HAITIAN HOMETOWN ASSOCIATION WORKSHOP

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Budget and Finance

990 To Do List

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Required Policies

- Conflict of interest policy
- Whistle blower policy
- Document retention and destruction policy
- Joint venture policy
- Expense reimbursement policy
- Non-standard gift acceptance policy
- Written debt collection policy (hospitals)

Practices & Procedures

- Need to prepare a written document which sets forth the procedures by which the Board of Directors will review the Form 990 before it is filed.
- Document compensation reasonableness processes.
- Professional fundraisers agreement.
- Documentation regarding eligibility to receive grants.

To Do List

- Estimate the total number of volunteers utilized during the year.
- Identify any new program service activities conducted during the year.
- Identify revenue and expenses for three largest program service activities.
- Ensure that filing all 1099s when required to do (non-employee services in excess of $600).
- Prepare documentation to support classification of independent contractors.
- Ensure that organization is preparing Form W-2G when required.
- Make sure register with California Attorney General if conducting raffles and make sure undertake backup withholding if necessary.
- Identify non-cash contributions in excess of $5,000 for which public charity disposed of within 3 years after receiving.
- Document meetings of Board of Directors committees with authority to act.
- Write-up re how satisfy public disclosure requirements.
- Identify all key employees under the expanded definition.
- Break out the revenue and expenses from gaming activities from the general fundraising activities.
- Update Chart of Accounts (and audited financial statements) to include the expense categories listed on Part IX of the redesigned Form 990.

Annual Form 990 Filing Requirements for Tax-Exempt Organizations

(Forms 990, 990-EZ, 990-PF and 990-N (e-Postcard))

Tax-exempt organizations, other than churches and church-related organizations, are required to file annual information forms with the IRS. That's either a Form 990, 990-EZ, 990-PF or the 990-N (e-Postcard). Filing the form is necessary to maintain an organization's tax-exempt status.

Which Form to File

The size and type of tax-exempt organization determines which annual information form the organization must file.

Smaller tax-exempt organizations--those with annual gross receipts of $25,000 or less-- file the Form 990-N (e-Postcard). This notice, which must be electronically filed, asks for only a few basic pieces of information: the organization's taxpayer identification number, its tax period, legal name and mailing address, any other names used, an Internet address if one exists, the name and address of a principal officer, and a statement confirming that the organization's annual gross receipts are normally $25,000 or less.

These organizations also have the option of using Form 990-EZ or 990 if they prefer, as long as the complete the entire form.

Larger tax-exempt organizations file either the Form 990 or 990-EZ, depending on their annual gross receipts and total assets.

For the ***2008 Tax Year (Filed in 2009 or 2010)***

- Organizations with annual gross receipts less than $1 million, and total assets less than $2.5 million can file either Form 990-EZ or Form 990
- Organizations with annual gross receipts of $1 million or more or total assets of $2.5 million or more must file Form 990.

For the ***2009 Tax Year (Filed in 2010 or 2011)***

- Organizations with annual gross receipts less than $500,000, and total assets less than $1.25 million can file either Form 990-EZ or Form 990.
- Organizations with gross receipts of $500,000 or more or total assets of $1.25 million or more must file Form 990.

All **private foundations** must file a Form 990-PF.

When the Returns Are Due

Unlike personal income tax returns, the 990-series forms do not have a single due date. The returns are due by the 15th day of the fifth month after the close of an organization's tax year. For example, if an organization's tax year closes on December 31, its form is due by the following May 15.

Preserve Your Tax-Exempt Status

Filing those required forms on time is critical. An organization that does not file its required, annual information form for three consecutive years AUTOMATICALLY loses its tax-*exempt status. That means it must file Form 1120, U.S. Corporation Income Tax Return* or a Form 1041, *U.S. Income Tax Return for Estates and Trusts*, and may need to pay income taxes.

Although the 3-year revocation rule applies only to the 990-series forms, this is a good time to make sure that other IRS-related filings are up-to-date, including the organization's Form 941, *Employer's Quarterly Federal Tax Return*, and Form 990-T, Exempt Organization Business Income Tax Return. If an organization has tax liability issues, it may wish to enter into a closing agreement to resolve them.

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If You Do Lose Your Tax-Exempt Status

In order for an organization to regain its tax-exemption, it must apply for IRS recognition of exemption (**even if it was not required to apply** originally) by filing Form 1023 (for 501(c)(3) organizations) or Form 1024 (for

organizations exempt under other Code sections) and pay the appropriate application fee. If the IRS approves the application, tax-exempt status will be effective as of the date of the application, unless the organization demonstrates reasonable cause for failure to file. In that case, exemption will be effective as of the date of revocation. Be aware, any income from the date of the revocation to the new effective date may be taxable.

Where to Go for More Help

For the latest information about filing requirements, subscribe to the EO Update, a regular IRS e-newsletter that highlights new information for tax-exempt organizations. Go to www.irs.gov/eo and click on "EO Newsletter".

Find more details on the topics mentioned in this fact sheet on the *Life Cycle* page of IRS Charities and Nonprofits Web page www.irs.gov/eo.

Online courses and instruction on completing the 990 series forms and other topics important to tax-exempt organizations can be found on Exempt Organizations' "Stay Exempt" Web page www.stayexempt.irs.gov.

You can also call our toll-free customer service line at 1-877-829-5500.

Financial Statements – Not-for-Profit Organizations

FASB establishes the accounting guidelines for non-government not-for-profit agencies.

FASB Statement #117 requires that not-for-profits prepare three financial statements as follows:

1. Statement of financial position (balance sheet)
2. Statement of activities (similar to an income statement)
3. Statement of cash flows

Statement of Financial Position

This is an important statement as it is the entity's balance sheet and reports assets, liabilities, and net assets (A-L). SFAS #117 requires the reporting of separate categories of net assets as follows:

- Unrestricted net assets
- Temporarily restricted net assets – generally resources that must be used either for specific purposes or in specific periods
- Permanently restricted assets – endowments where the principal must remain intact and only the related income is available for expenditure

Although the FASB does not dictate a particular format, it does require that the balance sheet present six totals as follows:

1. Total assets
2. Total liabilities
3. Total net assets
4. Total unrestricted assets
5. Total temporarily restricted assets
6. Total permanently restricted assets

The statement of financial position should provide stakeholders with the means to assess the organization's ability to continue to provide services. It should provide information about liquidity, the ability to meet short and long term obligations, and whether the organization has a need to incur further debt. Most organizations categorize their assets and liabilities as either current or non-current.

Statement of Activities

FASB Statement #117 requires that revenues and expenses be reported in a statement of activities. This statement reports all financial transactions from the beginning to the end of the fiscal year that result in increases or decreases in an organization's net assets. It should report changes in each of the three categories of net assets.--unrestricted, temporarily restricted, and permanently restricted.

Statement #117 requires that the statement of activities provide stakeholders with information that will:

- Evaluate the organization's performance during the period being reported
- Assess the not-for-profits' service efforts and its ability to continue to provide services
- Assess how the not-for-profits' managers have discharged their stewardship responsibilities and other aspects of their performance

Revenues, expenses, gains, losses, and reclassifications from one asset to another are all reported on the statement of activities. Revenues include actual cash inflows as well as expected cash receipts. Revenues are to be reported as increases in one of the categories of net assets.

Expenses include cash outflows, using up of non-cash assets, or incurrence of liabilities. In contrast to the reporting of revenues (categorized into unrestricted, temporarily restricted, or permanently restricted), expenses are reported as decreases in unrestricted net assets. This requirement requires that the nonprofit prepare two journal entries when spending restricted resources. One entry in the restricted fund records the decrease in cash (or other asset) and the decrease in restricted asset. The second entry in an unrestricted fund records the expense and increase in unrestricted net assets. <u>Expenses must be reported by function</u>—by program services or supporting activities.

Statement of Cash Flow

The statement of cash flows provides stakeholders, including donors and creditors, with an assessment of the organization's:

Ability to generate future positive cash flows
Ability to meet current and future obligations
Reasons for the differences between income and cash receipts and payments
Changes in investing and financial activities

The statement of cash flows shows an organization's cash receipts and payments during a period. Just as for-profit organizations are required to report, FASB requires that not-for-profits divide their cash flows into the following three categories:

1. Operating activities
2. Investing activities
3. Financing activities

FASB #117 contains several modifications which not-for-profits use to report cash flows. Note that cash flows from financing activities should include both contributions restricted for long-term purposes and interest and dividends from investments restricted for long term purposes

Definitions

Contributions

Contributions, nonreciprocal receipts of assets or services, are accounted for by debiting an asset account and crediting Revenues from Contributions. Assets must be classified as either unrestricted, temporarily restricted, or permanently restricted (based on donor stipulation). Contributions are in effect non-exchange transactions in that the donor does not expect to receive equal value in return. Contributions include cash, securities, property and equipment, supplies, intangible assets, and services of professionals and craftsmen. Any exchange transaction which the organization engages in is to be accounted for as an ordinary business transactions and is always an unrestricted source of revenue.

Pledges

FASB #116 requires that not-for-profits report unrestricted pledges as income upon receipt of a pledge. However, cash to be received in future periods is considered to be time restricted and should be reported as temporarily restricted. However, use-restricted pledges are recognized as revenue in the period received or promised.

Use-restricted contributions are accounted for on the same basis as are unrestricted contributions. Restricted contributions, including pledges, are recognized as revenues in the period received, irrespective of when the resources will be expended.

Contributions of Services

Per SFAS #116 contributions of services should be recognized only if the following conditions are met:

The services are professional in nature
The organizations would ordinarily have had to pay for the services
The services create or enhance non-financial assets
The services required specified skills

If these conditions are met then expense should be debited and revenue credited. Contributions of services which do not meet the above standards are not entered into the accounting records.

Contributions of Collection Items

Regarding contributions of collection items (books, art, etc.) the FASB encourages not-for-profits to recognize the contribution as revenue and to capitalize the entire collection.

Conditional Promises

FASB Statement #116 requires that conditional promises to give shall be recognized as revenue when the conditions on which they depend are substantially met.

Pass-Through Contributions

FASB Statement #136 states that pass-through contributions should not be included in revenue (or subsequent expense). Instead an asset account should be debited and a liability account, payable to ultimate beneficiary, credited. There are two main exceptions to this rule as follows:

1. The donor has explicitly granted the recipient variance power—the right to unilaterally redirect the assets to another beneficiary
2. The donor and donee organizations are financially interrelated.

Gains and Losses on Investments

SFAS #124 requires that investments must be accounted at fair value (similar to commercial organizations) and that changes in fair value should be recorded as they occur. However, investments need not be categorized into the three categories of trading, available-for-sale, and held-to-maturity. Even debt securities that are expected to be held to maturity must be stated at fair value. Gains and losses in the fair value of securities should be reported on the statement of activities as increases or decreases in unrestricted net assets.

Depreciation

SFAS #93 requires that depreciation expense and accumulated depreciation be recognized. Since SFAS #117 requires that all expenses be reported as decreases in unrestricted net assets, depreciation expense should be reported in the unrestricted column or section of the statement of activities.

