

## Highlights

Schedule B (Form 990, 990-EZ, or 990-PF) is largely unchanged from the 2007 Schedule B.

Minor changes include the following:

- Added a definition of contribution to the Part I instructions
- Clarified that for 509(a)(2), 170(b)(1)(A)(iv), and 170(b)(1)(A)(vi) organizations, contributors includes governmental units
- Added instructions for group returns
- Added an instruction to clarify that contributed securities that are sold for cash are to be reported as noncash contributions for Schedule B, consistent with Part VIII, line 1g noncash contribution reporting

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## 2008 Instructions for Schedule B (Form 990, 990-EZ, or 990-PF) Schedule of Contributors

Section references are to the Internal Revenue Code unless otherwise noted.

### General Instructions

#### Purpose of Schedule

Schedule B (Form 990, 990-EZ, or 990-PF) is used to provide information on contributions the organization reported on –

- Form 990-PF, Return of Private Foundation, line 1,
- Form 990, Return of Organization Exempt From Income Tax, Part VIII, line 1, or
- Form 990-EZ, Short Form Return of Organization Exempt From Income Tax, line 1.

#### Who Must File

Every organization must complete and attach Schedule B to their Form 990, 990-EZ, or 990-PF, unless it certifies that it does not meet the filing requirements of this schedule by answering “No” on Part IV, line 2, of Form 990, checking the proper box in the heading of Form 990-EZ, or on line 2 of Form 990-PF. See the instructions for Schedule B found in the separate instructions for those forms.

If an organization is not required to file Form 990, Form 990-EZ or Form 990-PF, it is not required to file Schedule B.

#### Accounting Method

When completing Schedule B (Form 990, 990-EZ, or 990-PF), the organization must use the same accounting method it checked, either at Form 990, Part XI, *Financial Statements and Reporting*, line 1, Form 990-EZ, line G, or Form 990-PF, line J.

#### Public Inspection

Schedule B is:

- Open to public inspection for an organization that files Form 990-PF,
- Open to public inspection for a section 527 political organization that files Form 990 or Form 990-EZ, or
- For the other organizations that file Form 990 or Form 990-EZ, the names and address of contributors are not open to public inspection. All other information, including the amount of contributions, the description of noncash contributions, and any other information provided will be open to public inspection unless it clearly identifies the contributor.

If an organization files a copy of Form 990, or Form 990-EZ, and attachments, with any state, it should not include its Schedule B in the attachments for the state, unless a schedule of contributors is specifically required by the state. States that do not require the information might inadvertently make the schedule available for public inspection along with the rest of the Form 990 or Form 990-EZ.

See the Instructions for Form 990 and Form 990-EZ, as well as the Instructions for Form 990-PF, for phone help information and the public inspection rules for those forms and their attachments.

### **Contributors to be Listed on Part I**

A “contributor” (person) includes individuals, fiduciaries, partnerships, corporations, associations, trusts, and exempt organizations.[1.6033-2(a)(2)(ii)(f), IRC 7701(a)(1)] In addition, governmental units are contributors for purposes of section 509(a)(2), 170(b)(1)(A)(iv), and 170(b)(1)(A)(vi) organizations.

### **Contributions**

“Contributions” reportable in Schedule B are contributions, grants, bequests, devises, and gifts of money or property, whether or not for charitable purposes. For instance, political contributions to section 527 political organizations are included. Contributions do not include fees for the performance of services. See the instructions for Form 990, Part VIII, line 1 for a fuller discussion of what constitutes “contributions.”

### **General Rule**

Unless the organization is covered by one of the *Special Rules* below, it must list on Part I every contributor who, during the year, gave the organization directly or indirectly, money, securities, or any other type of property aggregating \$5,000 or more for the year. [IRC 6033(a)(2)(ii)(f)] To determine the \$5,000 or more amount, total all of the contributor’s gifts only if they are \$1,000 or more for the year.

### **Special Rules**

**Section 501(c)(3) organizations that file Form 990 or Form 990-EZ.** For an organization described in section 501(c)(3) that meets the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and not just the 10% support test (whether or not the organization is otherwise described in section 170(b)(1)(A)) –

List in Part I only those contributors whose contribution of \$5,000 or more is greater than 2% of the amount reported on line 1h of Part VIII of Form 990 (or line 1 of Form 990-EZ) (Regulations section 1.6033-2(a)(2)(iii)(a)).

**Example.** A section 501(c)(3) organization, of the type described above, reported \$700,000 in total contributions, gifts, grants, and similar amounts received on line 1h of its Form 990. The organization is only required to list in Parts I and II of its Schedule B each person who contributed more than the greater of \$5,000 or 2% of \$700,000, that is, \$14,000. Thus, a contributor who gave a total of \$11,000 would not be reported in Parts I and II for this section 501(c)(3) organization. Even though the \$11,000 contribution to the organization was greater than \$5,000, it did not exceed \$14,000.

**Section 501(c)(7), (8), or (10) organizations.** For contributions to these social and recreational clubs, fraternal beneficiary and domestic fraternal societies, orders, or associations that were not for an exclusively religious, charitable, etc., purpose, list in Part I, each contributor who, during the year, contributed \$5,000 or more, as described above under the *General Rule*.

