



# **TU Training: IRS Filings, Tax-Exempt Considerations, & TU's Annual Activity Report**

**March 19, 2025**

# AGENDA

1. IRS Form 990 & Considerations Related to Tax-Exempt Status
2. Filing the Annual Activity Report and Why it Matters
3. Q&A



# IRS Form 990 & Considerations Related to Tax-Exempt Status

# TU's Group Exemption under 501(c)(3)



TU is tax-exempt under Section 501(c)(3) and holds a “group exemption:” this means that “subordinate entities” (e.g. chapters and councils) are also recognized as tax-exempt, even though they do not have to apply to the IRS for such status.

- ✓ Each chapter and council under the exemption has their own employer identification number (EIN.)
- ✓ Each chapter and council must file a 990 with the IRS annually by August 15 (detailed in the next slide).

# IRS Forms 990-N, 990-EZ, and 990



- ✦ ALL chapters and councils must file a 990 with the IRS **by August 15 each year.**
  
- ✦ 3 primary “versions” of Form 990
  - Form 990-N
  - Form 990-EZ
  - Form 990
  
- ✦ ALL 990s should be filed electronically.
  
- ✦ The version of 990 your chapter/council must file depends on a few factors, detailed in the next slides.

# IRS Form 990-N



- ✎ Form 990-N is the simplest version of 990.
- ✎ “Gross receipts” must “normally” be  $\leq \$50,000$  to use Form 990-N.
- ✎ To determine whether gross receipts are “normally”  $\leq \$50,000$ , we calculate average gross receipts over a 3-year period (e.g. year you are filing for and the two preceding fiscal years).
- ✎ **IF YOUR CHAPTER/COUNCIL IS ELIGIBLE FOR FORM 990-N, TU WILL HAVE AN EXTERNAL ACCOUNTING TEAM FILE YOUR CHAPTER/COUNCIL’S 990-N *PROVIDED THAT YOU FILE YOUR ANNUAL ACTIVITY REPORT BY MAY 15.***



# IRS Forms 990-EZ and 990



**If gross receipts over \$50,000 on average over three years, see below...**

- Gross receipts < \$200,000 **and** total assets < \$500,000 = Form 990-EZ or Form 990 (your choice, although 990-EZ is easier).
- Gross receipts ≥ \$200,000, **or** total assets ≥ \$500,000 = Form 990
- Form 990-EZ and Form 990 **MUST** be filed electronically.
- Get help (from an accountant experienced with non-profit orgs.; we can provide a referral) if you are not comfortable.
- TU staff *cannot* fill these forms out for you

**Chapter/Council is responsible for ensuring Forms 990-EZ or 990 are filed timely.** ★

# Unsure of Which Version of 990 is Required?



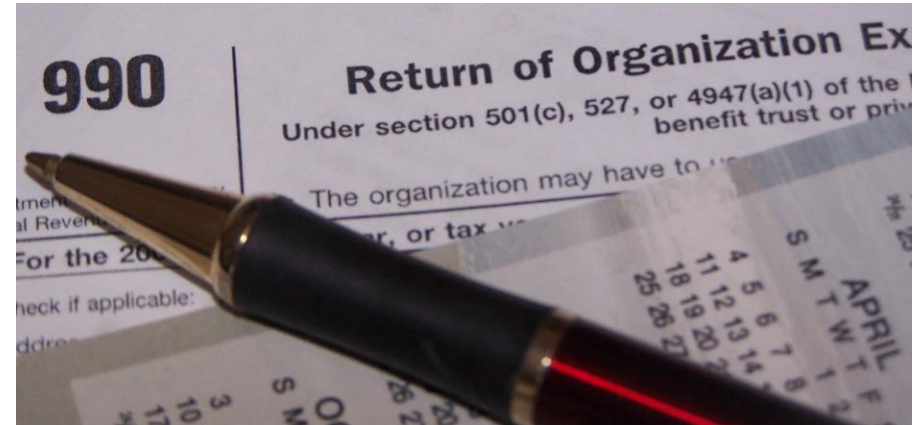
- ✦ If you are unsure which version of 990 your chapter/council is required to file, or want to confirm your understanding of the same, REACH OUT AND ASK ME: [q.collins@tu.org](mailto:q.collins@tu.org)
- ✦ **All Form 990s (regardless of version) are due to the IRS on August 15 annually.** ★



