

INSTRUCTIONS FOR QUESTIONNAIRE

Question 3 (Applies to all current Officers, Directors, Trustees, and Key Employees)

At any time during the tax year, did you receive any “reportable” or “other compensation” from a “related organization”?

Columns (D) & (E). Reportable compensation. Enter the amounts required to be reported on Form W-2, Box 5 and/or Form 1099-MISC, Box 7 issued to the person for the calendar year ending with or within the organization’s **tax year**. Enter an amount for each person in each of columns (D) and (E) (\$0, if the person received no **reportable compensation**). For **institutional trustees** that do not receive a Form 1099-MISC, enter the amount that the organization would have reported in Box 7 if a Form 1099-MISC had been required.

Treat amounts paid by a common paymaster as defined in Regulations section 31.3121(s)-1(b) for services performed for the organization as if paid directly by the organization. Likewise, treat amounts paid by a common paymaster for services performed for a **related organization** as if paid directly by the related organization.

Related organization:

An organization that stands in one or more of the following relationships to the filing organization:

- Parent—an organization that **controls** (see examples of **control** in glossary enclosed) the filing organization
- Subsidiary—an organization controlled (see examples of **control** in glossary enclosed) by the filing organization
- Brother/Sister—an organization controlled (see examples of **control** in glossary enclosed) by the same person or persons that control the filing organization
- Supporting/Supported—an organization that is (or claims to be) at any time during the organization’s tax year (i) a **supporting organization** of the filing organization within the meaning of section 509(a)(3), if the filing organization is a **supported organization** within the meaning of section 509(f)(3), or (ii) a supported organization, if the filing organization is a supporting organization

Reportable compensation:

Compensation that is reported on Form W-2, box 5 (or box 1 if the employee’s compensation is not reported in box 5), or Form 1099-MISC, box 7, filed for the calendar year ending with or within the organization’s tax year.

\$10,000-per-related-organization exception. For purposes of column (E), the organization need not include payments from a single **related organization** if less than \$10,000 for the calendar year ending with or within the organization’s **tax year**, except to the extent paid to a former **director** or former **trustee** of the organization for services as a director or trustee of the filing organization. For example, if an officer of the organization received **compensation** of \$6,000, \$15,000 and \$50,000 from three separate related organizations for services provided to those organizations, the organization needs to report only \$65,000 in column (E) for the officer.

Volunteer Exception. The organization need not report in column (E) or (F) compensation from a related organization paid to a **volunteer officer**, director, or trustee of the organization if the related organization is a for-profit organization, is not owned or controlled directly or indirectly by the organization or one or more related tax-exempt organizations, and does not provide management services for a fee to the organization.

Bank or Financial Institution Trustee Exception. If the organization is a trust with a bank or financial institution trustee that is also trustee of another trust, it need not report in column (E) or (F) compensation from the other trust for services provided as the trustee to the other trust.

Column (F). Other compensation. Other compensation generally includes **compensation** not currently reportable on Form W-2, Box 5 or Form 1099-MISC, Box 7, including nontaxable benefits other than disregarded benefits, as discussed in the Schedule J, Part II instructions. Treat amounts paid or accrued under a **deferred compensation** plan, or held by a deferred compensation trust, that is established, sponsored, or maintained by the organization (or a **related organization**) as paid, accrued, or held directly by the organization (or the related organization). Enter an amount for each person (\$0, if applicable). Report a reasonable estimate if actual numbers are not readily available.

The following items of compensation provided by the filing organization must be reported as “other compensation” in column (F) in all cases regardless of the amount to the extent they are not included in column (D):

1. Tax-deferred contributions by the employer to a qualified defined-contribution retirement plan.
2. The annual increase in actuarial value of a qualified defined-benefit plan, whether or not funded or vested.
3. The value of health benefits provided by the employer, whether or not qualified, that are not included in reportable compensation. For this purpose, health benefits provided by the employer include payments of health benefit plan premiums, medical reimbursement and flexible spending programs, and the value of health coverage (rather than actual benefits paid) provided by an employer’s self-insured or self-funded arrangement. Health benefits include dental, optical, drug, and medical equipment benefits. They do not include disability or long-term care insurance premiums or benefits for this purpose.
4. Tax-deferred contributions by the employer and employee to a non-qualified defined contribution plan, whether or not funded, vested, or subject to a substantial risk of forfeiture.
5. The annual increase in actuarial value of a non-qualified defined benefit plan, whether or not funded, vested, or subject to a substantial risk of forfeiture.

\$10,000-per-item exception. Neither the organization nor a **related organization** is required to report in Form 990, Part VII, Section A any other item of **other compensation** if its value is less than \$10,000 for the calendar year ending with or within the organization’s tax year.

Amounts excluded under the two separate \$10,000 exceptions (the \$10,000-per-related organization and \$10,000-per-item exceptions) are to be excluded from **compensation** in determining whether an individual’s total **reportable compensation** and other compensation exceeds the thresholds set forth in Form 990, Part VII, Section A, line 4. If the individual’s total compensation exceeds the relevant threshold, then the amounts excluded under the \$10,000 exceptions are included in the individual’s compensation reported in Schedule J. Thus the total amount of compensation reported in Schedule J may be higher than the amount reported in

Form 990, Part VII, Section A. The \$10,000 exceptions apply separately with respect to each item of other compensation from the organization and from each related organization.

Reasonable effort. The organization is not required to report compensation from a **related organization** to a person listed in Form 990, Part VII, Section A if the organization is unable to secure the information on **compensation** paid by the related organization after making a **reasonable effort** to obtain it. In such case, the organization shall report the efforts undertaken in Schedule O. An example of a reasonable effort is for the organization to distribute a questionnaire annually to each such listed person that includes the name, title, date, and signature of each person reporting information and contains the pertinent instructions and definitions for Form 990, Part VII, Section A, columns (E) and (F).