

Project #206 Checksheet
501(c)(6) Business Leagues – Non-filers

1. Agent's Name _____
2. Group number _____
3. Phone number (____)____-_____

Entity Questions

4. Organization Name: entered by EPP
5. EIN: entered by EPP
6. Tax Period: entered by EPP
 - a. If you secured a different tax period than the one shown, enter the tax period of the primary return you audited. _____(YYYYMM)
7. Based on information secured during your initial contact, is this organization properly classified as a business league? Yes___ No___
 - a. If not, what is the correct subsection? (____)(_____)

If you answered "No" to Question # 7, STOP HERE. Do not complete the rest of the checksheet. Return the disk to your manager, to be forwarded to Exam Planning & Projects (EPP).

8. Was the organization active in the year selected for this study? Yes___ No___

If no, enter the last year of activity _____(YYYYMM), and check all that apply:

 - a. ___ Terminated
 - b. ___ Formally dissolved by board resolution
 - c. ___ State was notified of termination or dissolution
 - d. ___ Went out of existence, no formal dissolution
 - e. ___ Unable to locate
 - f. ___ Inactive but not dissolved. Organization plans to become active in future.

If you answered "No" to Question #8, STOP HERE. Do not complete the rest of the checksheet. Return the disk to your manager, to be forwarded to Exam Planning & Projects (EPP). See Project Instructions.

The remaining questions should be answered based on your interview of the organization's officers and your audit of books and records. **An audit must be completed on books and records on all project cases.** This case may be worked as an OCEP with your group manager's approval, provided a telephone interview is used to secure answers to non-examination questions. If the organization claims to have gross income below \$25,000, your audit will focus on verifying that the organization has no filing requirement. You will also need to complete an audit of other issues sufficiently deep in scope to enable you to answer all applicable questions.

9. NTEE Code or Activity code of record: [entered by EPP](#)

- a. If the NTEE Code is incorrect, what should it be?
_____(enter one letter + 2 digits)
- b. If the Activities Codes were incorrect, what should they have been?
____,____,____ (enter 3-digit activity codes, primary, secondary and tertiary)
This question refers to the BMF activity code, not the AIMS activity code.

Note: Form 2363-A must be completed and submitted with the closed case file if any of these EO-BMF data elements are incorrect:

EIN	NTEE code
Primary Name	Area Office Code
Current Address	Accounting Period
Affiliation Code	Filing Requirement Code
Group Exemption Number	Asset Code
Ruling Date	Income Code
Organization Code	Status Code
Activity Code	

Be sure to update the filing requirement if you determine that the organization is no longer required to file the Form 990.

Census Questions

10. What type of information would the organization's officers like to see added to the IRS website?

11. How do officers and board members prefer getting information from the IRS?
(Check all that apply):

- a. Website
- b. Customer Service call-in site
- c. Walk-in site
- d. Publications, brochures, pamphlets
- e. Notices, announcements
- f. Direct Correspondence
- g. Seminars, workshops
- h. EO conferences

12. Would officers of the organization be interested in attending an IRS workshop about business leagues, or exempt organizations in general? Yes No

a. If so, what topics would they like to see covered?

13. What type of organization is this? (Check one)

- a. Trade association
- b. Chamber of commerce
- c. Real-estate board
- d. Professional football league
- e. Other business league

14. What is the primary focus of the organization? (Check one)

- a. Trade shows, conventions
- b. Grass roots lobbying
- c. Provide insurance benefits to members
- d. Training
- e. Political activities
- f. Communication with members (newsletters, publishing)
- g. Own or operate a building
- h. Social activities
- i. Other

15. Approximately how many members did the organization have during the primary year under audit?

- a. Less than 50
- b. 51-100
- c. 101-500
- d. 501-1,000
- e. 1,001-5,000
- f. 5,001-10,000
- g. More than 10,000

16. Who prepared the Form 990?

- a. CPA
- b. Attorney
- c. Enrolled Agent
- d. Un-enrolled preparer
- e. Organization officer
- f. Volunteer member of the organization, not an officer
- g. Other

17. Does the organization have a website? Yes No

- a. If yes, did the website reveal any noncompliance? Yes No

Organizational Questions

18. How is the entity organized?

Corporation or Association (check one)

19. How is this organization related to other organizations?

- a. Parent organization, part of a group exemption
- b. Subordinate organization, part of a group exemption
- c. Affiliate, not part of a group exemption
- d. Stand-alone organization

20. Have the articles of incorporation or association, or the by-laws, been amended since the organization received its determination letter? Yes No

- a. Have the amendments been reported to the IRS? Yes No
- b. Did the changes result in disqualifying features? Yes No

Operational Questions

21. Did the organization conduct gaming? Yes___ No___
If yes, check all that apply:

- a. ___ Gaming was conducted directly by the organization
- b. ___ A promoter conducted gaming activities
- c. ___ Gaming activities were for members only
- d. ___ The organization was liable for filing Forms 730 and/or 11-C
- e. ___ The organization filed all Forms 730 and 11-C for which it was liable

22. Enter the AIMS disposal code you used, or expect to use, to close the case:_____

a. If the case was closed No Change with Advisory, please give a BRIEF description of the advisory, or send a copy of the closing letter with the survey disk.

23. Did the organization earn gross income from non-member sources totaling in excess of \$1,000 during the year under audit?

Yes___ No___

If the answer to Question #23 is "No", skip ahead to Question #30.

24. What was the source of the non-member income? (Check all that apply)

- a. ___ Debt financed rental income
- b. ___ Rental income – personal services rendered
- c. ___ Sales of merchandise
- d. ___ Fees for services
- e. ___ Tickets to organization events sold to non-members
- f. ___ Dues and other income from associate members
- g. ___ Gaming proceeds
- h. ___ Advertising
- i. ___ Other

25. Has the organization incurred continuing UBI losses over the 3 years ending with the year under audit? Yes___ No___

26. Did the organization file Form 990-T prior to the audit? Yes___ No___

If the answer to Question #26 is "No", skip ahead to Question #29.