# What to do after you file Form 990-EZ or 990



- ✎ Because TU does not have these prepared for chapters/councils, you'll need to upload a copy of your filed 990-EZ or 990 to the Electronic Documents area of LOS to ensure continued access.



# Consequences for Not Filing Form 990s

- If a chapter or council fails to file the correct form for *three consecutive years*, the IRS will automatically revoke tax-exempt status.
- Smaller chapters/ councils (those with \$50,000 or less in gross receipts on average) will have your 990Ns filed for you. No action required (provided AAR filed by May 15).



# Unrelated Business Income



**If unrelated business income is greater than \$1,000 in any year, your chapter or council must file a Form 990T with the IRS**

Definition: Income from a trade or business *regularly carried on* by an exempt organization that is *not substantially related to the accomplishment of the exempt purpose* of the organization other than the organization spending the profits to accomplish its mission.

Common Examples for TU chapters or councils:

- Advertising income (on web and in newsletters)
- Endorsements of products

Exclusions: Interest income and royalties (not a regularly carried on trade or business); Sale of donated goods; other exclusions (reach out and/or ask accountant).

# Activities that Risk Tax Exempt Status

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- 1) Do not endorse or oppose candidates for public office.
- 2) Restrict portion of activities devoted to lobbying.
- 3) Do not donate money to non-501(c)(3) orgs. or other organizations that do not further TU's mission.
- 4) Chapters or councils should use great caution if they choose to grant scholarships to individuals.
- 5) Chapters and Councils must not enter into transactions that constitute a "conflict of interest."

# Policy on Financial & Property Controls



- Chapters and councils must ensure that money or other assets donated for a particular purpose is used only for that purpose.
- Each chapter and council must prepare and keep a current inventory of all personal property at least \$200 in value that the chapter or council owns and must appoint an officer to oversee that property
- Chapters and councils must provide access to the records of all chapter and council accounts to an officer who is not authorized to sign checks, otherwise withdraw funds from the accounts, or make charges on a chapter or council credit card.

## Update Chapter Leaders - 999 - Test Chapter

### STEP ONE: CHOOSE A LEADER POSITION

#### Roles

Chapter Board Member  
Chapter Conservation Chair  
Chapter Financial Reviewer  
Chapter Fundraising Chair  
Chapter Meeting Coordinator  
Chapter Membership Chair  
Chapter Newsletter Editor  
Chapter President  
Chapter Secretary  
Chapter TIC Coordinator

#### Role definition

Due to the financial policies of Trout Unlimited, each chapter is required to have a designated member outside of the Chapter Executive Board to independently audit the monthly financial statements and budget.

### STEP TWO: ADD A CHAPTER FINANCIAL REVIEWER

There are no leaders currently assigned.

Add a new Leader

### STEP THREE: SEARCH FOR A MEMBER

Last Name

equals

Smith

OR

Member ID

Search

# Financial Controls and Reporting



## STEP-BY-STEP GUIDE TO FILING YOUR ANNUAL ACTIVITY REPORT

TU is a publicly supported 501(c)(3) organized under a group exemption and because of this the IRS requires that each chapter and council under the exemption have its own employer identification number (EIN) and file its own tax forms with the IRS.

Chapter and council volunteers work hard to raise funds for conservation and related purposes, and one of the most important responsibilities of chapter and council officers is to safeguard and protect those funds so they are used for the purposes for which they were raised. The resources in this section are designed to help you set up systems to safeguard those funds and other chapter and council assets, and ensure your chapter or council is in compliance with TU and IRS reporting regulations.