Statement of Financial Position -- Fiscal Year Ending _____

<u>Assets</u>	
Cash/Cash Equivalents	$
Inventory	$
Grants Receivable	$
Other Assets	$
Property/Equipment	$
Investments	$
Total Assets	**$**
<u>Liabilities and Net Assets</u>	
Liabilities	
Accounts Payable	$
Accrued payroll/taxes	$
Debt	$
Total Liabilities	**$**
	$
Net Assets	
Unrestrictred	$
Undesignated	$
Net investment in prop/equip	$
Temporarily restricted	$
Permanently restricted	$
Total Net Assets	**$**
Total Liabilities and Net Assets	**$**

Statement of Activities -- Fiscal Year Ending _____

	Unrestricted	Temporarily Restricted	Permanently Restricted	**Total**
Revenue				
Gifts				
Grants				
Gifts-in-Kind				
Dues				
Sales/Fees				
Investment				
Other				
Total Revenue				
Reclassifications				
Expenses				
Programs				
Supporting Activities				
G&A				
Fundraising				
Total Expenses				
Change in Net Assets				

Statement of Cash Flow -- Fiscal Year Ending _____

<u>Cash Flow From Operating Activities</u>	
Change in net assets	$
Depreciation	$
Losses	$
Other changes	$
Inventory	$
Grants receivable	$
Other	$
Net Changes in Operating Activities	$
<u>Cash Flow From Investing Activities</u>	$
Purchases	$
Sales	$
<u>Cash Flow From Financing Activities</u>	$
Net cash provided from financing	$
Change in cash/cash equivalents	$

BUDGET LINE ITEMS

Revenue		
Contributions, Support		
Direct Support		
Individuals		
Direct Appeal	$	-
Major Gifts	$	-
Bequests, Legacies	$	-
Events	$	-
Membership contributions	$	-
Donated Goods/Services		
Gifts in Kind	$	-
Professional Services	$	-
Other	$	-
Nongovernment Grants		
Corporations	$	-
Foundations	$	-
Associations	$	-
Indirect Support		
United Way	$	-
Combined Federal Campaign	$	-
Other	$	-
Government Grants		
Agency	$	-
Federal	$	-
State	$	-
Local	$	-
Earned Revenue		
Government Contracts		
Agency	$	-
Federal	$	-
State	$	-
Local	$	-
Program Fees		
Fees for services	$	-
Tuition	$	-
Other	$	-
Membership Dues and Fees		
Individual Dues	$	-
Organizational Dues	$	-
Investments		
Endowment Income	$	-
Interest Income	$	-
Royalties	$	-
Property	$	-
Other	$	-
Other		
Sales	$	-
Non-gift Income	$	-
Unrealized Gains	$	-
Total Revenue	$	-

Expenses		
Salaries and Related Expenses		
Salaries and Wages	$	-
Other Compensation	$	-
Employee Benefits	$	-
Payroll Taxes	$	-
Contracted Services		
Fundraising	$	-
Accounting	$	-
Legal	$	-
Professional - Other	$	-
Temporary Help	$	-
Lobbying	$	-
Nonpersonnel		
Advertising and Marketing	$	-
Office Expenses	$	-
IT	$	-
Supplies	$	-
Telecommunications	$	-
Postage and Shipping	$	-
Printing and Copying	$	-
Books and Subscriptions	$	-
Other	$	-
Facilities and Equipment		
Rent, Parking, Occupancy	$	-
Utilities	$	-
Equipment rental and maintenance	$	-
Depreciation	$	-
Travel and meetings		
Travel Expenses	$	-
Conferences, Meetings	$	-
Other		
Insurance	$	-
Association Dues	$	-
Staff/Volunteer Development	$	-
Other	$	-
Total Expenses	$	-
NET	$	-

Implementing Functional Accounting
Using the Unified Chart of Accounts

Wouldn't you like to know what it really costs to run your programs so you would know how much to request of a new (or old) funding source?

Academy Charities 2003

100 Research Program Report

July 2003 through June 2004 — Accrual Basis

	Health & Human Services	unrestricted	TOTAL
Ordinary Income/Expense			
Income			
6900 · Assets released fr restriction			
6910 · Satisfaction of program restric	$ 92,025.40	$ -	$ 92,025.40
Total 6900 · Assets released fr restriction	92,025.40	-	92,025.40
Total Income	92,025.40	-	92,025.40
Expense			
7000 · Grant & contract expense			
7040 · Awards & grants - individuals	5,000.00	-	5,000.00
Total 7000 · Grant & contract expense	5,000.00	-	5,000.00
7200 · Salaries & related expenses			
7220 · Salaries & wages	40,468.93	8,748.21	49,217.14
7230 · Pension expense	1,394.04	286.56	1,680.60
7240 · Other benefits	7,881.83	1,282.58	9,164.41
7250 · Payroll taxes	3,787.16	778.49	4,565.65
Total 7200 · Salaries & related expenses	53,531.96	11,095.84	64,627.80
8100 · Nonpersonnel expenses			
8130 · Telephone & telecomm	273.03	43.42	316.45
Total 8100 · Nonpersonnel expenses	273.03	43.42	316.45
8200 · Facility & equipment expenses			
8210 · Rent & parking	7,379.06	1,475.40	8,854.46
8260 · Equip rental & maintenance	1,178.75	245.90	1,424.65
8270 · Depr & amort - allowable	825.14	172.14	997.28
8280 · Depr & amort - not allowable	-	4,166.60	4,166.60
Total 8200 · Facility & equipment expenses	9,382.95	6,060.04	15,442.99
8500 · Other expenses			
8520 · Insurance	471.50	98.36	569.86
Total 8500 · Other expenses	471.50	98.36	569.86
Total Expense	68,659.44	17,297.66	85,957.10
Net Ordinary Income	23,365.96	(17,297.66)	6,068.30
Other Expense			
9830 · Capital purchases - equipment	15,000.00	-	15,000.00
9930 · Program admin (10% of direct)	8,365.96	1,729.76	10,095.72
Total Other Expense	23,365.96	1,729.76	25,095.72
Net Income	$ -	$ (19,027.42)	$ (19,027.42)

This is money that needs to be raised!

How about reports to show how much you are spending on your various programs and where you get your funding?

Academy Charities 2003

Total Expenses by Program

July 2003 through June 2004

Accrual Basis

	Jul '03 - Jun 04	% of Column
100 Research	96,052.82	19.12%
200 ED		
211 Student Ed	187,367.12	37.31%
221 Teacher Ed	100,771.39	20.06%
Total 200 ED	288,138.51	57.37%
500 M&G		
510 Management	76,922.59	15.32%
520 Governance	8,416.09	1.68%
530 Membership development	6,163.17	1.23%
Total 500 M&G	91,501.85	18.22%
600 S/E		
611 Annual Dinner	11,909.42	2.37%
621 Promotion - Annual Dinner	1,727.41	0.34%
Total 600 S/E	13,636.83	2.72%
700 Fundraising	12,932.03	2.58%
TOTAL	**502,262.04**	**100.0%**

Over half of the expenses are for this program.

Academy Charities 2003

Income Report

July 2003 through June 2004

Accrual Basis

	Jul '03 - Jun 04	% of Income
Ordinary Income/Expense		
Income		
4 · Contributed Income		
4010 · Individual contribution	$ 34,550	2.81%
4110 · GAAP in-kind services	6,200	0.5%
4120 · Non-GAAP in-kind services	5,000	0.41%
4140 · Gifts in kind	15,000	1.22%
4210 · Corporate grants & sponsorships	40,000	3.25%
4230 · Foundation & trust grants	62,000	5.03%
4520 · Federal grants	775,000	62.92%
4540 · Local government grants	150,000	12.18%
Total 4 · Contributed Income	1,087,750	88.31%
5 · Earned Revenue		
5180 · Program service fees	25,500	2.07%
5210 · Membership Dues	83,641	6.79%
5310 · Interest on savings	1,090	0.09%
5320 · Dividends & interest-securities	2,625	0.21%
5440 · Gross sales - inventory	1,145	0.09%
5490 · Other revenue	4	0.0%
Total 5 · Earned Revenue	114,004	9.26%
5800 · Special Events		
5810 · Special events revenue(nongift)	4,500	0.37%
5820 · Special events contributions	25,500	2.07%
Total 5800 · Special Events	30,000	2.44%
Total Income	$ 1,231,754	100.0%

Over 80% of the funding is from contributions.

Wouldn't it be nice if your accounting records mirrored the Form 990 and GAAP requirements for reporting?

Academy Charities 2003

Income Tax Summary

As of June 30, 2004

	Accrual Basis Jun 30, 04
Pt I-Contribs	
Direct public support	136,550.00
Government contribs	925,000.00
Noncash contribs	15,000.00
Pt VII-Income	
(e)-Program service rev.	25,500.00
(e)-Membership dues	83,640.83
(d)-Interest-savings	1,089.50
(d)-Div/int-securities	2,625.00
(e)-Other revenue	3.70
Pt I-Other Rev	
Gross receipts-special events	4,500.00
Contributions-special events	(25,500.00)
Gross sales of inventory	1,145.00
Pt II-Col(B)-Program Svcs	
Grants/allocations-cash	5,000.00
Officers' compensation	63,331.61
Other salaries/wages	147,723.49
Pension plan contributions	7,200.00
Other employee benefits	39,299.00
Payroll taxes	19,560.01
Supplies	43,256.00
Telephone	1,199.00
Postage and shipping	526.82
Equip rent/maintenance	17,656.81
Printing and publications	42,782.00
Travel	1,038.00
Conference/conventions/mtgs	3,500.00
Other expenses	21,045.00
Pt II-Col(C)-Mgmt/Gen	
Accounting fees	6,120.00
Occupancy	37,400.00
Interest	2.30
Depreciation	26,422.00
Pt II-Col(D)-Fundraising	
Prof fundraising fees	5,000.00

You can get these reports (and more!) by using the implementing functional accounting with the Unified Chart of Accounts.

FUNCTIONAL ACCOUNTING

Functional accounting is an approach to recording your financial activity that has many similarities to traditional cost or managerial accounting. While there is no official requirement that we take this approach, it provides an ideal method for both tracking the real costs of program and supporting activities – a valuable tool for management decision-making – and for meeting external reporting requirements.

Many organizations are required to provide audited financial statements to their lenders, funding sources, and boards and private or government funders prepared in accordance with Generally Accepted Accounting Principles (GAAP). GAAP requires a breakdown of expenses by major program function. The IRS Form 990 also requires that you identify how money is spent by the broad functions of Program, Management, and Fundraising (Part II) and that you break out the Program expenditures into four main accomplishments (Part III). GAAP financial statements (audits) require this same breakdown of expenditures plus a Statement of Functional Expenses that elaborates on the activities of these three functions.

The Form 990 is public information and is available for all public charities on the GuideStar website (www.guidestar.org). Watchdog groups, the press, and grant-makers examine these numbers and make judgments about the efficiency and worthiness of individual organizations and the sector as a whole. Funding sources often want to know how much the entire program costs, not just their portion of it.

To meet these reporting needs, the well-managed organization first identifies all the direct costs associated with each major activity and fairly allocates all common (indirect) costs associated with maintaining the activities. Only after all the costs of the program are known does the organization determine which funding source(s) can and will pay those costs.

Some organizations have come to think of their grants as programs, both in their accounting system and in their "self-talk." Instead of talking about their (say, job training) program, they refer to it as the Big Bucks [Foundation] program. This is misleading and self-limiting. For starters, the only costs that will be charged to the Big Bucks program are those that will be paid by the funder. There is no place to put any costs of the job training program that won't be paid by the funder, so those costs usually end up in Management. So what, you say? Two bad things happen with this – Management costs are overstated and you don’t know how much it actually costs to run the program. If you don’t know the real costs of a program, you may continue a non-viable program past its reasonable end. You also don’t know how much to ask another funding source to provide to continue the program.

The key here is that you need to know what it really costs to accomplish your mission and who is helping pay those costs. With the true financial picture in hand, you have a much better case for asking for additional or new funding, and for making wise management decisions.

HISTORY OF THE UNIFIED CHART OF ACCOUNTS (UCOA)

The UCOA was years in the making, and continues to be developed. The concept and design of a standard chart of accounts for nonprofits actually dates back to 1974 when Russy Sumariwalla developed his "Illustrative Chart of Accounts, UWA Accounts Coding System (UWAACS)."   "I-COA" was published in *the United Way of America Accounting and Financial Reporting Guide*, first in the 1974 edition and updated in the 1987 edition.

In 1994, Bill Levis simply made a copy of the 1987 "Illustrative Chart of Accounts" and annotated it with the corresponding Form 990 line items and called it the "Model Chart of Accounts." In 1998, the State of Tennessee published their *Accounting and Financial Reporting for Not-for-profit Recipients of Grant Funds in Tennessee* guide with an adaptation of the Model COA titled "Universal COA." The cross-reference to OMB Circular A-122 was added at that time. In 2000, the California Association of Nonprofits' Quality Reporting Project Task Force vetted the Universal COA. This was included in *Unified Financial Reporting System* by Russy and Bill, published by Jossey-Bass, as the “Unified COA.”

Like Part II of Form 990, UCOA consists, in part, of generic “natural” accounts that can be used by any organization and program. In addition to the Form 990 accounts, it has accounts needed for GAAP (audited) financial statements and for A-133 Single Audit reports. As Bill Levis continues his work with more state and federal agencies, UCOA is being expanded to include accounts needed for federal and state grant reports. We are especially excited to be working with the federal government and the National Association of State Auditors, Comptrollers, and Treasurers (NASACT) on their grants streamlining project that will result in more standard requirements across state and federal agencies and in an electronic means of applying for and reporting on federal grants and contracts.

We are still working on this Chart. As the federal and state governments create their on-line reporting and revise their paper reporting, UCOA will be modified to make this reporting more efficient. UCOA is a living document and we welcome, make that **request**, your thoughts on improving it.

THE PURPOSE OF UCOA

The "U" in UCOA stands for Unified – the unification of all your financial reporting needs into one set of accounting records. By using a generic chart of accounts and a well-thought-out chart of activities, you should be able to produce meaningful reports for everyone who needs them with the least amount of effort.

