

Supplemental Instructions and a Completed Sample of Form 990-EZ

This part of the instructions provides a set of facts and a filled-in example to help you prepare a complete and accurate Form 990-EZ for 2000.

To avoid having to respond to requests for missing information, be sure to complete all applicable line items; to answer "Yes," "No," or "N/A" (not applicable) to each question on the return; to make an entry (including "-0-" when appropriate) on all **total** lines; and to enter "None" or "N/A" if an entire part of Form 990-EZ does not apply. If one or more applicable line items are not completed, we will consider the return incomplete and contact the organization for the missing information. The penalty of \$20 a day for not filing a return under section 6652(c) also applies if a return is submitted without required information.

The illustrated example of a completed Form 990-EZ for 2000 was prepared using the following facts.

The Raccoons Club of Southern Maryland was chartered on January 4, 1957, as an affiliate of the National Order of Raccoons, which received a ruling letter dated February 28, 1958, recognizing the Order and its affiliated local chapters as exempt from Federal income tax under section 501(c)(4) of the Internal Revenue Code. Members of the local chapters receive a monthly magazine, club pins, and other items from the national organization. The club operates primarily as a community service organization.

The club reports on a calendar year basis. Assets of the organization at the beginning of 2000 consisted of a savings account of \$7,500 and cash in a checking account of \$975. The savings account earned \$300 interest during the year, which was added to the account balance. There was \$2,400 in the checking account at the end of the year.

The club does not maintain any offices and has no employees. All activities of the club are carried out by members and volunteers. The books and records are maintained by the treasurer of the club who is elected from the membership. Mr. Daniel Bell of Route 4, Box 181, Bay City, Maryland 20602 was treasurer in 2000.

The club has 110 members who meet monthly at a local restaurant for lunch and to conduct necessary business. No meetings are held in 2 months out of the year. The restaurant was paid \$495 per month, for each of the 10 months, to provide 110 lunches. The membership dues include provision for these luncheons at cost.

An annual community carnival is held July 2 through 4. A raffle of an automobile concludes the event on the evening of July 4. A concessionaire operates the carnival midway rides while food booths and other activities are operated by members and other volunteers. Proceeds of this affair provide the principal means by which the club carries out its community service projects. The concessionaire receives 60% of the gross receipts from the rides.

Receipts for the year consisted of:

Food and game booths at carnival	\$13,950
Gross receipts from carnival rides	23,175
Raffle of automobile	29,175
Interest on savings account	300
Membership dues and assessments	11,550
Contributions in carnival "wishing well"	150
	<u>\$78,300</u>

Expenses and disbursements for the year consisted of:

Grants and similar amounts paid:	
Food and lodging for a family—Fire damaged home	\$1,012
Replacement of furniture—Fire damaged home	1,463
Prescription drugs—16 senior citizens	2,175
Medical bills—3 senior citizens	2,400
Bay City Little League Baseball	3,750
Bay City Midget Football	3,750
Bay City—Grandstand for recreation field	10,500
Per capita fee to National Order of Raccoons	4,125
Subtotal	\$29,175

Expense of members' monthly meetings	4,950
Cost of automobile used in raffle and raffle tickets	21,300
Cost of food, etc., sold at carnival	4,200
Concessionaire's fee	13,905
Legal fees	180
Printing, publications, and postage expenses	990
Travel and conference expenses	1,875
Total expenses and disbursements	<u>\$76,575</u>

Using the information outlined here, we are able to fill in Form 990-EZ. We suggest that you familiarize yourself with the facts and the sample return before preparing your organization's return.

Part I

Line 1. We have entered the contributions received during the course of the carnival, a special event. These contributions should not be reported as part of the revenue from the special event.

Line 3. We have entered the total membership dues and assessments. Because of the benefits received by the members from the national and local organization (magazine, pins, monthly luncheons, etc.), we have not classified these membership dues as contributions. See the Form 990-EZ instructions for line 3 for information about reporting membership dues as contributions.

Line 4. We have entered the amount of interest received as investment income for the year.

Line 6. We have combined the carnival and the raffle (the two special events conducted in 2000). We have indicated the total receipts and expenses from these activities. All of the expenses of these special events are reportable on line 6b and none on line 7b, even though some of the expenses represent cost of goods sold. The combined net income from the two events is reported on line 6c.

Line 9. We have entered the total of lines 1 through 8.

