GOVERNMENTAL REPORTING

GOVERNMENT FORMS

INCLUDING

DOL LABOR MANAGEMENT (LM) REPORTS

IRS FORM 1120-POL

PAYROLL REPORTING

IRS FORMS 990, 990-EZ and 990-N

REQUIREMENTS

There are a number of different forms and reports that an AFSCME affiliate may have to file with an agency of the federal government. Details concerning the requirements for the filing of each of these reports are listed in Appendix H of the AFSCME Financial Standards Code. Which of these reports must be filed by the local or council depends on several criteria:

1. Was the affiliate registered with the IRS?
2. Are there private sector employees among the members?
3. Have annual receipts averaged $50,000 or less in the last 3 years?
4. Have annual receipts averaged more than $50,000 in the last 3 years?
5. Does the affiliate have taxable operations?
6. Were political contributions made and was there investment income earned?
7. Were salaries, wages, or taxable allowances paid?
8. Were payments made for professional services?
9. Were there any employee benefit plans sponsored by the affiliate?

The information that follows indicates the reports that must be filed based on the applicable criteria.

IRS Registration

If the affiliate has not yet obtained an Employer Identification Number (EIN) from the IRS, then see Tab 2 of this workbook. Each and every AFSCME affiliate must have their own EIN.

Private Sector Employees

If there are members who work for a private sector employer, then the affiliate is required to file a report with the federal government's Department of Labor (DOL). To determine which form(s) the affiliate must file, consult the entries in Tab 3, Page 36:

1. Labor Department Form LM-2
2. Labor Department Form LM-3
3. Labor Department Form LM-4

The requirements for filing are dependent on whether the organization is already registered with the DOL and the amount of income received during the year.

Annual receipts averaging $50,000 or less in the last 3 years

Small tax-exempt organizations averaging annual receipts of $50,000 or less in the last 3 years (including the year of filing) may file an annual electronic notice, Form 990-N, *Electronic Notice (e-Postcard) for Tax-Exempt Organizations not Required To File Form 990 or 990-EZ.*

The Form 990-N is an online only filing. For general instructions and a link to the filing website, please visit **www.irs.gov/990n.**

There are no monetary penalties for failure to file a 990-N, but organizations that do not file the e-Postcard (Form 990-N), or another 990 series return (Form 990 or 990-EZ) for three consecutive years will have their tax-exempt status revoked as of the filing due date of the third year.

See the additional information on disclosure requirements, due dates and penalties, and filing instructions for the 990-N beginning on page 7 of this section.

Annual receipts averaging more than $50,000 in the last 3 years

If the organization has annual receipts averaging more than $50,000 in the last 3 years (including the year of filing), see below to determine which form to file. For this further determination, the receipts only for the year of filing are used.

If the organization's receipts for the year of filing are less than $200,000 **AND** the organization's total assets at year-end are less than $500,000, an IRS Form 990-EZ may be filed.

If the organization's receipts for the year of filing are $200,000 or more **OR** the organization's total assets at year-end are $500,000 or more, an IRS Form 990 must be filed.

See the additional information on disclosure requirements, due dates and penalties, and where to file the 990-EZ or 990 beginning on page 6 of this section. The appropriate forms and instructions may be downloaded from IRS.gov.

Taxable Operations

If the organization has taxable operations such as renting space in an owned building or from sponsoring fund raisers, then the entry for IRS Form 990-T in Tab 3, Page 35 should be consulted. We further recommend that the affiliate consult either a Certified Public Accountant (CPA) or an attorney to determine if the organization has taxable operations.

Political Contributions and Investment Income

If the organization made political contributions in excess of $100 and had investment income in excess of $100, consult the IRS Form 1120-POL entry in Tab 3, Page 35. You can download the current IRS Form 1120-POL at IRS.gov.