UCOA is a framework for functional accounting of your organization's finances. It can help to simplify and organize your approach to financial record-keeping, while providing more and better information for management, the board, the IRS, and your funding sources. UCOA can be used with any accounting system and by any size organization.

UCOA and Functional Accounting can increase the efficiency and accuracy not only of your accounting department, but of the organization as a whole. Many program managers (and sometimes Executive Directors!) in many organizations keep what we call parallel sets of books. They are not getting what they need from their accounting departments and feel compelled to do their own tracking of grant and program expenses. This is not good use of a program manager’s time and energy and is prone to lots of human error. The accounting department should be able to provide this information.

With a well-planned accounting structure and good internal processes, you will be able to provide grant, program, budget, Board, auditor, fundraising, and other management reports quickly, accurately, and consistently. Reports prepared for one audience, say the IRS, will agree with those prepared for others such as the Board. The system will be unified.

THE STRUCTURE OF UCOA

1. The first part of UCOA is the lines or rows, those generic natural account names that any organization could use. These include the Balance Sheet accounts – assets (cash, equipment, receivables), liabilities (payables, deferred income, loans), and equity (known to not-for-profit organizations as net assets) – as well as the Income Statement accounts – income (contributions, dues, grants) and expense (salaries, postage, travel). The really important thing about these accounts is that they are generic and make no reference to what program or funding source any activity relates.

2. The second part of UCOA is the activity part, those columns for tracking activities. In addition to providing functional information required by Form 990 and GAAP statements, functional costing provides invaluable program and management information. Whether or not program expenses are paid by a grant, you need to know the true costs of carrying out your mission. Using functional accounting, an organization can meet its reporting obligations and obtain useful operational information with one set of accounting records, saving time and increasing accuracy by entering financial data only one time.

3. Then there is the third dimension, your funding sources. Many accounting software packages (QuickBooks, for sure) will allow you to track all revenues and expenses associated with particular sources of revenues (grants).

There are five broad categories of accounts, each with its sub-categories:

Balance Sheet Accounts

1. <u>Assets</u>
    a. *Current assets* – cash and cash equivalents; short-term investments; accounts receivable; inventory; prepaid expenses
    b. *Fixed assets* – furniture; equipment; building; leasehold improvements; accumulated depreciation
    c. *Noncurrent assets* – long-term investments; capitalized collections; long-term accounts receivable; land and other natural resources; long-term prepaid expenses and deposits; split-interest assets; security deposits
2. <u>Liabilities</u>

    a. *Current liabilities* – accounts payable and accrued expenses; deferred revenue; refundable advances; current portion of long-term obligations
    b. *Noncurrent liabilities* – long-term obligations; government-owned fixed assets; split-interest liabilities

3. Net Assets or Equity
    a. unrestricted net assets
    b. temporarily restricted net assets
    c. permanently restricted net assets

Income Statement Accounts

4. Revenues
    a. Contributed revenues – direct contributions; donated goods and services; government and other grants; split-interest agreement revenues; United Way and other indirect contributions
    b. Earned revenues – government contracts; program sales and fees; dues; investment revenues; other revenues
    c. Special event revenues
        i. non-gift portion
        ii. gift portion
5. Expenses
    a. Grants, contracts, and direct assistance
    b. Salaries and related expenses – salaries; pension contributions; employee benefits; payroll taxes
    c. Contract service expenses - fundraising fees; accounting fees; legal fees; professional fees; donated services
    d. Non-personnel expenses – supplies; telephone; postage; printing
    e. Facility and equipment expenses – rent , parking, and utilities; equipment rent and maintenance; depreciation; donated use of facilities
    f. Travel and meetings expenses
    g. Other expenses – interest; insurance; advertising; taxes
    h. Non-GAAP expenses - capital purchases; payments to affiliates; additions to reserves; program administration (indirect) expenses

Activities/ Functions/Programs/Purposes. Form 990 refers to functions in Part II Statement of Functional Expenses where you are required to show expenses by the three functions of Program, Management, and Fundraising. In audited (prepared according to GAAP) financial statements, there is also a Statement of Functional Expenses. This statement has two main headings – Program Services and Supporting Services – with further breakdowns.

Supporting Services are broken down into Management, Membership Development, and Fundraising while Program Services are broken down in whatever way best presents the activities of the organization. The fact that the Statement of Functional Expenses provides detail for the Statement of Activities and that both use the same program descriptions indicates that even GAAP thinks that the terms "Activity" and "Function" are interchangeable. Other words that are used to mean the same thing are Programs, Purposes, Cost Centers, and Service Efforts. In QuickBooks they are called Class and Sub-Class.

1. **Program services** are the activities that relate to your mission and that result in the delivery of goods or services to your beneficiaries. The more mission-related activities your organization has the more columns and sub-columns you will have in the *Program Services* sections of your Statements of Activities and of Functional Expenses. UCOA suggests identifying the four major functions of the organization (corresponding to Part III of Form 990 and the GAAP Statement of Functional Expenses), with specific activities of each function as sub-functions. An example would be an organization with major program functions of Education and Research. Within the Education function, it could have age-group activities (pre-school, primary, and secondary), subject activities (science, humanities, and engineering), or location activities (downtown, uptown, and suburban). Our sample organization has two activities within the education function – student and teacher education.

   If your organization does any lobbying, you will need to track the two kinds of lobbying – direct lobbying and grass-roots lobbying.

2. **Supporting services** are those activities of your organization that are not program services. Indispensable as they are to the existence of an organization that is able to deliver mission-related program services, they are not directly related to those program services. There are three major categories of supporting services – management & general/governance (M&G), membership development, and fundraising.

   a. *Management & general/governance* services are those that relate to the overall direction of the organization. They include such activities as:
      i. Office management

ii. Human resource management
iii. Annual report preparation
iv. Legal services
v. Auditing and accounting services
vi. Board and committee meetings
vii. Material acquisition and distribution
viii. Organizational planning
ix. Exchange transaction solicitation
x. Reception, mailroom, & switchboard

If you have government grants, you will need to track certain other supporting service activities (if you have them) as *Unallowable M&G* because OMB Circular A-122 defines them as unallowable for both reimbursement and in calculating your indirect rate. Of particular interest are:

i. Investment management,
ii. Labor relations,
iii. Public relations, and
iv. Other unallowable M&G.

b. *Membership Development* activities relate to the solicitation and retention of members. This includes activities such as member database maintenance, dues collection, and other member relation activity. Members are those who receive some significant benefit or acquire duties as a result of their membership. If there are no significant benefits or duties related to membership, then the activities are actually fundraising. For example, the $30 contribution you might make to become a "member" of your local public radio station is, for most accounting and IRS purposes, treated as a contribution, not as membership dues, and any associated costs are treated as fundraising expenses.

c. *Fundraising* activities are those related to the solicitation of contributions, grants, and services.

A special kind of fundraising is a special event which has two components to track – production of the event and promotion of the event. The costs of production are also referred to as the cost of direct benefits to the donors (such as the cost of a dinner). These are costs of an exchange transaction (M&G) not fundraising costs, and are netted against the exchange portion of the revenue in Part I of Form 990 (line 9). The costs of conducting and promoting the event are fundraising costs and are reported in the Fundraising column of Part II of Form 990; with the revenues reported in Part I (line 1a).

3. **Cost Pools.** As a practical matter, some costs need to be pooled together before they are assigned or allocated to your organization's activities. The most common cost pools are:

    a. Salaries and related expenses
    b. Facilities expenses
    c. Central service centers like the IT department

    These "activities" are used to collect expenses during the period (usually month), then are emptied by dispersing them line by line at the end of the period to the programs. The allocations are done on some reasonable basis - timesheets for salaries – and result in a zero balance in the cost pool.

    Notice that we have yet to mention funding sources or grants. Each of these three pieces of information – account, activity, and funding source – is a discrete and separate data point. There is no duplication of information among them. Your accounting software needs to have the ability to track and report on various combinations of these data.

- 100 Research
- 200 ED
    - 211 Student Ed
    - 221 Teacher Ed
    - 299 Education program admin
- 300 Conference
- 500 M&G
    - 510 Management
    - 520 Governance
    - 530 Membership development
- 600 S/E
    - 611 Annual Dinner
    - 621 Promotion - Annual Dinner
- 700 Fundraising
- 911 Occupancy Cost Pool
- 921 Salaries Cost Pool
- 998 Time Restricted Funds
- 999 Perm Restricted Funds

Activity List for Academy Charities

Funding sources. Your funding can come in three different forms:

1. Unrestricted contributions and earned revenues
    a. Designated for purpose
    b. Designated for quasi-endowment
    c. Undesignated
2. Temporarily Restricted contributions and grants
    a. Restricted to a special purpose
    b. Restricted to a certain period of time
3. Permanently Restricted contributions
    a. Earnings are temporarily restricted
    b. Earnings are not restricted

Only funding that is donated from outside the organization is considered legally restricted. It is a common mistake to refer to activities as being restricted, usually because of thinking of grants as activities. Many programs are funded by a combination of restricted and unrestricted grants and gifts, and earned revenues. Regardless of source or level of restriction, funding and revenues are the means to accomplish your mission ends. Funding is not an end in itself.

Temporarily Restricted funds are contributions that are restricted by the donor to either purpose or time. Purpose restrictions are met by spending the funds on the program or activity specified by the donor. Time restrictions are met by the passage of time. In either case, once the restrictions have been met, the funds are released to Unrestricted funds.

Permanently Restricted funds are contributions that the donor has stated must be kept in perpetuity. Earnings from the funds may be temporarily restricted to purpose or time, or they may be unrestricted. In addition to donor specification of permanent restriction, the fund may be increased with funds that were temporarily restricted but the organization was unable to meet the restriction. If the organization cannot meet the purpose or time restriction of a gift and it is not possible to return the gift, then it turns into a permanently restricted gift.

Some *Unrestricted* funds may be designated by the Board for specific use. These are similar to Temporarily Restricted funds, but are considered Unrestricted because the Board can change its mind on the designation.

The matters of identifying funding sources and of tracking the receipt and release of restricted and designated funds lead to some interesting bookkeeping challenges. Some high-end not-for-profit accounting software packages are set up to track restrictions on funding. Off-the-shelf accounting software such as QuickBooks and Peachtree will have to be manipulated into doing this tracking.

The illustrations in this Guide are from a QuickBooks ® file. QuickBooks ® is the most widely used accounting software package for small and medium sized not-for-profit organizations, and is relatively easily adapted to their needs.

In any case, expenses that are paid by a grant for a particular purpose or period of time have to be associated with that grant. In addition to coding an expense with an account and an activity, you will need to specify the funding source. With activities that are funded by several funding sources, the decision of which grant to charge with what expenses often occurs at the end of the month. The program or grant manager looks at all the costs for that activity for the month and distributes them according to the terms of the grants, funds left to spend in the grants, and other factors. It is important to remember that expenses are assigned to the activity first and the funding source second.

There are often costs of an activity that are not paid by the grants. Depending on the software, you may need to identify these expense with a funding source called “unrestricted.” Without this information, the organization will not know the full costs of carrying out the activity.

INSTALLING THE UNIFIED CHART OF ACCOUNTS

1. Accounts

You can either adopt the UCOA in its entirety, or you can use it to evaluate and improve your existing chart of accounts. Either way, you need to start with a copy of your current chart of accounts and a copy of UCOA. As you work your way down the charts, write the corresponding account number(s) on the other chart.

For example, let’s assume that on your chart you have three accounts for supplies:

a. 7566 Office supplies
b. 8614 Computer supplies
c. 9687 Program supplies

Write the number 8110 (Supplies from UCOA) next to each of these supplies accounts on your current chart. Write the numbers 7566, 8614, and 9687 next to 8110 Supplies on the UCOA list. Do this until you have cross-referenced as many accounts as you can. Some problems may begin to surface.

a. UCOA has two or more accounts where your chart has one. An example of this would be if your chart had one account for Legal and Accounting Expenses. UCOA has two separate lines--7520 Accounting fees and 7530 Legal fees--because Form 990 has two lines, 31 Accounting fees and 32 Legal fees. To provide the information needed for Form 990, you will need to separate your one account into two.

b. UCOA has one account and your chart has two or more. For instance, your organization may need to track several kinds of professional services, making the one UCOA account, 7540 Professional fees, inadequate. The next UCOA number is 7550, so there is plenty of room for you to break down your professional fees into sub-accounts such as 7541 Artistic fees and 7542 Technical fees.

c. **UCOA has nothing at all like your account.** This usually occurs when you have an account line that is actually an activity. A board of directors' expense account won't translate to UCOA (or Form 990) because the expenses charged to it belong in several UCOA accounts – printing, salaries, telephone, supplies, etc. This is a signal that you need to restructure your chart of activities. You will have to decide whether to add a new activity or integrate this activity into an existing one.

