

**INSTRUCTIONS
FOR SPECIFIC SECTIONS OF THE
ANNUAL FINANCIAL REPORT**

General Information

- “Employer’s Identification Number (EIN)” – Identification number assigned to a nonprofit by the Internal Revenue Service.
- “Fiscal Year Beginning” and “Fiscal Year Ending” – Organizations establish the dates of their fiscal year. If an organization wishes to change its fiscal year, it should contact our Office.
- “Charity Registration Number” - Number assigned to your organization by the Public Charities Division.

Financial Summary

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| Line 1 | "Direct Public Support" - monies received from direct mail, telephone solicitations, commercial co-ventures, door-to-door solicitations, special events, telethons, and sales of goods and services to raise money for charitable purposes. It includes membership dues if there is NO qualification for membership, i.e. friends of a library. |
| Line 2 | "Indirect Public Support" - monies received from other charitable organizations, affiliates and federated fundraising agencies (for example, United Way). |
| Line 3 | "Government Grants" - monies received from, and by application to, federal, state, or local governments. |
| Line 4 | "Program Service Revenue" - monies your organization receives for providing services it was created to offer. (Examples include admission fees to performances, registration fees for conferences, and membership dues if there IS a qualification for membership.) |
| Line 5 | "Other Revenue" - monies from other sources, such as interest earned. It also includes local government allocations to volunteer fire departments. |
| Lines 7a - 7d | "Program Services" - monies which your organization spent directly on goods and services for its charitable programs and purposes. This does NOT include fundraising or administrative expenses, or combined fundraising/public information expenses. |
| Line 12 | "Management and General" - administrative costs for running the organization. Examples of such costs are accounting fees, bank charges, costs of board meetings and board insurance, post office box rent, office supplies, salary of executive director and his/her administrative assistants. |
| Line 15 | "Fund Balances or Net Worth at the beginning of the year" – all of your organization’s assets minus any liabilities at the <i>beginning</i> of the fiscal year. Such assets would include cash, certificates of deposits, stock, real estate, major equipment (like vehicles), etc. |
| Line 17 | "Fund Balances or Net Worth at the end of the year" – all of your organization’s assets minus any liabilities at the <i>end</i> of the fiscal year. Such assets would include cash, certificates of deposits, stock, real estate, major equipment (like vehicles), etc. |
| Line 18 | "Assets" (as of Fiscal Year End) - Items of value owned by the organization. Assets include cash, certificates of deposits, stock, real estate, major equipment (like vehicles), etc. |

- Line 19 “Liabilities” (as of Fiscal Year End) – Debts owed by organization. The debts should have also been listed as an expense (Line 7, 8, 10, 11, or 12) on the financial report for the fiscal year in which they were incurred.
- Line 20 “Fund Balance” – Net Worth at the end of the fiscal year. This figure MUST EQUAL Line 17.

Activity Statements

Required of all Organizations

Schedule 1: Contributions

- Line 3 “Commercial Co-Venture (CCV)” - any business which advertises that the sale or use of its goods or services will benefit a charitable organization. For example, a restaurant might advertise that for every hamburger sold, it will donate 25 cents to a particular charity. The charity should report here only its income from the event.
- Line 5 “Special Events (Contribution Portion Only)” – Enter ONLY the net income from the event. Deduct the value of the event to donors from the gross proceeds of the event. However, do NOT deduct any promotional costs involved with the event. For example, if a citizen purchased a ticket to a charity ball for \$50 and the value of food and entertainment he received at the ball was \$30, then enter \$20 (the contribution portion) on this Line. The \$30 is not listed at all on the Annual Financial Report form.
- Line 10 “Other” – In this section, you may list other kinds of solicitation and the proceeds from them. For example, if you held a fundraising sale, list “Sale” and enter only the net income from the event or sale. Deduct the cost of the items or services to the organization from the gross proceeds of the sale. Do NOT deduct any promotional costs involved in the sale. Examples of fundraising sales are giftwrap, bake sales, t-shirts, candy.
- Line 12 Federated Fundraising Agencies - a group of independent charitable organizations which have voluntarily joined together to raise and distribute contributions (i.e. United Way).

Schedule 2: Contracts with Professional Fundraising Solicitors (PFRS)

Professional Fundraising Solicitor - an individual or business which contracts with a charitable organization to solicit contributions for it. For example, a PFRS might call citizens or go door-to-door to ask for contributions. Bingo operators also are professional solicitors.

Schedule 3: Contracts with Professional Fundraising Counsels (PFRC)

Professional Fundraising Counsels (PFRC) - any individual or business which contracts with a charitable organization to plan, manage or prepare material for a fundraising campaign which the charitable organization will conduct. A Professional Fundraising Counsel, however, does NOT solicit funds. A PFRC might plan special events or prepare grant proposals for charitable organizations, for example.

Schedule 4: Contracts with Commercial Co-Venturers (CCV)

Commercial Co-Venture (CCV) - see definition and example above in the instructions for Schedule 1.

Certification

Both the chief executive officer and chief financial officer of your organization must sign the Annual Financial Report on its last page. If one person serves as both officers, then that person must sign in both places.