

Form 990 Disclaimer

The University of Texas is not required to file Form 990, per IRS General Instructions, Section B, which states, "The following types of organizations exempt from tax under section 501(a) do not have to file Form 990 or Form 990-EZ with the IRS: (Article 6)...A state institution whose income is excluded from gross income under section 115."

total assets greater than or equal to \$2,500,000 at the end of the tax year. This includes:

- Organizations described in section 501(c)(3) (other than private foundations), and
- Organizations described in other 501(c) subsections (other than black lung benefit trusts).

Gross receipts are the total amounts the organization received from all sources during its annual accounting period, without subtracting any costs or expenses. See Appendix B for a discussion of gross receipts.

For purposes of Form 990 reporting, the term *section 501(c)(3)* includes organizations exempt under sections 501(e) and (f) (cooperative service organizations), 501(k) (child care organizations), and 501(n) (charitable risk pools). In addition, any organization described in one of these sections is also subject to section 4958 if it obtains a determination letter from the IRS stating that it is described in section 501(c)(3).

Form 990-N. If an organization normally has gross receipts of \$25,000 or less, it must submit Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required To File Form 990 or 990-EZ, if it chooses not to file Form 990 or Form 990-EZ (with exceptions described below for certain section 509(a)(3) supporting organizations and for certain organizations described in *B. Organizations Not Required To File Form 990*). See Appendix B for a discussion of gross receipts.

Form 990-EZ. For tax years beginning in 2008, if an organization has **gross receipts** less than \$1,000,000 and **total assets** at the end of the year less than \$2,500,000, it may choose to file Form 990-EZ, Short Form Return of Organization Exempt From Income Tax, instead of Form 990. See the instructions for Form 990-EZ for more information. See the special rules described later regarding **controlling organizations** under section 512(b)(13) and **sponsoring organizations of donor advised funds**.

TIP *The IRS has provided transitional relief to small and mid-size organizations, allowing many to file Form 990-EZ for 2008 and 2009 instead of Form 990, and providing them additional time to become familiar with the new Form 990 and its requirements. The table at the top of page 3 of these instructions describes the modified thresholds for filing Form 990-EZ (instead of Form 990) during this transition period.*

Foreign and U.S. possession organizations. Foreign organizations and U.S. Possession as well as domestic organizations must file Form 990 or 990-EZ unless specifically exempted under *B. Organizations Not Required To File Form 990*. Report amounts in U.S. dollars and state what conversion rate the organization uses. Combine amounts from within and outside the U.S. and report the total for each item. All information must be written in English.

Sponsoring organizations of donor advised funds. Sponsoring organizations of donor advised funds, if required to file an annual information return for the year, must file Form 990 and not Form 990-EZ.

Controlling organizations described in section 512(b)(13). A controlling organization of one or more controlled entities, as described in section 512(b)(13), must file Form 990 and not Form 990-EZ if it is required to file an annual information return for the year and if there was any transfer of funds between the controlling organization and any controlled entity during the year.

Section 509(a)(3) supporting organizations. A section 509(a)(3) supporting organization must file Form 990 or 990-EZ, even if its gross receipts are normally \$25,000 or less, unless it qualifies as one of the following.

1. An integrated auxiliary of a church.
2. The exclusively religious activities of a religious order.
3. A religious organization whose gross receipts are normally not more than \$5,000.
4. An organization whose gross receipts are normally not more than \$5,000 that supports a section 501(c)(3) religious organization.

5. A charitable organization supported partly by funds contributed by Federal, state, or local governmental units, or primarily by contributions of the general public, whose gross receipts are normally not more than \$5,000.

If the organization is described in (3), (4), or (5), then it must file Form 990-N unless it voluntarily files Form 990 or Form 990-EZ.

Section 501(c)(7) and section 501(c)(15) organizations. A section 501(c)(7) or section 501(c)(15) organization applies the same **gross receipts** test as other organizations to determine whether it must file Form 990, but uses a different definition of **gross receipts** to determine whether it qualifies as tax-exempt for the tax year. See Appendix C for more information.

