

Henderson & Caverly Purn LLP

NONPROFIT ORGANIZATIONS NEWSLETTER

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CHARITABLE 501(c)(3) ORGANIZATIONS MUST MEET INSPECTION AND DISCLOSURE REQUIREMENTS



Charitable organizations enjoy significant benefits, such as receiving tax-deductible contributions and not having to pay taxes on income. In return, Congress allows the public to inspect certain documents that these organizations file with the IRS.

An exempt organization must make available for public inspection its exemption application. An exemption application includes the IRS Form 1023 or 1023-EZ (for organizations recognized as exempt under Internal

Revenue Code section 501(c)(3)), IRS Form 1024 (for organizations recognized as exempt under most other paragraphs of section 501(c)), or the letter submitted under the paragraphs for which no form is prescribed, together with supporting documents and any letter or document issued by the IRS concerning the application. A political organization exempt from taxation under Code section 527(a) must make available for public inspection and copying its notice of status, Form 8871.

An exempt organization must also make available for public inspection and copying its annual return. Such returns include Form 990, Return of Organization Exempt From Income Tax, Form 990-EZ, Short Form Return of Organization Exempt From Income Tax, Form 990-PF, Return of Private Foundation, Form 990-BL, Information and Initial Excise Tax Return for Black Lung Benefit Trusts and Certain Related Persons, and the Form 1065, U.S. Partnership Return of Income. A section 501(c)(3) organization must also make available for public inspection and copying any Form 990-T, Exempt Organization Business Income Tax Return, filed after August 17, 2006. Returns must be available for a three-year period beginning with the due date of the return (including any extension of time for filing). For this purpose, the return includes any schedules, attachments, or supporting documents that relate to the imposition of tax on the unrelated business income of the charity.

An exempt organization is not required to disclose Schedule K-1 of Form 1065 or Schedule A of Form 990-BL. With the exception of private foundations, an exempt organization is not required to disclose the name and address of any contributor to the organization.

A political organization exempt from taxation under section 527(a) must make available for inspection and copying its report of contributions and expenditures on Form 8872, Political Organization Report of Contributions and Expenditures. However, such organization is not required to make available its return on Form 1120-POL, U.S. Income Tax Return for Certain Political Organizations.

An exempt organization must provide a copy of the above described tax documents to an individual who makes a written or in person request at the organization's principal office. If the organization regularly maintains any regional or district offices having three or more employees, it must also respond to a request submitted to any such office. If the request is made in person, it

must generally be honored on the day of the request; if it is written, then the organization generally has 30 days to respond. (A request that is faxed, e-mailed or sent by private courier is considered a written request.)

The organization may want to charge reasonable copying costs and the actual cost of postage before providing the copies. The law permits the charging of such costs, but the organization must provide timely notice of the approximate cost and acceptable form of payment within seven days of receipt of the request. Acceptable forms of payment must include cash and money order (for an in-person request) and certified check, money order and personal check or credit card, for a written request.

An exempt organization should have a binder on hand at its principal place of business containing the following materials: i) IRS Form 1023 or 1023-EZ (or Form 1024) exemption application, including all supporting documents and any additional correspondence to and from the IRS regarding the exemption application, ii) the organization's IRS determination letter, and iii) the organization's three (3) most recent information returns. We recommend labeling the binder as "Public Inspection Binder," so it is easily located by staff. If you have questions regarding the disclosure requirements, please contact our [office](#).

IRS EXEMPT ORGANIZATIONS UNIT PRESENTING AT 2018 IRS NATIONAL TAX FORUMS

The IRS' Exempt Organizations Unit will participate in the 2018 IRS Nationwide Tax Forums in five cities starting in July. The Forums offer three days of seminars and workshops featuring speakers from both the IRS and tax practitioner organizations. In addition to getting the latest tax information, tax professionals can earn continuing education credits for their attendance. The Forums will also offer vendor exhibits and networking opportunities. For more information on how to make the IRS Nationwide Tax Forums work for you, visit their [website](#).

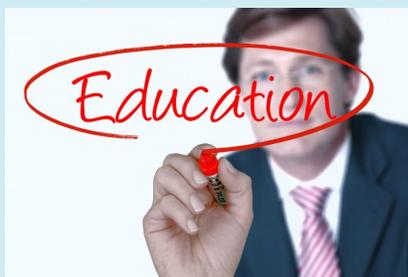


The Exempt Organizations Unit will present a two-hour workshop about Compliance Basics for Charities and Other Tax-Exempt Organizations. The workshop includes practical examples, case studies and gives attendees an opportunity to engage with the IRS instructor and fellow attendees. Topics discussed include:

- The benefits and responsibilities of tax-exempt status
- An overview of the application process
- Basics on filing requirements for exempt organizations
- Unrelated business income basics
- How to avoid automatic revocation and regain it if revoked
- How to meet public inspection and disclosure requirements

The San Diego forum will be held on August 7-9, 2018 at the Town and Country Resort located at 500 Hotel Circle North, San Diego, California 92108. To register, visit the IRS National Tax Forums [website](#). For additional dates and locations, see the IRS National Tax Forum [website](#).

RESOURCES FROM THE BOARD OF EQUALIZATION



The California Board of Equalization has a number of seminar presentations available on its [website](#). The presentations may be of particular interest to nonprofit organizations.

The online seminars are presented by the Board of Equalization, the Franchise Tax Board, the Attorney General's office, and the Employee Development

Department. Topics range from property tax exemptions, sales and use tax for nonprofit organizations, compliance for existing organizations, regulation of charities by the Attorney General's office, and employment taxes. You may access the Board of Equalization presentations by visiting their [website](#).

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