Section references are to the Internal Revenue Code unless otherwise noted.

General Instructions

Note. Terms in bold are defined in the Glossary of the Instructions for Form 990.

Purpose of Schedule

Schedule R (Form 990) is used by an organization that files Form 990 to provide information on related organizations, on certain transactions with related organizations, and on certain unrelated partnerships through which the organization conducts significant activities.

Who Must File

The chart below sets forth which organizations must complete all or a part of Schedule R and attach Schedule R to Form 990. If an organization is not required to file Form 990 but chooses to do so, it must file a complete return and provide all of the information requested, including the required schedules.

Overview

Part I requires identifying information on any organization that is treated for federal tax purposes as a disregarded entity. Part II requires identifying information on related tax-exempt organizations. Part III requires identifying information on any organization that is treated for federal tax purposes as a partnership.

Part IV requires identifying information on any related organization that is treated for federal tax purposes as a C or S corporation or trust. Part V requires information on transactions between the organization and related organizations (excluding disregarded entities). Part VI requires information on an unrelated organization taxable as a partnership through which the organization conducts more than 5% of its activities (as described in Part VI).

Parts I-VI of Schedule R (Form 990) may be duplicated if additional space is needed to report additional related organizations for Parts I-IV, additional transactions for Part V, or additional unrelated organizations for Part VI. Use as many duplicate copies as needed, and number each page of each part.

Part VII of Schedule R (Form 990) may be used to provide additional information in response to questions in Schedule R.

Relationships

An organization, including a nonprofit organization, a stock corporation, a partnership or limited liability company, a trust, and a governmental unit or other government entity, is a related organization to the filing organization if it stands, at any time during the tax year, in one or more of the following relationships to the filing organization:

- Parent—an organization that controls (see definitions of control under

<table>
<thead>
<tr>
<th>Type of filer</th>
<th>IF you answer “Yes” to . . .</th>
<th>THEN you must complete . . .</th>
</tr>
</thead>
<tbody>
<tr>
<td>All organizations</td>
<td>Form 990, Part IV, line 33 (regarding disregarded entities)</td>
<td>Schedule R, Part I.</td>
</tr>
<tr>
<td>All organizations</td>
<td>Form 990, Part IV, line 34 (regarding related organizations)</td>
<td>Schedule R, Parts II, III, IV, and V, line 1 as applicable.</td>
</tr>
<tr>
<td>All organizations</td>
<td>Form 990, Part IV, line 35a (regarding controlled entities under section 512(b)(13))</td>
<td>Schedule R, Part V, line 2.</td>
</tr>
<tr>
<td>Section 501(c)(3) organization or section 4947(a)(1) trust</td>
<td>Form 990, Part IV, line 36 (regarding transfers to exempt noncharitable related organizations)</td>
<td>Schedule R, Part V, line 2.</td>
</tr>
<tr>
<td>All organizations</td>
<td>Form 990, Part IV, line 37 (regarding conduct of activity through unrelated partnership)</td>
<td>Schedule R, Part VI.</td>
</tr>
</tbody>
</table>

Definition of Control

Related organizations For purposes of determining related organizations:

- Control of a nonprofit organization (or other organization without owners or persons having beneficial interests, whether the organization is taxable or tax-exempt)

One or more persons (whether individuals or organizations) control a nonprofit organization if they have the power to remove and replace (or to appoint or elect, if such power includes a continuing power to appoint or elect periodically or in the event of vacancies) a
Examples of control by multiple persons.

Example 2. Organization E has 1000 individual members who elect its board members. The membership of Organization E also constitutes the membership of Organization F, and elects the board members of Organization F. Organizations E and F are brother/sister related organizations with respect to each other.

Example 3. One or more persons control a trust if three general partners of Z. Because Y names of such related organizations). A person's beneficial ownership percentage, and X controls Y, even if a related organization is... must report its interest in the trust. A person's beneficial ownership percentage, and X controls Y, even if a related organization is... must report its interest in the trust. A person's beneficial ownership percentage, and X controls Y, even if a related organization is... must report its interest in the trust. A person's beneficial ownership percentage, and X controls Y, even if a related organization is... must report its interest in the trust. A person's beneficial ownership percentage, and X controls Y, even if a related organization is... must report its interest in the trust.

Control of a partnership or limited liability company

One or more persons control a partnership if they own more than 50% of the profits interests or capital interests in the partnership (including a limited liability company treated as a partnership or disregarded entity for federal tax purposes, regardless of the designation under state law of the ownership interests as stock, membership interests, or otherwise). A person also controls a partnership if the person is a managing partner or managing member of a partnership or limited liability company which has three or fewer managing partners or managing members (regardless of which partner or member has the most actual control), or if the person is a general partner in a limited partnership which has three or fewer general partners (regardless of which partner has the most actual control).

