Instructions for preparing Ohio's Annual Financial Report of Charitable Organization

The filing of an annual financial report by a registered charitable organization is a requirement pursuant to both the Ohio Charitable Trust Act and the Ohio Charitable Organizations Act.

Who Must File

If the organization is registered pursuant to the **Ohio Charitable Trust Act** (Sections 109.23-.33, Ohio Revised Code), and has gross receipts of more than $5,000 or gross assets of more than $15,000, it must file an annual financial report with the Attorney General. A completed Annual Financial Report of Charitable Organization form satisfies this requirement. In lieu of this form, the organization may file a complete copy of its annual federal return that is required to be filed with the Internal Revenue Service (such as a Form 990).

The **Ohio Charitable Organizations Act** (Chapter 1716, Ohio Revised Code) requires every charitable organization that intends to solicit contributions in Ohio (with certain statutory exceptions) to register annually with the Attorney General. A completed Annual Financial Report of Charitable Organization form is required to be included as part of the registration statement filed by the organization. In lieu of this form, the organization may file a complete copy of its annual federal return that is required to be filed with the Internal Revenue Service (such as a Form 990).

Completing the Annual Financial Report

The following instructions are provided to assist in completing the Annual Financial Report.

State registration number
Enter the State of Ohio registration number assigned to the organization by the Attorney General's Charitable Law Section.

Employer identification number (EIN)
Enter the Federal employer identification number (EIN) assigned to the organization by the Internal Revenue Service.

Exempt under IRC Section 501(c)
If the organization is exempt under Internal Revenue Code Section 501(c), enter the section number that identifies the type of exempt status granted the organization. *Example:* Enter a "3" if the organization was granted 501(c)(3) status as a charitable, religious, educational, scientific, etc., organization. Enter a "4" if the organization was granted 501(c)(4) status as a civic league or social welfare organization.

This report is for the year ended (Month/Day/Year)
Enter the last day of the organization's fiscal year accounting period for which this Annual Financial Report is being completed.

Fair market value of assets at year end
Enter the amount of the fair market value of the organization's assets that are irrevocably devoted to charitable purposes at the end of the fiscal year and that reflects the most recent valuation consistent with generally accepted accounting principles. The annual filing fee charged pursuant to the Charitable Trust Act is based on this amount.

Part 1 – Statement of Support, Revenue, Expenses, and Changes in Net Assets or Fund Balances

Support and Revenue

Line 1 – Contributions, gifts, grants, and similar amounts received
Enter amounts received as voluntary contributions of direct and indirect public support. Direct public support includes amounts received from the public in response to solicitation campaigns; amounts received exceeding the retail value of any items provided to the donor; and non-governmental grants received that encourage the organization to carry on its exempt purpose. Indirect public support includes amounts received from affiliates, other related organizations and federated fundraising agencies (for example, United Way).

Line 2 – Government contributions and grants received
Enter the total amount of grants and other payments received from governmental units.

Line 3 – Program service revenue
Enter amounts the organization received for providing the services it was created to offer. This includes income from services that primarily form the basis for the organization's tax exemption, interest from program-related investments, and rental income from an exempt function.

Line 4 – Membership dues and assessments
Enter amounts received from members and affiliates for which they will receive membership benefits in return. To the extent that membership dues exceed the value of the

benefits, the excess amounts received are considered contributions and should be included on line 1.

Line 5 – Net gain or (loss) from the sale of assets other than inventory
Enter the net gain or loss from the sale of investments such as securities, real estate, royalty interests, or partnership interests. The net gain or loss is determined by subtracting the cost from the gross sales price. If the cost is more than the gross sales price, report the loss in parentheses.

Line 6 – Interest
Enter the amount of interest income from savings and temporary cash investments.

Line 7 – Dividends
Enter the amount of dividends from securities, stocks and bonds.

Line 8 – Other investment income
Enter the amount of investment income not reported as interest and dividend income.