Line 10. We have entered the total of grants and similar amounts paid. We have included the amount of the per capita dues paid to the organization's national affiliate.

Line 13. We have entered the total for professional fees for legal services. A legal opinion was sought to determine whether or not the club members would be individually liable for the debts of the club, which is an unincorporated association.

Line 15. We have entered the total for printing, publications, and postage expenses.

Line 16. We have entered and described "Other expenses,"—expenses of members' monthly meetings, and the costs of travel and conferences.

Lines 17 and 18 are self-explanatory.

Line 19. We have entered the net assets balance at the beginning of the year from line 27, column (A) of Part II.

Line 21. We have entered the total of lines 18, 19, and 20. This computed net assets figure agrees with the end-of-year net assets balance from line 27, column (B) of Part II.

Part II

We prepared beginning and end-of-year balance sheets using the information given.

Part III

We listed the organization's two program services and indicated the expenses attributable to each.

Part IV

We have entered the name, address, and the other required information for each officer and director, even though each of them serves without compensation. (**Note:** For the sake of brevity, specific names, addresses, titles, and hours worked were not given in the statement of facts.)

Part V

Lines 33 through 38, and 40b. From the facts given, the appropriate answer to each of these questions was "No," "N/A," or "-0-."

Lines 39, 40a, and 43 do not apply because the club is a section 501(c)(4) organization.

Lines 40c and 40d do not apply as there were no excess benefit transactions nor was any excise tax paid or reimbursed.

Short Form

OMB No. 1545-1150

2000

Open to Public Inspection

Form 990-EZ

Return of Organization Exempt From Income Tax

Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation), section 527, or section 4947(a)(1) nonexempt charitable trust

For organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at the end of the year.

The organization may have to use a copy of this return to satisfy state reporting requirements.

Department of the Treasury Internal Revenue Service

A For the 2000 calendar year, or tax year beginning, 2000, and ending, 20

B Check if applicable:

- Change of address, Change of name, Initial return, Final return, Amended return

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: Raccoons Club of Southern Maryland, Number and street (or P.O. box, if mail is not delivered to street address): Route 4, Box 181, City or town, state or country, and ZIP + 4: Bay City, MD 20602-1235

D Employer identification number: 52 7654321

E Telephone no.: (555) 645-0012

F Check if application pending

G Accounting method: Cash, Accrual, Other (specify), H Enter 4-digit group exemption no. (GEN)

I Organization type (check only one): 501(c) (4), 527 or 4947(a)(1)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

J Check if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

K Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts; if \$100,000 or more, file Form 990 instead of Form 990-EZ. \$ 78,300

L Check this box if the organization is not required to attach Schedule B (Form 990 or 990-EZ)

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 34.)

Table with columns for Revenue, Expenses, and Net Assets. Rows include Contributions, program service revenue, membership dues, investment income, gross amount from sale of assets, special events, gross sales of inventory, other revenue, total revenue, grants and similar amounts paid, benefits paid, salaries, professional fees, occupancy, printing, other expenses, total expenses, excess or deficit, net assets at beginning/end of year, and net assets at end of year.

Part II Balance Sheets—If Total assets on line 25, column (B) are \$250,000 or more, file Form 990 instead of Form 990-EZ.

(See Specific Instructions on page 37.)

Table with columns for (A) Beginning of year and (B) End of year. Rows include Cash, savings, and investments; Land and buildings; Other assets; Total assets; Total liabilities; Net assets or fund balances.

For Paperwork Reduction Act Notice, see page 1 of the separate instructions.

Cat. No. 106421

Form 990-EZ (2000)

Part III Statement of Program Service Accomplishments (See Specific Instructions on page 38.)	Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; optional for others.)
What is the organization's primary exempt purpose? <u>Community services</u> Describe what was achieved in carrying out the organization's exempt purposes. In a clear and concise manner, describe the services provided, the number of persons benefited, or other relevant information for each program title.	
28 Grants for community benefits projects (The three grants made are listed in the schedule for line 10.) (Grants \$ 18,000)	28a 18,000
29 Financial aid to individuals (food, lodging, furniture, prescription drugs, payment of medical bills) were provided to one needy family and 19 senior citizens. (Grants \$ 7,050)	29a 7,050
30 _____ _____ (Grants \$ _____)	30a _____
31 Other program services (attach schedule) _____ (Grants \$ _____)	31a _____
32 Total program service expenses (add lines 28a through 31a) _____	32 \$25,050

