

Public Inspection Rules for 501(c)(3) Organizations

In return for not paying income taxes and for receiving tax-deductible contributions, Congress requires 501(c)(3) organizations to disclose the following information to the public upon request:

- Annual returns—Form 990, 990-EZ, 990-PF, and any Forms 990-T filed after August 17, 2006
- All Form 990 schedules, attachments, and supporting documents
- Application for exemption and all supporting documents (Form 1023)
- Letter from the IRS ruling that your organization has exempt status

When do you have to disclose these documents?

Normally on the day you are asked for them. If you don't have a permanent office (i.e. you operate out of your home) or have limited hours during certain times of the year, the requested information should be made available within two (2) weeks.

In addition to permitting the inspection of these documents, you must provide copies of the information requested, whether the request is made in person or in writing. You can charge a *reasonable* fee for the copy to cover the cost of copying.

You are not required to share...

- Schedule B – you don't have to identify your contributors by name – only the amounts and natures of the contributions.
- Unfavorable Rulings
- Certain types of information that the IRS approved withholding such as patents, trade secrets, styles of work, etc

Public Inspection Rule – Why comply? *Penalties!*

If your organization intentionally disregards this rule, it will be penalized \$20 each day for noncompliance, up to a maximum of \$10,000. Also, if an individual at the organization willfully refuses to comply, he or she could be assessed a penalty up to \$5,000.

You are required to disclose three (3) years of returns.