

ANNUAL TAX FILING FOR U.S. CLUBS

KIWANIS CLUBS, KEY CLUBS, AND CIRCLE K CLUBS are urged to file required tax reports to the Internal Revenue Service (IRS) by the **February 15, 2006** deadline.

Form 990 and Form 990-EZ, as well as instructions on how to complete these are available from your nearest IRS office or by visiting the Internal Revenue Service website at: www.irs.gov. You may also file your return on-line via the Internal Revenue Service website.

The reporting period of **October 1, 2004** through **September 30, 2005** requires a **2004** tax form.

It is recommended that clubs obtain the service of a certified public accountant or other knowledgeable individuals who can assist in complying with new tax procedures. In addition, your state may require a copy of the federal return or may have other specific reporting procedures. Contact your state department of revenue for more information.

The IRS, on occasion, audits clubs, districts, and other nonprofit organizations. Therefore, it is important to make time and accurate filings. The IRS may assess penalties for failure to file reports on time. However if a notice of penalty is received, the penalty may be abated if the notice is responded to in a timely manner, stating, "no taxes are owed", and request that the penalty be waived.

Gross receipts of the club - are defined to include the following:
membership dues and assessments, contributions, gifts, indirect public support, government grants, program service revenue, interest on investments or savings, dividends, rents, other investment income, special fundraising events and activities, and other cash receipt items during the annual accounting period, without subtracting any costs or expenses.

Gross receipts less than \$25,000

If your club's gross receipts are normally not more than \$25,000 and if your club did not receive a Form 990 package in the mail from the IRS, your club will not need to file a 990-EZ (the short form) with the IRS.

Gross receipts for more than \$25,000, but less than \$100,000

Your club needs to complete Form 990-EZ if your club's gross receipts are between \$25,000 and \$100,000 AND your club's total assets are under \$250,000. If the club's total assets are more than \$250,000, Form 990 must be completed.

Gross receipts for more than \$100,000

If your club's gross receipts are more than \$100,000 OR your club's total assets are more than \$250,000, Form 990 must be completed.

NOTE: If your club received a tax form and mailing label from the IRS, you are advised to file the return even if gross receipts are less than \$25,000.

If you received a Form package with a pre-addressed label, you must file the form timely:

990-EZ Follow the GROSS RECEIPTS rules stated previously. If your club has gross receipts less than \$25,000, then you should file the return without completing the financial data section. If your club has gross receipts for more than \$25,000, but less than \$100,000, then you must file the return including the financial data sections in Part I through V.

Answer all questions above Part I with special emphasis on the following lines:

- A Fiscal year beginning **October 1, 2004 and ending September 30, 2005.**
- C Place the label in the name and address section making necessary corrections. The label helps avoid errors.
- D Enter the FEDERAL employer I.D. number.
- E Enter a contact telephone number.
- F Enter 0026.
- G Check the appropriate box. The CASH method is the most common.
- H Check if applicable.
- J Place a check mark in the box 501(c) and add (4).
- K Check if applicable.
- L Enter amount of club GROSS receipts even if under \$25,000.

IMPORTANT: Date and sign the return at the bottom of Page 2 and mail to the IRS by **February 15, 2006.** Make two copies of the return; one for your club's file and the other for your states tax department (if required).

990 Form Follow the GROSS RECEIPTS rules stated previously. You must file this form if the club has gross receipts greater than \$100,000 OR if total assets are greater than \$250,000.

Answer all questions above Part I with special emphasis on the following lines:

- A Fiscal year beginning **October 1, 2004 and ending September 30, 2005.**
- C Place the label in the name and address section making necessary corrections. The label helps avoid errors.
- D Enter the FEDERAL employer I.D. number.
- E Enter a contact telephone number.
- F Check the appropriate box. The CASH method is the most common.
- H(d) Check yes.
- I Enter 0026.
- J Place a check mark in the box 501(c) and add (4).
- K Check the appropriate box and follow instructions. Note what to do if you received a Form 990 package.
- L Enter amount of club GROSS receipts.
- M Check if applicable.

IMPORTANT: Date and sign the return then mail to the IRS by **February 15, 2006.**

NOTE: Make two copies of the return; one for your club's files and the other for your state's tax department (not required in all states).

Form **990-EZ**

Short Form

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No. 1545-1150

2004

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

► For organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at the end of the year.