If your existing chart of accounts is in relatively good shape, you can simply modify it with new or renamed/renumbered accounts from UCOA. You do not have to change your account numbers; however, if you find that you need to rearrange a lot of accounts you may want to simply adopt the UCOA numbers. If you use QuickBooks ® and choose to import the chart of accounts from our template, you gain the advantage of having all the accounts already associated with the Form 990 lines.

If your chart is in bad shape, it might be best to start a new file. QuickBooks users can download a template file from the California Association of Nonprofits (CAN) website. It contains the full UCOA, some memorized reports, and a sample chart of activities. Once you have restored this file, you enter your organization's name and address and rename the file. All of the accounts are inactive, so you will have to activate the ones you need at the moment. The advantages of doing it this way are that you don't have to do the work of setting up all those accounts, and you have the full account list in place when you need to add an account.

In addition to the UCOA chart itself, there are also two content lists. They are actually the same list sorted in two different ways. One list is in the order of the UCOA account numbers. It shows you some of the many alternate and additional names for each UCOA account. The other version of the content list is sorted alphabetically so you can look up an account name to see to which UCOA account it belongs. We are always working to improve the UCOA and its tools. Please let us know of additional account names to add to these content lists.

2. Activities

The last page of the UCOA chart provides a suggested framework for numbering and organizing your activities. The more programs an organization has, the more columns and sub-columns it will have in the program section of its Statement of Functional Expenses. UCOA suggests identifying the four major functions of the organization (corresponds to Part III of Form 990 and GAAP Statement of Functional Expenses) with specific activities as sub-functions. However the activities are structured, they need to reflect the actual accomplishments of the organization, as well as its staffing and physical structures. The accounting structure does not stand on its own – it is a reflection of the organization and it exists to support the furtherance of the mission of the organization.

Surprisingly, the exercise of identifying your organization's activities can be very difficult, especially if the organization has been primarily focused on grants instead of activities. Be prepared to involve the entire staff in developing the chart of activities. You will need everyone's understanding and cooperation because this chart then becomes the basis for your timesheet. Staff salaries are as much a direct cost as supplies and travel. Full costing can be achieved only when all staff salaries have been assigned to the appropriate activities, and common (indirect) costs such as rent and copier rental have been allocated to the activities.

The activity numbers use three digits to distinguish them from the four-digit account numbers. We encourage using numbers because they take up less space and are less ambiguous than various wordings of activity names. They also facilitate keeping the activities in a certain order and making the relationships of sub-activities clear.

100 – 499 Program Services and Activities

- 100 Program or Function A
  - 110 Activity 1
  - 120 Activity 2
  - 199 Program A administration
- 200 Program or Function B
  - 210 Activity 3
  - 220 Activity 4
  - 299 Program B administration
- 300 Program or Function C
  - 310 Activity 5
  - 320 Activity 6
  - 399 Program C administration
- 400 Program or Function D
  - 410 Activity 7
  - 420 Activity 8
  - 459 Program D administration
- 460 Lobbying Program
  - 461 Lobbying
  - 462 Grassroots lobbying

500 – 599 Management & Governance

- 510 Management
- 520 Unallowable Management
- 530 Governance (Board of Directors)
- 550 Membership development

600 – 699 Special Events

- 610 Special event production (exchange portion)
- 620 Special event promotion (fundraising portion)

700 - 799 Fundraising

800 – 899 Cost pools

- 810 Central services expense cost pool
- 820 Salary & related expenses cost pool
- 830 Facilities expenses cost pool

900 – 999 Special Use (for QuickBooks ® users)

- 910 Board-designated funds
- 920 Quasi-endowment (board-designated) funds

930 Fixed assets (board-designated) funds

950 Use-restricted funds
960 Time-restricted funds

990 Endowment (permanently restricted) funds

3. Funding Sources

If you are using QuickBooks ®, each funding source is a Customer and each individual grant is a Job under the Customer. Even if a grant funds multiple programs, it is still just one grant. In the end you will have to report on how that grant was spent. With funding source and activity being recorded in separate data fields, you will be able to report on which activities were funded by each grant. It is also useful to have a history of all the grants that a particular funding source has provided; hence the need to have the grants be jobs or some other "sub" under the customer.

TRANSACTION CODING

In general, Balance Sheet accounts (assets, liabilities, and equity) do not need to be associated with the other account number segments of activity and funding source. The Balance Sheet accounts stand on their own and are not related to specific activities or grants. Income Statement accounts (income and expense) should always be associated with both an activity and a funding source, even if the funding source is just "unrestricted."

ALLOCATIONS OF COMMON COSTS

According to OMB Circular A-122:

> Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective….. After direct costs have been determined and assigned directly to awards or other work as appropriate, indirect costs are those remaining to be allocated to benefiting cost objectives.

Common Costs are those that benefit more than one activity. There are Common Costs that benefit the entire organization, such as office rent, and there are Common Costs that benefit a particular program, such as program facility rent. In our example, Academy Charities has an Education Program with two activities of Student Education and Teacher Education. There will likely be costs of managing the Education program. These can be tracked in an additional activity called Education Program Administration.

In addition to true Common Costs, there are certain costs that are just too difficult to assign to the activities that benefit from them. Salaries and related benefits and taxes are the most notable example. These are direct costs to each program and activity; however, they are most easily handled by pooling them and “allocating” them at the end of the month. We use the same word – allocate – to describe both the assignment of salaries, taxes, and benefits and the allocation of common costs.

To top off the allocation confusion, there are also Management costs that can be allocated as Indirect Costs. There are several methods of determining Indirect Costs for government grants (see OMB Cir. A-122). The simplest method is to use the M&G function as the indirect cost pool. All direct costs are assigned, all salaries and related costs are “allocated as if direct,” and all common costs are allocated to the individual activities (including Management). Then, for management and grant purposes only, all of the Management costs are allocated to the other activities in one account as Indirect Costs.

All of these allocations are done at the end of the period, ideally monthly, using some fair and consistent procedure. There are no hard and fast rules about how you must calculate these allocations. OMB Circular A-122 simply states that common costs “are allocated individually to benefiting functions by means of a base which best measures the relative degree of benefit.” In the Washington, DC area auditors commonly refer to the “Washington Post test” as a means of evaluating an allocation procedure. If you are willing to see your methods described in detail on the front page of the Post for the entire world (and your mama) to see, then it is probably a fair method.

Different types of common costs suggest different allocation bases. Employee salaries, benefits, and taxes should be allocated by the relative amounts of time spent on each of the activities. Facilities costs (rent, office equipment rental, telephone service, etc) could be allocated on square footage in some cases. In others, there is no way to assign square feet to activities because each staff person works on many activities so a better method might be the same time and effort reporting used for salaries. Specific program administration costs might best be allocated on relative direct costs. A Central Service cost pool such as Client Intake or Information Technology might be allocated based on some non-financial unit of use. Whatever base is chosen should be used consistently and evaluated annually.

In many cases the single base used for all allocations will be time and effort reporting by staff. This requires that each staff member track their time according to the organization's chart of activities. Time should be tracked on actual hours worked for each of the organization's activities, even for exempt employees. The objective is to convert the time worked to percentages of effort which are then applied to the various common costs. The actual allocation is accomplished with a journal entry that debits the individual expense accounts in each of the activities and credits the same expense account in the Cost Pool. When all accounts have been allocated, the Cost Pool has a balance of zero and disappears from the Functional Expense Statement.

You may be tempted to allocate all common costs at once using a special allocation account. That method is good for central service pools and sometimes for facilities costs, but does not meet outside reporting requirements for salaries, benefits, and taxes. The salaries and related costs should be allocated line by line to each of the activities.

With multiple cost pools, the order in which you record the allocations is often important. For instance, your salaries and facilities cost pools may benefit the central service cost pool. You will have to allocate salaries and facilities costs before allocating the central service costs. Program administration cost pools will be allocated after all the organization-wide cost pools have been allocated.

REPORTS

Having recorded and allocated all your expenses, you will be able to produce very useful reports for both internal and external audiences. For Form 990 and GAAP, you will have a Balance Sheet and an Income Statement – known respectively as the Statement of Financial Position and the Statement of Functional Expenses. QuickBooks ® cannot produce a proper Statement of Activities, but all the information is there. The problem with the Statement of Activities is that the Income section is presented by individual account (contributions, program service fees, etc.) while the expenses are presented by activity. It is a hybrid report that QuickBooks ® just can't make yet.

The **Functional Income Statement** is a spreadsheet that shows each of the income and expense accounts as the rows with columns for the activities. This report is usually wide and long, so the columns as well as the rows have been collapsed in this sample.

Academy Charities 2003

Functional Income Statement

July 2003 through June 2004

Accrual Basis	Research total	Education total	M&G total	Annual Dinner total	700 Fundraising	996 Reserves	998 Time Restr	999 Perm Restr	TOTAL
Ordinary Income/Expense									
Income									
4 · Contributed Revenue	0.00	200,000.00	1,200.00	15,000.00	32,050.00	2,500.00	787,000.00	50,000.00	1,087,750.00
5 · Earned Revenue	0.00	26,648.70	87,355.33	0.00	0.00	0.00	0.00	0.00	114,004.03
5800 · Special Events	0.00	0.00	0.00	30,000.00	0.00	0.00	0.00	0.00	30,000.00
6900 · Rev released fr restr	92,025.40	210,486.79	0.00	0.00	0.00	0.00	(302,512.19)	0.00	0.00
Total Income	92,025.40	437,135.49	88,555.33	45,000.00	32,050.00	2,500.00	484,487.81	50,000.00	1,231,754.03
Gross Profit	92,025.40	437,135.49	88,555.33	45,000.00	32,050.00	2,500.00	484,487.81	50,000.00	1,231,754.03
Expense									
7000 · Grant & contract exp	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,000.00
7200 · Salaries & related exp	64,627.80	93,674.43	108,941.29	4,727.16	5,143.43	0.00	0.00	0.00	277,114.11
7500 · Contract services	0.00	35,000.00	7,200.00	0.00	5,000.00	0.00	0.00	0.00	47,200.00
8100 · Nonpersonnel exp	316.45	78,590.03	619.99	1,000.00	237.35	7,000.00	0.00	0.00	87,763.82
8200 · Facility & equip exp	15,442.99	44,886.18	19,464.23	357.60	1,327.81	0.00	0.00	0.00	81,478.81
8300 · Travel & meetings exp	0.00	1,500.00	38.00	3,000.00	0.00	0.00	0.00	0.00	4,538.00
8500 · Other exp	569.86	2,358.30	2,304.54	717.88	66.72	0.00	0.00	0.00	6,017.30
8600 · Business exp	0.00	150.00	0.00	0.00	0.00	0.00	0.00	0.00	150.00
Total Expense	85,957.10	256,158.94	138,568.05	9,802.64	11,775.31	7,000.00	0.00	0.00	509,262.04
Net Ordinary Income	6,068.30	180,976.55	(50,012.72)	35,197.36	20,274.69	(4,500.00)	484,487.81	50,000.00	722,491.99
Other Income/Expense									
Other Income									
6800 · Unrealized gain(loss)	0.00	0.00	(3,500.00)	0.00	0.00	0.00	0.00	0.00	(3,500.00)
Total Other Income	0.00	0.00	(3,500.00)	0.00	0.00	0.00	0.00	0.00	(3,500.00)
Other Expense									
9930 · Indirect (10% of direct)	10,095.72	31,979.57	(47,066.20)	3,834.19	1,156.72	0.00	0.00	0.00	0.00
Total Other Expense	10,095.72	31,979.57	(47,066.20)	3,834.19	1,156.72	0.00	0.00	0.00	0.00
Net Other Income	(10,095.72)	(31,979.57)	43,566.20	(3,834.19)	(1,156.72)	0.00	0.00	0.00	(3,500.00)
Net Income	**(4,027.42)**	**148,996.98**	**(6,446.52)**	**31,363.17**	**19,117.97**	**(4,500.00)**	**484,487.81**	**50,000.00**	**718,991.99**

Academy Charities 2003 **100 Research Program Report** July 2003 through June 2004 Accrual Basis	HHS Research Grant	unrestricted	TOTAL
Ordinary Income/Expense			
Income			
6900 · Assets released fr restriction	92,025.40	0.00	92,025.40
Total Income	92,025.40	0.00	92,025.40
Gross Profit	92,025.40	0.00	92,025.40
Expense			
7000 · Grant & contract expense	5,000.00	0.00	5,000.00
7200 · Salaries & related expenses	53,531.96	11,095.84	64,627.80
8100 · Nonpersonnel expenses	273.03	43.42	316.45
8200 · Facility & equipment expenses	9,382.95	6,060.04	15,442.99
8500 · Other expenses	471.50	98.36	569.86
Total Expense	68,659.44	17,297.66	85,957.10
Net Ordinary Income	23,365.96	(17,297.66)	6,068.30
Other Income/Expense			
Other Expense			
9800 · Capital purchases	15,000.00	(15,000.00)	0.00
9930 · Program admin (10% of direct)	8,365.96	1,729.76	10,095.72
Total Other Expense	23,365.96	(13,270.24)	10,095.72
Net Other Income	(23,365.96)	13,270.24	(10,095.72)
Net Income	**0.00**	**(4,027.42)**	**(4,027.42)**

REFERENCES

There are many books and articles written on accounting for not-for-profit organizations, as well as the many rules and regulations of the state and federal governments. Listed below are some of the references that contain information on functional reporting

<u>Federal Government rules and regulations</u>.

http://www.irs.gov or 1-800-TAX-FORM (829-3676)

The **Internal Revenue Service** has many forms and publications of interest to not-for-profit organizations. In addition to the forms and publications, there are articles on various subjects on the web site. The forms, publications, and articles can be downloaded from the website or ordered over the telephone. You may get some help on the telephone, but it is best if you already know the form or publication number before you call.