27. Were adjustments made to the Form 990-T as a result of the audit?
Yes ___ No ___

If the answer to Question #27 is "No", skip ahead to Question #30.

28. What were the reasons for the adjustments to the Form 990-T? (Check all that apply)

- a. ___ Improper expense allocation
- b. ___ Unreported income
- c. ___ Unsubstantiated or non-deductible expenses
- d. ___ Other

If you answered Question #28, skip Question #29 and go directly to Question #30.

29. What reason did the organization give for not filing voluntarily? (Check all that apply)

- a. ___ Not aware of F990-T requirements
- b. ___ Relied on tax professional
- c. ___ Incorrectly applied rules on non-member income
- d. ___ Poor record-keeping
- e. ___ Other

30. Did the organization have employees? Yes ___ No ___

If the answer to Question #30 is "No", skip ahead to Question #35.

31. Did the organization timely and accurately file all employment tax returns?
Yes ___ No ___

If the answer to Question #31 is "Yes", skip ahead to Question #35.

32. What was the reason for the noncompliance? (Check all that apply)

- a. ___ Not aware of 941 or 940 filing requirements
- b. ___ Relied on tax professional
- c. ___ Incorrect application of law
- d. ___ Other

33. What generated the employment tax issue?

- a. Officers' personal use of organizations' vehicle(s)
- b. Non-accountable travel plan
- c. Waiver of dues in exchange for services
- d. Incorrectly classified workers
- e. Incorrect treatment of fringe benefits, other payments
- f. Other

34. Did any employment tax adjustment result in a discrepancy adjustment or referral?
Yes No

35. Did the organization provide particular service to members? Yes No

36. If particular services were provided, what were they? (Check all that apply)

- a. Registry services or referrals to members' businesses
- b. Advertising
- c. Appraisal or valuation services
- d. Auction or sales services
- e. Use of organization property (timeshares, boats, recreational property)
- f. Other

37. Did the organization make expenditures for the purpose of carrying out an exemption function as defined in IRC 527(e)(2)? Yes No

If the answer to Question #37 is "No", skip ahead to Question #48.

38. Did the organization have a Political Action Committee (PAC) or use a separate segregated fund to pay political expenditures? Yes No

39. If "No", what was the reason given by the officers for not setting up a segregated fund? (Check all that apply)

- a. Unaware of law pertaining to political expenditure
- b. Aware of law but confused about proper application
- c. Intended to set up segregated fund, but the fund was incorrectly established and was not actually segregated
- d. Chose not to set up segregated fund
- e. Relied of professional advice
- f. Other

40. If the answer to Question #37 is "Yes", did the organization file Form 8871?

Yes ___ No ___

41. If the answer to Question #40 is "No", what was the reason given by the officers for the organization not filing the Form 8871?

- a. ___ No investment income
- b. ___ Officers did not believe expenditures were political
- c. ___ Not aware of Form 8871 filing requirements
- d. ___ Relied on professional advice
- e. ___ Other

42. If the answer to Question #38 is "Yes", did the PAC or fund have its own EIN?

Yes ___ No ___

43. Did the PAC file Form 8871? Yes ___ No ___

44. If the answer to Question #43 is "No", what was the reason given by the officers for not filing the Form 8871? (Check all that apply)

- a. ___ Thought the organization had properly filed Form 8871
- b. ___ No investment income
- c. ___ Not aware of Form 8871 filing requirements
- d. ___ Officers did not believe expenditures were political
- e. ___ PAC is a Federal PAC and files with the FEC
- f. ___ Gross receipts annually were less than \$25,000
- g. ___ PAC's tax year ends prior to 7/1/2000
- h. ___ Other

45. If the answer to Question #37 is "Yes", did the organization file Form 1120-POL?

Yes ___ No ___

46. If the organization had established a PAC, did the PAC file a Form 1120-POL?

Yes ___ No ___

47. If the answer to Question #46 is "No", what was the reason given by the officers for not filing Form 1120-POL?

- a. ___ No investment income
- b. ___ Officers did not believe expenditures were political
- c. ___ Not aware of Form 1120-POL filing requirements
- d. ___ Relied on professional advice
- e. ___ Other

48. Did you secure a delinquent Form 990 return? Yes ___ No ___

49. If the answer to Question #48 was yes, what was the reason given by organization officers for failing to file the Form 990 in a timely manner? (Check all that apply)

- a. ___ Thought gross receipts were under \$25,000
- b. ___ Erroneously used net receipts to determine whether filing was required
- c. ___ Thought a return was filed
- d. ___ Change in officers
- e. ___ High volunteer turn-over
- f. ___ Poor record keeping
- g. ___ Relied on tax professional
- h. ___ Other

50. If the answer to Question #48 was "No", were gross receipts under \$25,000 in the year(s) in question? Yes ___ No ___

51. If other delinquent returns were If delinquent returns were secured, please check all that apply:

- a. ___ 990-T
- b. ___ Prior year delinquent 990
- c. ___ 941
- d. ___ 940
- e. ___ 945
- f. ___ 1099/W-2/W-2G
- g. ___ 730
- h. ___ 11-C
- i. ___ 8871
- j. ___ 1120-POL
- k. ___ 8872
- l. ___ 990 for the PAC

Thank you for completing the checksheet and participating in this project. Look for the results of the study in the EPR newsletter and the TE/GE website. Please return the disk to your manager as soon as you are able to respond to the questions with reasonable assurance.