► *The organization may have to use a copy of this return to satisfy state reporting requirements.*

A For the 2004 calendar year, or tax year beginning _____, **2004, and ending** _____, **20**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization		D Employer identification number _____
		Number and street (or P.O. box, if mail is not delivered to street address) Room/suite		E Telephone number () _____
		City or town, state or country, and ZIP + 4		F Group Exemption Number . . . ► _____

• **Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).**

G Accounting method: Cash Accrual
Other (specify) ► _____

I Website: ► _____

H Check if the organization is **not** required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

J Organization type (check only one)— 501(c) () ◀(insert no.) 4947(a)(1) or 527

K Check if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. **Some states require a complete return.**

L Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts; if \$100,000 or more, file Form 990 instead of Form 990-EZ . . . ► \$

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 37 of the instructions.)

Revenue	1 Contributions, gifts, grants, and similar amounts received		1
	2 Program service revenue including government fees and contracts		2
	3 Membership dues and assessments		3
	4 Investment income		4
	5a Gross amount from sale of assets other than inventory	5a	5c
	b Less: cost or other basis and sales expenses	5b	
	c Gain or (loss) from sale of assets other than inventory (line 5a less line 5b) (attach schedule).		
	6 Special events and activities (attach schedule). If any amount is from gaming , check here <input type="checkbox"/>		6c
	a Gross revenue (not including \$ _____ of contributions reported on line 1)	6a	
b Less: direct expenses other than fundraising expenses	6b		
c Net income or (loss) from special events and activities (line 6a less line 6b)		6c	
7a Gross sales of inventory, less returns and allowances	7a	7c	
b Less: cost of goods sold	7b		
c Gross profit or (loss) from sales of inventory (line 7a less line 7b)			
8 Other revenue (describe ► _____)		8	
9 Total revenue (add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8)		9	
Expenses	10 Grants and similar amounts paid (attach schedule)		10
	11 Benefits paid to or for members		11
	12 Salaries, other compensation, and employee benefits		12
	13 Professional fees and other payments to independent contractors		13
	14 Occupancy, rent, utilities, and maintenance		14
	15 Printing, publications, postage, and shipping		15
	16 Other expenses (describe ► _____)		16
17 Total expenses (add lines 10 through 16)		17	
Net Assets	18 Excess or (deficit) for the year (line 9 less line 17)		18
	19 Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)		19
	20 Other changes in net assets or fund balances (attach explanation)		20
	21 Net assets or fund balances at end of year (combine lines 18 through 20)		21

Part II Balance Sheets—If Total assets on line 25, column (B) are \$250,000 or more, file Form 990 instead of Form 990-EZ.

(See page 40 of the instructions.)

	(A) Beginning of year	(B) End of year
22 Cash, savings, and investments		22
23 Land and buildings		23
24 Other assets (describe ► _____)		24
25 Total assets		25
26 Total liabilities (describe ► _____)		26
27 Net assets or fund balances (line 27 of column (B) must agree with line 21)		27

Part III Statement of Program Service Accomplishments (See page 41 of the instructions.)

Expenses

(Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; optional for others.)

What is the organization's primary exempt purpose? Describe what was achieved in carrying out the organization's exempt purposes. In a clear and concise manner, describe the services provided, the number of persons benefited, or other relevant information for each program title.

Table with 2 columns: Program Title (lines 28-31) and Expenses (lines 28a-31a). Includes 'Total program service expenses' on line 32.

Part IV List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated. See page 41 of the instructions.)

Table with 5 columns: (A) Name and address, (B) Title and average hours per week devoted to position, (C) Compensation (if not paid, enter -0-), (D) Contributions to employee benefit plans & deferred compensation, (E) Expense account and other allowances.

Part V Other Information (Note the attachment requirement in General Instruction V, page 14.)

Yes No

Table with 3 columns: Question (lines 33-43), Yes, No. Includes questions about IRS reporting, business income, liquidation, political expenditures, loans, and tax-exempt interest.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here: Signature of officer, Date, Type or print name and title.

Paid Preparer's Use Only: Preparer's signature, Date, Check if self-employed, Preparer's SSN or PTIN, Firm's name, address, and ZIP + 4, EIN, Phone no.