Line 9 – Other revenue
Enter amounts from other sources, such as interest on loans to officers or other related individuals, and revenue from bingo or other gambling activities.

Line 10 – Total revenue
Add lines 1 through 9 and enter the total here.

Expenses
Complete Part 2, Statement of Functional Expenses, on page 2, and then enter on lines 11 through 13 the appropriate amounts from the totals for columns (B), (C), and (D) reported on line 28 of Part 2.

Line 11 – Program services
Enter the total amount expended for the activities, programs, and purposes for which the organization was created to conduct, and that forms the basis of the organization's exempt status.

Line 12 – Management and general
Enter the total amount expended for the administrative costs of running the organization.

Line 13 – Fundraising
Enter the total amount expended for soliciting contributions, gifts or grants, including the costs of direct mail and telephone solicitation campaigns and amounts paid to professional solicitors.

Line 14 – Total expenses
Add lines 11 through 13 and enter the total here.

Net Assets/Fund Balances

Line 15 – Excess or (deficit) for the year
Subtract line 14 from line 10 and enter the total here. If line 14 is more than line 10, report the loss in parentheses.

Line 16 – Net assets or fund balances at beginning of year
Complete Part 3, Balance Sheet, on page 3, and then enter the amount from Part 3, column (A) line 29.

Line 17 – Other changes in net assets or fund balances
Enter the amount of any changes in net assets or fund balances between the beginning and end of the year that are not accounted for by the amount on line 15. Attach a schedule explaining any amounts reported here.

Line 18 – Net assets or fund balances at end of year
Add lines 15, 16, and 17, and enter the total here. This total figure must equal the amount reported in Part 3, column (B) line 29.

Part 2 – Statement of Functional Expenses

Report, in the appropriate column, expenses that are directly attributable to a particular functional category. Allocate total expenses (column A) into the three functional categories: program services (column B); management and general (column C); and fundraising (column D).

Line 1 – Grants and allocations
Enter the amount of awards and grants to individuals and organizations selected by the filing organization (i.e. scholarships, fellowships, research grants, etc.).

Line 2 – Specific assistance to individuals
Enter the amount of payments to, or for the benefit of particular clients or patients.

Line 3 – Benefits paid to or for members
Enter the amount of benefits paid to or on behalf of members, such as death, sickness, hospitalization, disability, or unemployment compensation benefits. Do not include employee benefits, to be included on line 6 or 7 below.

Line 4 – Compensation of officers, directors, etc.
Enter the total compensation paid to officers, directors, trustees, and key employees.

Line 5 – Other salaries and wages
Enter the total amount of employees' salaries not reported on line 4 above.

Line 6 – Pension plan contributions
Enter the employer's share of contributions paid to pension plans.

Line 7 – Other employee benefits
Enter the organization's contributions to employee benefit programs (such as health, insurance, and welfare programs) that are not part of pension plans. Also, include expenses for employee events such as a picnic or holiday party.

Line 8 – Payroll taxes
Enter the amount of federal, state, and local payroll taxes imposed on the organization as an employer.

Line 9 – Professional fundraising fees
Enter the fees paid to outside fundraisers for solicitation campaigns they conducted, or for consultation services connected with a solicitation of contributions by the organization itself.

Line 10 – Accounting fees
Enter the total accounting and auditing fees charged by outside firms and individuals that are not employees of the organization.

Line 11 – Legal fees
Enter the total legal fees charged by outside firms and individuals that are not employees of the organization. Do not include any penalties, fines, or judgments imposed against the organization.

Line 12 – Supplies
Enter the total amount paid for office, classroom, medical, and other supplies used.

Line 13 – Telephone
Enter the total telephone, telegram, and similar expenses.

Line 14 – Postage and shipping
Enter the total cost of shipping materials, such as postage, parcel delivery, trucking, and other delivery expenses.

Line 15 – Occupancy
Enter the total expenses for the use of office space (i.e. rent, heat, light, power, utilities, outside janitorial, property insurance, mortgage interest, real estate taxes, etc.). Do not include telephone expenses reported on line 13 above.