> http://www.irs.gov/pub/irs-pdf/i990-ez.pdf
> Instructions for Form 990, Return of Organization Exempt from Income Tax
> Specific Instructions for Form 990
> Part II Statement of Functional Expenses
> Part III Statement of Program Service Accomplishments

http://www.whitehouse.gov/omb

The federal **Office of Management and Budget** is charged with, among other things, overseeing federal procurement policies which include the awarding of federal grants and contracts to exempt (not-for-profit) organizations.

http://www.whitehouse.gov/omb/circulars/a122/a122.html
Circular A-122 Cost Principles for Nonprofit Organizations
Attachment A General Principles
Part C. Indirect Costs
Part D. Allocation of Indirect Costs and Determination of Indirect Cost Rates

Generally Accepted Accounting Principles.

http://www.aicpa.org

The **American Institute of Certified Public Accountants** publishes the *AICPA Audit and Accounting Guide – Not-for-Profit Organizations.* Chances are that your auditor has a copy of this guide in her briefcase. It is the primary reference auditors use to determine whether or not your accounting practices are in accordance with GAAP.

http://www.fasb.org

The **Financial Accounting Standards Board** sets the accounting rules that must be followed for audited financial statements.

http://www.fasb.org/pdf/fas117.pdf
Statement of Financial Accounting Standards No. 117
Financial Statements of Not-for-Profit Organizations
paragraphs 26 – 28 Information about an Organization's Service Efforts
paragraphs 56 – 64 Statement of Functional Expenses

Non-authoritative, but very useful interpretations, of GAAP.

http://www.wiley.com

The publisher John Wiley & Sons, Inc. offers many titles of interest to not-for-profit organizations on all aspects of their existence. There are two titles that are particularly relevant to this discussion.

Wiley Not-for-Profit GAAP 2003: Interpretation and Application of Generally Accepted Accounting Principles for Not-for-Profit Organizations 2003 by Richard F. Larkin, Marie DiTommaso
Chapter 14 Functional Reporting

Not-for-Profit Accounting Made Easy by Warren Ruppel
Chapter 5 Accounting for Activities with Joint Costs and Indirect Cost Allocation

http://www.ppcnet.com

The **Practitioners Publishing Company** publishes lots of technical books for accountants, most of which are of no interest to not-for-profit managers. However, there are three books that are of such interest that we advise all our clients to get them. They contain clearly written explanations of why and how to manage every possible financial issue of not-for-profit organizations

PPC's Nonprofit Financial and Accounting Manual
Paragraphs 205.4 – 205.7 Functional Classifications
Paragraphs 707.4 – 707.9 Functional Allocation Methods

PPC's Guide to Nonprofit Expenses
Section 102 Functional Expense Reporting
Section 103 Allocation of Expenses to More than One Function
Section 104 Financial Statement Presentation of Expenses

PPC's Guide to Nonprofit Contributions
Contains nothing on functional reporting or allocations, but is useful for understanding the revenue side of reporting

http://www.nassembly.org

The National Health council and the National Assembly of Health and Human Services Organizations publish what is referred to as the "Black Book."

Standards of Accounting & Financial Reporting For Voluntary Health & Welfare Organizations

You can get a copy of UCOA online from either the California Association of Nonprofits (**www.CAnonprofits.org**) or the National Center for Charitable Statistics (**nccs.urban.org/ucoa/nccs-ucoa.htm**). At the CAN site, click on Financial Support and then on Quality Reporting Project. If you want to learn more about the rationale behind UCOA, check out _Unified Financial Reporting System for Not-for-Profit Organizations: A Comprehensive Guide to Unifying GAAP, IRS Form 990 And Other Financial Reports Using a Unified Chart of Accounts_ by Russy Sumariwalla and Wilson Levis available from Jossey-Bass at **www.josseybass.com**

CHART OF ACCOUNTS

This is important link for Unified Chart of Accounts that is opensource for Nonprofit organizations and coincides with changes in the 990's.

UNIFIED CHART OF ACCOUNTS (UCOA)

The National Center for Charitable Statistics (NCCS) in conjunction with the Support Center of Washington, the California Association of Nonprofits (CAN), CompassPoint Nonprofit Services and the California Society of CPAs have developed a Unified Chart of Accounts (UCOA) for nonprofits. The UCOA is designed so that nonprofits can easily translate their financial reports into the categories required on IRS Form 990. The following link allows you to view the accounts and keywords, as well as freely download the UCOA in either a MS Excel spreadsheet or MS Access database.

http://www.mncn.org/info/template_fin.htm

Each accounting system has both a numbered and a label for each account that you establish. It is important to set up your accounts so that they match your budget in order to compare your budget projections with actual expenses.

In QuickBooks for Non-Profits – there are **accounts and classes**. Think of the difference between rows and columns in a spreadsheet. Rows are your accounts and classes are your columns. A program based budget will use columns for each program and it is useful to use classes within your accounting system so your financial system can provide you management information.

Accounts are the line items for your revenue and expenses. Subaccounts can be set up to track smaller expenses such as plane fare, food, and parking within an account called Travel. Another example would be an account for Insurance with subaccounts for Directors and Officers, General Liability and Auto Insurance.

Classes and subclasses are for your programs. All nonprofits must track Administration and Fundraising so these would each be a class. Other programs and not projects would be your major services organized or clustered into two to five categories. Subclasses are projects or funded activities that you want to account for separately. So a program might be Family Services and a subclass might be the Fathering project.

The following page contains a sample list for a chart of accounts. If you are using an accounting software this should be easy to set up.

Sample Chart of Accounts for Nonprofit

Statement of Financial Position
Assets

Financial Statement Titles	**Account Titles**	**Account Numbers**
Cash and Cash Equivalents	Operating checking	1000
	Savings/Money Market	1010
	Savings: Restricted grants	1020
Receivables		
	Program svc fees receivable: clients/tenants/etc	1100
	Program svc fees receivable: government contracts	1110
	Payroll advances	1120
	Grants receivable	1130
	Allowance for uncollectible receivables	1190
Prepaid Expenses		
	Prepaid insurance	1200
Investments		
	Mutual fund #1	1300
	Common stock	1310
Property, Furniture & Equipment		
	Land	1300
	Buildings	1310
	Building improvements	1320
	Furniture	1330
	Equipment	1340
	Software	1350
	Accumulated depreciation	1390
Notes Receivable		
	Note receivable #1	1410
	Note receivable #2	1420
	Note receivable #3	1430
Other Assets		
	Rent deposit	1900

Liabilities

Accounts Payable		
	Accounts payable	2000
Payroll, Payroll Taxes		

	Payroll payable	2100
& Withholding		
	FICA & Hosp. payable	2110
	Fed. W/H payable	2120
	State W/H payable	2130
Accrued Expenses	Accrued fees	2200
	Accrued interest	2210
Other Current Liabilities		
	Accrued vacation	2300
	Deferred revenue	2310
	Current portion of long-term debt	2320
	Refundable advances	2330
Long-Term Liabilities		
	Notes payable	2400
	Capital lease	2410
	Mortgage payable	2420
Net Assets		
	Unrestricted net assets	3000
	Temporarily restricted net assets	3100
	Permanently restricted net assets	3200
Statement of Unrestricted Activities		
Revenue & Support		
Contributions		
	Contributions – individuals	4000
	Contributions – foundations	4100
	Contributions – corporations	4200
	Grants – government	4300
	Transfers to/from temp. restricted fund	4400
In-kind contributions		
	In-kind contributions – goods	4500
	In-kind contributions – services	4600
Program service fees		
	Program service fees	4700
Special events		
	Special event #1 – net	5400
	Special event #2 – net	5410
Investment income		
	Dividends and interest	5600

	Realized gain/loss on sale	5610
	Other revenue & support	
	Miscellaneous revenue	5900
	Miscellaneous support	5910
Expenses		
Salaries & wages		
	Salaries & wages	6000
Payroll taxes		
	FICA & Medicare	6100
	State unemployment	6110
Benefits		
	Health insurance	6120
	Dental insurance	6130
	Workers compensation insurance	6140
	Retirement contribution	6150
Accounting/bookkeeping	Accounting/bookkeeping	7000
Auditing	Auditing	7010
Miscellaneous	Bank fees	7020
Books & publications	Books & publications	7030
Depreciation	Depreciation	7040
Dues & subscriptions	Dues & subscriptions	7050
Equipment lease	Equipment lease	7060
Donated goods	In-kind expense – goods	7070
Donated services	In-kind expense – services	7080
Insurance	Insurance	7090
Interest	Interest	7100
IT support	IT support	7110
Legal fees	Legal fees	7120
Licenses and fees	Licenses and fees	7130
Miscellaneous	Miscellaneous	7140
Office supplies	Office supplies	7150
Postage	Postage	7160
Printing	Printing	7170
Rent	Rent	7180
Repair & maintenance	Repair & maintenance	7190
Staff training	Staff training	7200
Telephone	Telephone	7210
Travel & mileage	Travel & mileage	7220
Utilities	Utilities	7230

Model Accounting and Financial Policies and Procedures Handbook
For Not-for-Profit Organizations by Edward Mc Millan ASAE Financial Management Series

Unified Chart of Accounts (UCOA)

Version 3.0 Account Numbers

Account Number	Account Description	Illustrative GAAP Exhibit (a)	Form 990 Line Item	Form 990 EZ Line Item	OMB A-122 Cost Principles	United Way of America Accounting
	Balance Sheet or Statement or Financial Position Accounts (1000-3999)					
1	**Assets**					
1000	Cash:					
1010	Cash in bank-operating	1	45	22	n/a	1000-1099
1020	Cash in bank-payroll	1	45	22	n/a	1000-1099
1040	Petty cash	1	45	22	n/a	1000-1099
1070	Savings & short-term investments	2	46	22	n/a	1100-1199
1100	Accounts receivable:					
1110	Accounts receivable	3	47a	24	n/a	1200-1299
1115	Doubtful accounts allowance	3(contra)	47b	24	n/a	1200-1299
1200	Contributions receivable:					
1210	Pledges receivable	4	48a	24	n/a	1300-1399
1215	Doubtful pledges allowance	4(contra)	48b	24	n/a	1300-1399
1225	Discounts - long-term pledges	n/a(contra)	48a	24	n/a	1300-1399
1240	Grants receivable	5	49	24	n/a	1300-1399
1245	Discounts - long-term grants	n/a(contra)	49	24	n/a	1300-1399
1300	Other receivables:					
1310	Employee & trustee receivables	3	50	24	n/a	1200-1299
1320	Notes/loans receivable	3	51a	24	n/a	1200-1299
1325	Doubtful notes/loans allowance	3(contra)	51b	24	n/a	1200-1299
1400	Other assets:					
1410	Inventories for sale	6	52	24	n/a	1400-1499
1420	Inventories for use	6	52	24	n/a	1400-1499
1450	Prepaid expenses	7	53	24	n/a	1500-1599
1460	Accrued revenues		47a	24	n/a	1200-1299
1500	Investments:					
1510	Marketable securities	8	54	22	n/a	1700-1799
1530	Land held for investment	n/a	55a	22	n/a	1800-1899
1540	Buildings held for investment	n/a	55a	22	n/a	1800-1899
1545	Accum deprec - bldg investment	n/a(contra)	55b	22	n/a	1800-1899
1580	Investments - other	9	56	22	n/a	1900-1999
1600	Fixed operating assets:					
1610	Land - operating	11	57a	23	n/a	1800-1899
1620	Buildings - operating	12	57a	23	n/a	1800-1899
1630	Leasehold improvements	13	57a	24	n/a	1800-1899
1640	Furniture, fixtures, & equip	14	57a	24	n/a	1800-1899
1650	Vehicles	14	57a	24	n/a	1800-1899
1660	Construction in progress	n/a	57a	24	n/a	1800-1899
1700	Accum deprec - fixed operating assets:					
1725	Accum deprec - building	12(contra)	57b	23	n/a	1800-1899
1735	Accum amort - leasehold improvements	13(contra)	57b	24	n/a	1800-1899
1745	Accum deprec - furn,fix,equip	14(contra)	57b	24	n/a	1800-1899
1755	Accum deprec - vehicles	14(contra)	57b	24	n/a	1800-1899
1810	Other long-term assets	n/a	58	24	n/a	1900-1999
1850	Split-interest agreements	n/a	58	24	n/a	1900-1999
1910	Collections - art, etc	n/a	58	24	n/a	1900-1999
1950	Funds held in trust by others	n/a	58	24	n/a	1900-1999
	Total assets	15	59	25	n/a	n/a

