



# **Procedures and Instructions for Form 0928A**

**(September 1, 2017)**

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Form 0928A**

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Submit only Form 0928A to the Chancery Office.  
Do not submit these instructions with your completed Form 0928A.  
Do not submit the Eligibility Worksheet unless requested.



**Procedures and Instructions for  
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(September 1, 2017)**

**PROCEDURES**

**1. Who Should Apply?** Any newly-created, newly-acquired, or newly-affiliated Catholic nonprofit organization seeking to qualify for exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code ("Code") through inclusion in the USCCB group ruling must file an application (Form 0928A). If the application is approved, the organization will also be included in the Official Catholic Directory ("OCD") and in IRS records in the Exempt Organizations Business Master File extract ("EO BMF"). Organizations already included in the group ruling/OCD that wish to be included in the EO BMF must file Form 0928A.

In addition, any Catholic organization that is currently included in the group ruling but that reincorporates or otherwise changes its corporate form (e.g., from association to trust or corporation) constitutes a new legal entity for IRS purposes, and consequently must file a new Form 0928A.

**2. Who Is Not Eligible?** Any organization that answers "yes" to any question in the [Eligibility Worksheet](#) is not eligible for inclusion in the group ruling and should not apply.

**3. How Does an Organization Apply?** An organization should complete and submit Application for Inclusion in the USCCB Group Ruling (Form 0928A) to the chancery of the diocese in which its principal office is located. Since the identity of the diocesan official charged with responsibility for reviewing applications for inclusion in the USCCB group ruling/OCD varies from diocese to diocese, the applicant organization should call the chancery to determine to whom applications should be directed. The organization also must submit any additional required documentation, including its EIN, organizing document, bylaws, and all required schedules and attachments. Incomplete applications will not be processed. If a diocese recommends an organization for inclusion in the group ruling, it should send Form 0928-1 to the USCCB Office of General Counsel for its review. An organization is not approved for inclusion in the group ruling unless and until the USCCB sends the diocese a Notice of Acceptance.

**4. When Should an Organization Apply?** To ensure that exemption under the group ruling is retroactive to the date of incorporation or formation, an organization must receive a Notice of Acceptance from the USCCB within 27 months of the end of the month in which it was incorporated or formed. Thus, an organization should apply as soon as possible after incorporation or formation, consistent with its ability to provide sufficiently detailed information about its operations and finances to permit a decision about eligibility. Organizations should also be mindful of the annual OCD publication deadlines.

**5. What About a New Activity, Ministry, or New Location?** Tax exemption under the group ruling applies to all of an organization's activities, ministries, funds, and properties (with the exception of activities that constitute unrelated business activities). Accordingly, Form 0928A shouldn't be filed unless such activity, property, or fund is separately incorporated or established as a separate legal entity under state law. For example, a school operated as part of a parish may not be included in the group ruling, even if it has its own EIN. To have a new activity or ministry of an existing group ruling organization be included as part of the organization's OCD listing, the organization should request that the diocese send Form 0928-4 to the USCCB General Counsel's office. Form 0928-4 requires approval by a diocesan attorney that the new activity does not jeopardize the organization's exemption or eligibility for inclusion in the group ruling.

**6. How Is a New Application Approved?** After careful legal review of an organization's application and all supporting documentation, the diocese decides whether to recommend the organization for inclusion in the group ruling. If an adverse decision is made by the diocese, the diocese will notify the organization in writing. There is no appeal from an adverse diocesan or USCCB decision regarding inclusion in the group ruling. If the diocese recommends that the organization be included in the group ruling, it submits Form 0928-1 to the USCCB. The USCCB will issue to the diocese, in response to a Form 0928-1, a Notice of Acceptance or a Submission Not Accepted notice. The diocese should keep a copy of this Notice for its records, and send a copy to the organization. The diocese must send a copy of the Notice of Acceptance to the OCD for an organization to be included in the next edition. The Notice of Acceptance also provides evidence of the organization's inclusion in the group ruling in the interim until issuance of the next edition of the OCD. The Notice of Acceptance from USCCB also includes a copy of the USCCB-approved Form 0928-1 that the USCCB submits to the IRS, which confirms the organization's public charity classification and form 990/EZ/N filing requirement (or exemption, if applicable). The organization must inform the diocese of any subsequent name or address change, or any material change in activities, governance, or sources of support. The USCCB-approved Form 0928-1 is open to public inspection under federal law, and the applicant organization should retain a copy permanently in its records.

**7. What are the Benefits of the Group Ruling?** An organization that receives a Notice of Acceptance is recognized as exempt from federal income tax and described in section 501(c)(3) of the Code. Contributions are deductible for federal income, gift, and estate tax purposes. The organization is also exempt from federal unemployment tax. However, states may impose unemployment tax on certain nonprofit organizations even though they are exempt from federal tax. Inclusion in the group ruling does *not* automatically establish exemption from federal excise taxes or from any state or local taxes. Organizations should consult their tax advisors concerning liability for these other taxes. In addition, organizations covered by the group ruling, including churches, must pay and withhold Social Security ("FICA") taxes for lay employees.

