

**Project #207 Checksheet
501(c)(5) Labor Organizations – 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 audited 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 labor organization? 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 checksheet to your manager, to be forwarded to Exam Planning & Projects (EPP).

8. Is the organization active? 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 checksheet to your manager, to be forwarded to Exam Planning & Projects (EPP). See Project Instructions.

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	

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 labor organizations, 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. ___ A labor union that collectively bargains on behalf of members

b. ___ Other labor organization

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

a. ___ Representation of members

b. ___ Social activities

c. ___ Provide insurance and/or other benefits to members

d. ___ Apprenticeship or other training

e. ___ Political activities

f. ___ Strike benefits

g. ___ Pension benefits

h. ___ Communication with members (newsletters, publishing)

i. ___ Own or operate a building

j. ___ 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? (check one)

___ Corporation ___ Association ___ Trust

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 checksheet.

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. Lost wages
- d. Waiver of dues in exchange for services
- e. Incorrectly classified workers
- f. Incorrect treatment of fringe benefits, other payments
- g. Other

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

35. 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 #35 is "No", skip ahead to Question #46.

36. Did the organization have a Political Action Committee (PAC) or use a separate segregated fund to pay political expenditures? Yes___ No___

37. 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

38. If the answer to Question #35 is "Yes", did the organization file Form 8871?
Yes___ No___

39. If the answer to Question #38 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

40. If the answer to Question #36 is "Yes", did the PAC or fund have its own EIN?
Yes ___ No___

41. Did the PAC file Form 8871? Yes___ No___

42. If the answer to Question #41 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

43. If the answer to Question #35 is "Yes", did the organization file Form 1120-POL?
Yes ___ No ___

44. If the organization had established a PAC, did the PAC file a Form 1120-POL?
Yes ___ No ___

45. If the answer to Question #44 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

46. 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 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 checksheet to your manager as soon as you are able to respond to the questions with reasonable assurance.