Section 527 political organizations. Tax-exempt political organizations must file Form 990 or Form 990-EZ unless excepted under *B. Organizations Not Required To File Form 990*. A qualified state or local political organization must file Form 990 or Form 990-EZ only if it has gross receipts of \$100,000 or more. Political organizations are not required to file Form 990-N.

Section 4947(a)(1) nonexempt charitable trusts. A nonexempt charitable trust described under section 4947(a)(1) (if it is not treated as a private foundation) is required to file Form 990 or Form 990-EZ, unless excepted under *B. Organizations Not Required To File Form 990*. Such a trust is treated like an exempt section 501(c)(3) organization for purposes of completing the form. All references to a section 501(c)(3) organization shall include a section 4947(a)(1) trust (for instance, such a trust must complete Schedule A (Form 990 or 990-EZ), Public Charity Status and Public Support), unless otherwise specified. If such a trust does not have any taxable income under Subtitle A of the Code, it can file Form 990 or Form 990-EZ to meet its section 6012 filing requirement and does not have to file Form 1041, U.S. Income Tax Return for Estates and Trusts.

Returns when exempt status not yet established. An organization is required to file Form 990 in accordance with these instructions if the organization claims exempt status under section 501(a) but has not yet established such exempt status by filing Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code, or Form 1024, Application for Recognition of Exemption Under Section 501(a) or for Determination Under Section 120, and receiving an IRS letter recognizing tax-exempt status. In such a case, the organization must check the "Application pending" checkbox in item B on Form 990, page 1 (whether or not a Form 1023 or 1024 has been filed) to indicate that Form 990 is being filed in the belief that the organization is exempt under section 501(a), but that the IRS has not yet recognized such exemption.

B. Organizations Not Required To File Form 990

An organization does not have to file Form 990 or 990-EZ even if it has at least \$1,000,000 of gross receipts or \$2,500,000 of **total assets** if it is described below (except for section 509(a)(3) supporting organizations, which are described earlier). See *A. Who Must File* for determining whether the organization may file Form 990-EZ instead of Form 990. An organization described in items 10, 11, or 13 below is required to file Form 990-N unless it voluntarily files Form 990, 990-EZ, or 990-BL.

Certain religious organizations.

1. A church, an interchurch organization of local units of a church, a convention or association of churches, or an integrated auxiliary of a church as described in Regulations section 1.6033-2(h) (such as a men's or women's organization, religious school, mission society, or youth group).
2. A church-affiliated organization that is exclusively engaged in managing funds or maintaining retirement programs and is 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** described in Regulations section 1.6033-2(g)(1)(vii).

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** described in Rev. Proc. 91-20, 1991-1 C.B. 524.

Certain governmental organizations.

6. A state institution whose income is excluded from gross income under section 115.

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

8. An organization described in section 501(c)(1). A section 501(c)(1) organization is a corporation organized under an Act of Congress that is an instrumentality of the United States, and exempt from federal income taxes.

Certain political organizations.

9. 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; or
- Required to report under the Federal Election Campaign Act of 1971 as a political committee (as defined in section 301(4) of such Act).

Certain organizations with limited gross receipts.

10. An organization whose **gross receipts** are normally \$25,000 or less. To determine what an organization's gross receipts "normally" are, see Appendix B, *How to Determine Whether an Organization's Gross Receipts Are Normally \$25,000 (or \$5,000) or Less*.

11. A **foreign organization**, including organizations located in U.S. possessions, whose **gross receipts** from sources within the U.S. are normally \$25,000 or less.

Certain organizations that file different kinds of annual information returns.

12. A private foundation (including a private operating foundation) exempt under section 501(c)(3) and described in section 509(a). Use Form 990-PF, Return of Private Foundation. Also use Form 990-PF for a taxable private foundation, a section 4947(a)(1) **nonexempt charitable trust** treated as a private foundation, and a private foundation terminating its status by becoming a **public charity** under section 507(b)(1)(B) (for tax years within its 60-month termination period). If the organization successfully terminates, then it files Form 990 or Form 990-EZ in its final year of termination.

