

# IRS Form 990 Training Module

## Introduction

All non profit organizations are required to file a tax return with the IRS each year, regardless of whether income exceeds expenses or not. Even though each Pony Club is a non-profit, it is still required to provide details of finances and operations to the IRS, to prove that they are operating within the parameters of a non-profit organization and providing a program that fulfills the USPC mission statement:

***The United States Pony Clubs, Inc., develops character, leadership, confidence and a sense of community in youth through a program that teaches the care of horses and ponies, riding and mounted sports.***

## Who Completes the 990 Form

The Club or Region's Treasurer is responsible for completing the form. The DC/RS should review the form. The Club or Region may elect to hire a professional tax preparer if they so choose.

## IRS Filing Requirements

If the club or region's gross receipts are less than \$50,000, the tax return is a very simple form known as the 990-N, or the e-Postcard. The e-Postcard is handled for the IRS by another company, Urban Institute. To file the e-Postcard go to that company's web site at <http://epostcard.form990.org/> and proceed as directed. The submission is very simple and should take about 10 minutes.

If the club or region's gross receipts are greater than \$50,000 but less than \$200,000, the 990-EZ form can be filed. This training module gives detailed instructions for filling out the 990-EZ Form. There is also information available on the IRS web site at [http://www.stayexempt.irs.gov/Mini-Courses/An\\_Overview\\_of\\_the\\_Form\\_990-EZ/an\\_overview\\_of\\_the\\_form\\_990-ez.aspx](http://www.stayexempt.irs.gov/Mini-Courses/An_Overview_of_the_Form_990-EZ/an_overview_of_the_form_990-ez.aspx).

If the club or region's gross receipts are greater than \$200,000 the long form 990 must be filed. The IRS has a very comprehensive step by step tutorial for this form that can be found on the IRS web site at <http://www.stayexempt.irs.gov/VirtualWorkshop/Form990.aspx>.

One of the above three 990 forms must be filed by every club and region by May 15 each year – no exceptions!! Failure to file by the due date may result in fines and/or revocation of non-profit status.

A copy of the 990 form, or, if submitting the e-Postcard, the confirmation of filing, should be sent to the RS and the USPC National Office, and an additional copy should be retained for the club permanent files

Note that, as stated in the top right hand corner of the form, the 990 forms are 'Open to Public Inspection' and must be made available upon request to any interested party. The IRS may make these forms available to other parties, and they may be listed on the web sites of companies that monitor charitable organizations, such as GuideStar, [www.GuideStar.org](http://www.GuideStar.org).

### **Getting Started with the 990-EZ**

Here is a list of the items you will need to get started:

- Download the 990-EZ forms and instructions from the IRS web site, [www.irs.gov](http://www.irs.gov) (or use the links listed at the end of this document). You will need the following forms for the year of the return:
  - F990-EZ
  - F990-SA (Schedule A)
  - F990-EZB (Schedule B, only required if a contribution of \$5,000 or more from was received from any one contributor)
  - F990-SO (Schedule O)
- Bank statements for January through December of the filing year. Calculate the total starting balance as of January 1, and the ending balance as of December 31.
- USPC Annual Directory or a copy of the club List Of Officers (LOO) form.
- Club financial summary
  - Break out income as follows:
    - Membership dues
    - Cash donations
    - Inventory sales (spirit wear, etc.)
    - Revenue from activities (rally entry fees, clinic registration fees, lesson fees, etc.)
  - Break out expenses as follows:
    - Purchase of inventory
    - Activity expenses (rally entry fees, clinic fees, lesson fees, etc.)
    - Postage and printing

## **Filling out the form**

### **990-EZ**

#### **Header Section**

Item A. No entry needed, the filing is for the calendar year

Item B. Check any boxes applicable for your club/region

Item C. For the name of organization, use UNITED STATES PONY CLUB – HAPPY HORSES PONY CLUB (Substitute with your club/region name). Use the current treasurer's address for correspondence.

Item D. Every club and region has a unique Employer Identification Number (EIN). Be sure to use the correct EIN for your club or region, this is listed in the index section of the USPC Annual Directory, or you can call or e-mail the national office to get it. If you are a club do not use the region's EIN. Do not use the USPC, Inc. EIN.

Item E. Use the current treasurer's telephone number.

Item F. Use the USPC group exemption number (3887).

Item G. Check the box for cash basis accounting.

Item H. Check the box if the club/region did not receive a contribution of \$5,000 or more from any one contributor. Otherwise, Schedule B must be attached, please refer to the Schedule B instructions.

Item I. Enter your club/region web site and the USPC web site.

