

## Assign Tax Lines for 990 Tax Form

The IRS Tax Form 990 can change from year to year. What is Line 7 this year, may be Line 8 next year, so assigning individual accounts to specific lines on the form can be a bit challenging. However, QuickBooks allows us to assign each account to an area of the form, rather than a specific line number on the form..

The 990 tax form is divided into parts, and the types of accounts in your Chart of Accounts are assigned based on the type of account they are. If we take a look at the various accounts we use, we can make a decision as to what Part of the 990 form they belong to, and use this information to assign the accounts by the description of what the money in that account is used for, or where it came from.

**Note:** Parent Accounts do not need to be assigned if there are sub accounts under that account.

Example: 1000.00 CASH has sub accounts that all have to be assigned. In this case you would not need to assign 1000.00.

1199.00 Undeposited Funds on the other hand, most likely does not have sub accounts, so in this case, 1199.00 does need to be assigned.

(Assigning a parent account with sub accounts does not do any harm.)

Balance Sheet Accounts, which include all Assets, Liabilities and Equity Accounts are assigned to Part IV.

Profit & Loss Statement Accounts are assigned to three different parts of the form, with most income accounts being assigned to Part VII, Column E. Most Expense Accounts are assigned to Part II, Column B.

All Bingo Accounts are assigned to Part I, under Other Revenue, either as Gross Receipts or Direct Expenses - Special Events.

Once you have assigned a tax line to each account you can print a report to assist you in completing your Form 990.

## Let's Start With The Balance Sheet Accounts.

**Part IV is the information from the Balance Sheet.** Assets should be assigned to the first section.

- Cash Accounts are separated into Interest Bearing and Non-Interest Bearing
- Interest Bearing accounts such as Savings or CDs, should be assigned to **"Pt IV-B/S-Assets: Svgs/temp cash invstmnts."**
- Checking and other non-interest bearing accounts should be assigned to **"Pt IV-B/S-Assets: Cash-non-interest bearing."**
- Undeposited Funds should be assigned to **"Pt IV-B/S-Assets: Cash-non-interest bearing."**
- Accounts receivable accounts, such as NSF Checks and Due from Other Fraternal units, should be assigned to **"Pt IV-B/S-Assets: Accounts receivable."**
- Your inventory accounts for Social Quarters, kitchen, gaming and lodge merchandise should all be assigned to **"Pt IV-B/S-Assets: Inventories for sale or use."**
- If you use a Prepaid Insurance account it should be assigned to **"Pt IV-B/S-Assets: Prepaid Expenses/deferred charges."**
- All of your Buildings and Property accounts and your furniture and equipment accounts should be assigned to **"Pt IV-B/S-Assets: Land/bldgs and equipment."**

**Liabilities are also included in Part IV.**

- If you have a mortgage, or certificates of indebtedness, they should be assigned under **"Pt IV-B/S-Liabs: Mortgage/Notes/Bond pay."**
- Accounts Payable, any Payroll and Benefits Liability accounts and Tax Liabilities should be assigned to **"Pt IV-B/S-Liabs: Accounts payable/accrued exp."**
- Accounts for "Due to Other Fraternal units" which include the ABCD, Endowment, Application Fees, and Life Membership Fees accounts should be assigned to **"Pt IV-B/S-Liabs: Other liabilities."**

- Any other Liability accounts should be assigned to **“Pt IV-B/S-Liabs: Other liabilities.”**

**Your Equity Account needs to be assigned also.**

- Account 3000.00 Opening Balance Equity should be assigned to **“Pt IV-Net assets/Fund Balances: Current unrestricted fund.”**
- Account 3900.00 Retained Earnings can assigned to **“Pt IV-Net assets/Fund Balances: Retained earn/accumulated inc.”**

When you complete the form you will need to add the opening Balance Equity and the Net Income figure from the balance sheet to get your total Equity for Part IV.

**Now, Let’s Move On To The Income And Expense Accounts.**

Part I of the 990 form is Revenues, Expenses, and Changes in Net Assets of Fund Balances. This basically includes any income you have during the year, and in some cases the expenses directly related to that income.

Some accounts are assigned directly to Part I, and others are assigned to Part VII, and then copied to Part I based on the line of the form they are on.

- Donation accounts that you receive from members to the Lodge (does not include donations intended for Moose Charities or other charity such as Endowment,) should be assigned to **“Pt I-Contribs: Cash contribs.”**
- Bingo income should be assigned to **“Pt I-Other Rev: Gross receipts-special events**
- Interest Investment Income accounts should be assigned to **“Pt I-Other Rev: Other investment income.”**
- Your Income Accounts for Membership Dues and Fees should be assigned to **“Pt VII-Income: (e)-Membership dues.”**
- Sales Income, Gaming income **other than** Bingo, Entertainment income, Sales tax receipts and other income from vending, projects and committees should be assigned to **“Pt VII-Income: (e)-Program service rev.”**

**Part II is Statement of Functional Expenses.**

This includes items that are operational expenses to support your main functions. Examples are the Cost of Goods Sold in the Social Quarters

and Kitchen operations, supplies used, salaries and wages, taxes paid and costs related to keeping the building open and functioning.