**8. Will My Organization Have to File a Form 990?** Inclusion in the group ruling does *not* relieve an organization of the requirement to file Form 990/EZ/N. Generally, all tax-exempt organizations must file Form 990/EZ/N, unless they qualify for an exemption. Dioceses, parishes, and church-affiliated or religious institute-sponsored elementary and secondary schools are exempt from the Form 990/EZ/N filing requirement, although they are still required to file Form 5578. Other organizations should consult their tax advisors to determine whether they qualify for one of the mandatory or discretionary exceptions to the Form 990/EZ/N filing requirement. Organizations must begin filing Form 990/EZ/N after they are formed or

incorporated—they should not wait until their application for inclusion in the group ruling has been submitted or approved. Failure to file Form 990/EZ/N could result in automatic loss of tax-exempt status. For more information, refer to “Annual Filing Requirements for Catholic Organizations,” available at [usccb.org/about/general-counsel/tax-and-group-ruling.cfm](https://usccb.org/about/general-counsel/tax-and-group-ruling.cfm).

**9. Can My Organization With Its Own IRS Exemption Letter Be Listed in the OCD?**

Certain Catholic organizations that have obtained independent recognition of section 501(c)(3) exemption directly from the IRS (by submitting Form 1023 or Form 1023-EZ) may wish to be identified as "Catholic" through a listing in the OCD. However, because such organizations have obtained an independent IRS exemption determination letter, they are ineligible for inclusion in the group ruling. Within the sole discretion of the diocese, and upon verification that an organization has a sufficient relationship to the Church, such organization *may* be included in the OCD with an asterisk placed next to its name to signify that it has its *own* IRS exemption determination letter and is *not* included in the group ruling. Subordinates in another group ruling do *not* qualify for asterisked listing in the OCD.

**10. How Do I Apply for an Asterisked Listing in the OCD?** A Catholic organization with an independent IRS exemption determination letter must complete the Request for Asterisked Listing in Official Catholic Directory and submit it to the appropriate diocesan official, along with a copy of its IRS determination letter that establishes that it is exempt and described in section 501(c)(3) as a public charity, and any additional or substitute information the diocese requires. The Request for Asterisked Listing in Official Catholic Directory is available for download in fillable .pdf format at [usccb.org/about/general-counsel/tax-and-group-ruling.cfm](https://usccb.org/about/general-counsel/tax-and-group-ruling.cfm).

After review, if the diocese recommends the organization for an asterisked listing in the OCD, it sends a Form 0928-3, along with a copy of the organization's IRS determination letter, to the USCCB. The USCCB will approve the request or issue a Submission Not Accepted notice. A USCCB-approved request is required before the diocese can request that the organization be added with an asterisk to the OCD. There is no appeal from an adverse diocesan or USCCB decision regarding a request for asterisked listing in the OCD.

The Relationship to the Church in the United States standards (Section C of the Request for Asterisked Listing in Official Catholic Directory) for an asterisked OCD listing are the same as for inclusion under the group ruling (Section E of Form 0928A). An organization that has been denied inclusion in the group ruling for failure to establish a sufficient relationship to the Church should not be approved for an asterisked listing in the OCD in the event the organization subsequently establishes exemption directly from the IRS.

## INSTRUCTIONS

**Before you begin:** Section I of Form 0928A indicates whether an organization must complete one of the additional sections, Sections J through O, of Form 0928A. The additional sections are available for download at [usccb.org/about/general-counsel/tax-and-group-ruling.cfm](https://usccb.org/about/general-counsel/tax-and-group-ruling.cfm).

### **A. Applicant Information**

The first question, Purpose of Application, asks why the organization is completing Form 0928A. If the organization completing Form 0928A is not yet included in the group ruling, check the box for “New Applicant.” Most organizations will select “New Applicant.” If the organization completing Form 0928A is included in the group ruling (i.e., is listed in the *Official Catholic Directory*, or OCD) but wants to be included in the IRS Exempt Organizations Business Master File extract (“EO BMF”), check the box for “EO BMF Only.” New group ruling applicants will automatically be included in the EO BMF and do not need to select this box. If the organization is completing Form 0928A for the purpose of having the USCCB confirm its public charity status, for example, to a donor, or to have the change reflected in the EO BMF, check the box for “Public Charity Status.”

Enter your organization’s full name. IRS records in the Business Master File permit only 70 characters in an entity’s name, and do not accept most special characters (e.g., apostrophes, periods, commas, etc.). If the entity’s legal name is longer, the full name will not appear in letters or notices the organization receives from the IRS, and may also appear truncated on websites of organizations that pull data from the EO BMF, such as GuideStar.

You must obtain an employer identification before submitting Form 0928A. Do not use an EIN that belongs to another organization. To obtain an EIN, visit the IRS website: [www.irs.gov/Businesses/Small-Businesses-&Self-Employed/How-to-Apply-for-an-EIN](https://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/How-to-Apply-for-an-EIN)

If the applicant is a constituent part of an existing organization, and not a separate legal entity under state law, it should not file Form 0928A because it is not eligible to be included in the group ruling. The activity or ministry may nevertheless be eligible for inclusion in the OCD as a sub-listing under an existing organization. In such cases, the applicant should request that the diocese submit a Form 0928-4, Request for Inclusion of Activity/Ministry in Official Catholic Directory, to the USCCB.

Enter the two-digit month in which your accounting period ends. If it ends December 31, enter “12.” If it ends June 30, enter “06.” Your first tax year may be a short year. Every organization must enter a tax year.