Line 16 – Equipment rental and maintenance
Enter the cost of renting and maintaining office equipment and other equipment. Do not include automobile and truck expenses reported on lines 14 and 18.

Line 17 – Printing and publications
Enter expenses related to printing, publishing, and/or purchasing newsletters, flyers, films, and other informational material. Do not include salaries and postage.

Line 18 – Travel
Enter the total travel expenses, such as fares, mileage allowances, automobile expenses, meals, and lodging.

Line 19 – Conferences, conventions, meetings
Enter the total expenses incurred in conducting and/or attending meetings, including registration fees and fees for speakers (but not travel expenses reported on line 18).

Line 20 – Interest
Enter the total interest expense for the year. Do not include mortgage interest included as occupancy expense on line 15 above.

Line 21 – Depreciation, depletion, etc.
If the organization records depreciation, depletion, and similar expenses, enter the total for the year. Also, include depreciation of leasehold improvements.

Lines 22 through 27 – Other expenses
Show the type and amount of each significant expense for which a separate line is not provided. Include any miscellaneous totals, investment counseling expenses, penalties, and fines.

Line 28 – Total functional expenses
Add lines 1 through 27 in columns (A) through (D) and enter the totals in the appropriate columns.

Part 3 – Balance Sheet

Report the beginning and end of year balances for all assets, liabilities and net assets or fund balances.

Assets

Line 1 – Cash – non-interest-bearing
Enter the total of non-interest-bearing checking accounts, deposits in transit, change funds, petty cash funds, or any other non-interest-bearing account.

Line 2 – Savings and temporary cash investments
Enter the total of interest-bearing accounts, including money market funds, certificates of deposit, U.S. Treasury bills, and other governmental obligations that mature in less than 1 year.

Line 3 – Accounts receivable
Enter the total of accounts receivable reduced by the allowance for doubtful accounts.

Line 4 – Pledges receivable
Enter the total pledges receivable. Do not include the amount of pledges estimated to be uncollectible.

Line 5 – Grants receivable
Enter the total grants receivable from governmental agencies, foundations, and other organizations.

Line 6 – Other notes and loans receivable
Enter the total of notes and loans receivable not acquired as investments. Include loans for normal activities, such as by a credit union to its members or scholarship loans by a section 501(c)(3) organization. Include all receivables due from officers, directors, trustees and other related parties.

Line 7 – Inventories for sale or use
Enter the amount of materials, goods, and supplies purchased or manufactured for future sale or use.

Line 8 – Prepaid expenses and deferred charges
Enter the amount of prepaid expenses incurred for a future accounting period.

Line 9 – Investments – securities
Enter the book value of securities held as investments.

Line 10 – Investments – land, building and equipment
Enter the book value (cost less accumulated depreciation) of land, buildings, and equipment held for investments.

Line 11 – Investments – other
Enter the amount of all other investment holdings. Do not include program-related investments (the income from which is reported as program service revenue), to be reported on line 13 below.

Line 12 – Land, buildings and equipment
Enter the book value (cost less accumulated depreciation) of land, buildings, and equipment used by the organization in conducting its exempt activities and not held for investment.

Line 13 – Other assets
Attach a separate schedule listing the book value of each category of assets not reported on the previous lines. Include program-related investments, or investments made to accomplish the exempt purpose.

Line 14 – Total assets
Add lines 1 through 13 and enter the totals in the appropriate columns. The amounts on line 14 must equal the amounts on line 30 for both the beginning and end of the year.

Liabilities

Line 15 – Accounts payable and accrued expenses
Enter the total of accounts payable and accrued expenses, such as salaries payable, accrued payroll taxes and interest payable.

Line 16 – Grants payable
Enter the unpaid portion of grants and awards that the organization has made a commitment to pay, whether or not the commitments have been communicated to the grantees.

Line 17 – Deferred revenue
Include revenue received, but not yet earned.