Control of a trust with beneficial interests

One or more persons control a trust if they own more than 50% of the beneficial interests in the trust. A person's beneficial interest in a trust shall be determined in proportion to that person's actuarial interest in the trust.

Specific Instructions

Part I. Identification of Disregarded Entities

Enter the details of each disregarded entity on a separate line of Part I. If there are more disregarded entities to report in Part I than space available, use as many
Column (a) Name, address, and EIN. Enter the full legal name and mailing address of the disregarded entity. Enter also the employer identification number (EIN) of the disregarded entity, if it has one.

A disregarded entity generally must use the EIN of its sole member. An exception applies to employment taxes: for wages paid to employees of a disregarded entity on or after January 1, 2009, the disregarded entity must file separate employment tax returns and use its own EIN on such returns. See Regulations sections 301.6109-1(h) and 301.7701-2(c)(2)(iv).

Column (b) Primary activity. Briefly describe the primary activity of the disregarded entity.

Column (c) Legal domicile. List the U.S. state (or U.S. possession) or foreign country in which the disregarded entity is organized (the state or foreign country whose law governs the disregarded entity’s internal affairs).

Column (d) Total income. Enter the amount of the filing organization’s total revenue reported in Form 990, Part VIII, line 12, column (A), attributable to the disregarded entity.

Column (e) End-of-year assets. Enter the amount of the organization’s total assets reported in Form 990, Part X, line 16, column (B), attributable to the disregarded entity.

Column (f) Direct controlling entity. If the organization controls the disregarded entity indirectly through one or more other disregarded entities, enter the name of the entity that directly controls the disregarded entity. Otherwise, enter “N/A.”

Part II. Identification of Related Tax-Exempt Organizations

For purposes of Schedule R, treat governmental units and instrumentalities and foreign governments as tax-exempt organizations.

Enter the details of each related organization on a separate line of Part II. If there are more related organizations to report in Part II than space available, use as many duplicate copies of Part II as needed, and number each page.

Column (a) Name, address, and EIN. Enter the related organization’s full legal name, mailing address, and EIN.

Column (b) Primary activity. Briefly describe the primary activity of the related organization.

Column (c) Legal domicile. List the U.S. state (or U.S. possession) or foreign country in which the related organization is organized. For a corporation, enter the state of incorporation (or the country of incorporation for a foreign corporation formed outside the U.S.). For a trust or other entity, enter the state whose law governs the organization’s internal affairs (or the foreign country whose law governs a foreign organization other than a corporation).

Column (d) Exempt Code section. Enter the section under which the related organization is exempt (for example, section 501(c)(3), 501(c)(6), or 527). For purposes of Schedule R, an organization that claims exemption is treated as exempt. For governmental units, instrumentalities, and foreign governments that do not have a 501(c) determination letter, leave blank.

Column (e) Public charity status. For a related section 501(c)(3) organization, report its public charity status, using the appropriate line number (line 1 through 11d) corresponding to the public charity status check on Schedule A (Form 990), Public Charity Status and Public Support, Part I. If the related organization is a private foundation, use the designation “PF.” If the related organization is a section 509(a)(3) supporting organization, also indicate its type: I, II, III-FI, or III-O (for Type I, Type II, Type III functionally integrated, or Type III other, respectively).

Column (f) Direct controlling entity. If the filing organization or another entity directly controls the related organization, enter the name of that controlling entity. Otherwise, enter “N/A.”

Column (g) Section 512(b)(13) controlled entity. Check “Yes” if the related organization is a controlled entity of the filing organization under section 512(b)(13). If not, check “No.”

Part III. Identification of Related Organizations

Taxable as a Partnership

In this part, identify any related organization treated as a partnership for federal tax purposes. If the partnership is related to the filing organization by reason of being its parent or brother/sister and the filing organization is not a partner or member in the partnership, then complete only columns (a), (b), and (c), and enter “N/A” in columns (d), (e), (f), (g), (h), (i), (j), and (k).

Enter the details of each related organization on a separate line of Part III. If there are more related organizations to report in Part III than space available, use as many duplicate copies of Part III as needed, and number each page.

Some of the information requested in this part is derived from Schedule K-1 (Form 1065) issued to the organization. If the Schedule K-1 (Form 1065) is not available, provide a reasonable estimate of the required information.

Column (a) Name, address, and EIN. Enter the related partnership’s full legal name, mailing address, and EIN.

Column (b) Primary activity. Briefly describe the primary business activity conducted, or product or service provided, by the related partnership (for example, investment in other entities, low-income housing, etc.).