### **B. Organizational Information**

The applicant must be a legal entity under state law. Please include with Form 0928A your formation and governing documents. Indicate the date (month and year) on which and the state under which laws the organization was incorporated or formed. If the organization is an LLC, indicate the date of formation, or for a trust, the later of the date the trust was created under state law or the date on which it became irrevocable (if different).

The applicant must be organized and operated exclusively for charitable purposes. For more information about the required language to be organized exclusively for charitable purposes,

refer to the section, “Organizational Test,” in IRS Publication 557, Tax-Exempt Status for Your Organization. For more information about dissolution clauses, refer to the section, “Dedication and Distribution of Assets,” in IRS Publication 557.

### **C. Governance Information**

Please provide the names and titles of each member of your governing body, i.e., directors, trustees, as well as your officers, and indicate any other positions held within other Church organizations.

### **D. Eligibility Screen and Worksheet**

Please read the following questions carefully and answer them honestly. If you answer “No” to all of them, you may check the attestation box in Section D of Form 0928A. If you answer “Yes” to any question, then the organization is not eligible for inclusion in the group ruling. Nevertheless, an organization that checks “Yes” may explain in Section D why it could not answer “No” to all of the questions. For example, an organization might answer “Yes” to 1 or 3 (in the latter case, only with respect to an organization that has already filed for and had its tax-exempt status reinstated by the IRS) because it desires to **surrender** its individual IRS determination letter and join the group ruling (although this is strongly discouraged, it may be considered on a case-by-case basis). You are not required to submit the Eligibility Worksheet with your Form 0928A; however, keep the document with your files. The diocese or USCCB may ask to see it as part of its review process.

<b>FORM 0928A, SECTION D Eligibility Worksheet</b>		<b>Yes</b>	<b>No</b>
<b>1.</b>	Has your organization received an IRS determination letter recognizing it as exempt from federal income tax under § 501(c)(3)?	Y	N
<b>2.</b>	Has your organization been denied recognition of § 501(c)(3) status by the IRS?	Y	N
<b>3.</b>	Has your organization been automatically revoked for failing to file a Form 990/EZ/N for three consecutive years?	Y	N
<b>4.</b>	Has the IRS recognized your organization as exempt under a Code section other than §501(c)(3)?	Y	N
<b>5.</b>	Was your organization created or incorporated in a foreign country?	Y	N
<b>6.</b>	Does your organization serve as a conduit for contributions to one or more foreign organizations?	Y	N
<b>7.</b>	Is your organization’s purpose to manage or invest funds of a foreign organization?	Y	N
<b>8.</b>	Is your organization’s primary purpose the sponsorship of donor advised funds?	Y	N

9.	Is your organization a § 509(a)(3) Type III supporting organization?	Y	N
10.	Is your organization formed to engage in joint ventures, partnerships, LLCs, co-ownership, or similar arrangements with for-profit entities or individuals?	Y	N
11.	Is your organization a successor to a for-profit entity?	Y	N
12.	Does your organization intend to be a disregarded entity for federal income tax purposes?	Y	N
13.	Is your organization an individual practice association?	Y	N
14.	Is your organization a preferred provider organization?	Y	N
15.	Is your organization a physician medical practice? (This does not include medical clinics serving the indigent)	Y	N
16.	Is your organization an accountable care organization that participates in any non-MSSP activities, for example, shared savings arrangements with private commercial health insurance payers?	Y	N
17.	Is your organization formed for the primary purpose of conducting a trade or business that is not related to your exempt purpose(s)?	Y	N
18.	Does your organization provide commercial-type insurance as a substantial part of your activities?	Y	N
19.	Does any part of your organization's net earnings inure to the benefit of any private shareholder or individual?	Y	N
20.	Does your organization participate or intervene in political campaigns on behalf of or in opposition to any candidate for public office?	Y	N
21.	Is your organization included in or eligible for inclusion in another group ruling, e.g., Knights of Columbus, Knights of Peter Claver, St. Vincent de Paul?	Y	N

***E. Relationship to the Church In the United States***

The answers to these questions establish whether your organization has a sufficient relationship to a U.S. Church entity. In question 3, there is room to indicate "other relationship to Church." Attach additional information here, if necessary. In this space you can indicate, among other relevant information, whether other Church officials are invited to attend board meetings, or whether your organization will submit annual Forms 990/EZ or audited financial statements to a diocese, parish, or religious order, etc.

## ***F. Activities***

Describe your activities with detail and specificity. Your description of your activities will help determine whether your organization is going to be operated exclusively for charitable purposes. General statements in your articles of incorporation that you are formed exclusively for purposes described in section 501(c)(3) are not sufficient. In question 3, describe whether your organization will lobby (either directly or indirectly), and how much of your total activities will be lobbying activities. For this purpose, consider both time spent (i.e., employees and volunteers) as well as financial expenditures.

## ***G. Financial Data***

Section G requests information about the sources of an organization's financial support or revenue, by size (from greatest to smallest). This is where an organization would indicate whether it does or will receive revenue from contributions by members or from the public, or both, from gaming, Medicare/Medicaid for the provision of health care, tuition, or other goods, services, facilities, etc.

There is also a specific question about whether an organization plans to offer admissions, goods, services, or furnish facilities as part of its charitable activities, and if so, to describe to whom they are offered and the source of funding. This question is not asking only about unrelated trades or businesses, but also those activities which further the organization's exempt purposes.

Section G asks for the net fair market value of all the organization's assets. This should be an estimate as of the date the application is submitted to the diocese.