Account Number	Account Description	Illustrative GAAP Exhibit (a)	Form 990 Line Item	Form 990 EZ Line Item	OMB A-122 Cost Principles	United Way of America Accounting
2	**Liabilities**					
2000	Payables:					
2010	Accounts payable	21	60	26	n/a	2000-2099
2020	Grants & allocations payable	n/a	61	26	n/a	2200-2399
2100	Accrued liabilities:					
2110	Accrued payroll	22	60	26	n/a	2100-2199
2120	Accrued paid leave	22	60	26	n/a	2100-2199
2130	Accrued payroll taxes	23	60	26	n/a	2100-2199
2140	Accrued sales taxes		60	26	n/a	2100-2199
2150	Accrued expenses - other	24	60	26	n/a	2100-2199
2300	Unearned/deferred revenue:					
2310	Deferred contract revenue	25	62	26	n/a	n/a
2350	Unearned/deferred revenue - other	25	62	26	n/a	2500-2599
2410	Refundable advances	n/a	62	26	n/a	2500-2599
2500	Short-term notes & loans payable:					
2510	Trustee & employee loans payable	n/a	63	26	n/a	2400-2499
2550	Line of credit	n/a	65	26	n/a	2400-2499
2560	Current portion - long-term loan		65	26	n/a	2400-2499
2570	Short-term liabilities - other		65	26	n/a	2400-2499
2610	Split-interest liabilities	n/a	65	26	n/a	2400-2499
2700	Long-term notes & loans payable:					
2710	Bonds payable	n/a	64a	26	n/a	2600-2699
2730	Mortgages payable	27	64b	26	n/a	2600-2699
2750	Capital leases	n/a	64b	26	n/a	2600-2699
2770	Long-term liabilities - other	n/a	64a	26	n/a	2600-2699
2810	Gov't-owned fixed assets liability	n/a	65	26	n/a	2600-2699
2910	Custodial funds	n/a	65	26	n/a	2600-2699
	Total liabilities	28	66	26	n/a	n/a

Account Number	Account Description	Illustrative GAAP Exhibit (a)	Form 990 Line Item	Form 990 EZ Line Item	OMB A-122 Cost Principles	United Way of America Accounting
3	**Equity**					
3000	Unrestricted net assets:					
3010	Unrestricted net assets	29	21 & 67	21 & 27	n/a	3000-3999
3020	Board-designated net assets	31	21 & 67	21 & 27	n/a	3000-3999
3030	Board designated quasi-endowment	30	21 & 67	21 & 27	n/a	3000-3999
3040	Fixed operating net assets	32	21 & 67	21 & 27	n/a	3000-3999
3100	Temporarily restricted net assets:					
3110	Use restricted net assets	34	21 & 68	21 & 27	req	3000-3999
3120	Time restricted net assets	n/a	21 & 68	21 & 27	req	3000-3999
3200	Permanently restricted net assets:					
3210	Endowment net assets	35	21 & 69	21 & 27	n/a	3000-3999
	Total net assets	36	21 & 73	21 & 27	n/a	n/a
	Total liabilities & net assets		74	n/a	n/a	n/a

Account Number	Account Description	Illustrative GAAP Exhibit (a)	Form 990 Line Item	Form 990 EZ Line Item	OMB A-122 Cost Principles	United Way of America Accounting

Income Statement or Statement of Financial Activities Accounts (4000-9999)						
4	**Contributions, Support**					
4000	Revenue from direct contributions:					
4010-xxx	Individual/small business contributions	51	1a	1	n/a	4000-4099
4020-xxx	Corporate contributions		1a	1	n/a	4000-4099
4070-xxx	Legacies & bequests	53	1a	1	n/a	4300-4399
4075-xxx	Uncollectible pledges - estimated	51(contra)	contra 1a	1	n/a	4000-4099
4085-xxx	Long-term pledges discount	n/a(contra)	contra 1a	1	n/a	4000-4099
4100	Donated goods & services revenue:					
4110-xxx	Donated professional services-GAAP	54	Part IV-A & 82b	n/a	match/in-kind	4000-4099
4120-xxx	Donated other services - non-GAAP	(not GAAP)	Part IV-A & 82b	n/a	match/in-kind	n/a
4130-xxx	Donated use of facilities		Part IV-A & 82b	n/a	match/in-kind	n/a
4140-xxx	Gifts in kind - goods	55	1d	1	match/in-kind	4000-4099
4150-xxx	Donated art, etc	n/a	1d	1	match/in-kind	4000-4099
4200	Revenue from non-government grants:					
4210-xxx	Corporate/business grants	51	1a	1	match/$	4000-4199
4230-xxx	Foundation/trust grants	51	1a	1	match/$	4000-4199
4250-xxx	Nonprofit organization grants	51	1a	1	match/$	4000-4199
4255-xxx	Discounts - long-term grants	n/a(contra)	contra 1a	1	match/$	4000-4199
4300	Revenue from split-interest agreements:					
4310-xxx	Split-interest agreement contributions	n/a	1a	1	n/a	4000-4199
4350-xxx	Gain (loss) split-interest agreements	n/a	20	1	n/a	4000-4199
4400	Revenue from indirect contributions:					
4410-xxx	United Way or CFC contributions	56	1b	1	match/$	4700-4799
4420-xxx	Affiliated organizations revenue	n/a	1b	1	match/$	4500-4599
4430-xxx	Fundraising agencies revenue	n/a	1b	1	match/$	4800-4899
4500	Revenue from government grants:					
4510-xxx	Agency (government) grants	n/a	1c	1	grant/match	5500-5999
4520-xxx	Federal grants	n/a	1c	1	grant/match	5500-5999
4530-xxx	State grants	n/a	1c	1	grant/match	5500-5999
4540-xxx	Local government grants	n/a	1c	1	grant/match	5500-5999
Account Number	**Account Description**	**Illustrative GAAP Exhibit (a)**	**Form 990 Line Item**	**Form 990 EZ Line Item**	**OMB A-122 Cost Principles**	**United Way of America Accounting**
5	**Earned revenues**					
5000	Revenue from government agencies:					
5010-xxx	Agency (government) contracts/fees	58	2 & 93(g)	2	n/a	5000-5499
5020-xxx	Federal contracts/fees	58	2 & 93(g)	2	grant/match	5000-5499
5030-xxx	State contracts/fees	58	2 & 93(g)	2	grant/match	5000-5499
5040-xxx	Local government contracts/fees	58	2 & 93(g)	2	grant/match	5000-5499
5080-xxx	Medicare/Medicaid payments		2 & 93f	2	grant/match	5000-5499
5100	Revenue from program-related sales & fees:					
5180-xxx	Program service fees		2 & 93(a)	2	match/$	6200-6499
5185-xxx	Bad debts, est - program fees		2 & 93(a)	2	match/$	6200-6499
5200	Revenue from dues:					
5210-xxx	Membership dues-individuals	n/a	3 & 94	3	n/a	6000-6099
5220-xxx	Assessments and dues-organizations	n/a	3 & 94	3	n/a	6100-6199
5300	Revenue from investments:					
5310-xxx	Interest-savings/short-term investments	60	4 & 95	4	n/a	6500-6599
5320-xxx	Dividends & interest - securities	61	5 & 96	4	n/a	6500-6599
5330-xxx	Real estate rent - debt-financed	n/a	6a & 97a	8	n/a	6500-6599
5335-xxx	Real estate rental cost - debt-financed		6b & 97a	8		
5340-xxx	Real estate rent - not debt-financed		6a & 97b	8		
5345-xxx	Real estate rental cost - not debt-financed		6b & 97b	8		
5350-xxx	Personal property rent		6a & 98	8		
5355-xxx	Personal property rental cost	n/a(contra)	6b & 98	8	n/a	6500-6599
5360-xxx	Other investment income	n/a	7 & 99	4	n/a	6500-6599

5370-xxx	Securities sales - gross	62	8a-(A) & 100	5a	n/a	6600-6699
5375-xxx	Securities sales cost	62(contra)	8b-(A) & 100	5b	n/a	6600-6699
5400	Revenue from other sources:					
5410-xxx	Non-inventory sales - gross	n/a	8a-(B) & 100	5a	40	6600-6699
5415-xxx	Non-inventory sales cost	n/a(contra)	8b-(B) & 100	5b	40	6600-6699
5440-xxx	Gross sales - inventory	n/a	10a & 102	8	n/a	6400-6499
5445-xxx	Cost of inventory sold	n/a(contra)	10b & 102	8	n/a	6400-6499
5450-xxx	Advertising revenue	64	11 & 103	8	n/a	6900-6999
5460-xxx	Affiliate revenues from other entities	64	11 & 103	8	n/a	6900-6999
5490-xxx	Misc revenue	64	11 & 103	8	n/a	6900-6999
5800	Special events:					
5810-xxx	Special events - non-gift revenue	52	9a & 101	6a	n/a	4200-4299
5820-xxx	Special events - gift revenue	52	1a & (9a)	1 & (6a)	n/a	4200-4299
Account Number	**Account Description**	**Illustrative GAAP Exhibit (a)**	**Form 990 Line Item**	**Form 990 EZ Line Item**	**OMB A-122 Cost Principles**	**United Way of America Accounting**
6	**Other revenue**					
6800	Unrealized gain (loss):					
6810-xxx	Unrealized gain (loss) - investments	63	Part IV-A	n/a	n/a	6600-6699
6820-xxx	Unrealized gain (loss) - other assets	n/a	Part IV-A	n/a	n/a	6600-6699
6900	Net assets released from restriction:					
6910-xxx	Satisfaction of use restriction	65	n/a	n/a	n/a	n/a
6920-xxx	LB&E acquisition satisfaction	n/a	n/a	n/a	n/a	n/a
6930-xxx	Time restriction satisfaction	n/a	n/a	n/a	n/a	n/a
	Total revenue, gains, & other support	66	12	9	n/a	n/a
Account Number	**Account Description**	**Illustrative GAAP Exhibit (a)**	**Form 990 Line Item**	**Form 990 EZ Line Item**	**OMB A-122 Cost Principles**	**United Way of America Accounting**
7	**Expenses - personnel related**					
7000	Grants, contracts, & direct assistance					
7010-xxx	Contracts - program-related	135	22	10	9	9100-9199
7020-xxx	Grants to other organizations	n/a	22	10	9, 39	9100-9199
7040-xxx	Awards & grants - individuals	135	22	10	39	9100-9199
7050-xxx	Specific assistance - individuals	136	23	10	34	8900-8999
7060-xxx	Benefits paid to or for members		24	11	34	?
7200	Salaries & related expenses:					
7210-xxx	Officers & directors salaries	121	25	12	7, 32	7000-7099
7220-xxx	Salaries & wages - other	121	26	12	7, 32	7000-7099
7230-xxx	Pension plan contributions	122	27	12	7, 36	7100-7199
7240-xxx	Employee benefits - not pension	122	28	12	7, 13, 49	7100-7199
7250-xxx	Payroll taxes, etc.	122	29	12	7	7200-7299
7500	Contract service expenses					
7510-xxx	Fundraising fees	124	30	13	39	8000-8099
7520-xxx	Accounting fees	124	31	13	39	8000-8099
7530-xxx	Legal fees	124	32	13	39	8000-8099
7540-xxx	Professional fees - other	124	43	13	39, 44	8000-8099
7550-xxx	Temporary help - contract	124	43	13	39	8000-8099
7580-xxx	Donated professional services - GAAP	124	Part IV-B, 82b	n/a	12	8000-8099
7590-xxx	Donated other services - non-GAAP	n/a	Part IV-B, 82b	n/a	12	n/a
	(e) Line item numbers for Federal eGrants budgets					
Account Number	**Account Description**	**Illustrative GAAP Exhibit (a)**	**Form 990 Line Item**	**Form 990 EZ Line Item**	**OMB A-122 Cost Principles**	**United Way of America Accounting**
8	**Non-personnel related expenses**					
8100	Nonpersonnel expenses:					