For contributions or bequests to a section 501(c)(7), (8), or (10) organization received for use exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals (sections 170(c)(4), 2055(a)(3), or 2522(a)(3)) –

List in Part I each contributor whose aggregate contributions for an exclusively religious, charitable, etc., purpose were more than \$1,000 during the year. To determine the more-than-\$1,000 amount, total all of a contributor's gifts for the year (regardless of amount). [1.6033-2(a)(2)(iii)(d)(1)] If the type of contribution listed in Part I, column (d) is noncash, also complete Part II.

All section 501(c)(7), (8), or (10) organizations that listed an exclusively religious, charitable, etc., contribution on Part I or II must also complete Part III to –

Provide further information on such contributions of more than \$1,000 during the year, and show the total amount received from such contributions that were for \$1,000 or less during the year.

However, if a section 501(c)(7), (8), or (10) organization did not receive a contribution of more than \$1,000 during the year for exclusively religious, charitable, etc., purposes, and consequently was not required to complete Parts I through III, it need only check the correct *Special Rules* box applicable to that organization on the front of Schedule B and enter, in the space provided, the total contributions it did receive during the year for an exclusively religious, charitable, etc., purpose.

### **Group Returns**

The central or parent organization of a group ruling that files a group Form 990 return must file a separate Form 990 for itself (unless it is excepted from filing Form 990). With respect to Schedule B, however, the central organization has two choices. It may file (1) a Schedule B for itself with its return, and a separate Schedule B with the group return for each subordinate or local organization included in the group return, or (2) a consolidated Schedule B for itself and all included subordinates with the group return. The same information must be reported whichever method of reporting is used, just formatted differently and appearing in different returns. The central or parent organization must indicate in Schedule O whether it has adopted the first or second method of reporting and may not change it without IRS consent.

### **Specific Instructions**

**Note:** *You may duplicate Parts I through III if more copies of these Parts are needed. Number each page of each Part.*

**Part I. Contributors.** In column (a), identify the first contributor listed as No. 1 and the second contributor as No. 2, etc. Number consecutively. In column (b), list the contributor's name and address. In column (c), enter the amount of aggregate contributions for the year for the contributor listed.

In column (d), list the type of contribution. If a cash contribution came directly from a “contributor” (other than through payroll deduction), check the “Person” box. A “cash contribution” includes contributions paid by cash, credit cards, checks, money orders, electronic fund or wire transfers, and other charges against funds on deposit at a financial institution. Check the “Payroll” box for indirect contributions; that is, employees’ contributions forwarded by an employer. (if an employer withholds contributions from employees’ pay and periodically gives them to the organization, report only the employer’s name and address and the total amount given unless you know that a particular employee gave enough to be listed separately.) Check the “Noncash” box for any other contribution of property other than “cash” and complete Part II of this Schedule. Check all that apply for the contributor listed.

For section 527 organizations that file a Form 8871, Political Organization Notice of Section 527 Status, the names and addresses of contributors that are not reported on Form 8872, Political Organization Report of Contributions and Expenditures, do not need to be reported in Part I of Schedule B if the organization paid the amount specified by section 527(j)(1). In this case, enter “Pd. 527(j)(1)” in column (b), instead of a name, address, and zip code; but you must enter the amount of contributions in column (c).

**Part II. Noncash Property.** In column (a), show the number that corresponds to the contributor’s number in Part I. In column (b), describe the noncash contribution received by the organization. Note the public inspection rules discussed above.

In columns (c) and (d), report on property with readily determinable market value (for example, marked quotations for securities) by listing its fair market value. If the organization immediately sells securities contributed to the organization (including through a broker or agent), the contribution still must be reported as a gift of property rather than cash, in the amount of the net proceeds plus the broker’s fees and expenses. See Instructions to Part VIII, line 1g of Form 990, which provides an example to illustrate this point. If the property is not immediately sold, for marketable securities registered and listed on a recognized securities exchange, measure market value by the average of the highest and lowest quoted selling prices (or the average between the *bona fide* bid and asked prices) on the contribution date. See Regulations section 20.2031-2 to determine the value of contributed stocks and bonds. When fair market value cannot be readily determined, use an appraised or estimated value. To determine the amount of a noncash contribution that is subject to an outstanding debt, subtract the debt from the property’s fair market value. Enter the date the property was received by the organization, if the donor has fully given up use and enjoyment of the property at that time.

If the organization received a partially completed Form 8283, Noncash Charitable Contributions, from a donor, complete it and return it so the donor can get a charitable contribution deduction. Keep a copy for your records.

Original (first) and successor donee (recipient) organizations must file Form 8282, Donee Information Return, if they sell, exchange, consume, or otherwise dispose of (with or without consideration) charitable deduction property (property other than money or certain publicly traded securities) within 3 years after the date the original donee received the property.

**Part III. Section 501(c)(7), (c)(8), or (c)(10) organizations.** Section 501(c)(7), (8), or (10) organizations that received contributions or bequests for use exclusively for religious, charitable, etc., purposes must complete Parts I through III for those persons whose gifts totaled more than \$1,000 during the year. Show also, in the heading of Part III, total gifts to these organizations that were \$1,000 or less for the year and were for an exclusively religious, charitable, etc., purposes. Complete this information only on the first Part III page.

If an amount is set aside for an exclusively religious, charitable, etc., purpose, show in column (d) how the amount is held (for example, whether it is commingled with amounts held for other purposes). If the organization transferred the gift to another organization, show the name and address of the transferee organization in column (e) and explain the relationship between the two organizations.

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