### ***G-1. Financial Data: Public Support, Revenues and Expenses***

Section G-1 is based on information required by Schedule A of Form 990, Part II and Part III. For more information than is provided in these instructions, you should refer to the instructions for that form.

**Who must complete Section G-1?** All organizations must complete Section G-1 except for parishes, dioceses, eparchies, and schools (below college level) with general academic programs that are affiliated with a parish or diocese or operated by a religious order. All other organizations must complete Section G-1, even if they are affiliated with or operated by a parish, diocese, or religious institute, because they must qualify for inclusion in the group ruling by establishing that they are publicly supported or have a supporting relationship to one or more publicly supported charities. Finally, an organization that qualifies as a hospital under section 170(b)(1)(A)(iii) may, in lieu of completing Section G-1, attach a copy of its most recently filed Form 990. These are the only exceptions, and no organization other than a hospital may submit a Form 990 in lieu of completing Section G-1. This information is necessary to determine that the organization is a public charity eligible for inclusion in the group ruling, and whether it is required to file a Form 990, 990-EZ, or 990-N, or is exempt from having to file an annual information return.

Section G-1 requests data for 5 years. This is based on regulations employing a 5-year period for public support computations. **If your organization has been in existence for 5 or more years** (this includes organizations that are currently in the middle of their 5<sup>th</sup> year), complete the section for the most recent 5 tax years, ending in Column (e) with the current year. An organization is considered to be in existence even if it is inactive.

Example: Charity X is in the middle of its 5<sup>th</sup> year. It is now June 2017, and Charity X has a tax year ending December 31. Charity X should report data for each year in the respective columns as follows:

(a)	(b)	(c)	(d)	(e)
2013 (actual)	2014 (actual)	2015 (actual)	2016 (actual)	2017 (partial)

**If your organization has completed one tax year (even if it was a short tax year), but has been in existence for less than 5 years**, complete the section for 4 years of financial information.

Charity Y is in the middle of its 2nd year. It was formed in September 2016. Its first tax year ended December 31, 2016. It is now June 2017. Charity Y should report data for a total of 4 years of financial information in the respective columns as follows:

(a)	(b)	(c)	(d)	(e)
N/A (leave blank)	2016 (actual short year)	2017 (partial)	2018 (estimated)	2019 (estimated)

**If your organization has not completed even one tax year**, complete the section for 3 years of financial information.

Charity Z is in the middle of its 1st year. It was formed in February 2017. It is now June 2017. Its tax year ends December 31. Charity Y should report data for a total of 3 years of financial information in the respective columns as follows:

(a)	(b)	(c)	(d)	(e)
N/A (leave blank)	N/A (leave blank)	2017 (partial)	2018 (estimated)	2019 (estimated)

If you use the .pdf version of Form 0928A available at [usccb.org/about/general-counsel/tax-and-group-ruling.cfm](http://usccb.org/about/general-counsel/tax-and-group-ruling.cfm), the required computations will be automatically calculated for you (i.e., all the places where a “0” appears by default in Section G-1). You do not need to complete shaded boxes. For example, on Line 8, you do not need to compute annual totals, but you must compute (or permit the form to automatically compute) the aggregate total for column (f) on Line 8.

### **Section G-1 (Line By Line)**

**Line 1.** Total all gifts, grants, contributions, and membership fees. Do not include any “unusual grants.” See Unusual grants on Line 21, below. Include membership fees only to the extent to

which the fees are payments to provide support for the organization rather than to purchase admissions, merchandise, services, or the use of facilities. To the extent that the membership fees are payments to purchase admissions, merchandise, services, or the use of facilities in a related activity, report the membership fees on line 2. See Treas. Reg. § 1.170A-9(f)(7)(iv). For more information, refer to the instructions for Schedule A, Form 990, Part II, line 1.

**Line 2.** This line is for gross receipts from admissions, goods sold, services performed, or facilities furnished in activities that are related to your tax-exempt purpose. Include gross receipts from admissions, merchandise sold, services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose (such as charitable, educational, etc.). To the extent that the membership fees are payments to purchase admissions, merchandise, services, or the use of facilities in a related activity, include the membership fees on this line 2. See Treas. Reg. § 1.509(a)-3(h). For more information, refer to the instructions for Schedule A, Form 990, Part III, line 2.

**Line 3.** Include gross receipts from:

- A trade or business in which substantially all work is performed by **volunteers** (such as book fairs and sales of gift wrap paper). See section 513(a)(1).
- A trade or business carried on by the organization primarily for the convenience of its members, students, patients, **officers** or **employees**. See section 513(a)(2).
- A trade or business which is the selling of merchandise, substantially all of which the organization received as gifts or **contributions**. See section 513(a)(3).
- Furnishing certain **hospital** services. See section 513(e).
- A trade or business consisting of conducting **bingo** games, but only if the conduct of such games is lawful. See section 513(f).
- The distribution of certain low cost articles and exchange and rental of members lists. See section 513(h).

For more information, refer to the instructions for Schedule A, Form 990, Part III, line 3.

**Line 4.** (*this is not common*) Enter tax revenue levied for the organization's benefit by a **governmental unit** and either paid to the organization or expended on its behalf. For more information, refer to the instructions for Schedule A, Form 990, Part III, line 4.

