

STATEMENT OF FUNCTIONAL EXPENSE INSTRUCTIONS

In General

All organizations who complete the IRS Form 990 N (post card), 990-EZ, 990-PF or who do not complete any 990 must complete the Statement of Functional Expense Form.

Column (A)

Every expense should be listed here. If the expense includes property other than cash report the expense as the fair market value of the property given. Attach a schedule detailing a description of the property given, the fair market value and how the fair market value was determined.

Column (B)

Program Services are those activities that your organization was created to conduct and form the basis for the exemption from tax. They may be funded from current contributions, accumulated income, investment income or any other source. Fundraising expenses should not be reported as program service expense even though one of the functions of the organization is to raise funds for other organizations. Program Service expenses can also include unrelated trade or business activities.

Column (C)

Management & General

This column is used to report expenses for overall function and management that does not have a program service or fundraising purpose. For the most part this will be the expenses for licenses and fees paid to state and city governments, the costs associated with starting the organization and incidental expenses of board meeting. If your organization was established prior to the current year and only operates in Utah the expense reported here will be the \$100 fee paid to Consumer Protection and the \$7 or \$22 paid to Corporations to register your organization's name.

Column (D)

Fundraising

Fundraising expenses are the total expenses incurred in soliciting contributions, gifts, grants etc. Report all fundraising expenses, including publicizing and conducting fundraising campaigns, soliciting grants from foundations and government agencies, costs of participating in federated fundraising campaigns, preparing and distributing fundraising manuals, instructions and other materials. Report here the costs of conducting events that generate income as special events or sales of goods and services. Do not report the direct expenses of the event or the cost of goods and services sold.

Line (1)

Grants, allocations and contributions

Report here the amounts given to individuals and organizations selected by the filing organization. United Way and similar organizations should report here allocations to member agencies. Report voluntary awards and payments to affiliated organizations.

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Line (2)

Specific assistance to individuals

Enter the amount of payments to, or for the benefit of, particular clients including assistance rendered by others at the expense of the filing organization. Do not include grants to other organizations who selected the person who received the assistance. For example report the payment to a medical practitioner to cover the expenses of a particular individual, but do not report a contribution to a medical practitioner to provide some services to the general public or to unspecified charity patients. Report scholarships given directly to specific individuals selected by the filer. Report on line (1) scholarships given to individuals selected by other organizations.

Line (3)

Registration fees

Enter the amount paid to federal, state and local governments for fees required to operate. These include solicitation permit fees, business licenses and fees other than taxes and penalties paid to the IRS.

Line (4)

Benefits paid to/for members

For organizations that provide benefits to members or dependents report the total here and attach a schedule of each payee and purpose for the payment.

Line (5)

Compensation of officers/directors

Enter the total compensation paid to current and former officers, directors, trustees, and key employees. Compensation includes all forms of income earned or received for services provided.

Line (6)

Other salaries and wages

Enter the total amount of employees' salaries and wages, fees, bonuses, severance payments and compensation deferred in prior year that was paid in the current year.

Line (7)

Pension plan contributions

Enter the employer's share of contributions to qualified and nonqualified pension plans for the year. Do not include contributions to pension plans that were reported on line 4.

Line (8)

Other employee benefits

Enter the employer's contributions to employee benefit programs such as insurance, health and welfare programs.

Line (9)

Payroll Taxes

Enter the amount of federal, state and local payroll taxes for the year but only those taxes that are imposed on the organization as an employer. This includes the employer's share of Social Security, Medicare taxes, Federal and state unemployment compensation taxes. Do not include the portion withheld from the employee's earnings.

Line (10)

Professional fundraising fees (including amounts paid to consultants)

Enter the amount paid to outside fundraisers who conduct solicitation campaigns as well as amounts paid for consultation services connected with a solicitation conducted by the organization itself. Include all payments made to or through the fundraiser including but not limited to postage, supplies and labor expenses. Do not include any amount paid to employees of the organization.

Line (11)

Accounting fees

Enter the total accounting fees paid to outside firms and individuals who are not employees of the organization.

Line (12)

Legal fees

Enter the total legal fees paid to outside firms and individuals who are not employees of the organization. Do not include penalties, fines or judgments imposed on the organization.

Line (13)

Telephone

Enter the total telephone, telegram, cable, internet provider and similar expenses for the year.

Line (14)

Supplies

Enter the total for office, classroom, medical and other supplies used during the year.

Line (15)

Postage and shipping

Enter the total amount of postage, parcel delivery, trucking and other delivery expenses, including the cost of shipping materials.

Line (16)

Occupancy

Enter the total amount paid or incurred for the use of office space or other facilities including all utilities. Include outside janitorial services, mortgage interest, property insurance, real estate taxes and similar expenses. Do not include depreciation or any salaries of the reporting organization's own employees.

Line (17)

Equipment and maintenance

Enter the cost of purchasing, renting and maintaining office equipment and other equipment other than automobile and truck expenses reportable on line 19.

Line (18)

Printing and publication

Enter the expense and related costs of producing the reporting organization's own newsletters, leaflets, films and other informational material on this line. Also include the cost of any purchased publications on this line. Do not separate or allocate the expense of printing and publishing provided by outside vendors as part of their contracted services. For example if a professional fundraiser is paid to solicit through written appeals, do not report the printing costs on this line.

Line (19)

Travel

Enter the total travel expenses including transportation costs, mileage allowances, automobile expenses, meals and lodging.

Line (20)

Conferences, conventions and meetings

Enter the total expenses incurred by the organization in conducting meetings related to its activities other than fundraising. Include the costs of rental of facilities, speakers' fees and expenses. Include registration fees paid for sending the organizations officer, directors and employees. Do not include the salaries or travel expense of the organization's own employees who participate.

Line (21)

Interest

Enter the total interest expense for the year. Do not include any interest attributable to rental property, or any mortgage interest reported as occupancy.

Line (22)

Depreciation, depletion

If the organization records depreciation, depletion or similar expenses, enter the total for the year. Attach a schedule explaining each item.

Line (23)

Other

Enter each type and amount of expense for which a separate line is not provided. These must be separate expense items and not groupings of expenses. Examples include unrelated business income taxes, penalties and fines. Use as many lines as needed. Attach a schedule if more space is needed. No line may exceed 5% of the column total.