8110-xxx	Supplies	125	33	16	28	8100-8199
8120-xxx	Donated materials & supplies	125	33	16	12	8100-8199
8130-xxx	Telephone & telecommunications	126	34	16	6	8200-8299
8140-xxx	Postage & shipping	127	35	15	6, 54	8300-8399
8150-xxx	Mailing services	127	35	15	6	8300-8399
8170-xxx	Printing & copying	130	38	15	28, 33, 41	8600-8699
8180-xxx	Books, subscriptions, references	130	38	15	30, 41	8600-8699
8190-xxx	In-house publications	n/a	38	15	28, 33, 41	8600-8699
8200	Facility & equipment expenses:					
8210-xxx	Rent, parking, other occupancy	128	36	14	37, 46	8400-8499
8220-xxx	Utilities	128	36	14	19, 46	8400-8499
8230-xxx	Real estate taxes	128	36	14	51	8400-8499
8240-xxx	Personal property taxes	128	36	14	51	8400-8499
8250-xxx	Mortgage interest	128	36	14	23	8400-8499
8260-xxx	Equipment rental & maintenance	129	37	14	27, 46	8500-8600
8270-xxx	Deprec & amort - allowable	137	42	16	11, 15	9500-9599
8280-xxx	Deprec & amort - not allowable	137	42	16	11, 15	9500-9599
8290-xxx	Donated facilities	128	Part IV-B, 82b	n/a	12	8400-8499
8300	Travel & meetings expenses:					
8310-xxx	Travel	131	39	16	44, 45, 55, 56	8700-8799
8320-xxx	Conferences, conventions, meetings	132	40	16	29, 34	8800-8899
8500	Other expenses:					
8510-xxx	Interest-general	133	41	16	23	9200-9299
8520-xxx	Insurance - non-employee related	134	43	16	5, 22	9300-9399
8530-xxx	Membership dues - organization	138	43	16	30	9400-9499
8540-xxx	Staff development	138	43	16	44, 53	9400-9499
8550-xxx	List rental	n/a	43	16	23	9400-9499
8560-xxx	Outside computer services	n/a	43	16	39	8000-8099
8570-xxx	Advertising expenses	n/a	43	16	1	9400-9499
8580-xxx	Contingency provisions	n/a	43	16	8	9400-9499
8590-xxx	Other expenses	138	43	16	20, 35, 43	9400-9499
8600	Business expenses:					
8610-xxx	Bad debt expense	n/a	43	16	3	9400-9499
8620-xxx	Sales taxes	n/a	43	16	51	9400-9499
8630-xxx	UBITaxes	n/a	43	16	51	9400-9499
8650-xxx	Taxes - other	n/a	43	16	51	9400-9499
8660-xxx	Fines, penalties, judgments	n/a	43	16	10, 16	9400-9499
8670-xxx	Organizational (corp) expenses	n/a	43	16	31, 44, 45, 47, 50	9400-9499
	Total expenses	146	44	17	n/a	n/a

Account Number	**Account Description**	**Illustrative GAAP Exhibit (a)**	**Form 990 Line Item**	**Form 990 EZ Line Item**	**OMB A-122 Cost Principles**	**United Way of America Accounting**
9	**Non-GAAP expenses**					
9800	Fixed asset purchases					
9810-xxx	Capital purchases - land	capitalized	capitalized	capitalized	11, 15	LB&E
9820-xxx	Capital purchases - building	capitalized	capitalized	capitalized	11, 15, 42	LB&E
9830-xxx	Capital purchases - equipment	capitalized	capitalized	capitalized	11, 15	LB&E
9840-xxx	Capital purchases - vehicles	capitalized	capitalized	capitalized	11, 15	LB&E
9910-xxx	Payments to affiliates	n/a	16	16	9	9600-9699
9920-xxx	Additions to reserves		n/a	n/a	n/a	n/a
9930-xxx	Program administration allocations		n/a	n/a	n/a	n/a

Unified Chart of Accounts (UCOA)
Version 3.0 Account Numbers

Account Number	Activity Code	Form 990 Line Item	OMB A-122 Cost Principles	United Way of America Accounting
Revenue & Expense Coding by Activity				
xxxx-XXX				
xxxx-100	Program department A	IIIa	n/a	001-899
xxxx-200	Program department B	IIIb	n/a	001-899
xxxx-300	Program department C	IIIc	n/a	001-899
xxxx-400	Program department D	IIId	n/a	001-899
xxxx-450	Other program service activities	IIIe	n/a	001-899
xxxx-460	Lobbying activities	85	not/25	n/a
	Total program services	13/44(B)/IIIf	n/a	n/a
xxxx-500	M&G department	14/IIC	(varies)	900-949
xxxx-510	M&G department-general	14/IIC	allowed/indirect	900-949
xxxx-520	M&G department-unallowable (A-122)	14/IIC	not/12,36,41	900-949
xxxx-530	Public relations	n/a		n/a
xxxx-540	Investment management	n/a		n/a
xxxx-550	Labor relations	n/a		n/a
xxxx-610	M&G special event production	9b	not/00	900-949
xxxx-620	M&G special event promotion	9b	not/00	900-949
xxxx-700	Fund raising department	15/IID	not/19	900-949
xxxx-900	Cost pools	allocated	use permitted	allocated
xxxx-910	Central services cost pool	allocated	use permitted	allocated
xxxx-920	Common cost pool by line item	allocated	use permitted	allocated
xxxx-930	Common cost pool-other	allocated	use permitted	allocated
xxxx-980	Capital/fixed asset purchases pool	capitalized	use permitted	capitalized

Functional Accounting

Expense	Programs and Services			Overhead	
	Clothes Closet	Work Skills Training	Home Repairs	Administration	Fundraising
Salaries and Related Expenses					
Salaries and Wages	$-	$-	$-	$-	$-
Other Compensation	$-	$-	$-	$-	$-
Employee Benefits	$-	$-	$-	$-	$-
Payroll Taxes	$-	$-	$-	$-	$-
Contracted Services					
Fundraising	$-	$-	$-	$-	$-
Accounting	$-	$-	$-	$-	$-
Legal	$-	$-	$-	$-	$-
Professional - Other	$-	$-	$-	$-	$-
Temporary Help	$-	$-	$-	$-	$-
Lobbying	$-	$-	$-	$-	$-
Nonpersonnel					
Advertising and Marketing	$-	$-	$-	$-	$-
Office Expenses	$-	$-	$-	$-	$-
IT	$-	$-	$-	$-	$-
Supplies	$-	$-	$-	$-	$-
Telecommunications	$-	$-	$-	$-	$-
Postage and Shipping	$-	$-	$-	$-	$-
Printing and Copying	$-	$-	$-	$-	$-
Books and Subscriptions	$-	$-	$-	$-	$-
Other	$-	$-	$-	$-	$-
Facilities and Equipment					
Rent, Parking, Occupancy	$-	$-	$-	$-	$-
Utilities	$-	$-	$-	$-	$-
Equipment rental/maintenance	$-	$-	$-	$-	$-
Depreciation	$-	$-	$-	$-	$-
Travel and meetings					
Travel Expenses	$-	$-	$-	$-	$-
Conferences, Meetings	$-	$-	$-	$-	$-
Other					
Insurance	$-	$-	$-	$-	$-
Association Dues	$-	$-	$-	$-	$-
Staff/Volunteer Development	$-	$-	$-	$-	$-
Other	$-	$-	$-	$-	$-
Total	**$-**	**$-**	**$-**	**$-**	**$-**

Home Builders Event Accounting

Expense	Programs and Services		Overhead	
	Work Skills Training	Home Repairs	Administration	Fundraising
Salaries and Related Expenses				
Salaries and Wages	$-	$-	$-	$-
Other Compensation	$-	$-	$-	$-
Employee Benefits	$-	$-	$-	$-
Payroll Taxes	$-	$-	$-	$-
Contracted Services				
Fundraising	$-	$-	$-	$-
Accounting	$-	$-	$-	$-
Legal	$-	$-	$-	$-
Professional - Other	$-	$-	$-	$-
Temporary Help	$-	$-	$-	$-
Lobbying	$-	$-	$-	$-
Nonpersonnel				
Advertising and Marketing	$-	$-	$-	$-
Office Expenses	$-	$-	$-	$-
IT	$-	$-	$-	$-
Supplies	$-	$-	$-	$-
Telecommunications	$-	$-	$-	$-
Postage and Shipping	$-	$-	$-	$-
Printing and Copying	$-	$-	$-	$-
Books and Subscriptions	$-	$-	$-	$-
Other	$-	$-	$-	$-
Facilities and Equipment				
Rent, Parking, Occupancy	$-	$-	$-	$-
Utilities	$-	$-	$-	$-
Equipment rental/maintenance	$-	$-	$-	$-
Depreciation	$-	$-	$-	$-
Travel and meetings				
Travel Expenses	$-	$-	$-	$-
Conferences, Meetings	$-	$-	$-	$-
Other				
Insurance	$-	$-	$-	$-
Association Dues	$-	$-	$-	$-
Staff/Volunteer Development	$-	$-	$-	$-
Other	$-	$-	$-	$-
Total	**$-**	**$-**	**$-**	**$-**

Nonprofit Financial Reporting

Monthly Reports

- Statement of Position.
- Statement of Activities, budget to actual information, including narrative.
- An executive summary of financial highlights, analysis, and concerns.

Quarterly Reports (All of the above, plus the following)

- Fundraising Reports: actual vs. projections; status of outstanding proposals.
- Revenue projections: gifts and grants, fees, other income
- Cash flow projections for the next six months.
- Payroll tax report with documentation that it has been submitted on time and tax deposits been made.
- YTD v last year, narrative on financial health.

Annual Reports (All of the above, plus the following)

- Annual Federal and State filings, including 990 and Schedule A, and any other legal requirements
- Audited financial statements for the entire organization: Annual Statement of Activities; Statement of Position; Statement of Cash Flow, and a narrative discussion key issues and trends.
- Management letter from the auditor

Report Review and Presentation

The executive director reviews all reports before presenting them to the treasurer to ensure that the financial information is accurate, well-organized, and clearly presented. The treasurer (or finance committee if you have one) reviews the reports with the executive director to make sure s/he is satisfied and confident that they accurately reflect the finances and financial health of the organization before presenting them to board. Financial oversight is a fundamental responsibility of the board. Members should make sure they understand and approve of the reports before they vote to accept them.

Board Report Example

Total Giving from All Sources

This Yr to Date:	
Annual Target:	
Last Year Total	

Annual Giving

Year	Total Giving Year To Date	Target	Variance	Number of Donors to Date	Target	Variance
This Year						
Last Year						

Membership

Major Gifts

Year	**Number of**					
	$5,000		$7,500		$10,000	
	Year to Date	Target for Yr.	Year to Date	Target for Yr.	Year to Date	Target for Yr.
Contacted						
Solicited						
Given						
Last Year						

Direct Mail

[[A table that reflects recruitment, retention, and upgrading; actual v. targets.]]

Foundations

Year	Total Giving Year To Date	Target	Variance	Number of Donors to Date	Target	Variance
This Year						

Corporations

Year	Total Giving Year To Date	Target	Variance	Number of Donors to Date	Target	Variance
This Year						

Outstanding Proposals

Name	Amt. Proposed	Amt. Expected	Decision Date

Board Giving

Total Members:	
Donors to Date:	
Giving to Date:	
Giving 2007:	

* Board giving does not include Campion gifts and grants

Average Gift Per Donor

Donors					
$25,000		$50,000		$100,000	
Year to Date	Target for Yr.	Year to Date	Target for Yr	Year to Date	Target for Yr

Charitable Contributions

Substantiation and Disclosure Requirements

INTERNAL REVENUE SERVICE

Tax Exempt and Government Entities

Exempt Organizations

Are you an organization that receives contributions of $250 or more?

or

Are you an organization that provides goods or services to donors who make contributions of more than $75?

or

Are you a donor who makes contributions to a charity?