Return of Organization Exempt From Income Tax

2004

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the **2004** calendar year, or tax year beginning , **2004**, and ending , **20**

- B** Check if applicable:
- Address change
 - Name change
 - Initial return

Please use IRS label or print or type. See Specific

C Name of organization

Number and street (or P.O. box if mail is not delivered to street address) Room/suite

D Employer identification number

E Telephone number

()

Part I

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See page 22 of the instructions.)

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule).	24			
25	Compensation of officers, directors, etc.	25			
26	Other salaries and wages	26			
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29			
30	Professional fundraising fees	30			
31	Accounting fees	31			
32	Legal fees	32			
33	Supplies	33			
34	Telephone	34			
35	Postage and shipping	35			
36	Occupancy	36			
37	Equipment rental and maintenance	37			
38	Printing and publications	38			
39	Travel	39			
40	Conferences, conventions, and meetings	40			
41	Interest	41			
42	Depreciation, depletion, etc. (attach schedule)	42			
43	Other expenses not covered above (itemize): a	43a			
	b	43b			
	c	43c			
	d	43d			
	e	43e			
44	Total functional expenses (add lines 22 through 43). <i>Organizations completing columns (B)-(D), carry these totals to lines 13-15 .</i>	44			

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? **Yes** **No**
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See page 25 of the instructions.)

What is the organization's primary exempt purpose? ▶	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a (Grants and allocations \$ _____)	
b (Grants and allocations \$ _____)	
c (Grants and allocations \$ _____)	
d (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services). ▶	

Part IV Balance Sheets (See page 25 of the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.		(A) Beginning of year	(B) End of year
Assets	45 Cash—non-interest-bearing		45
	46 Savings and temporary cash investments		46
	47a Accounts receivable	47a	47c
	b Less: allowance for doubtful accounts	47b	
	48a Pledges receivable	48a	48c
	b Less: allowance for doubtful accounts	48b	
	49 Grants receivable		49
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50
	51a Other notes and loans receivable (attach schedule)	51a	51c
	b Less: allowance for doubtful accounts	51b	
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges		53
	54 Investments—securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54
	55a Investments—land, buildings, and equipment: basis	55a	55c
	b Less: accumulated depreciation (attach schedule)	55b	
56 Investments—other (attach schedule)		56	
57a Land, buildings, and equipment: basis	57a	57c	
b Less: accumulated depreciation (attach schedule)	57b		
58 Other assets (describe <input type="checkbox"/>)		58	
59 Total assets (add lines 45 through 58) (must equal line 74)		59	
Liabilities	60 Accounts payable and accrued expenses		60
	61 Grants payable		61
	62 Deferred revenue		62
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63
	64a Tax-exempt bond liabilities (attach schedule)		64a
	b Mortgages and other notes payable (attach schedule)		64b
	65 Other liabilities (describe <input type="checkbox"/>)		65
66 Total liabilities (add lines 60 through 65)		66	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
	67 Unrestricted		67
	68 Temporarily restricted		68
	69 Permanently restricted		69
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.		
	70 Capital stock, trust principal, or current funds		70
	71 Paid-in or capital surplus, or land, building, and equipment fund		71
	72 Retained earnings, endowment, accumulated income, or other funds		72
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)		73	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)		74	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part VI Other Information (See page 28 of the instructions.)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity.	76	
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	
b	If "Yes," enter the name of the organization ► _____ _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81a	Enter direct and indirect political expenditures. See line 81 instructions 81a		
b	Did the organization file Form 1120-POL for this year?	81b	
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members. 85c		
d	Section 162(e) lobbying and political expenditures 85d		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices. 85e		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12. 86a		
b	Gross receipts, included on line 12, for public use of club facilities 86b		
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders 87a		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ► _____ ; section 4912 ► _____ ; section 4955 ► _____		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ► _____		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ► _____		
90a	List the states with which a copy of this return is filed ► _____		
b	Number of employees employed in the pay period that includes March 12, 2004 (See instructions.) 90b		
91	The books are in care of ► _____ Telephone no. ► (_____) _____ Located at ► _____ ZIP + 4 ► _____		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 —Check here. <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year 92		

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))					
105 Total (add line 104, columns (B), (D), and (E))					

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

Line No. ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer _____ Date _____

Type or print name and title. _____

Paid Preparer's Use Only

Preparer's signature _____ Date _____ Check if self-employed Preparer's SSN or PTIN (See Gen. Inst. W) _____

Firm's name (or yours if self-employed), address, and ZIP + 4 _____ EIN _____ Phone no. _____