Column (c) Legal domicile. List the U.S. state (or U.S. possession) or foreign country in which the related partnership is organized (the state or foreign country whose law governs the related partnership’s internal affairs).

Column (d) Direct controlling entity. If the filing organization indirectly controls the related partnership, enter the name of the entity that directly controls the related partnership in issue. Otherwise, enter “N/A.”

Column (e) Predominant income. Classify the predominant type of partnership income as:

• Related;
• Unrelated; or
• Excluded from tax under section 512, 513, or 514.

In other words, enter which of the three types listed above is more prevalent than the others.

For classification purposes, use the definitions of columns (B), (C), and (D) set forth in the instructions to the Statement of Revenue in Form 990, Part VIII.

Column (f) Share of total income. Enter the dollar amount of the filing organization’s distributive share of the related partnership’s total income, in accordance with the organization’s profits interest as specified by the partnership or LLC agreement, for the related partnership’s tax year ending with or within the filing organization’s tax year. Use the total amount reported by the related partnership on Schedule K-1 (Form 1065) for the partnership’s tax year ending with or within the filing organization’s tax year (total of Schedule K-1, Part III, lines 1 through 11 and 18, tax-exempt income).

Column (g) Share of end-of-year assets. Enter the dollar amount of the filing organization’s distributive share of the related partnership’s end-of-year total assets, in accordance with the organization’s capital interest as specified by the partnership or LLC agreement, for the related partnership’s tax year ending with or within the filing organization’s tax year. Use Schedule K-1 (Form 1065) for the partnership’s tax year ending with or within the organization’s tax year to determine this amount by adding the organization’s ending capital account to the organization’s share of the partnership’s liabilities at year end reported on the Schedule K-1.

Column (h) Disproportionate allocations. Check “Yes” if the interest of the filing organization as a partner of the partnership (or as a member of the LLC) in any item of income, gain, loss, deduction, or credit, or any right to
Part IV. Identification of Related Organizations Taxable as a Corporation or Trust

In this part, identify any related organization treated as a C or S corporation or trust for federal tax purposes (such as a charitable remainder trust), other than a related organization reported as a tax-exempt organization in Part II. If the corporation or trust is related to the filing organization as its parent or as a brother/sister organization, and the filing organization does not have an ownership interest in the corporation or trust, then complete only columns (a), (b), (c), and (e), and enter “N/A” in columns (d), (f), (g), and (h). Do not report trusts described within section 401(a).

Enter the details of each related organization on a separate line of Part IV. If there are more related organizations to report in Part IV than space available, use as many duplicate copies of Part IV as needed, and number each page.

Some of the information requested in this part is derived from Schedule K-1 (Form 1041) or Schedule K-1 (Form 1120S) issued to the organization. If the Schedule K-1 is not available, provide a reasonable estimate of the required information.

Column (a) Name, address, and EIN. Enter the related organization’s full legal name, mailing address, and EIN.

Column (b) Primary activity. Briefly describe the primary business activity conducted, or product or service provided, by the related organization (for example, holding company, management company).

Column (c) Legal domicile. List the U.S. state (or U.S. possession) or foreign country in which the related organization is organized. For a corporation, enter the state of incorporation (or the country of incorporation for a foreign corporation formed outside the U.S.). For a trust or other entity, enter the state whose law governs the organization’s internal affairs (or the foreign country whose law governs a foreign organization other than a corporation).

Column (d) Direct controlling entity. If the filing organization indirectly controls the related organization through one or more related organizations, enter the name of the entity that directly controls the related organization. Otherwise, enter “N/A.”

Column (e) Type of entity. Use one of the following codes to indicate the tax classification of the related organization: C (corporation or association taxable under subchapter C), S (corporation or association taxable under subchapter S), or T (trust taxable under subchapter J).

Column (f) Share of total income. For a related organization that is a C corporation, enter the dollar amount of the organization’s share of the C corporation’s total income. To calculate this share, multiply the total income by the following fraction: the value of the filing organization’s shares of all classes of stock in the C corporation, divided by the value of all outstanding shares of all classes of stock in the C corporation. The total income is for the related organization’s tax year ending with or within the filing organization’s tax year.

For a related organization that is an S corporation, enter the filing organization’s allocable share of the S corporation’s total income. Use the amount on Schedule K-1 (Form 1120S) for the S corporation’s tax year ending with or within the filing organization’s tax year (Schedule K-1, Part III, lines 1 through 10).

For a related organization that is a trust, enter the total income and gains reported on Part III, lines 1 through 8 of Schedule K-1 (Form 1041) issued to the filing organization for the trust’s tax year ending with or within the filing organization’s tax year.

