



STATE OF WISCONSIN
Department of Financial Institutions
Division of Corporate and
Consumer Services



**INSTRUCTIONS FOR CHARITABLE ORGANIZATION
ANNUAL REPORT (FORM #308)**

Introduction

The Charitable Organization Annual Financial Report (Form #308) is designed to provide a complete and full financial reporting of the organization's charitable and non-charitable activities in sufficient detail to permit public evaluation of its operations. Form #308 and the instructions for completing the form have been patterned after Internal Revenue Service Form #990. When in doubt about certain complex or technical issues, you may want to follow the more extensive guidelines provided by the IRS for completing Form #990.

Accounting Period

The Charitable Organization Annual Report (Form #308) should cover the organization's established 12-month accounting period and should reconcile with the previously submitted annual report.

Bookkeeping Basis

The basis for recording the organization's financial activities should be consistent over the years; that is, cash, accrual or some other modified method.

Omit Cents

You may round off cents to the nearest dollar.

**LINE-BY-LINE INSTRUCTIONS FOR ANNUAL
REPORT FORM**

Section A: Information About Organization

Print or type the information requested in the spaces provided for items 1 – 17 of the annual report form.

Section B: Financial Information

The following are line-by-line instructions for the financial statements that are found on pages 4-6 of the annual report. Please read the instructions as you are completing the financial statements.

1a Direct Public Support. Enter the total contributions, gifts, grants (excluding governmental grants), and bequests received **directly from the public**.

NOTE: On line 1a include payments, or the part of any payment, for which the donor does not receive full consideration from your organization. When you get to line 10, you will report income from special fund-raising events and activities such as dinners, door-to-door sales of merchandise, carnivals, and bingo/raffle games. However, when the buyer pays more for such goods or services than their value, report the excess on line 1a as a **contribution** representing direct public support.

Contributions on line 1a also include grants that are equivalent to contributions. Such grants are normally made to encourage the grantee organization to carry on programs or activities that further its exempt purposes. The grantor may specify for which of recipient's activities the grant may be used. A grant is still equivalent to a contribution if the grantee performs a service or produces a work product that benefits the grantor incidentally. However, a grant is a payment for services, and not a contribution, if the grant requires the grant recipient to provide that grantor with a specific service, facility, or product rather than to give a direct benefit primarily to the general public or to that part of the public served by the organization.

To report **contributions** received in a form **other than cash**, use the market value as of the date of the contribution. When market value cannot be readily determined, use an appraised or estimated value.

1b Indirect public support. Enter the total contributions received **indirectly** from the public through solicitation campaigns conducted by federated fund-raising agencies (such as the United Way) or affiliate organizations.