**Line 5.** (*this is not common*) Enter the value of services or facilities furnished by a governmental unit to the organization without charge. Do not include the value of services or facilities generally furnished to the public without charge. For example, include the fair rental value of office space furnished by a governmental unit to the organization without charge, but only if the governmental unit does not generally furnish similar office space to the public without charge. For more information, refer to the instructions for Schedule A, Form 990, Part III, line 5.

**Line 7A.** Enter the amounts that are included on lines 1, 2, and 3 that the organization received from disqualified persons. A **disqualified person** is a person or organization, except an organization which is a public charity described in 509(a)(1), who or that is:

- A **substantial contributor**, which is any person who gave an aggregate amount of more than \$5,000, if that amount is more than 2% of the total **contributions** the foundation or organization received from its inception through the end of the year in which that person's contributions were received. If the organization is a trust, a substantial contributor includes the creator of the trust (without regard to the amount of contributions the trust received from the creator and related persons). Any person who is a substantial contributor at any time generally remains a substantial contributor for all

future periods even if later contributions by others push that person's contributions below the 2% threshold discussed above. Gifts from the contributor's husband or wife are treated as gifts from the contributor. Gifts are generally valued at FMV as of the date the organization received them.

- A foundation manager, defined as an **officer, director or trustee** of the organization or any individual having powers or responsibilities similar to those of officers, directors, or trustees.
- An owner of more than 20% of the voting power of a corporation, profits interest of a partnership, or beneficial interest of a trust or an unincorporated enterprise that is a substantial contributor to the organization.
- A family member of an individual in the first three categories. For this purpose, "family member" includes only the individual's husband or wife, ancestors, children, grandchildren, great-grandchildren, and the spouses of children, grandchildren, and great-grandchildren.
- A corporation, partnership, trust, or estate in which persons described in the four preceding bullets own more than 35% of the voting power, profits interest or beneficial interest.

For more information, refer to the instructions for Schedule A, Form 990, Part III, line 7A.

**Line 7B.** List of amounts received from other than disqualified persons

Example:

(a) Name	(b) Amount received in Year 1	(c) 1% of amount on line 18 in Year 1	(d) Enter the larger of column (c) or \$5,000	(e) Year 1 excess (column (b) minus column (d))
Word Processing, Inc.	\$25,000	\$2,000	\$5,000	\$20,000
Enter on line 7b				\$20,000

For more information, refer to the instructions for Schedule A, Form 990, Part III, line 7B.

**Line 9.** Enter in column (f) the portion of total **contributions** by each individual, trust, or corporation included on line 1 for the years reported that exceeds 2% of the amount reported on line 19, column (f). However, the 2% limitation does not apply to contributions from organizations qualifying as publicly supported organizations under section 170(b)(1)(A)(vi), governmental units described in section 170(b)(1)(A)(v), and other organizations, such as the following, but only if they also qualify as publicly supported organizations under section 170(b)(1)(A)(vi):

- Churches described in section 170(b)(1)(A)(i);
- Educational institutions described in section 170(b)(1)(A)(ii);
- Hospitals described in section 170(b)(1)(A)(iii); and
- Organizations operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv).

For more information, refer to the instructions for Schedule A, Form 990, Part II, line 5.

**Earnings of members of a religious institute or society of apostolic life.** For purposes of completing Section G-1, any amounts received by an organization, either from a member of a religious institute or society of apostolic life or from a third party on account of services provided by a member, regardless of whether the member has taken a vow of poverty, may be treated as a contribution on line

1 of Section G-1, *subject to Line 7A (disqualified person under 509(a)(2)) and the 2% limitation on line 9.* If the organization receives payments from third parties and does not account separately on which member's behalf a payment was made, then such amounts should be reported as "other income" on line 17, which will result in the amounts being treated as part of total support, and none from public support, for purposes of the public support tests in section 170(b)(1)(A)(vi) and section 509(a)(2).

**Line 13.** Include the gross income from interest, dividends, payments received on securities loans (section 512(a)(5)), rents, royalties, and income from similar sources. Do not include on this line payments that result from activities of the organization that further its exempt purpose. Instead, report these amounts on line 2. For more information, refer to the instructions for Schedule A, Form 990, Part III, line 10a.

**Line 14.** Enter the excess of the organization's **unrelated business taxable income** (as defined in section 512) from trades or businesses that it acquired or commenced after June 30, 1975, over the amount of tax imposed on this income under section 511. Include membership fees to the extent they are payments to purchase admissions, merchandise, services, or the use of facilities in an unrelated business activity that is a trade or business that was acquired or commenced after June 30, 1975. Net income and net losses from all of these trades or businesses should be aggregated. If a net loss results, enter "-0-" on this line. See Treas. Reg. § 1.509(a)-3(a)(3). For more information, refer to the instructions for Schedule A, Form 990, Part III, line 10b.

**Line 16.** Enter the organization's net income from conducting **unrelated business** activities not included on line 14, whether or not the activities are regularly conducted as a trade or business. See sections 512 and 513 and the applicable regulations. Include membership fees to the extent they are payments to purchase admissions, merchandise, services, or the use of facilities in an activity that is an unrelated business not included on line 14. Net income and net losses from all of the organization's unrelated business activities should be aggregated. If a net loss results, enter "-0-" on this line. For more information, refer to the instructions for Schedule A, Form 990, Part III, line 11.