[Financial and Property Controls Policy](#)

[Personal Property Inventory Sample Spreadsheet](#)

[Filing the TU Annual Activity Report](#)

[Securely Processing Credit Cards](#)

[Federal Tax Filing Requirements](#)

[Unrelated Business Income Tax \(UBIT\)](#)

[State Filing Requirements](#)

- Scan to quickly access TU's Financial Controls and Reporting Webpage



## Additional Policies and Controls

The IRS Form 990 includes several questions focusing attention and governance practices on accountability and transparency. These questions are specifically designed to elicit whether your chapter or council has a [written conflict of interest policy](#), [an approved whistleblower protection policy](#), [a document retention policy](#) and a procedure for reviewing the IRS Form 990 prior to filing. All TU chapters and councils large enough to file the Form 990 (those with gross receipts normally larger than \$50,000/ year) should have these policies in place. It is advised that regardless of your chapter or council's size, you consider adopting these policies and procedures so as well.

### **IRS Guidance on Board Governance and Management** (PDF)

It is important that each chapter and council implement proper management structures, operational policies, and administrative practices. In the Form 990, the IRS asks about policies such as document retention and destruction, ethics and whistleblower policies, and whether or not your board reviews the 990 before the Form is filed.

### **IRS Compliance Guide for Tax Exempt Organizations** (Webpage)




# ANNUAL ACTIVITY REPORT

# Why the Annual Activity Report Matters



The Annual Activity Report is a tool for our entire organization to gather important information to make decisions and improvements & tell our story of impact!

- 1) Measure chapter progress year-over-year against your goals.
- 2) Tell your local story of impact to media, members, supporters and funders.
- 3) Data “rolls up” to state council to provide weight behind statewide advocacy efforts.
- 4) Data “rolls up” nationally to help TU tell a complete story of our impact, thanks to you!




**TROUT UNLIMITED**  
CHAPTER  
NAME HERE

**Media Contact:** FIRST NAME, LAST NAME  
XYZ CHAPTER PRESIDENT  
(555) 555-5555  
[emailaddress@email.com](mailto:emailaddress@email.com)

**XYZ Chapter of Trout Unlimited Volunteers Contributed X,XXX Hours**  
Across REGION/COUNTY, conservation, youth, and community programs improve water quality

**CITY – DATE** – Rivers across the XXXCOUNTY NAMEXXX are cleaner and healthier thanks to volunteers with the XYZ CHAPTER Trout Unlimited. In the past year, XYZ CHAPTER volunteers contributed more than X,XXX hours of service to the mission of this national conservation nonprofit that has 420 local chapters and state councils across the country and XX chapters here in the state of XXXSTATE NAMEXXX.



More than XX conservation projects restoring and repairing rivers, and over XX youth education programs to engage the next generation in conservation were held from TOWN NAME IN ONE CORNER OF THE CHAPTER REGION to TOWN NAME IN ANOTHER CORNER OF THE CHAPTER REGION.

“Trout Unlimited’s philosophy is simple and powerful. If you take care of the fish, the fishing will take care of itself,” said FRIST NAME LAST NAME, president of the XYZ Chapter. “We are a community of people who care deeply about our local rivers and the trout and other wildlife that need clean, healthy rivers to survive and we’re willing to roll up our sleeves to ensure those rivers are in better shape for our children and grandchildren.”

Students from XYZ SCHOOL in TOWN NAME take water quality measurements as part of a hands-on environmental education program offered by the XYZ CHAPTER of Trout Unlimited which is working to protect and restore local rivers.