Taxable Payments to Officers or Members

If taxable payments were made by the organization to either officers or members then the entries in Tab 3, Pages 36 and 37 that should be consulted are:

1. USCIS Form I-9
2. IRS Form W-2
3. IRS Form W-3
4. IRS Form W-4
5. IRS Form 940
6. IRS Form 941
7. IRS Form 1096
8. IRS Form 1099-MISC

Professional Service Payments

If payments were made during the year to attorneys, accountants, or other professionals for services, see the entries in Tab 3, Page 36 and 37 for IRS Form 1096 and IRS Form 1099-MISC.

Sponsored Employee Benefit Plans

If one or more employee benefit plans are sponsored by the organization, see IRS Form 5500 in Tab 3, Page 37.

IRS FORM 990-N, 990-EZ AND 990 PUBLIC DISCLOSURE RULES

Unions required to file IRS Form 990 or 990-EZ must comply with IRS "Public Disclosure" rules. Failure to comply with these rules can result in substantial monetary penalties.

The disclosure rules for Form 990-N are very different from those that apply to Form 990 or 990-EZ, in that a union permitted to file Form 990-N is excused from IRS public disclosure requirements. Rather than requiring each Form 990-N filer to make their forms available to the public, the IRS makes Form 990-N information publicly available over the internet.

If your union is required to file IRS Form 990 or 990-EZ, a summary of the disclosure requirements and instructions for each form can be obtained by contacting AFSCME's Auditing Department at 202-429-5032.

IRS FORM 990-N, 990-EZ AND 990 DUE DATES and PENALTIES

The IRS due date for these forms is no later than four and one-half months after the end of the union's fiscal year (May 15th if the union's fiscal year ends on December 31st.)

Unlike Form 990 and 990-EZ, the **IRS will not assess a monetary penalty if Form 990-N is not submitted by the due date. Failure to file IRS Form 990-N for three consecutive years however, will result in the loss of your union's tax exempt status.**

Any union that is required to file **IRS Form 990 or 990-EZ** must file it with the IRS on or before the due date. **THE PENALTIES FOR NOT FILING OR LATE FILING MAY BE SEVERE.** Penalties can be assessed in the amount of $20 per day for each day the return is late, not to exceed the lesser of $10,500 or 5% of the gross receipts of the union for each year's return not filed or filed late. Penalties are higher for unions with revenues of over $1,094,500. If you will have difficulty meeting this due date, you may file IRS Form 8868 to request an automatic six month extension.

Since tax forms for large organizations can be difficult or complex to prepare, many of AFSCME's larger unions assign this task to experienced accounting staff or prefer to have these forms prepared by their CPA.

990 AND 990-EZ ELECTRONIC FILING REQUIREMENT

All IRS Form 990 and 990-EZ filings must be made electronically. Electronic forms may be filed through a CPA or an IRS approved electronic provider. A list of IRS approved electronic providers may be found here: https://www.irs.gov/e-file-providers/exempt-organizations-mef-providers

If you have any questions concerning the filing of IRS Form 990, 990-EZ, or 990-N please contact the AFSCME Auditing Department at (202) 429-5032.

AFSCME Affiliate Instructions for 2021 Form 990-N

These instructions are intended for unions affiliated with the American Federation of State County and Municipal Employees, AFL-CIO (AFSCME) that have <u>annual gross receipts that are normally $50,000 or less.</u> See the cover letter enclosed with these instructions for details on this requirement. <u>Please note that the 990-N e-postcard is an online filing.</u> You will need to use a computer with access to the internet and have a valid e-mail account in order to file. If you do not have computer access or a valid e-mail account, or if you need assistance at any point in the filing process, please contact the AFSCME Auditing Department at (202) 429-5032.