Item J. Check the box for 501(c)(3).

#### **Part I**

Lines 1 through 8 - Enter gross revenue amounts in the appropriate boxes.

Line 9 – Calculate the total revenue.

Lines 10 through 16 – Enter gross expense amounts in the appropriate boxes. The amount shown on line 13 should be at least the total amount reported on 1099 forms in January, and on the 1096 form filed in February (it may be more if some contractors were paid less than \$600).

Line 17 – Calculate the total expenses.

Line 18 – Subtract the total expenses from the total revenue. This amount must match the difference in bank balances between January 1 and December 31, if not, there is an error, check that all income and expenses shown on the bank statements are accounted for in lines 1 through 17.

Line 19 – Enter the total of the bank account balances and value of any net assets at the beginning of the year.

Line 20 – Enter any other changes in net assets or fund balances and explain this on Schedule O.

Line 21 – Add lines 18 through 20.

## **Part II**

Line 22 - Enter the beginning and ending balances for all checking, savings and investment accounts from the statements. The beginning of year balances must be the same as the end of year balances from the 990-EZ for the prior year.

Line 23 – Will most likely be 0.

Line 24 – Enter the value of other assets (such as any equipment owned by the club) at the beginning and end of the year. Use your best judgment to make a conservative estimate of the value based on what it might be sold for (not the price of new equipment). The beginning of year value must be the same as the end of year value from the 990-EZ for the prior year.

Line 25 - Enter the total of lines 22, 23 and 24.

Line 26 – Will most likely be 0.

Line 27 - Subtract line 26 (total liabilities) from line 25 (total assets) and enter this amount. The amount in column (B) must agree with the net asset or fund balance amount on line 21 in Part I.

## **Part III**

The organization's primary exempt purpose is EDUCATION. Do not list anything other than this.

Line 28 – Suggested description of program: 'PROVISION OF AN EDUCATIONAL PROGRAM TO TEACH RIDING AND CARE OF HORSES, SPORTSMANSHIP AND LEADERSHIP SKILLS FOR A MEMBERSHIP OF 999 YOUTH MEMBERS'. (Amend membership number accordingly). Enter the total amount of expenses incurred, this will likely be the total expenses minus the cost of purchasing inventory, all other expenses should be program related.

## **Part IV**

Enter the club/region officers for the year of the filing (not the current year). This should match the entry in the USPC Directory (unless there have been any changes during the year, in that case it should match the most recent LOO for the filing year). Use the USPC position names, e.g. Regional Supervisor, Joint District Commissioner, etc. The reportable compensation and benefits for each officer should be 0.

## **Part V**

Read each of the questions and check boxes accordingly, most likely all will be checked No.

42a – Enter the current treasurer's information.

## **Part VI**

Line 50 – Enter None.

Line 51 – Enter None.

Line 52 – Check Yes (Schedule A needs to be attached)

The officer (usually the current treasurer) preparing the return should sign and date it.

## **990-SA (Schedule A)**

### **Part I**

Check Box number 7 (The IRS Letter of Determination states that United States Pony Club is an exempt organization under section 501(c)(3) of the Internal Revenue Code and is classified as a public charity under section 170(b)(1)(A)(vi) . Do not check box 9.

### **Part II**

#### Section A

Line 1 Enter the total amount of membership dues and contributions (donations) for the current year and the prior 4 years.

Line 2 – Most likely all 0

Line 3 – Most likely all 0

Line 4 – Total the lines above and carry down to line 7.

Line 8 – Enter any interest income for the current year and the prior 4 years.

Line 12 – Enter the total amount received for activities for the past 5 years.

Line 14 – Calculate the public support percentage.

## **990-SO (Schedule O)**

Use this form to add any additional information where there is insufficient space on the 990-EZ. Be sure to precede the information with the Part number.

## **Useful Links to IRS Forms and Instructions**

Form 990: <http://www.irs.gov/pub/irs-pdf/f990.pdf>

Instructions for Form 990: <http://www.irs.gov/pub/irs-pdf/i990.pdf>

Form 990-EZ: <http://www.irs.gov/pub/irs-pdf/f990ez.pdf>

Instructions for Form 990-EZ: <http://www.irs.gov/pub/irs-pdf/i990ez.pdf>

Form 990, Schedule A: <http://www.irs.gov/pub/irs-pdf/f990sa.pdf>

Instructions for Schedule A: <http://www.irs.gov/pub/irs-pdf/i990sa.pdf>

Form 990, Schedule B and instructions: <http://www.irs.gov/pub/irs-pdf/f990ezb.pdf>