Here in XXX COUNTY / REGION\_NAME XXX, projects and programs that improved rivers, engaged local communities and educated youth were broad and diverse in their location and impact. They included:

- Planting 500 willow saplings along XYZ RIVER in TOWN NAME to improve water quality, reduce erosion and minimize the impacts of flooding
- Bringing 250 students from URBAN SCHOOL DISTRICT ABC out to the XYZ RIVER to learn about the ecosystem and how clean, cold water is essential to support not only trout, but also aquatic insects, mink,



# Filing the Annual Activity Report



## Login to Your TU Account

Please login to your TU account to:

- Connect with the Online Community forum
- Update your contact and member information
- Access the Leaders Only tools for volunteer leaders

**Login**

Email address

bsmith@tu.org

Remember me

Password

\*\*\*\*\*

Login

**LOGIN**

### Don't have a login?

TU accounts are for current, active members and provide access to a range of ways for you to connect with fellow members and volunteers and manage your membership. Renew your membership at [www.tu.org/renew](http://www.tu.org/renew) or join as a new member by clicking the button below.

[Forgot your password?](#)

JOIN

RENEW

DONATE

**VOLUNTEER LEADER  
LOGIN**

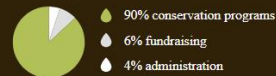
ABOUT TROUT UNLIMITED  
CONTACT US  
FAQ  
MEDIA

### Sign up for Trout Unlimited emails



### ACCOUNTABILITY

Over 90 cents from every dollar contributed to TU goes directly into conservation programs.



Click [HERE](#) to access the Leaders Only Section.

# Filing the Annual Activity Report



## My Profile

Membership Status: **Member** (View Details) | Member ID: **411297377**

Chapter(s): **051 - Jackson Hole**



EDIT

Contact me by: **E-Mail**

Jackson, WY 83002-7003

(800)834-2419

bsmith@tu.org

View Website

EDIT CONTACT INFO

EDIT SOCIAL LINKS

Profile Details

EDIT PRIMARY INFO

**Name:** Mrs. Beverly Smith

**Title:** Vice President for Volunteer Operations

PO Box 7003  
Jackson, WY, 83002-7003  
UNITED STATES

My Account Menu

- My Profile
- My Full Contact Info
- My Communities
- My Leaders Only
- My Social Media
- My Membership
- My Subscriptions
- My Events
- My Downloads
- My Chapters
- Change My Password

TU COMMUNITY

LEADERS ONLY

JOIN

RENEW

DONATE

# BEFORE YOU START...



- ✦ **Review your roster of leaders and update as needed.**
  - This is critical as we use the listed Treasurer as the "principal officer" for 990-N purposes (if no Treasurer, we use President).
  - Visit LOS; select "Update Chapter Leaders" or "Update Council Leaders"
  
- **Review your chapter address and update as needed.**
  - This is critical as this is the source of info we use when providing address info to our external accounting team for 990-N filing purposes.
  - This is where the IRS would send notices, communications, etc.
  - Visit LOS; select "Update Chapter Information" or "Update Council Information"

# Filing the Annual Activity Report



HOME COUNCIL & CHAPTER RESOURCES **CHAPTER RESOURCES** RETURN TO TU.ORG LOGOUT

Choose Council  
9999 - Testing Council

Choose Chapter  
999 - Test Chapter

About This Menu Option:  
File your annual Chapter Activity Report to track and account for the financial and volunteer activity of your state council during the fiscal year from April 1 through March 31. The reports are due annually by May 15.

[Council Roster](#)  
[Membership Changes](#)  
[Email Members](#)  
[Update Council Leaders](#)  
[Update Council Information](#)  
[Electronic Documents](#)  
[Annual Activity Report](#) ←  
[Events](#)

[Chapter Roster](#)  
[Membership Changes](#)  
[Email Members](#)  
[Update Chapter Leaders](#)  
[Update Chapter Information](#)  
[Electronic Documents](#)  
[Annual Activity Report](#) ←  
[Events](#)

- Councils should select their Council from the drop-down menu, then click “Annual Activity Report” directly beneath.
- Chapters must first select their Council in the left drop-down menu, *then* select the chapter from the right drop-down menu and click “Annual Activity Report” directly underneath.