Please collect the following information you will need to successfully file a 990-N e-postcard:

- **Your union's Employer Identification Number (EIN).** If you do not know your union's EIN, please contact the AFSCME Auditing Department at (202) 429-5032.
- **Email address that the e-postcard website will use to send confirmations.** An email address is required for the e-postcard system to send confirmations.
- **Union's DBA (Doing Business As) Name.** The name commonly used by your union in banking or other transactions that involve use of the union's EIN, e.g. AFSCME (State) Local (#)
- **Union's Address**
- **Principal Officer Name and Address.** Normally the President or Treasurer. In many cases, the Principal Officer's address may be the same as the Union's address.
- **Union's website address,** if your union has one.

To begin the 990-N e-postcard filing, go to **www.irs.gov/990n**

First Time Users will need to create a new Username and password for use going forward. The above link will bring you to an introductory screen on the IRS website, which provides information on various topics. Much of this information is also included in this letter.

<u>Annual Electronic Filing Requirement for Small Exempt Organizations- Form 990-N (e-postcard)</u>
From here, in order to access the filing system, **click on the large blue button about halfway down the page with the words "Submit Form 990-N (e-postcard)"**

<u>First Time Users and Returning Users screen</u>
The next screen will require you to make selections based on whether you are a First Time User or Returning User.

First Time Users will need to provide the website with a name and email address so that a confirmation code can be emailed to verify your identity before proceeding with the 990-N filing. **If you are a First Time User, click the "Create Account" button under the "Sign Up" section on the left side of the screen** and proceed to the Step 1 of 4: Personal Information section below.

Returning Users may log in by entering their Username in the field indicated and following the prompts on subsequent screens to enter their password to arrive at the "Home Screen". Proceed to the Home Screen section below if this option is chosen.

If you are a Returning User that has forgotten your Username and/or Password, see Appendices A and B below.

Step 1 of 4: Personal Information

Enter your first name and last name. Enter and confirm your preferred email address for future correspondence with the website. **Click the button "Send Code".** The website will move to the next page (Step 2 of 4). Keep your internet browser open and check your email at the address you provided.

You should shortly receive an email from IRS.online.services@irs.gov that will provide you with an 8 digit confirmation code (sample format: 1234-5678).

Step 2 of 4: Verify Identity

Return to the website and enter the confirmation code in the box on this page. **Click the "Continue" button.**

Step 3 of 4: Security Profile

This screen will allow you to create a Username and a Password. It also requires that you provide information that can be repeated back to you in the future to prove you are using the actual website, and also information that can be used by the website to verify your identity.

Username- Enter a Username of your choice, with some limitations. The Username cannot be an email address or a Social Security # and may not contain a space or a special character (!@#$%^&*). Enter your chosen Username in the box indicated.

Password- Enter a password of your choice in the box indicated, with the following rules:
- Between 8 and 20 characters long
- Must contain at least one number and one special character (!@#$%^&*)
- Must have at least one uppercase and one lowercase letter.

Re-Enter Password- Re-enter the password you chose, for verification purposes.

Email- Enter the email address you chose in Step 1 of 4 as the Primary Email address. This email address may already be entered for you.

Choose a Site Phrase- Enter a phrase that will be repeated back to you on future logins so you can verify the website is genuine.

Choose a Site Image- Select an image that will be shown back to you on future logins so you can verify the website is genuine.

Challenge Questions- In certain circumstances on future logins the website may require you to answer questions selected by you to verify your identity. Use the drop down arrows to select 4 questions of your choice and provide the appropriate answers. It is best to choose questions for which only you would know the answers.

Once created, all of this information may be edited by clicking on a link on the "Home Screen" as described below.

Click the "Continue" button when all information has been entered.

User Profile Successfully Created
If successful, you will arrive on a screen with the above title.

Please write down your Username and password and keep it in a safe place. You will use this information for future Logins. Click the "Continue" button to view the website's security information, then click "Continue" again to go to the next screen, which is the Home Screen.

Home Screen- Electronically file your Form 990-N (e-Postcard)
For purposes of these instructions, this screen is referred to as the "Home Screen". Returning Users will be brought to the Home Screen once logged in.

