



Instructions for Schedule G (Form 990 or 990-EZ)

Supplemental Information Regarding Fundraising or Gaming Activities

Section references are to the Internal Revenue Code unless otherwise noted.

General Instructions

Note. Terms in **bold** are defined in the *Glossary* of the Instructions for Form 990.

What's New

The IRS has created a page on IRS.gov for information about Schedule G (Form 990 or 990-EZ) and its instructions, at www.irs.gov/form990. Information about any recent developments affecting Schedule G (Form 990 or 990-EZ) (such as legislation after we release it) will be posted on that page.

Purpose of Schedule

Schedule G (Form 990 or 990-EZ) is used by an organization that files Form 990 or Form 990-EZ to report **professional fundraising services, fundraising events, and gaming**.

Who Must File

An organization that answered "Yes" to Form 990, Part IV, *Checklist of Required Schedules*, line 17, 18, or 19, or meets the criteria for Form 990-EZ filers described below, must complete the appropriate parts of Schedule G (Form 990 or 990-EZ) and attach Schedule G to Form 990 or Form 990-EZ, as applicable.

- **Part I.** Complete *Part I* if the organization answered "Yes" to Form 990, Part IV, line 17, because the organization reported a total of more than \$15,000 of expenses for **professional fundraising services** on Form 990, Part IX, *Statement of Functional Expenses*, lines 6 and 11(e). Form 990-EZ filers are not required to complete *Part I*.
- **Part II.** Complete *Part II* if the organization (1) answered "Yes" to Form 990, Part IV, line 18, because the organization reported a total of more than \$15,000 of fundraising event gross income and **contributions** on Form 990, Part VIII, *Statement of Revenue*, lines 1c and 8a, or (2) reported more than \$15,000 of **fundraising event contributions** and gross income on Form 990-EZ, Part I, lines 1 and 6b.
- **Part III.** Complete *Part III* if the organization (1) answered "Yes" to Form 990, Part IV, line 19, because the

organization reported more than \$15,000 of gross income from **gaming** activities on Form 990, Part VIII, line 9a, or (2) reported more than \$15,000 of gross income from gaming on Form 990-EZ, Part I, line 6a.

If an organization is not required to file Form 990 or Form 990-EZ but chooses to do so, it must file a complete return and provide all of the information requested, including the required schedules.

Specific Instructions

Part I. Fundraising Activities

Complete this part if the organization reported a total of more than \$15,000 of expenses for **professional fundraising services** on Form 990, Part IX, lines 6 and 11e. Form 990-EZ filers are not required to complete *Part I*.

Line 1. Check the box in front of each method of fundraising used by the organization to raise funds during the tax year.

Line 2a. Check "Yes" if at any time during the tax year the organization had an agreement with another person or entity in connection with **professional fundraising services**. Do not include an **officer, director, trustee, or employee** who conducts professional fundraising services solely in his or her capacity as an officer, director, trustee, or employee of the organization.

The organization must report all agreements for professional fundraising services regardless of the form of agreement (written or oral). For example, an organization that had a written contract with a business to supply printing and mailing services would report that agreement here if the business also provided to the organization professional fundraising services such as strategy on mailing.

Line 2b. If "Yes" is checked on line 2a, list in column (i) the ten highest paid individuals or entities who were each to be compensated at least \$5,000 by the organization for **professional fundraising services** provided during the **tax year**, and the business address of each individual or entity.

Column (ii). Enter the type(s) of **fundraising activities** for which the professional fundraiser performed services.

Report the fundraising activities consistently with terms used by the organization in the management of its fundraising program. For example, if an organization contracts with a single fundraiser to advise on and coordinate all of its direct mail fundraising, it might enter "consults on direct mail program." If a consultant were hired to perform data analysis for all aspects of an organization's public solicitation, it might enter "provides database consulting for direct mail, telephone, Internet and email."

Column (iii). For this purpose, custody or control means possession of the funds or the authority to deposit, direct the use of, or use the funds. Describe the custody or control arrangement in *Part IV*.

Column (iv). Enter the gross receipts connected to the services provided by the fundraiser listed in column (i) and received by the organization, or by the fundraiser on the organization's behalf, during the **tax year**.

A professional fundraiser can deliver services during the tax year and be properly reported on line 2b but have no gross receipts to report in column (iv). For example, an organization may retain a fundraiser to conduct a feasibility study for a capital campaign. The campaign, if there were to be one, could be conducted in, and produce receipts in, subsequent tax years. Likewise, a fundraiser might be hired to plan and produce programming for a media campaign. Fees would be properly reported in the tax year, but there might be no receipts to report until subsequent years when the programming actually airs. In each case, the organization can properly report a "-0-" in column (iv).

Column (v). Enter the dollar amounts in fees paid to or fees withheld by the fundraiser for its **professional fundraising services**.