**Line 17.** Include all support as defined in section 509(d) that is not included elsewhere in Section G-1.

**Attachment requested.** If you report any revenue on line 17, provide a brief description of the source of this revenue. A description will help determine that your organization is or is reasonably expected to be a publicly supported charity (rather than a private foundation), and whether your organization is eligible for an exemption from filing Form 990/EZ/N (see Section I).

**Line 20.** Report gain or loss from the sale of capital assets. Amounts reported on this line should not be reflected on any other line in Section G-1.

**Line 21.** "Unusual grants" generally are substantial contributions and bequests from disinterested persons that by their size adversely affect classification as a public charity. They are unusual, unexpected, and received from an unrelated party. For additional information about unusual grants and a description of public charity classification, refer to IRS Publication 557 and

Treas. Reg. § 1.509(a)-3(c)(3). Amounts reported on this line should not be reflected on any other line in Section G-1.

**Line 26.** Fundraising expenses include the total expenses incurred by you for soliciting gifts, grants, and contributions included on line 1. Include fees paid to professional fundraisers for soliciting gifts, grants, and contributions.

**Line 27.** Provide a total of the distributions that have been made.

**Line 28.** Enter the total amount of compensation paid to your officers, directors, and trustees.

**Line 29.** Enter the total amount of compensation paid to persons not included on Line 28. Compensation paid to independent contractors should be included on Line 32, not Line 29.

**Line 30.** Enter the total interest expense for the year, excluding mortgage interest treated as an occupancy expense on line 31.

**Line 31.** Enter the amount paid for the use of office space or other facilities, heat, light, power, and other utilities, outside janitorial services, mortgage interest, real estate taxes, and similar expenses.

**Line 32.** Professional fees are those charged by individuals and entities that are not your employees. They include fees for professional fundraisers (other than fees listed on line 26, above), accounting services, legal counsel, consulting services, contract management, or any independent contractors.

#### ***H. Public Charity Status***

Section 501(c)(3) organizations are divided into two subcategories: private foundations and public charities. Private foundations may not be included in the group ruling. There are generally three types of organizations that qualify as public charities eligible for inclusion in the group ruling: (i) "institutional" charities described in § 170(b)(1)(A)(i) (churches and religious orders), § 170(b)(1)(A)(ii) (schools), or § 170(b)(1)(A)(iii) (hospitals); (ii) charities that receive broad, public support as described in § 170(b)(1)(A)(vi) or § 509(a)(2); and (iii) organizations that have a structural relationship with, and which are formed to support, other organizations in the group ruling described in (i) or (ii) (§ 509(a)(3) Type I or Type II supporting organizations).

Please select **one** public charity status that describes your organization. An organization that satisfies the support test requirements of both sections 509(a)(1)/170(b)(1)(A)(vi) and 509(a)(2) should be classified under section 509(a)(1)/170(b)(1)(A)(vi).

If your organization is described in § 170(b)(1)(A)(i), and it is not a parish, diocese, or eparchy, you must complete Section M, Religious Orders/Associations, of Form 0928A. If your organization is described in § 170(b)(1)(A)(ii), you must complete Section N, Schools, of Form 0928A. If your organization is a hospital described in § 170(b)(1)(A)(iii), you must complete Section O, Hospitals, of Form 0928A. If your organization is described in § 170(b)(1)(A)(vi) or § 509(a)(2), qualification for this classification should be demonstrated in Section G-1. If your organization is a § 509(a)(3) Type I or Type II supporting organization, you must complete Section J, Supporting Organizations, of Form 0928A. Type III supporting organizations, whether or not functionally integrated, may not request inclusion in the group ruling. If your organization qualifies as a § 509(a)(3) Type I or Type II supporting organization, and also

qualifies as a publicly supported charity under § 170(b)(1)(A)(vi) or § 509(a)(2), you may want to, but are not required to, select the publicly supported charity status rather than the supporting organization status.

The additional sections to Form 0928A (J, K, L, M, N, and O) are available at [usccb.org/about/general-counsel/tax-and-group-ruling.cfm](https://usccb.org/about/general-counsel/tax-and-group-ruling.cfm).

### ***I. Supplemental Information Required for Application***

Section I is designed to help ensure that the applicant is submitting all documents and sections that the reviewing office needs in order to review an application for inclusion in the USCCB group ruling. In addition, the Section asks the applicant whether it believes it is exempt from having to file a Form 990/EZ/N each year.

As described in the instructions to Section H, some organizations are required to complete an additional section because of the claimed public charity status. In addition, any organization that provides housing to elderly or disabled persons (Section K) or for persons with low-incomes (Section L), or which is an entity comprising or including members of a religious order or public or private association of the faithful (Section M), must complete the indicated schedule and submit it with Form 0928A.

Organizations included in the group ruling are not automatically exempt from having to file a Form 990/EZ/N each year. If you believe that your organization is not required to file an annual return, explain your position in detail (using attachments if necessary). For example, if the organization claims to be an integrated auxiliary, you must demonstrate that your organization satisfies all of the requirements in Treas. Reg. § 1.6033-2(h). For more information about filing requirements and exemptions, refer to Annual Filing Requirements for Catholic Organizations, available at [usccb.org/about/general-counsel/tax-and-group-ruling.cfm](https://usccb.org/about/general-counsel/tax-and-group-ruling.cfm).