On the Home Screen you may choose between 2 general processes: Creating or managing an e-Postcard Profile or Managing Form 990-N Submissions. There is also a link to change any information you provided in the Security Profile when registering.

First Time Users must create an e-Postcard Profile first before beginning the 990-N filing process. **If you are a First Time User, click on the "Manage e-Postcard Profile" button** and proceed to the e-postcard Profile section below.

If you are a Returning User, you may begin the 990-N filing process by clicking on "Manage Form 990-N Submissions" button and proceeding to the "Select EIN" section below.

If you wish to change any of the information listed below that you provided for your Security Profile, click on "Security Profile" in the upper right part of the screen next to the Logout link. This will bring you to a new screen titled "Edit Your User Profile" from which you will be able to edit any of the following items: Username, Password, Email, Site Phrase, Site Image and Challenge Questions. Once you are satisfied with the edited information, enter your current Password in the field at the bottom to verify the update and click on the "Update" button.

e-Postcard Profile
On this screen you will be prompted to select a User Type, either "Exempt Organization" or "Preparer". **Click on the drop down arrow in the "User Type" box and select "Exempt Organization". Click the "Continue" button to advance to the next screen.**

The next screen will show that you are logged in as user type "Exempt Organization" and you will be prompted to enter an EIN (Employer Identification Number) to add to your e-Postcard profile. **Enter your affiliate's 9 digit EIN in the two boxes provided (sample format 12-3456789) and click on the "Add EIN" button.**

If the filing system recognizes the EIN as eligible to file, it will add the EIN to the "Currently Associated EIN(s)" list that follows on this page. The Organization Name should appear as "AMERICAN FEDERATION OF STATE COUNTY & MUNICIPAL

EMPLOYEES", along with the current date. **Click on the "Create New Filing" button and continue to the next section below.**

If the filing system does not recognize the EIN as eligible to file, it will show an error message indicating that the EIN was not found in the IRS's records. If you encounter this error message, please double check the EIN and try again. Users having trouble in this area after multiple attempts may contact the AFSCME Auditing Department at (202) 429-5032 for assistance.

Select EIN
On this screen, **click on the drop down arrow, select the EIN for filing, and click "Continue".**

Organization Details
At this point, you will be making the actual filing and will see various fields for data entry.

The data will already be filled in and cannot be changed for:
- For the tax year ending- usually December 31 of the year being filed but may differ if the IRS has a different tax year end on file for your union.
- Organization's legal name- Lines 1 and 2- should read AMERICAN FEDERATION OF STATE COUNTY & MUNICIPAL EMPLOYEES
- Employer Identification Number (EIN)- the EIN for which the filing is being made.

The only responses required here are:
- Has your organization terminated or gone out of business? **Select "No"**
- Are your gross receipts normally $50,000 or less? **Select "Yes"**

Click on the "Continue" button to continue with the filing.

Contact Information
You will see another screen with various fields for data entry.

The data will already be filled in and cannot be changed for:
- Organization's legal name. Should read AMERICAN FEDERATION OF STATE COUNTY & MUNICIPAL EMPLOYEES

Enter the required information for all other fields, all of which you will have assembled beforehand in Page 1 of these instructions except:

- Principal Officer- Type of Name. **Select "Person" from the drop down arrow.**

Note that there are two addresses entered in this section. The first address entered is the Union's address, and the second is the Principal Officer's address. In many cases this may be the same address.

Once you have made entries into all of the fields, **click on the "Submit Filing" button.**

A confirmation warning message will appear asking whether you wish to save the data and submit the filing to the IRS. <u>This is your last chance to go back and edit the information before final submission.</u> **If further changes are needed, click the "Cancel" button and go back and edit the desired fields. If you are satisfied that the information provided is complete and correct, click the "OK" button.**

Confirmation

The next page is a confirmation of your 990-N e-postcard submission and various information related to the filing. At the end of this information, "Filing Status" will be shown as "Pending".