Line 18 – Loans from officers, directors, trustees, and key employees
Enter the unpaid balance of loans received from officers, directors, trustees, and key employees.

Line 19 – Tax-exempt bond liabilities
Enter the amount of tax exempt bonds issued by the organization on behalf of a state or local government, or by a state or local government on behalf of the organization.

Line 20 – Mortgages and other notes payable
Enter the amount of mortgages and other notes payable.

Line 21 – Other liabilities
Attach a separate schedule listing the amount of each liability not reported on the previous lines.

Line 22 – Total liabilities
Add lines 15 through 21 and enter the totals in the appropriate columns.

Net Assets or Fund Balances

Line 23 – Unrestricted funds
Enter the balance per financial records of net assets without donor-imposed restrictions.

Line 24 – Temporarily restricted funds
Enter the balance per financial records of the temporarily restricted class of net assets. The donors' restrictions may include time restrictions or purpose restrictions.

Line 25 – Permanently restricted funds
Enter the balance per financial records of permanently restricted net assets, such as land or works of art, donated with stipulations that they be used for a specific purpose, be preserved, and not be sold, or assets donated with stipulations that they be invested to provide a permanent source of income.

Line 26 – Capital stock, trust principal, or current funds
For trusts, enter the amount of trust principal or corpus account. For corporations, enter the balance per financial records for capital stock accounts.

Line 27 – Paid-in or capital surplus, or land, bldg., and equipment fund
Enter the balance per financial records for all paid-in capital in excess of par or stated value for all stock issued. Enter the fund balance for the land, building, and equipment fund.

Line 28 – Retained earnings, accumulated income, endowment, or other funds
For trusts, enter the balance per financial records of the accumulated income or similar account. For corporations, enter the balance in the retained earnings account minus the cost of any corporate treasury stock. For fund accounting, enter the fund balances for the permanent and term endowment funds plus balances of any funds not included on lines 26 and 27 above.

Line 29 – Total net assets or fund balances
Add lines 23 through 28 and enter the totals in the appropriate columns.

Line 30 – Total liabilities and net assets/fund balances
Add lines 22 and 29 and enter the totals in the appropriate columns. This amount must equal the amount for total assets reported on line 14 for both the beginning and end of the year.

Part 4 – Solicitation of Contributions

Part 4 should only be completed by all soliciting organizations.

Line 1a – Did the organization solicit contributions from the general public

Indicate "yes" if this is a charitable organization that solicited contributions in this state by any means or had contributions solicited in this state on its behalf. If "yes", complete questions 1b and 1c. If "no", proceed to Part 5.

Line 1b – Please indicate the amount of contributions received from person in Ohio

This question should only be completed by organizations outside the state of Ohio. Indicate the amount of solicited contributions received from persons in Ohio.

Line 1c – Amount of Distributions to Ohio Receipts

This question should only be completed by organizations outside the state of Ohio. Indicate the amount of the solicited contributions from 1b that were distributed to Ohio recipients.

Line 2 – Use of an Organization to Solicit Contributions

Indicate if the charitable organization contracted with a fund-raising counsel, professional solicitor, commercial co-venturer or other charitable organization to solicit contributions on its behalf. If "yes", indicate the name of the fund-raising counsel, professional solicitor, commercial co-venturer or other charitable organization and indicate the amount of funds received.

Part 5 – General Information

Line 1 – Changes to the Governing Documents

Indicate if there were changes to the organization's governing documents during the preceding fiscal year. If "yes", a copy must be provided to the Ohio Attorney General's Office.

Line 2 – Changes to the Original Registration Statement filed with the Ohio Attorney General's Office

Indicate if there were changes to the organization that would affect the original Registration Statement that is on file with the Ohio Attorney General's Office. If "yes", a schedule of the changes must be provided to the Ohio Attorney General's Office.

Line 3 – Certification by Organization

An individual within the organization should review and examine the Annual Financial Report and accompanying documents and provide a signature to confirm the validity of the report.