COLUMN (g) Share of end-of-year assets. Enter the dollar amount of the filing organization’s allocable share of the related organization’s total assets as of the end of the related organization’s tax year ending with or within the filing organization’s tax year. For related C and S corporations, this amount is determined by multiplying the corporation’s end-of-year total assets by the fraction described in column (f). For related trusts, this amount corresponds to the filing organization’s percentage ownership in the trust’s report for space available.

COLUMN (h) Percentage ownership. For a related organization taxable as a corporation, enter the filing organization’s percentage of ownership in the corporation (total combined voting power or total value of all outstanding shares, whichever is greater). For a related S corporation, use the percentage reported on Schedule K-1 (Form 1120S) for the year ending with or within the filing organization’s tax year. For a related organization taxable as a trust, enter the filing organization’s percentage of beneficial interest. In each case, enter the percentage interest as of the end of the related organization’s tax year ending with or within the filing organization’s tax year.

TIP: A section 501(c)(3) organization that is an S corporation shareholder must treat all allocations of income from the S corporation as unrelated business income, including gain on the disposition of stock.

COLUMN (i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065). Enter the dollar amount, if any, listed as the Code V amount (unrelated business taxable income) in box 20 of Schedule K-1 (Form 1065) received from the related partnership for the partnership’s tax year ending with or within the filing organization’s tax year. If no Code V amount is listed in box 20, enter “N/A.”

COLUMN (j) General or managing partner. Check “Yes” if the filing organization was at any time during its tax year a general partner of a related limited partnership, or a managing partner or managing member of a related general partnership, LLC, or other entity taxable as a partnership. Otherwise, check “No.”

COLUMN (k) Percentage ownership. Enter the filing organization’s percentage interest in the profits or in the capital of the related partnership, whichever is greater.

Part V. Transactions With Related Organizations

Line 1. Check “Yes” in the appropriate boxes of Line 1 if the filing organization engaged in any of the transactions listed in Part V with any of the related organizations listed in Parts II through IV. A “transfer” includes any conveyance of funds or property not described in lines 1a through 1p, whether or not for consideration, such as a merger with a related organization.

Line 2. All organizations filing Schedule R must report the following transactions with a controlled entity as defined in section 512(b)(13).

• All transactions described in line 1a, which includes all receipts or accruals of interest, annuities, royalties, or rent from a controlled entity under section 512(b)(13), regardless of amount.

• Transactions described in lines 1b through 1r with controlled entities, if the amounts involved during the tax year between the filing organization and a particular controlled entity exceed $50,000.

Section 501(c)(3) organizations and section 4947(a)(1) trusts must report on line 2 transactions described in Part V, lines 1b through 1r with related tax-exempt organizations not described in section 501(c)(3) (including section 527 political organizations), if the amounts involved during the tax year between the filing organization and a particular related tax-exempt organization exceed $50,000.

Enter the details of each related organization and each transaction type on a separate line of the table. If there are more related organizations or transaction types to report than space available, use as many duplicate copies of Part V as needed, and number each page. Transactions of a specified type described in lines 1b through 1r with a particular organization do not need to be reported if the total amount of transactions of such type during the tax year did not exceed $50,000.
Part VI. Unrelated Organizations Taxable as a Partnership

In this part, provide information on any unrelated organization (an organization that is not a related organization with respect to the filing organization) that meets all of the following conditions:

1. The unrelated organization is treated as a partnership for federal tax purposes (S corporations are excluded).
2. The filing organization was a partner or member of the unrelated partnership at any time during the filing organization's tax year.
3. The filing organization conducted more than 5% of its activities, based on the greater of its total assets at the end of its tax year or its gross revenue for its tax year, through the unrelated partnership.

In determining the percentage of the filing organization’s activities as measured by its total assets, use the amount reported on Form 990, Part X, line 16, column (B) as the denominator, and the filing organization’s ending capital account balance for the partnership tax year ending with or within the filing organization’s tax year as the numerator. If the Schedule K-1 is not available, provide a reasonable estimate of the required information.

Column (a) Name, address, and EIN. Enter the unrelated organization's full legal name, mailing address, and EIN.

Column (b) Primary activity. Briefly describe the primary business activity conducted, or product or service provided, by the unrelated partnership.

Column (c) Legal domicile. List the U.S. state (or U.S. possession) or foreign country in which the unrelated partnership is organized (or wholly-owned subsidiaries of either). Otherwise, check “No.”

Part VII. Supplemental Information

Use Part VII if the organization needs space to provide additional information in response to questions in Schedule R (Form 990). In Part VII, identify the specific part and line number that each response supports, in the order in which those parts and lines appear on Schedule R (Form 990). Part VII can be duplicated if more space is needed.