Below the information you will see "Note: Print a copy of this filing for your records. Once you leave this page, you will not be able to do so". **Click on the word "Print" to open another page that will show the complete filing. Use your web browser (usually File, Print) to print out a paper copy of the page. <u>This paper copy is for your union's records only. Do NOT mail the page to the IRS.</u> Close this page to return to the Confirmation page and click on the "Manage Form 990-N Submissions" button.**

Manage Form 990-N (e-postcard)

You will be brought to a screen that allows you to see the status of the 990-N e-postcard you just submitted. **At this point you still need to verify whether the filing was accepted or rejected.** Under "Status" you will see one of the following:

- **Accepted**- **The 990-N e-postcard was accepted and your 990-N e-postcard filing is now complete. There is no need to forward anything on to the IRS. Log out of the 990-N e-postcard filing system by clicking on the word "Logout" on the upper right of this page. Congratulations, you are done for the year.**

- **Rejected**- The 990-N e-postcard was rejected. **Click on the 20-digit number below the "Submission ID" column.** The "Confirmation" screen from above will re-appear with additional information at the bottom as to why the e-postcard was rejected. Contact an IRS agent at 1-877-829-5500 for additional steps to take. If the agent indicates that action is needed by AFSCME International (the Parent organization), send an email to AFSCME International Auditor Brent Beebe at bbeebe@afscme.org. In the email subject line, please provide your state, local number, EIN, and "e-postcard rejected" in the subject line. In the text of the email, please provide your name, telephone number, and details of the conversation with the IRS agent. You will be contacted with assistance in resolving the problem.

- **Pending**- The IRS has not yet accepted or rejected the 990-N e-postcard. Under most circumstances the IRS accepts or rejects a 990-N e-postcard within 15 minutes. Under the "Action" column on the right hand side you may see the words "Get Updated Status". **Click on "Get Updated Status" at any time to see if the current status has changed.** If status is still Pending, you will need to revisit this page at a later time. If you choose to log out of the 990-N e-postcard system before returning, you can always get back to this screen by logging in as a Returning User, proceeding to the "Home Screen" and clicking on the "Manage Form 990-N Submissions" button.

Appendix A- Forgot Username

        If you are a Returning User and have forgotten your Username, you can retrieve it by taking the following steps:

- Go to www.irs.gov/990n
- Click on the large blue button about halfway down the page with the words "Submit Form 990-N (e-postcard)"**.**
- On the next screen, under the "Log In" section on the right hand side, click on the "Forgot Username" link located just under the "Login" button.
- A "Forgot Username" screen will appear. Enter the email address you originally used to register on the 990-N filing website.
- A "Forgot Username Confirmation" screen will appear. Your Username was sent by email to the email address that you indicated.
- Check your email, obtain your Username, and return to www.irs.gov/990n to log in with your Username.

Appendix B- Forgot Password

        If you are a Returning User and have forgotten your password, you will need to choose a new one by taking the following steps:

- Go to www.irs.gov/990n
- Click on the large blue button about halfway down the page with the words "Submit Form 990-N (e-postcard)"**.**
- On the next screen, under the "Log In" section on the right hand side, enter your Username and click the "Login" button.   If you have also forgotten your Username, go to Appendix A and follow the instructions there first.
- A "Log In" screen will appear with your site phrase and site image that you chose when registering with the website. Click on the "Forgot Password" link located just under the Password field.
- A "Forgot Password" screen will appear, and you will be asked to answer 2 of the Challenge Questions you answered when registering for the website. Enter the answers to the questions and click the "Continue" button.
- A "Reset Password" screen will appear, and you may enter a new password of your choice, subject to the same rules as the previous password setup. Re-enter the password to confirm and click the "Submit" button.
- A screen will appear indicating that your password has been successfully reset. Click "Continue" and you will be returned to the "Log In" screen to complete the Login process with your new password.