13. 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.

14. A religious or apostolic organization described in section 501(d). Use Form 1065, U.S. Return of Partnership Income.

15. A stock bonus, pension, or profit-sharing trust that qualifies under section 401. Use Form 5500, Annual Return/Report of Employee Benefit Plan.

C. Sequencing List To Complete the Form and Schedules

You may find the following chart helpful. It limits jumping from one part of the form to another to make a calculation or determination needed to complete an earlier part. Certain later parts of the form must first be completed in order to complete earlier parts. In general, first complete the core form, and then complete alphabetically Schedules A–N and Schedule R, except as provided below. Schedule O should be completed as the core form and schedules are completed.

1. Complete lines A through F and H(a) through M in the Entity section of Form 990, on page 1.

2. See the instructions for Schedule R and determine the organization's **related organizations** required to be listed in Schedule R.

3. Determine the organization's officers, directors, trustees, key employees, and five highest compensated employees required to be listed on Form 990, Part VII, Section A.

4. Complete Parts VIII, IX, and X of Form 990.

5. Complete line G in the Entity section of Form 990, on page 1.

6. Complete Parts III, V, VII, and XI of Form 990.

7. See the instructions for Schedule L (Form 990) and complete Schedule L (Form 990) (if required).

8. Complete Part VI of Form 990. Transactions reported on Schedule L (Form 990) are relevant to determining independence of members of the **governing body** under Form 990, Part VI, line 1b.

9. Complete Part I of Form 990 based on information derived from other parts of the form.

10. Complete Part IV of Form 990 to determine which schedules must be completed by the organization.

11. Complete applicable schedules (for "Yes" boxes that were checked in Part IV). Use Schedule O (Form 990), to provide required supplemental information and other narrative explanations.

12. Complete Part II, *Signature Block*, of Form 990.

TIP A public charity described in section 170(b)(1)(A)(iv) or (vi) or section 509(a)(2) that is not within its initial five years of existence should first complete Part II or III of Schedule A, Public Charity Status & Public Support, (Form 990 or 990-EZ) to ensure that it continues to qualify as a public charity for the tax year. If it fails to qualify as a public charity, then it must file Form 990-PF rather than Form 990 or Form 990-EZ.

D. Accounting Periods and Methods

TIP See IRS Pub. 538, *Accounting Periods and Methods*, about reporting changes to accounting periods and methods.

Accounting Periods

Calendar year. Use the 2008 Form 990 to report on the 2008 calendar year accounting period. A calendar year accounting period begins on January 1 and ends on December 31.

Fiscal year. If the organization has established a fiscal year accounting period, use the 2008 Form 990 to report on the organization's fiscal year that began in 2008 and ended 12 months later. A fiscal year accounting period should normally coincide with the natural operating cycle of the organization. Be certain to indicate in item A of the Entity section of Form 990 the date the organization's fiscal year began in 2008 and the date the fiscal year ended in 2009.

Short period. A short accounting period is a period of less than 12 months, which exists when an organization first commences operations, changes its accounting period, or terminates. If the organization's short year ended prior to December 31, 2008 (not on or after December 31, 2008), it may use 2007 Form 990 to file for the short year.

Accounting period change. If the organization changes its accounting period, it must file a Form 990 for the short period resulting from the change. Write "Change of Accounting Period" at the top of this short-period return.

If the organization previously changed its accounting period within the 10-calendar-year period that includes the beginning of the **short period**, and it had a Form 990 filing requirement at any time during that 10-year period, it must also attach a Form 1128 to the short-period return. See Rev. Proc. 85-58, 1985-2 C.B. 740.

Accounting methods

Unless instructed otherwise, the organization should generally use the same accounting method on the return to report revenue and expenses that it regularly uses to keep its books and records. To be acceptable for Form 990 reporting