If the agreement provides for the payment of fees and also for the payment of fundraising expenses, such as printing, paper, envelopes, postage, mailing list rental, and equipment rental, the organization must report such amounts

paid during the year in *Part IV* of Schedule G (Form 990 or 990-EZ) and describe how the agreement distinguishes payments for professional fundraising services from expense payments or reimbursements. Also describe in *Part IV* of Schedule G (Form 990 or 990-EZ) whether the organization entered into any arrangements with fundraisers under which the organization made payments exclusively for such expenses but not for professional fundraising services. If the agreement does not distinguish between fees for professional fundraising services and payment of fundraising expenses, then the organization must report in column (v) the gross amount paid to (or withheld by) the fundraiser.

Column (vi). Subtract column (v) from column (iv).

Line 3. List all states in which the organization is registered or licensed to solicit **contributions**, or has been notified that it is exempt from such registration or licensing.

Part II. Fundraising Events

Complete this part if the sum of the amounts reported on Form 990, Part VIII, lines 1c and 8a exceeds \$15,000, or if the sum of the amounts reported on Form 990-EZ, line 6b and the line 6b parenthetical exceeds \$15,000. List only **fundraising events** with gross receipts greater than \$5,000 that the organization conducted at any time during the **tax year**.

List the two largest fundraising events with gross receipts greater than \$5,000 each in columns (a) and (b). In column (c), enter the total number of other events with gross receipts greater than \$5,000 each and report revenue and expenses from these events in the aggregate. If no events other than those listed in columns (a) and (b) exceeded the \$5,000 threshold, enter "None."

Report revenue and expenses attributable to gaming in *Part III*, rather than in *Part II*.

Revenue

Line 1. Enter the total amount the organization received from column (a) and column (b) during the **tax year** without subtracting any costs, expenses, or **contributions** received in connection with the **fundraising event**. Enter in column (c) the total amount the organization received from all other events with gross receipts greater than \$5,000 during the tax year without subtracting any costs, expenses, or contributions received in connection with the events. Enter the sum of columns (a), (b), and (c) in column (d).

Line 2. Enter the total amount of **contributions**, gifts, and similar amounts

(including the total value of **noncash contributions**) received by the organization for **fundraising events** in columns (a) and (b) during the **tax year**. Enter in column (c) the total amount of contributions, gifts, and similar amounts received by the organization from all other **fundraising events** with gross receipts greater than \$5,000 during the tax year. Enter the sum of columns (a), (b), and (c) in column (d).

Line 3. Enter the gross income (gross receipts less **contributions**) from events listed without reduction for catering, entertainment, cost of goods sold, compensation, fees, or other expenses. Enter the total of columns (a), (b), and (c) in column (d).

Direct Expenses

Enter the expense amount in the appropriate column (a through c) for events with gross receipts greater than \$5,000 each. Enter the total of columns (a), (b), and (c) in column (d).

Line 4. Enter the total amount paid out as cash prizes.

Line 5. Enter the **fair market value** of the noncash prizes paid or given out for each **fundraising event**.

Line 6. Enter the expenses paid or incurred for the rent or lease of property or facilities.

Line 7. Enter the expenses paid or incurred for food and beverages. Include all direct expenses such as catering.

Line 8. Enter the expenses paid or incurred for entertainment, including direct expenses for labor and wages.

Line 9. Enter the amount of other direct expense items for **fundraising events** not included in Part II, lines 4 through 8. The organization should retain in its records an itemized list of all other direct expenses not included on lines 4 through 8. For labor costs and wages, include the total amount of compensation paid to fundraising event workers or paid **independent contractors** for labor costs.

Line 10. Add lines 4 through 9 in column (d).

Line 11. Subtract line 10 from line 3, column (d). If line 10 is more than line 3, column (d), and the result is less than zero, enter it in parentheses.

Part III. Gaming

Complete this part if the organization reported more than \$15,000 from gaming on Form 990, Part VIII, line 9a, or Form 990-EZ, line 6a.

Treat all **bingo** as a single event for column (a) and all **pull tabs** as a single event for column (b). Include all revenue and expenses for progressive bingo,

instant bingo, and event bingo in column (b).

Include in column (c) all other types of gaming not included in column (a) or (b).

Complete *Part III* for each type of **gaming** conducted.

Revenue

Line 1. Enter the gross revenue (gross receipts less contributions) for each type of **gaming** conducted without reduction for cash or noncash prizes, cost of goods sold, **compensation**, fees, or other expenses. Enter the total of columns (a) through (c) in column (d).

Direct Expenses

Enter the expense amount in the appropriate column (a) through (c) for each type of **gaming** conducted. Enter the total of columns (a) through (c) in column (d).

Line 2. Enter the total amount paid out as cash prizes.

Line 3. Enter the **fair market value** of the noncash prizes paid or given out for each type of **gaming** conducted.

Line 4. Enter the expenses paid or incurred for the rent or lease of property or facilities.

Line 5. Enter the amount of other direct expense items for **gaming** not included on lines 2 through 4. The organization should retain in its records an itemized list of all other direct expenses not included on lines 2 through 4. Mandatory distributions should be shown on line 17.