IRS Publication 1771, *Charitable Contributions–Substantiation and Disclosure Requirements,* explains the federal tax law for organizations such as charities and churches that receive tax-deductible charitable contributions and for taxpayers who make contributions.

There are recordkeeping and substantiation rules imposed on donors of charitable contributions and disclosure rules imposed on charities that receive certain *quid pro quo* contributions.

- a donor must have a **bank record** or **written communication** from a charity for any monetary contribution before the donor can claim a charitable contribution on his/her federal income tax return
- a donor is responsible for obtaining a **written acknowledgment** from a charity for any single contribution of $250 or more before the donor can claim a charitable contribution on his/her federal income tax return
- a charitable organization is required to provide a **written disclosure** to a donor who receives goods or services in exchange for a single payment in excess of $75

More on recordkeeping, written acknowledgments and written disclosures is addressed in this publication.

The rules in this publication do not apply to a donated motor vehicle, boat, or airplane if the claimed value exceeds $500. For information on vehicle donations, see IRS Publication 4302, *A Charity's Guide to Vehicle Donations,* and IRS Publication 4303, *A Donor's Guide to Vehicle Donations*.

For information about organizations that are qualified to receive charitable contributions, see IRS Publication 526, *Charitable Contributions*. Publication 526 also describes contributions you can (and cannot) deduct, and it explains deduction limits. For assistance about valuing donated property, see IRS Publication 561, *Determining the Value of Donated Property*.

Recordkeeping Rules

Requirement

A donor cannot claim a tax deduction for any contribution of cash, a check or other monetary gift unless the donor maintains a record of the contribution in the form of either a bank record (such as a cancelled check) or a written communication from the charity (such as a receipt or letter) showing the name of the charity, the date of the contribution, and the amount of the contribution.

Payroll Deductions

For charitable contributions made by payroll deduction, the donor may use both of the following documents as written communication from the charity:

- a pay stub, Form W-2, Wage and Tax Statement, or other employer-furnished document furnished by the employer that shows the amount withheld and paid to a charitable organization, and
- a pledge card prepared by or at the direction of the charitable organization.

However, if a donor makes **a single contribution of $250 or more by payroll deduction,** see **Payroll Deductions** under **Written Acknowledgment** for what information the pledge card must include.

Written Acknowledgment

Requirement

A donor cannot claim a tax deduction for any single contribution of $250 or more unless the donor obtains a contemporaneous, written acknowledgment of the contribution from the recipient organization. An organization that does not acknowledge a contribution incurs no penalty; but, without a written acknowledgment, the donor cannot claim the tax deduction. Although it is a donor's responsibility to obtain a written acknowledgment, an organization can assist a donor by providing a timely, written statement containing the following information:

1. name of organization
2. amount of cash contribution
3. description (but not the value) of non-cash contribution
4. statement that no goods or services were provided by the organization in return for the contribution, if that was the case
5. description and good faith estimate of the value of goods or services, if any, that an organization provided in return for the contribution
6. statement that goods or services, if any, that an organization provided in return for the contribution consisted entirely of intangible religious benefits (described later in this publication), if that was the case

It is not necessary to include either the donor's social security number or tax identification number on the acknowledgment.

A separate acknowledgment may be provided for each single contribution of $250 or more, or one acknowledgment, such as an annual summary, may be used to substantiate several single contributions of $250 or more. There are no IRS forms for the acknowledgment. Letters, postcards, or computer-generated forms with the above information are acceptable. An organization can provide either a paper copy of the acknowledgment to the donor, or an organization can provide the acknowledgment electronically, such as via an e-mail addressed to the donor. A donor should not attach the acknowledgment to his or her individual income tax return, but must retain it to substantiate the contribution. Separate contributions of less than $250 will not be aggregated. An example of this could be weekly offerings to a donor's church of less than $250 even though the donor's annual total contributions are $250 or more.

Contemporaneous

Recipient organizations typically send written acknowledgments to donors no later than January 31 of the year following the donation. For the written acknowledgment to be considered contemporaneous with the contribution, a donor must receive the acknowledgment by the earlier of: the date on which the donor actually files his or her individual federal income tax return for the year of the contribution; or the due date (including extensions) of the return.

Goods and Services

The acknowledgment must describe goods or services an organization provides in exchange for a contribution of $250 or more. It must also provide a good faith estimate of the value of such goods or services because a donor must generally reduce the amount of the contribution deduction by the fair market value of the goods and services provided by the organization. Goods or services include cash, property, services, benefits or privileges. However, there are important exceptions as described below:

Token Exception — Insubstantial goods or services a charitable organization provides in exchange for contributions do not have to be described in the acknowledgment.

Good and services are considered to be insubstantial if the payment occurs in the context of a fund-raising campaign in which a charitable organization informs the donor of the amount of the contribution that is a deductible contribution, and:

1. the fair market value of the benefits received does not exceed the lesser of 2 percent of the payment or $91, or
2. the payment is at least $45.50, the only items provided bear the organization's name or logo (e.g., calendars, mugs, or posters), and the cost of these items is within the limit for "low-cost articles," which is $9.10.

Free, unordered low-cost articles are also considered to be insubstantial.

Example of a token exception: If a charitable organization gives a coffee mug bearing its logo and costing the organization $9.10 or less to a donor who contributes $45.50 or more, the organization may state that no goods or services were provided in return for the $45.50 contribution. The $45.50 is fully deductible.

The dollar amounts are for 2008. Guideline amounts are adjusted for inflation. Contact IRS Exempt Organizations Customer Account Services at (877) 829-5500 for annual inflation adjustment information.

Membership Benefits Exception —An annual membership benefit is also considered to be insubstantial if it is provided in exchange for an annual payment of $75 or less and consists of annual recurring rights or privileges, such as:

1. free or discounted admissions to the charitable organization's facilities or events
2. discounts on purchases from the organization's gift shop
3. free or discounted parking
4. free or discounted admission to member-only events sponsored by an organization, where a per-person cost (not including overhead) is within the "low-cost articles" limits

Example of a membership benefits exception; If a charitable organization offers a $75 annual membership that allows free admission to all of its weekly events, plus a $20 poster, a written acknowledgment need only mention the $20 value of the poster, since the free admission would be considered insubstantial and, therefore, would be disregarded.

Intangible Religious Benefits Exception —If a religious organization provides only “intangible religious benefits” to a contributor, the acknowledgment does not need to describe or value those benefits. It can simply state that the organization provided intangible religious benefits to the contributor.

What are “intangible religious benefits?” Generally, they are benefits provided by a tax-exempt organization operated exclusively for religious purposes, and are not usually sold in commercial transactions outside a donative (gift) context. Examples include admission to a religious ceremony and a *de minimis* tangible benefit, such as wine used in a religious ceremony. Benefits that are not intangible religious benefits include education leading to a recognized degree, travel services, and consumer goods.

Payroll Deductions

When a donor makes a **single contribution of $250 or more by payroll deduction**, the donor may use both of the following documents as the written acknowledgment obtained form the organization:

- a pay stub, Form W-2, ***Wage and Tax Statement***, or other document furnished by the employer that sets forth the amount withheld by the employer and paid to a charitable organization, and
- a pledge card that includes a statement to the effect that the organization does not provide goods or services in consideration for contributions to the organization by payroll deduction.

Each payroll deduction amount of $250 or more is treated as a separate contribution for purposes of the $250 threshold requirement for written acknowledgments.

Unreimbursed Expenses

If a donor makes a single contribution of $250 or more in the form of unreimbursed expenses, e.g., out-of-pocket transportation expenses incurred in order to perform donated services for an organization, then the donor must obtain a written acknowledgment from the organization containing:

- a description of the services provided by the donor
- a statement of whether or not the organization provided goods or services in return for the contribution
- a description and good faith estimate of the value of goods or services, if any, that an organization provided in return for the contribution

- a statement that goods or services, if any, that an organization provided in return for the contribution consisted entirely of intangible religious benefits (described earlier in this publication), if that was the case

In addition, a donor must maintain adequate records of the unreimbursed expenses. See Publication 526, *Charitable Contributions*, for a description of records that will substantiate a donor's contribution deductions.

Example of an unreimbursed expense: A chosen representative to an annual convention of a charitable organization purchases an airline ticket to travel to the convention. The organization does not reimburse the delegate for the $500 ticket. The representative should keep a record of the expenditure, such as a copy of the ticket. The representative should obtain from the organization a description of the services that the representative provided and a statement that the representative received no goods or services from the organization.

Examples of Written Acknowledgments

- "Thank you for your cash contribution of $300 that (organization's name) received on December 12, 2008. No goods or services were provided in exchange for your contribution."
- "Thank you for your cash contribution of $350 that (organization's name) received on May 6, 2008. In exchange for your contribution, we gave you a cookbook with an estimated fair market value of $60."

- “Thank you for your contribution of a used oak baby crib and matching dresser that (organization’s name) received on March 15, 2008. No goods or services were provided in exchange for your contribution.”

The following is an example of a written acknowledgment where a charity accepts contributions in the name of one of its activities:

- “Thank you for your contribution of $450 to (organization’s name) made in the name of its Special Relief Fund program. No goods or services were provided in exchange for your contribution.”

Written Disclosure

Requirement

A donor may only take a contribution deduction to the extent that his/her contribution exceeds the fair market value of the goods or services the donor receives in return for the contribution; therefore, donors need to know the value of the goods or services. An organization must provide a written disclosure statement to a donor who makes a payment exceeding $75 partly as a contribution and partly for goods and services provided by the organization. A contribution made by a donor in exchange for goods or services is known as a *quid pro quo* contribution.

Example of a *quid pro quo* contribution: A donor gives a charitable organization $100 in exchange for a concert ticket with a fair market value of $40. In this example, the donor's tax deduction may not exceed $60. Because the donor's payment (*quid pro quo* contribution) exceeds $75, the charitable organization must furnish a disclosure statement to the donor, even though the deductible amount does not exceed $75.

A required written disclosure statement must:

- inform a donor that the amount of the contribution that is deductible for federal income tax purposes is limited to the excess of money (and the fair market value of property other than money) contributed by the donor over the value of goods or services provided by the organization
- provide a donor with a good-faith estimate of the fair market value of the goods or services

An organization must furnish a disclosure statement in connection with either the solicitation or the receipt of the *quid pro quo* contribution. The statement must be in writing and must be made in a manner that is likely to come to the attention of the donor. For example, a disclosure in small print within a larger document might not meet this requirement.

Exception

A written disclosure statement is not required:

- where the goods or services given to a donor meet the "token exception," the "membership benefits exception," or the "intangible religious benefits exception" described earlier
- where there is no donative element involved in a particular transaction, such as in a typical museum gift shop sale

Penalty

A penalty is imposed on charities that do not meet the written disclosure requirement. The penalty is $10 per contribution, not to exceed $5,000 per fundraising event or mailing. An organization may avoid the penalty if it can show that failure to meet the requirements was due to reasonable cause.

Further Information

written acknowledgment —Detailed rules for contemporaneous written acknowledgments are contained in Section 170(f)(8) of the Internal Revenue Code and Section 1.170A-13(f) of the Income Tax Regulations. The "low-cost article" rules are set forth in Section 513(h)(2) of the Code. This information can be found on the IRS Web site at www.irs.gov.

written disclosure —Detailed rules for written disclosure statements are contained in Section 6115 of the Internal Revenue Code and Section 1.6115-1 of the Income Tax Regulation. The penalty rules are contained in Section 6714 of the Code. This information can be found on the IRS Web site at www.irs.gov.

IRS publications —Order publication by calling the IRS at (800) 829-3676. Download IRS publications at www.irs.gov.

IRS customer service —Telephone assistance for general tax information is available by calling IRS customer service toll-free at (800) 829-1040.

EO customer service —Telephone assistance specific to exempt organizations is available by calling IRS Exempt Organizations Customer Account Services toll-free at (877) 829-5500

EO Web site —Visit Exempt Organizations Web site at www.irs.gov/eo.

EO Update —To receive IRS Exempt Organization's EO Update, a regular e-mail newsletter with information for tax-exempt organizations and tax practitioners who represent them, visit www.irs.gov/eo and click on "EO Newsletter."

Stay Exempt (www.stayexempt.org) —An IRS interactive web-based training program covering tax compliance issues confronted by small and mid-sized tax-exempt organizations.

IRS

Department of the Treasury
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