Part IV List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated. See Specific Instructions on page 38.)				
(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
Moe Williams, 221 Garner Ave. Bay City, MD 20602	President/Director 10 hrs./wk.	-0-	-0-	-0-
Harold McDermott, 305 Mattingly Way Bay City, MD 20602	Vice Pres./Director 5 hrs./wk.	-0-	-0-	-0-
John Hanna, 8100 Butler Ave. Forest Park, MD 20601	Secretary/Director 15 hrs./wk.	-0-	-0-	-0-
Daniel Bell, Route 4, Box 181 Bay City, MD 20602	Treasurer 10 hrs./wk.	-0-	-0-	-0-

Part V Other Information (See Specific Instructions on page 38 and General Instruction V on page 14.)	Yes	No
33 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	<input type="checkbox"/>	<input checked="" type="checkbox"/>
34 Were any changes made to the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
35 If the organization had income from business activities, such as those reported on lines 2, 6, and 7 (among others), but NOT reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
a Did the organization have unrelated business gross income of \$1,000 or more or 6033(e) notice, reporting, and proxy tax requirements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b If "Yes," has it filed a tax return on Form 990-T for this year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
36 Was there a liquidation, dissolution, termination, or substantial contraction during the year? (If "Yes," attach a statement.)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
37a Enter amount of political expenditures, direct or indirect, as described in the instructions. 37a -0-	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Did the organization file Form 1120-POL for this year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
38a Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee OR were any such loans made in a prior year and still unpaid at the start of the period covered by this return?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b If "Yes," attach the schedule specified in the line 38 instructions and enter the amount involved.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
39 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 9	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Gross receipts, included on line 9, for public use of club facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
40a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 N/A ; section 4912 _____; section 4955 _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b 501(c)(3) and (4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach an explanation.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c Amount of tax imposed on organization managers or disqualified persons during the year under 4912, 4955, and 4958	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d Enter: Amount of tax on line 40c, above, reimbursed by the organization	<input type="checkbox"/>	<input checked="" type="checkbox"/>
41 List the states with which a copy of this return is filed. None	<input type="checkbox"/>	<input checked="" type="checkbox"/>
42 The books are in care of Daniel Bell Telephone no. (555) 645-0010 Located at Route 4, Box 181, Bay City, MD ZIP + 4 20602-1235	<input type="checkbox"/>	<input checked="" type="checkbox"/>
43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041—Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year 43 N/A	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge. (Important: See General Instruction W, page 14.)			
	Signature of officer <u>Daniel Bell</u>	Date <u>3-14-01</u>	Type or print name and title. <u>Daniel Bell, Treasurer</u>	
Paid Preparer's Use Only	Preparer's signature <input type="checkbox"/>	Date _____	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN _____
	Firm's name (or yours if self-employed) and address, and ZIP code _____	EIN _____	Phone no. _____	

Raccoons Club of Southern Maryland
 EIN: 52-7654321

Form 990-EZ (2000)

Part I, Line 6

<u>Event</u>	<u>Gross Receipts</u>	<u>Contributions</u>	<u>Gross Revenue</u>	<u>Expenses</u>	<u>Net Income</u>
Carnival	\$37,275	\$150	\$37,125	\$18,105	\$19,020
Raffle	29,175	-0-	29,175	21,300	7,875
Total	<u>\$66,450</u>	<u>\$150</u>	<u>\$66,300</u>	<u>\$39,405</u>	<u>\$26,895</u>

Part I, Line 10--Grants and similar amounts paid.

Payments to affiliates: Per capita fees paid to the National Order of Raccoons, 1241 Berwick St., Rensselaer, NY 12033, for use in its national program	\$4,125
Specific assistance to individuals for: Food, medical bills, temporary lodging, and disaster relief	7,050
Bay City Little League	3,750
Bay City Midget Football	3,750
Bay City Recreation Field--Grandstand	<u>10,500</u>
Total	<u>\$29,175</u>

Part V, Other Information, General Instruction V, Information Regarding Transfers Associated With Personal Benefit Contracts.

The organization was not involved in any activities involving personal benefit contracts.

Part V, Line 35--Receipts from business activities not reported on Form 990-T.

The carnival, and the raffle held in connection with it, are the club's two special events. The income from these annual events is not reported on Form 990-T because these events are not regularly carried on.