- 1c** Enter the **total** of amounts reported on lines 1a and 1b.
- 2 Government grants.** Enter the total of all government **grants**.
- 3** All **program service revenues** must be included, such as fees for services, admissions, tuition and registration fees.
- 4** Enter membership and affiliate **dues and assessments**, excluding any amounts which exceed reasonable membership benefits and are regarded as contributions which should be included on line 1a.
- 5** Enter **interest** income on savings and temporary cash **investments**. Dividends or earnings from mutual savings banks, etc., are interest and should be entered here.
- 6** Enter **dividends** and interest from debt and equity **securities** (stocks and bonds) of the type reportable on line 46, including amounts received from payments on securities loans; but not capital gains dividends reportable on line 9c.
- 7a** Enter **gross rental income** for the year from investment property reportable on line 47.
- 7b** Enter your rental expenses paid or incurred for the income reported on line 7a. Include depreciation if it is recorded in the organization's books and records.
- 7c** Subtract line 7b from line 7a. Show any loss in parentheses.
- 8 Other investment income.** Enter the amount of investment income not reportable on lines 5 through 7 and describe the type of income in the space provided or in an attachment. The income should be the gross amount derived from investments reportable on line 48. Do not include income from program-related investments, nor unrealized gains and losses on investments carried at market value.
- 9 Capital gains.** Attach a schedule listing the sale or exchange of securities or other assets that are not inventory items. List: (a) date acquired, how acquired (b) date sold and to whom, (c) gross sales price, (d) cost, other basis, or if donated, value at time acquired (state which); (e) expense of sale and cost of improvements made after acquired, and (f) if depreciable property, depreciation since acquired. Show security transactions separately from the sale of other assets.
- 10a** Enter gross revenue, not including contributions reported on line 1a, for **special fund-raising events** and activities (such as dinners, dances, carnivals, raffles, bingo games, and door-to-door sales of merchandise). Be sure to attach a complete schedule. An activity which generates only contributions, such as a solicitation campaign by mail, is not a special fund-raising event and should not be reported on this line.
- 10b** Enter direct expenses. If you include an expense on this line, do not report it on line 11b or in Part II.
- 10c** Deduct line 10b from line 10a and enter the amount on 10c.
- 11a** Enter gross **sales of inventory** items (less returns and allowances), cost of goods sold, and gross profit (or loss) from the sale of all inventory items other than those sold in special fund-raising events and activities reported on line 10. Be sure to attach a schedule.
- 11b** Deduct cost of goods sold.
- 11c** Gross profit or (loss) from sale of inventory.
- 12** Enter any **other revenue** received by your organization and attach a schedule.
- 13** Enter the **total** from the following lines: 1c, 2, 3, 4, 5, 6, 7c, 8, 9c, 10c, 11c, and 12.
- Expenses on lines 14 to 35 which are directly attributable to a particular functional category must be reported in the appropriate column. Expenses which relate to more than one functional category generally should be allocated. When completing this section, do not include amounts previously reported in Part I, lines 7b, 9b, 10b, 11b.
- 14** Enter all **grants and allocations** made by your organization to individuals and organizations. Voluntary awards and grants to affiliates for specific purposes or projects should also be reported on this line. Be sure to attach a schedule indicating: (a) each class of activity; (b) donee's name and address and the amount given; and (c) (in the case of grants to individuals) relationship of donee if related by blood, marriage, adoption or employment (including employees' children) to any person or corporation with an interest in the organization, such as a creator, donor, director, trustee, officer, etc.
- 15** Enter **specific assistance to individuals**, including assistance rendered by others at the expense of