# Filing the Annual Activity Report



## Acknowledgement

I acknowledge receipt of the [TU Leadership Manual](#), confirm that I have reviewed and understand its contents. I further agree to adhere to the policies within as a condition to my service as a leader.



Accept

Decline

JOIN

RENEW

DONATE

VOLUNTEER  
LEADER LOGIN

ABOUT TROUT UNLIMITED  
CONTACT US  
FAQ  
MEDIA

Sign up for Trout Unlimited emails



### ACCOUNTABILITY

Over 87 cents from every dollar contributed to TU goes directly into conservation programs.



# Filing the Annual Activity Report



## Chapter – Annual Activity Reports

Chapter: 359 - Saluda River

Create New Activity Report



Search:

	Year	Chapter	Submitted	Status
	2022	359 - Saluda River	05/08/2022	Submitted
	2021	359 - Saluda River	05/14/2021	Submitted

Showing 1 to 2 of 2 entries

< Previous 1 Next >

# Annual Activity Report: Recent Changes



Chapter/Council Name: 999 - Test Chapter

Chapter/Council State: VA

EIN:

Member Count: 1

Treasurer Name:

Treasurer Phone Number:

Treasurer Email Address:

Note: To avoid any data loss, please save the form often, by clicking save at the bottom of the form.

Print

## General Financial & Accounting Questions

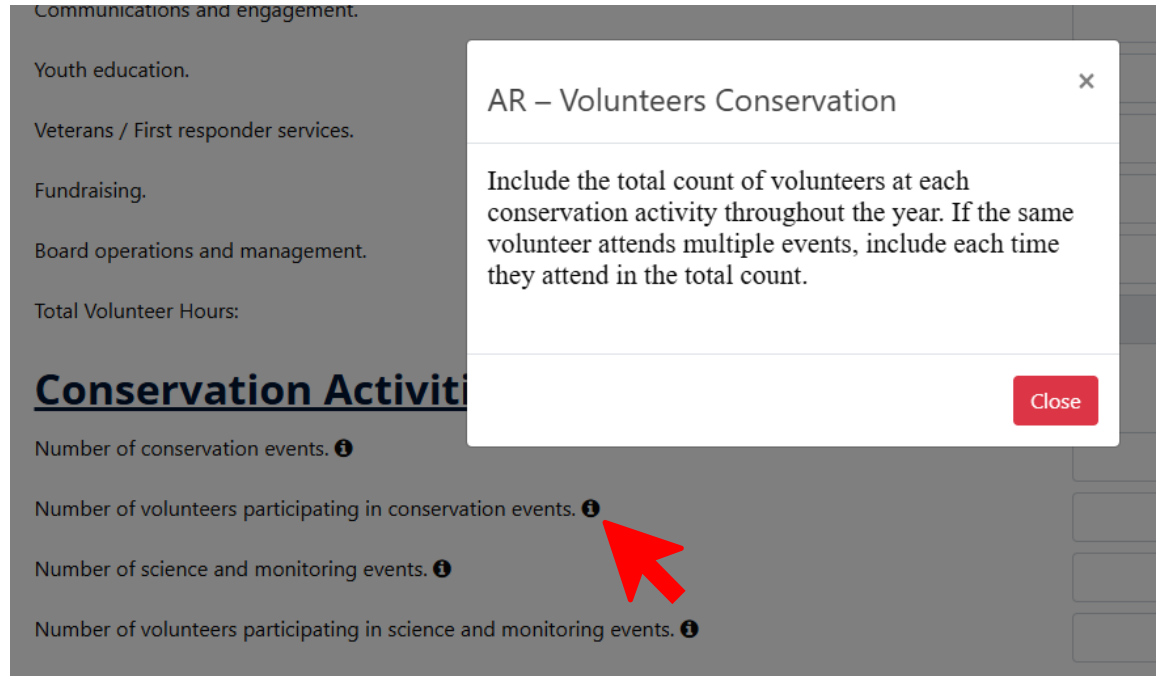
Our chapter or council separately incorporated in our state	<input type="checkbox"/>
Our chapter or council held elections for board members or officers	<input checked="" type="checkbox"/>
Our chapter or council directors and officers have all signed a conflict of interest policy	<input type="checkbox"/>
Our chapter or council owns real estate or holds conservation easements	<input type="checkbox"/>
Our chapter or council engaged in litigation	<input type="checkbox"/>
Our chapter or council has an endowment fund	<input type="checkbox"/>
Our chapter or council employs full or part-time staff	<input checked="" type="checkbox"/>
Our chapter or council compensates officers or directors (other than reimbursements)	<input type="checkbox"/>
Our chapter or council paid one or more contractors or consultants more than \$599	<input checked="" type="checkbox"/>
Our chapter or council awarded one or more scholarships	<input type="checkbox"/>
Our chapter or council received a federal grant	<input type="checkbox"/>
Our chapter or council received a portion of proceeds from a sale of goods or services by a business	<input checked="" type="checkbox"/>
How many partners, businesses or organizations used the TU logo or chapter-specific logo in a fundraising activity?	0
How many in-person raffles or sweepstakes did your chapter hold?	8
How many online raffles or sweepstakes did your chapter hold?	4
How many in-person or online auctions did your chapter hold?	2
How many cash sponsors (individuals, business or organizations) did your chapter have?	4
How many in-person or online contests and/or races or tournaments (such as a 5k or fishing tournament) with a fee or as a fundraiser did your chapter hold?	1

