

IRS Forms 990 and 990EZ – 2009 Chapter Information

The following information is listed beginning on page 23 of the Finance Toolkit for ASTD Chapter Leaders. The entire toolkit can be found at www.asted.org/toolkits.

Being exempt from paying taxes does not equate with being exempt from filing tax returns. IRS Form 990 is the tax return used by nonprofit organizations. It must be submitted by the 15th day of the fifth month following the close of the fiscal year (May 15 for a calendar fiscal year). Penalties for filing late are \$20 per day, up to a maximum of \$10,000. An automatic three-month extension for filing deadlines may be requested using IRS Form 8868.

Nonprofit organizations, however, do not have to file a formal Form 990 return if gross receipts (i.e., total revenue received during the year) are normally less than \$25,000. “Normally” is usually defined by the activity of the prior three years. If receipts in two of the prior three years have been less than \$25,000, then no filing is required. However, if gross receipts in only one of the prior three years has been less than \$25,000 (regardless of what the current year’s outlook is), then the chapter will be required to file.

As of 2008, however, small tax-exempt organizations that previously were not required to file returns are now required to file an annual electronic notice, Form 990-N, “Electronic Notice (e-Postcard) for Tax-Exempt Organizations not Required To File Form 990 or 990-EZ.” This filing requirement will apply to tax periods beginning after December 31, 2006, and organizations that do not file the notice **will lose their tax-exempt status**. Note that the Form 990-N requirement will not apply to organizations that are included in a group return.

ASTD chapters are under the “general supervision” of ASTD, in conformance with ASTD’s mission as a nonprofit tax-exempt educational organization. Beyond that, however, the chapters are autonomous entities. As such, they are responsible for maintaining their records and complying with all applicable federal, state, and local laws and regulations, including tax laws. *(CORE Element 2.1)*

All ASTD chapters are required to independently determine whether or not they must file federal and state tax returns, and are responsible for filing them in a timely manner.

A chapter that is a subordinate organization under the ASTD Group Exemption letter may elect to participate in the IRS Group Form 990 filing if all of the following conditions are met:

- the chapter is a qualified subordinate organization under ASTD’s Group Exemption (see previous section)
- the chapter’s gross receipts were \$25,000 or greater for the year, or the chapter normally has gross receipts of \$25,000 or greater
- the chapter’s fiscal year ends December 31
- the chapter uses the cash basis of accounting
- the state in which the chapter is located does not require a copy of the federal tax return for the chapter. This can be ascertained by contacting the state department of finance.

If these conditions exist, the chapter may submit a written request to ASTD asking to be included in the Group Form 990 filing for the year in question.

The request for inclusion in the annual Group Form 990 filing must be accompanied by the following four attachments:

1. Balance Sheets for the filing year and prior year and/or a “Statement of Revenue, Expenses, and Changes in Fund Balance.” (See the section on “Record Keeping, Control, and Reporting, as well as the Sample Documents.”)
2. A list of names and addresses of all chapter officers for the filing year.
3. A schedule in which gross revenue is subdivided into classifications as required by the IRS:
 - Member programs
 - Educational events (meetings, conferences, etc.)
 - Publications (such as newsletters)
 - Administrative (interest income, mailing list sales, etc.)
4. A schedule in which total expenses are subdivided into classifications as required by the IRS:
 - Member programs
 - Educational events (meetings, conferences, etc.)
 - Publications (such as newsletters)
 - Administrative (interest income, mailing list sales, etc.)

All schedules must be balanced. Total revenue (Item 3) less total expenses (Item 4) must equal the net revenue reported in the Balance Sheet (Item 1). Beginning fund balance plus net revenue must equal the ending fund balance.

The signing chapter officer declares, under penalty of perjury, that the statements are true and complete.

All such requests for filing year 2009 must be received at ASTD headquarters no later than March 15, 2010.

A “Sample Letter to be included in the ASTD Group Form 990 Filing” is included for your reference.

Sample Letter to be Included in the 2009 ASTD Group Form 990 Filing

ASTD
1640 King Street
Box 1443
Alexandria, VA 22313-2043

ATTN: Controller
DATE: insert date

RE: Authorization to be included in ASTD's Group Filing for 2009

The American Society for Training and Development is hereby authorized to include the (insert chapter name) in its Group Form 990 for 2009. Enclosed are the following:

1. Statement of Revenue, Expenses & Changes in Cash Balance or Balance Sheets as of December 31, 2009 and as of December 31, 2008 (preceding year).
2. List of chapter officers for the year ending December 31, 2009
3. A schedule categorizing gross revenue as:
 - Member programs
 - Educational events
 - Publications
 - Administrative

The total of these categories is equal to the gross revenue reported in Item 1.

4. A schedule categorizing total expenses as:
 - Member programs
 - Educational events
 - Publications
 - Administrative

The total of these categories is equal to the total expenses reported in Item 1.

Under penalty of perjury, I declare that I have examined the information forwarded herewith, including the accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.

(Insert chapter name)

By _____
(signature and title of chapter officer)