The diocesan attorney is not required to approve a request for an exemption from filing Form 990/EZ/N, even if your organization is recommended for inclusion in the group ruling. In addition, the USCCB may independently determine that an applicant should be required to file an annual return. If the reviewing official or the USCCB determines that your organization should be included in the group ruling with an annual filing requirement, it is your responsibility to file annual returns unless and until you receive a determination from the IRS that you are not required to file (e.g., by filing Form 8940).

If the diocese recommends your organization for inclusion in the group ruling, it submits a Form 0928-1 to the USCCB. The USCCB approves (or not) the Form 0928-1, and sends an approved original to the IRS and a copy to the diocese. The diocese should provide you with a copy. The approved Form 0928-1 indicates what information is being reported to the IRS regarding your organization, including its name, address, employer identification number, public charity status, and annual filing requirement (or exemption). The USCCB-approved Form 0928-1 is open to public inspection under federal law, and the applicant organization should retain a copy permanently in its records.

### ***J. Section J: Supporting Organizations***

Organizations that are public charities eligible for inclusion in the group ruling on the basis that they are Type I or Type II supporting organizations must complete Section J. Type III supporting

organizations, whether they are functionally integrated or non-functionally integrated, are not eligible to apply for inclusion in the group ruling.

**Question 1.** This question asks the applicant to determine whether, in addition to qualifying as a section 509(a)(3) supporting organization, it also qualifies as a publicly supported charity under section 170(b)(1)(A)(vi) or section 509(a)(2). Frequently, organizations seek inclusion in the group ruling as supporting organizations even though they also qualify as publicly supported charities, which is generally a preferable classification. This question also confirms that an organization, even though it qualifies as publicly supported, nevertheless requests classification as a supporting organization, perhaps because the organization does not anticipate that it will continue to meet a public support test.

**Question 2.** The applicant's organizing document (i.e., articles of incorporation or deed of trust) must designate by name (more common) or by class (less common) its supporting organizations. Identify precisely where in your organizing document that the supporting organizations are identified.

**Question 3.** List each one of your supporting organizations, including its name, EIN, diocese in which its principal office is located, and the page of the current edition of the Official Catholic Directory on which it appears. Write "N/A" where applicable.

**Question 4.** Identify whether your organization qualifies as a Type I or a Type II supporting organization. A Type I supporting organization is one that is operated, supervised, or controlled by one or more of its supported organizations, meaning that one or more of the supporting organizations, in aggregate, has the power, through its or their directors or trustees (or less commonly, officers) to appoint or elect at least a majority of the supporting organization's directors or trustees. This control may, for example, be exercised by a bishop or a religious superior. It is possible for a Type I SO to be controlled by one organization (e.g., a diocese) and be operated for the benefit of other organizations, if the activity carries out the purposes of the controlling organization (e.g., by benefitting the schools in a diocesan school system).

A Type II supporting organization is one that is supervised or controlled in connection with its supported organization(s), meaning that there is overlap of a majority of directors or trustees of the supporting organization and each of the supported organizations, e.g., *ex officio* appointments. If an organization's board of directors or trustees is self-perpetuating (i.e., the directors appoint their own successors), it is unlikely to qualify as a supporting organization in a Type II relationship.

**Question 5.** If any of your supported organizations is not described in section 509(a)(1) or section 509(a)(2), for example, because it is described in section 501(c)(4), (5), or (6), answer "No" and indicate how the supported organization satisfies the section 509(a)(2) public support test. The applicant cannot have a section 509(a)(3) supporting organization as one of its supported organizations.

**Question 6.** If the applicant's organizing document (i.e., articles of incorporation or deed of trust, not its bylaws) do not provide that you are "organized and at all times operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of" your identified supported organizations, describe how you satisfy the organizational test under section 509(a)(3).

**Question 7.** An organization whose only supported organization(s) is or are foreign, lacks a sufficient relationship to the Church in the United States to be included in the group ruling.

**Question 8.** An organization that has supported organizations that are not Catholic (i.e., listed in the Official Catholic Directory) may lack a sufficient relationship to the Church in the United States to be included in the group ruling.

**Question 9.** An organization that provides support, such as making grants or providing services or facilities, to any person or organization other than (i) its supported organizations, (ii) individuals who constitute the charitable class benefited by one or more of its supported organizations, or (iii) other section 509(a)(3) supporting organizations that also support or benefit one or more of its supported organizations, may not be eligible for inclusion in the group ruling. Describe the support, using an attachment if necessary.

**Question 10.** A supporting organization may not be controlled by disqualified persons, as defined in section 4946. A “disqualified person” does not include a section 509(a)(1) or 509(a)(2) organization or a foundation manager. For this purpose, control may be direct or indirect.

**Question 11.** A Type I SO is disqualified from classification under section 509(a)(3)—and therefore will be treated as a private foundation, ineligible for inclusion in the group ruling—if it accepts any gift or contribution from:

- i) A person—other than a public charity described in either section 509(a)(1) or (2)—who **directly or indirectly controls**, either alone or together with persons described in (ii) or (iii), the governing body of the Type I SO’s specified publicly supported organization(s);
- ii) A member of the family of an individual described in (i); or
- iii) A 35-percent controlled entity.

A Type II SO that does so is not ineligible for inclusion in the group ruling, although it is subject to the section 4943 tax on excess business holdings.