## The following recent changes (from FY23):

- Did your chapter or council hold elections for board members or officers?
- Has your chapter or council adopted a conflict of interest policy?
- Did your chapter receive a portion of proceeds from a sale of goods or services by a business?
- Did a business or organization your chapter partners with use the TU logo in a fundraising activity?
- How many in-person raffles or sweepstakes did your chapter hold?
- How many online raffles or sweepstakes did your chapter hold?
- How many in-person or online auctions did your chapter hold?
- How many cash sponsors (individuals, business or organizations) did your chapter have?
- How many in-person or online contests and/or races or tournaments with a fee or as a fundraiser did your chapter hold?

# The Black "i" Bubbles

- Be sure to click on the black "i" bubbles for an explanation of what is being asked.
- Also be sure to carefully read each question to understand *exactly* what is being asked.
- For example, the final 2 questions ask about women & people of color *on your board of directors—NOT within your membership.*



The screenshot shows a form with several sections: "Communications and engagement.", "Youth education.", "Veterans / First responder services.", "Fundraising.", "Board operations and management.", and "Total Volunteer Hours:". Below these is a section titled "Conservation Activities" with a list of questions, each followed by a small black circle containing a white lowercase letter 'i'. A red mouse cursor is pointing at the 'i' bubble next to the question "Number of volunteers participating in conservation events.". A white tooltip box is open over the tooltip, titled "AR – Volunteers Conservation", and contains the text: "Include the total count of volunteers at each conservation activity throughout the year. If the same volunteer attends multiple events, include each time they attend in the total count." A red "Close" button is located at the bottom right of the tooltip.

Communications and engagement.

Youth education.

Veterans / First responder services.

Fundraising.

Board operations and management.

Total Volunteer Hours:

**Conservation Activities**

Number of conservation events. ⓘ

Number of volunteers participating in conservation events. ⓘ

Number of science and monitoring events. ⓘ

Number of volunteers participating in science and monitoring events. ⓘ

AR – Volunteers Conservation

Include the total count of volunteers at each conservation activity throughout the year. If the same volunteer attends multiple events, include each time they attend in the total count.