- All Cost of Good Sold accounts should be assigned to **“Pt II-Col(B)-Program Svcs: Other expenses.”**
- Administrator Compensation account should be assigned to **“Pt II-Col(B)-Program Svcs: Officers' compensation.”**
- All other payroll, Salary and Wages accounts should be assigned to **“Pt II-Col(B)-Program Svcs: Other salaries/wages.”**
- All Payroll Taxes accounts and Workman's Comp accounts should be assigned to **“Pt II-Col(B)-Program Svcs: Payroll taxes.”**
- Accounts for Supplies and Misc expenses should be assigned to **“Pt II-Col(B)-Program Svcs: Supplies.”**
- Donation Expense Accounts should be assigned to **“Pt II-Col(B)-Program Svcs: Grants/allocations-cash.”**
- Accounting fees should be assigned to **“Pt II-Col(B)-Program Svcs: Accounting fees.”**
- Legal fees should be assigned to **“Pt II-Col(B)-Program Svcs: Legal fees.”**
- Telephone and Internet accounts should be assigned to **“Pt II-Col(B)-Program Svcs: Telephone.”**
- Postage and Shipping accounts should be assigned to **“Pt II-Col(B)-Program Svcs: Postage and shipping.”**
- Accounts for Equipment lease, Equipment Rental, Equipment maintenance or Building and property maintenance should be assigned to **“Pt II-Col(B)-Program Svcs: Equip rent/maintenance.”**
- Any accounts used for Printing and publications should be assigned to **“Pt II-Col(B)-Program Svcs: Printing and publications.”**
- Accounts used for Travel and Conventions should be assigned to **“Pt II-Col(B)-Program Svcs: Travel.”**
- Interest expenses for Notes Payable and mortgages should be assigned to **“Pt II-Col(B)-Program Svcs: Interest.”**
- Depreciation accounts should be assigned to **“Pt II-Col(B)-Program Svcs: Depreciation.”**

- Accounts for Utilities (besides Phone,) trash removal, insurance payments should be assigned to **“Pt II-Col(B)-Program Svcs: Occupancy.”**
- Generally all other expense accounts should be assigned to **“Pt II-Col(B)-Program Svcs: Other expenses.”**
- Expenses related to Bingo should be assigned to **“Pt I-Other Rev: Direct expenses-special events.”**

## Steps to Assign the Accounts

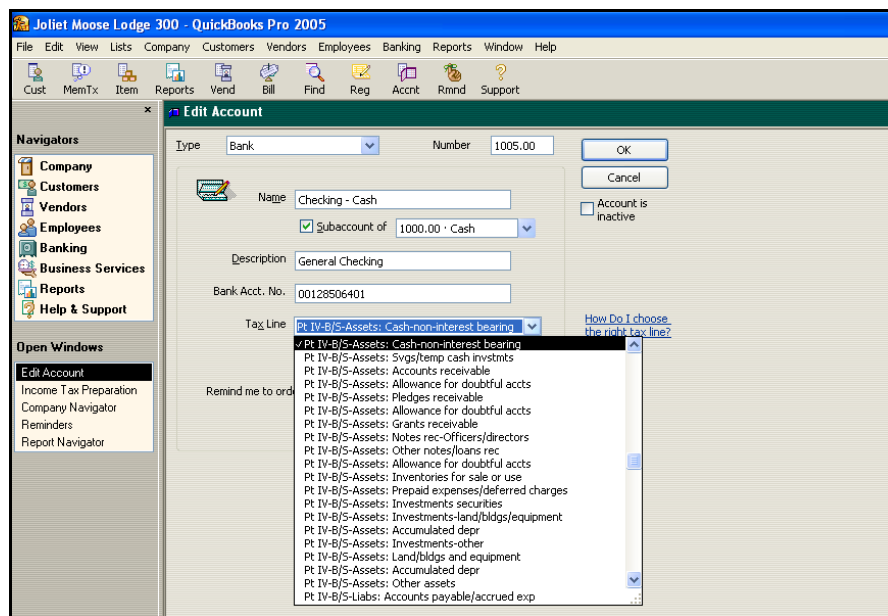
### In QuickBooks:

1. Assign each account to a tax line, by going to Report Navigator and selecting the Accountants and Taxes menu option.

Then select Income Tax - Preparation link.

This will bring up your chart of accounts with a column marked "Tax Line." If this is the first time you have done this, all accounts will be marked "<Unassigned>."

Double click on one of the accounts line, and you will get this screen.



After you assign the account a tax line, that line will be listed:

1000.00 · Cash    Bank    Pt IV-B/S-Assets: Cash-non-interest bearing

## Print the Report

When all accounts are assigned you can go back to the Report Navigator, select Accountants and Taxes, and select the Income Tax - Summary option. You will get a report that lists how much money to write on the form in each section of the form.

You should check the bottom of the report. If you have missed assigning any accounts that have money in them, you will see a line at the bottom of the report that says, "Tax Line Unassigned (balance sheet)" or "Tax Line Unassigned (income/expense)."

If you get either of these lines on the report, take another look at the Tax Preparation screen to see if any accounts are still unassigned.