- your organization. Do not include grants to other organizations that select the person or persons to receive the assistance available through the use of grant funds.
- Attach a schedule showing the total payments for each particular class of activity. For payments to indigent families, do not identify the individuals.
- 16a** Enter all **benefits paid to or for members** or dependents of your organization. Attach a schedule showing amounts of: (a) death, sickness, hospitalization, or disability benefits; (b) unemployment compensation benefits; and (c) other benefits (state their nature). Do not report on this line the cost of employment-related benefits given officers and employees.
 - 16b** Enter payments, such as predetermined quota support and dues payments, which you made to a state or national (parent) organization.
 - 17** Enter total **compensation paid to officers, directors and trustees** for the year.
 - 18** Enter the total of **employees' salaries** not reported on line 16.
 - 19** Enter the employer's share of contributions your organization paid to qualified and nonqualified **pension plans** for the year.
 - 20** Enter the amount of your contributions to **employee benefit programs** (such as insurance, health, and welfare programs) that are not an incidental part of a pension plan included on line 19.
 - 21** Enter the amount of federal, state, and local **payroll taxes** for the year, but only those taxes that are imposed on the organization as an employer. Do not include income taxes withheld. Do not include taxes withheld from employees' salaries and paid to various governmental units.
 - 22** Enter your organization's fees to outside **fund-raisers** or fund-raising counsel. Identify professional fund-raiser(s) or fund-raising counsel used.
 - 23** Enter all **accounting** and auditing **fees** paid to non-employees.
 - 24** Enter all **legal fees** paid to non- employees. Do not include any penalties, fines, or judgments imposed as a result of legal proceedings. Such expenses are to be reported on line 35, as other expenses.
 - 25** Enter all **supply costs** as determined by your normal method of accounting for supplies.
 - 26** Enter all **telephone**, telegram and similar expenses for the year.
 - 27** Enter total **postage** and other delivery expenses, including the cost of shipping materials.
 - 28** Enter all **occupancy costs** incurred, including: use of space, utilities (other than those in line 26), outside janitorial services, mortgage interest, real estate taxes, etc. Do not include depreciation or any salaries of your own employees.
 - 29** Enter the cost of **renting** and maintaining office and other **equipment**. Do not include auto or truck expenses included in lines 27 or 31.
 - 30** Enter **printing** and related costs of producing your organization's newsletters, leaflets, films and other informational materials, except costs such as salaries or postage which are reported separately. Also include the cost of purchased publications.
 - 31** Enter all **travel costs** incurred by your organization including: fares, mileage allowances, automobile expenses, meals, lodging and per diem payments.
 - 32** Enter total expenses incurred in **conducting meetings** related to your organization's activities. Include facility rental, speakers' fees and expenses, and printed materials. Do not include salaries and travel expenses of your organization's officers, directors, trustees, and employees who participate in these meetings. The registration fees (but not travel expenses) paid for sending your organization's staff to conferences, meetings, or conventions conducted by other organizations are to be included in this total.
 - 33** Enter all **interest** paid by the organization, excluding interest attributable to rental property or any mortgage interest treated as occupancy expense on line 28.
 - 34** All **depreciation**, depletion or similar expenses are entered here. Include depreciation (amortization) of leasehold improvements. Attach a detailed schedule.
 - 35** All **other expenses**--be sure to itemize significant expenses in lines a-f, attaching a separate sheet if more space is necessary. Examples: investment counsel or other professional fees, penalties, fines, judgments.

- 36a** Enter **total functional expenses**, adding lines 14 through 35 in each column.
- 36b** Enter excess or deficit revenue (line 13 less line 36a).
- 37** Enter **cash** in all non-interest-bearing accounts or in petty cash. Do not include advances to employees or officers or refundable deposits paid to suppliers or others.
- 38** Enter total of **interest-bearing** checking accounts, savings, and temporary cash investments, such as money market funds, commercial paper, certificates of deposit, and U.S. Treasury bills or other governmental obligations that mature in less than 1 year. Report the income from these investments on line 5.
- 39a** Enter total **accounts receivable** that arose from the sale of goods and/or the performance of services. Receivables due from officers, directors, trustees or principal salaried employees must be reported on line 42. Report receivables (including loans and advances) due from other employees on line 50.
- 39b** Deduct allowance for **doubtful accounts**.
- 40a** Enter **pledges receivable** recorded as of the beginning and end of the year.
- 40b** Deduct allowance for **doubtful accounts**.
- 41** Enter **grants receivable** from governmental agencies, foundations and other organizations as of the beginning and end of the year.
- 42** Enter **monies due from officers**, directors, trustees and principal salaried employees including secured and unsecured loans to them.
- Attach a schedule detailing the following information for each loan or other receivables outstanding at the end of the year that must be reported separately in accordance with the above instructions: (a) borrower's name and title; (b) original amount; (c) balance due; (d) date of note; (e) maturity date; (f) repayment terms; (g) interest rate; (h) security provided by borrower; (i) purpose of loan; and (j) description and fair market value of the consideration furnished by the lender.
- 43a** Enter the combined total of **notes** and **net loans** receivable which were not listed on line 42 and not acquired as investments.
- 43b** Deduct allowance for **doubtful accounts**.
- 44** Enter value of **inventories** purchased or manufactured by your organization and held to be sold or used in the future.
- 45** Enter the amount of short-term and long-term **prepayments of expenses** attributable to one or more future accounting periods.
- 46** Enter the total amount of investments in securities. Attach a schedule itemizing these investments.
- 47a** Enter the book value of all **land, buildings, and equipment** held for investment purposes.
- 47b** Deduct cost basis and accumulated depreciation. Attach a schedule listing these investment fixed assets held at the end of the year and showing for each item or category listed, the cost or other basis, accumulated depreciation, and book value. Report the income from these assets on line 7a.
- 48** Enter the amount of all **other investment holdings** not reported on line 46 or 47. Attach a schedule listing and describing each of these investments held at the end of the year. Show the book value for each and indicate whether the investment is listed at cost or end of year market value. Report the income from these assets on line 8. Do not include program-related investments.
- 49a** Enter the book **value of all land, buildings, and equipment** owned by the organization and not held for investment. This would include any property, plant, and equipment owned and used by the organization in conducting its exempt activities.
- 49b** Deduct cost or other basis and accumulated depreciation. Attach a schedule listing these fixed assets held at the end of the year and showing, for each item or category listed, the cost or other basis, accumulated depreciation, and book value.
- 50** **Other assets:** list and show the book value of each category of assets not reportable on lines 37 through 49. Attach a separate schedule if more space is needed.
- 51** Enter **total** of lines 37 through 50.
- 52** Enter the total of **accounts payable** to suppliers and others and accrued expenses, such as salaries payable, accrued payroll taxes, and interest payable.
- 53** Enter the **unpaid portion of grants and awards** that the organization has made a commitment to pay other organizations or individuals, whether or not the commitments have been communicated to the grantees.