The itemized list of direct expenses should include the following:

- Labor costs and wages, including the total **compensation** paid to **gaming** workers or **independent contractors** for labor costs;
- Employer's share of federal, state, and local payroll taxes paid for the tax year for gaming workers, including social security and Medicare taxes, state and federal unemployment taxes, and other state and local payroll taxes;
- Excise taxes, including any wagering tax paid with Form 730, Monthly Tax Return for Wagers, and any occupational tax paid with Form 11-C, Occupational Tax and Registration Return for Wagering.

Line 6. If substantially all of the organization's work in conducting a type of gaming is performed by **volunteers**, check "Yes" and enter the percentage of total workers who are volunteers for each type of **gaming** conducted. The percentage is determined by dividing the number of volunteers for each type of gaming by the total number of workers for that type of gaming, both paid and unpaid.

Line 7. Enter the total of lines 2 through 5, in column (d).

Line 8. Subtract line 7 from line 1, column (d). If line 7 is more than line 1, column (d), and the result is less than zero, enter it in parentheses.



For Form 990 filers, the amounts reported on line 1, column (d), line 7, and line 8 must equal the amounts reported on Form 990, Part VIII, lines 9a, b, and c, respectively.

Line 9. Enter all states in which the organization conducted **gaming** during the **tax year**, including states in which the organization solicited residents to participate in gaming activity. If the organization needs more space, use *Part IV*.

Line 9a. Check “Yes” only if the organization is licensed or otherwise registered to conduct **gaming** in each state listed on line 9.

Line 9b. If the organization is not licensed or otherwise registered to conduct **gaming** in any state listed on line 9, explain in the space provided. If the organization needs more space, use *Part IV*.

Line 10a. Check “Yes” if any of the organization's gaming licenses were revoked, suspended, or terminated during the tax year.

Line 10b. Provide an explanation for each state in which the organization's **gaming** license or registration was revoked, suspended, or terminated during the tax year. If the organization needs more space, use *Part IV*.

Line 11. If any nonmembers participated in **gaming** conducted by the organization during the tax year, check “Yes.” Membership is determined in accordance with the organization's organizing documents and applicable law. For purposes of this question, bona fide guests of members attending with them should also be treated as members. “Bona fide guests” are individuals whom the member invites and for whom the member pays. If, for example, a nonmember pays for his or her own wagers in gaming activities, he or she is considered a nonmember, even though he or she may have entered the organization's premises with a member. Also, if an organization

requires only a nominal payment to join as a “member,” individuals making such a payment to gain admission to the organization's facilities or activities are not considered members or bona fide guests. See *Pub. 3079, Tax-Exempt Organizations and Gaming*, for more information.

Line 12. If the organization is a grantor, beneficiary, or trustee of a trust or a member of a partnership or other entity formed to administer charitable **gaming**, check “Yes.” For purposes of this question, “a partnership or other entity” means two or more organizations that are authorized under state law to conduct **bingo** or other **gaming** at the same location joining together to account for or share revenues, authorized expenses, and inventory related to bingo and gaming operations.

Line 13a. Enter the percentage of **gaming** conducted during the tax year in a facility or facilities owned by the organization. The facility or facilities need not have been used exclusively for gaming.

Line 13b. Enter the percentage of **gaming** conducted during the year in a facility or facilities not owned by the organization.

Line 14. Enter the person's name and business address (or the organization's business address if the books and records are kept by such person at a personal residence). The organization is not required to provide the address of a personal residence of an individual.

Line 15a. An organization can pay its own employees to conduct **gaming**, or contract with a third party for such services. Check “Yes” or “No” to indicate whether the organization has a contract with a third party from which it receives gaming revenue.

Line 15b. If the organization checked “Yes” to line 15a, enter the **gaming** revenue amount received by the organization and the gaming revenue amount retained by the third party. If there is more than one third-party operator, report the additional operator(s) in *Part IV*.

Line 15c. If the organization checked “Yes” to line 15a, enter the name and

address of the third party. If there is more than one third-party operator, report the additional operator(s) in *Part IV*.

Line 16. Complete this line for the person who has overall supervision and management of the **gaming** operation. Generally, this person has responsibilities that can include recordkeeping, money counting, hiring and firing of workers, and making the bank deposits for the gaming operation. If the gaming manager is a **director**, **officer**, or **employee** of the organization, report only the portion of that person's compensation that is allocable to gaming management. If more than one person shares this responsibility, report the additional person(s) in *Part IV*.

Line 17a. Some states require that charitable organizations make mandatory distributions from **gaming** proceeds to obtain and retain a valid gaming license. Check “Yes” or “No” to indicate whether the organization is required to make mandatory distributions from its gaming proceeds to retain its gaming license or registration in any state.

Line 17b. For all states in which the organization conducted **gaming**, enter the aggregate amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the **tax year**. Provide a breakdown of required distributions, by each state, in *Part IV*.

For more information, see *Pub. 3079*.

Part IV. Supplemental Information

Use Part IV to provide the narrative explanations required, if applicable, to supplement responses to Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b. *Part IV* may also be used to supplement other responses to questions on Schedule G (Form 990 and 990-EZ). In *Part IV*, identify the specific part and line number that each response supports, in the order in which those parts and lines appear on Schedule G (Form 990 or 990-EZ). *Part IV* can be duplicated if more space is needed.