

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:

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. This usually includes legal fees, accounting fees, liability insurance, office management, human resources and management of investments. 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 cash and noncash 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.

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. Also include grants and other assistance paid to third party providers for the benefit of specified individuals. 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 for the organization's tax year. Compensation includes all forms of income and other benefits earned or received for services provided.

Line (6)

Employee Salaries and Wages:

Enter the total amount of employees' salaries and wages, fees, bonuses, severance payments and similar amounts from the filing organization, common paymasters, and payroll/reporting agents in return for services rendered to the filing organization.

Line (7)

Pension Plan Contributions:

Enter the employer's share of contributions to qualified and nonqualified pension and deferred compensation plans for the year. Do not include contributions to qualified pension, profit-sharing, and stock bonus plans solely for the benefit of current or former officers, directors, trustees, key employees, or disqualified persons, which are reportable on line 5 or 6.

Line (8)

Other Employee Benefits:

Enter contributions by the filing organization, common paymasters, and payroll/reporting agents to the filing organization's employee benefit programs (such as insurance, health and welfare programs that are not an incidental part of a pension plan included on line 8), and the cost of other employee benefits .

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 and Medicare taxes, the federal and state unemployment compensation taxes and other state and local payroll taxes. Do not include the portion withheld from the employee 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, directors, trustees, or disqualified persons for these types of services.

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, fine or judgments imposed on the organization.

Line (13)

Telephone:

Enter the total amounts for telephone (cell phones and landlines) and facsimile 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 amounts for the use of office space or other facilities, including rent, heat, light, power, and other utilities expenses; property insurance; real estate taxes; mortgage interest; and similar occupancy-related expenses. Do not include expenses reported as office expenses (such as telephone expenses, supplies, printing, legal fees, equipment rental or postage and shipping).

Line (17)

Equipment Rental 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, fares, mileage allowances, automobile expenses, meals, lodging and per diem payments. Travel costs include the expenses of purchasing, leasing, operating, and repairing any vehicles owned by the organization and used for the organization's activities. Do not include leasing costs of vehicles for the organization's executives or other employees.

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 facility rentals, speakers' fees and expenses and printed materials. 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 and Amortization:

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

Line (23)

Lobbying Fees:

Enter amounts for activities intended to influence foreign, national, state, or local legislation, including direct lobbying and grassroots lobbying.

Line (24)

Investment Management Fees:

Enter amounts for investment counseling and portfolio management. Report monthly account service fees are considered portfolio management expenses. Do not include transaction costs such as brokerage fees and commissions.

Line (25)

Advertising:

Enter amounts paid for advertising. Include amounts for print and electronic media advertising. Also include internet site link costs, signage costs, advertising costs for the organization's in-house fundraising campaigns and fees paid to independent contractors. Do not include fees paid to independent contractors for conducting professional fundraising services or campaigns.

Line (26)

Bank fees:

Enter amounts for bank fees and other similar costs.

Line (27)

Information Technology:

Enter amounts for information technology, including hardware, software, and support services, such as maintenance, help desk, and other technical support services.

Line (28)

Royalties:

Enter amounts for royalties, license fees and similar amounts that allow the organization to use intellectual property such as patents and copyrights.

Line (29)

Payments to Affiliates:

Enter certain types of payments to organization affiliated with the filing organization. Report dues paid by a local organization to its affiliated state or national (parent) organization. Do not include purchases of goods or services from affiliates, voluntary awards or grants made by the organization to its state or national organization for specified purposes or membership dues paid to obtain general membership benefits from other organization (these membership dues should be reported on line 31 "other expenses".)

Line (30)

Insurance:

Enter total insurance expenses. Do not include insurance attributable to rental property, payments made by organization exempt under section 501(c) (8), (9), or (17) to obtain insurance benefits for members, property or occupancy-related insurance, employment-related benefits such as health insurance, life insurance, or disability insurance provided to the organization's officers/directors and other employees

Line (31)

Other Expenses:

Enter each types and amounts of expenses 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, membership dues paid to obtain general membership benefits from other organizations, penalties and fines. Attach a schedule if more space is needed. No line may exceed 10% of the column total.