasonable cause for the IRS to grant this one.



## 501(c)(3) and 501(c)(6) filings – Form 990

Each organization is its own legal entity – the accounting and tax returns must be specific to, and separately reported for each organization

Schedule A – Public Charity Status and Public Support –  
**501(c)(3)**

Schedule B – Schedule of Contributors - **501(c)(6)**

Other Schedules – depends on whether – whether or not they are applicable to the organizations' operations



## Form 990 – The Bottom Line

Stating the obvious – this is complicated

Your chapter board and your treasurer are responsible for the tax filings. The IRS will work with you, but they are looking for compliance as well. Non-profit's are the next target of opportunity for the IRS.

Your treasurer should have a financial background in order to report to the board how the finances really are. This includes compliance with tax filings. Solicit a CPA for the board – many will volunteer their time and tax return preparation.

Contact me for questions – Pat Miorin, AFCEA Headquarters,  
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