Close



## Revenue

Contributions from individuals and/or corporations. ⓘ	1234.56
Contributions from grants. ⓘ	2345.67
Rebates from TU national/council.	3456.78
Investment/interest income.	4567.89
Meeting, banquet, special events and/or raffle income.	56789.02
Sale of inventory. ⓘ	1234.72
Advertising. ⓘ	123476.89
Other revenue (temize). ⓘ	
<b>Total Revenue</b>	<b>193105.53</b>

## Expenses

Total spent on conservation, science and/or monitoring. ⓘ	89878.78
Total spent on youth education. ⓘ	23456.00
Total spent on veterans and first-responder services. ⓘ	
Total spent on member or support growth and community engagement. ⓘ	
Total spent on advocacy / lobbying. ⓘ	1234.00
Total Program Services	114568.78
Total spent on board operations and management ⓘ	
Total spent on fundraising ⓘ	
Other expenses (temize). ⓘ	
<b>Total Expenses</b>	<b>114568.78</b>
<b>Net Revenue</b>	<b>78536.75</b>

## Assets

Cash (in bank, etc...)	234567.89
Investments (money market account, etc...)	
Receivables (money owed to chapter/ council)	
Equipment (retail value) ⓘ	
Other Assets (itemize) ⓘ	
Total Assets	234567.89

## Liabilities

Accounts payable/ accrued expenses.	
Loans payable.	
Other liability (itemize):	
Total Liabilities	
Net Assets	234567.89

## Leveraged or Matching Funds

Leveraged or matching funds ⓘ	
-------------------------------	--

### Volunteer Hours

Please record your chapter's or council's total volunteer hours for the fiscal year. **?**

Conservation, science and/or monitoring.

2456.00

Advocacy / lobbying. **?**

123.00

Communications and engagement.

3567.00

Youth education.

1256.00

Veterans / First responder services.

230.00

Fundraising.

1452.00

Board operations and management.

2323.00

Total Volunteer Hours:

11407.00

### Conservation Activities

Number of conservation events. **?**

13.00

Number of volunteers participating in conservation events. **?**

356.00

Number of science and monitoring events. **?**

3.00

Number of volunteers participating in science and monitoring events. **?**

54.00

### Youth Education Activities

Number of school-related events. **?**

14.00

Number of youth participating in school-related events. **?**

275.00

Number of college-related events. **?**

0.00

Number of young adults/ students participating in college-related events. **?**

0.00

Number of non-school related events. **?**

3.00

Number of youth participating in non-school-related events. **?**

55.00

### **Community Engagement Activities**

Number of community engagement events. **1**

Number of people participating in community engagement events. **1**

Number of chapter (or council) meetings. **1**

Number of people attending chapter (or council) meetings. **1**

Number of events for veterans or first-responders. **1**

Number of veterans / first responders attended events. **1**

Number of events organized specifically to reach under-represented communities. **1**

Number of people participating in events for under-represented communities. **1**

### **General Board Business Practices**

How many chapter or council board meetings did you hold in the fiscal year? **1**

How many of your elected chapter or council officers and directors have served:

0-4 years

5-9 years

10-14 years

15+ years

We have established strategies and goals for creating an inclusive culture where individuals of all races, genders, sexual orientations, abilities and ages are encouraged and empowered to participate and lead.

We seek individuals from various backgrounds for board positions on our chapter/ council in order to represent the demographics of our community at-large.

Approximately how many members of your chapter or council board of directors identify as women?

Approximately how many members of your chapter or council board of directors identify as people of color?

# Consequences for Not Filing TU's AAR

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- **Not eligible for rebates (both Year-End and New Member)**
- Not eligible for a Russell Fund Equity Grant or Embrace A Stream Grant
- Staff will work with the council to determine a course of action, which may include decharter.

# Questions?

Reach out to me at [g.collins@tu.org](mailto:g.collins@tu.org)