- 54** Enter the **amount** of contributions, governmental fees or grants, grants from foundations or other organizations, and other fees and support that contributors or grantors have designated as payable or **applicable to one or more future years**, either by the terms of the gift or by the terms of the contract or other arrangement.
- 55** Enter the **unpaid balance of loans** received from officers, directors, trustees, and key employees. For loans outstanding at the end of the year, attach a schedule that provides (for each loan) the name and title of the lender and the information listed in items (b) through (j) of the instructions for line 42.
- 56** Enter the amount of **mortgages and other notes payable** at the beginning and end of the year. Attach a schedule showing, as of the end of the year, the total amount of all mortgages payable and, for each non-mortgage note payable, the name of the lender and the other information specified in items (b) through (j) of the instructions for line 42. The schedule should also identify the relationship of the lender to any officer, director, trustee, or key employee of the organization.
- 57 Other liabilities:** list and show the amount of each liability not reportable on lines 52 through 56. Attach a separate schedule if more space is needed.
- 58** Enter the **total** of lines 52 through 57.
- 59** Net Assets: Total Assets (line 51) minus Total Liabilities (line 58).
- 60** Enter the amount of Net Assets at the beginning of the year. This will be the amount disclosed in the first column of line 59.
- 61** Enter the amount of the Excess or Deficit Revenue. This will be the amount disclosed on line 36b.
- 62** Enter the amount and attach a schedule explaining any changes in net assets between the beginning and end of the year that are not accounted for by the amount on line 36b. Amounts to report here are adjustments of earlier year's activity; unrealized gains and losses on investments carried at market value and any difference between fair market value and book value of property given as an award or grant.
- 63** Enter the sum of lines 60 – 62. The amount entered should match the amount of net assets disclosed in the second column of line 59.

Section C: Attachments

Attachments A, B, and C are required to be submitted with your annual report form. Attachment D or E is required if the contributions received by your organization fall within the ranges that are described. Please note that you do not need to submit attachments B - E if you are submitting this form with your initial application. Submit the attachments cited in the application form instead.

Section D: Certification

This section must be signed by the chief fiscal officer and one other authorized officer.

RETURN ANNUAL REPORT TO:

Department of Financial Institutions
Division of Corporate and Consumer Services

Mailing Address:
PO Box 7879
Madison, Wisconsin 53707-7879

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201 West Washington Avenue, Suite 300
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