**Question 12.** A Type I SO or Type II SO will be treated as having engaged in an automatic excess benefit transaction (see section 4958) if it makes any grant, loan, compensation or other similar payment to a substantial contributor to the supporting organization, to a member of the family of a substantial contributor or to a 35-percent controlled entity of a substantial contributor and the members of the family of the substantial contributor.

### ***M. Section M: Religious Orders/Associations***

#### **About Section M**

Any organization that either (i) claims to be tax-exempt and described in section 501(c)(3) because it is an organization described in 170(b)(1)(A)(i)—other than a parish, diocese, or eparchy—or (ii) is a religious order or public or private association of the faithful, must complete Section M, Religious Orders/Associations, and submit it with its Form 0928A. The purpose of this form is to assist the reviewing diocese, diocesan attorney, and the USCCB in determining an organization’s public charity status—and therefore eligibility for inclusion in the group ruling—and its annual Form 990/EZ/N filing requirement or, if applicable, exemption. A separately incorporated ministry or trust of a religious order (e.g., a nursing home or formation trust) is not required to complete Section M unless it purports to be classified under 170(b)(1)(A)(i) or to be exempt from filing Form 990 as a “religious order.”

For purposes of the USCCB group ruling, an organization other than a parish, diocese, or eparchy may be classified as a public charity because it is described in section 170(b)(1)(A)(i) only if it is a U.S.-based (whether of diocesan or pontifical right) religious institute of consecrated life or society of apostolic life (including a canonically erected U.S. province of a religious institute of consecrated life or society of apostolic life). Such an organization will also be treated for purposes of the USCCB group ruling as exempt from filing Form 990/EZ/N as a “Religious Order” pursuant to section 6033(a)(3)(A)(iii), which provides a partial—or full, depending on the nature of the order’s activities—exemption for a religious order from having to file an annual information return with respect to its “exclusively religious activities.”

Any religious order or public or private association of the faithful which is not a U.S.-based religious institute of consecrated life or society of apostolic life therefore may qualify for inclusion in the group ruling if it is a publicly supported charity, rather than a private foundation, by virtue of either section 170(b)(1)(A)(vi) or section 509(a)(2) if it satisfies either or both of the public support tests, or (less commonly) under section 509(a)(3) if it is a supporting organization to a U.S. public charity. Because many of these organizations are supported by the contributions or earnings of their members, the applicant must be aware of the public support limitations on contributions and earnings which must be documented on Line 7A, Line 7B, and Line 9 of Section G-1, Financial Data: Public Support, Revenues and Expenses.

Organizations that are not U.S.-based religious institutes of consecrated life or societies of apostolic life include U.S. civil law entities that comprise or include members of public or private associations of the faithful, and U.S. civil law entities that comprise or include members of a foreign religious order present in the U.S. An organization described in this paragraph which believes it qualifies as an organization described in section 170(b)(1)(A)(i) should file an application for recognition of exemption with the IRS, because the USCCB will not approve the organization for inclusion in the group ruling and submit the organization’s information to the IRS for inclusion as described in section 170(b)(1)(A)(i). In short, with respect to U.S. civil law entities that comprise or include members of a foreign religious order present in the U.S., the section 170(b)(1)(A)(i) “church” is where the order’s Generalate is located, not any country in which the order’s members happen to be present or have a house.

## **Section M Instructions**

**Questions 1 and 2.** The applicant must indicate its canonical status. If an organization applying for inclusion in the group ruling is a civil entity which does or will include or be comprised of members of a foreign religious order, indicate the canonical status of the religious order that is based in a foreign country. In some cases, identification or elaboration is requested to be provided in question 2a.

**Question 3.** The applicant must provide copies of the pontifical or diocesan decree of erection, or documentation that a province was canonically erected in accordance with the Code of Canon Law, accompanied by English translations of these documents.

**Question 6.** An international order or association should indicate how many members, worldwide, are in the order or association. For this purpose, an estimate is sufficient if the exact number is not known or readily available. If all of the members of an order or association are located in the U.S., you may write n/a and skip to question 7.

**Question 7.** The applicant must provide the exact number of members that are present in the United States. For this purpose, it is assumed that all of the members indicated in Question 7 are going to be members of the applicant organization, and, if applicable, contribute all or a portion of their salaries to the applicant organization. If that is not correct, because some portion of the members are associated with another civil entity—whether or not it is already included in the USCCB group ruling, or has an application for inclusion pending with another diocese, etc.—please describe those circumstances in an attachment, but exclude those members from your answers to question 7.

In addition, if the order/association has undocumented members present in the United States, you must explain that in an attachment.

**Question 9a.** Please describe how any fundraising will be conducted (e.g., online, in-person, through a parish collection, etc.), whether a professional fundraiser or consultant will be hired, etc. An organization will have difficulty qualifying as a publicly supported charity without a deliberate and vigorous fundraising program, so provide detail necessary to demonstrate such a program, unless your organization is going to be completely dependent on the contributions and earnings of its members.

**Question 9b.** Please describe whether and how funds (whether contributions or earnings, investment income, etc.) are distributed to a foreign religious order. Recognizing that this amount may vary from year to year, please describe any applicable thresholds or other requirements that apply in determining how much is to be remitted.

**Questions 11 and 11a.** These questions address whether the organization intends to sponsor, or is already in the process of sponsoring, other members of the order/association for an immigration visa under the Religious Worker Visa Program. If the organization has a current pending visa application for which it must have section 501(c)(3) status before it will be approved, please indicate that in question 11a.