



Trout Unlimited

Fiscal Year Change FAQ

June 15, 2018

What is Trout Unlimited's new planned fiscal year?

The fiscal year will change to begin on April 1 and end on March 31, replacing the Oct. 1 to Sept. 30 fiscal year.

Why is TU changing its fiscal year?

TU currently faces multiple challenges relative to our fiscal year. We undertake our fiscal year budgeting in the summer, a time when staff and volunteers are in the field working on conservation or community engagement projects and have limited time to do the work necessary to put together thoughtful budgets for the coming fiscal year. Similarly, the close of the fiscal year in the fall brings with it a rush of administrative tasks at a time when staff and volunteers are needed in the field finishing up project work before winter. Changing the fiscal year will remove the budgeting process and fiscal year end administrative reporting from this busy season for staff and volunteers alike and alleviate this conflict. Staff and volunteers are also challenged to prepare budgets in July and August for the field season the following year. This is too far in advance to accurately predict available funding and expenditures. The new fiscal year end date of March 31 will improve the accuracy of budgeting and cash flow projections by shifting the process closer to the time when the field work occurs.

How will the transition happen?

TU's current fiscal year (FY18) will end on Sept. 30, 2018. On Oct. 1, 2018 TU will begin a short, transition fiscal year ending on March 31, 2019. On April 1, 2019 TU will begin its first full new fiscal year, which will end on March 31, 2020.

When will TU national, all chapters and councils be required to file the required IRS Forms 990, 990EZ, 990N, or 990T?

The Forms 990N, 990, 990T or 990EZ must be filed by the 15th of the 5th month after your chapter's fiscal year end. Because TU's new fiscal year ends on March 31, required forms are due to the IRS on August 15. Check with your state tax authorities for local state filing requirements.

Does my chapter or council need to file the Form 990, 990EZ, 990N or 990T?

TU is a publicly supported 501(c)3 organized under a group exemption and because of this the IRS requires that each entity (chapter or council) be required to file its own tax forms with the IRS. TU national cannot file on a chapter or council's behalf. If your chapter or council has gross receipts normally \leq \$50,000, you will file [the Form 990-N, a simple eight question electronic postcard](#). If your chapter or council has gross receipts $<$ \$200,000 and total assets $<$ \$500,000, you will file the Form 990-EZ or 990. If your chapter or council has gross receipts \geq \$200,000 or total assets \geq \$500,000, you will file the Form 990.

There are additional, separate requirements for reporting "unrelated business income." If a nonprofit's gross proceeds from unrelated business income exceed \$1,000, that income must be reported to the IRS using Form 990T. If your chapter or council conducts a revenue-generating business (i.e. the sale of ads in your newsletter), and the gross revenue from that business exceeds \$1,000, you should consult with your chapter's accountant regarding whether that revenue constitutes unrelated business income.

[For more information about which IRS Forms to file, visit the IRS website.](#)

How will the IRS be notified of the change?

TU will file an application for a change of accounting period with the IRS on behalf of the entire exempt group. The group application will be submitted by TU after March 31, 2019. All chapters and councils will be required to submit an authorization letter to TU. We will draft this letter and collect the signed copies for all chapters and councils.

The only exception will be chapters/ councils that file a 990-T and earn less than 80 percent of their annual taxable income in the six-month short year. If these entities have not changed their fiscal year in the past 10 years, they can make the change by noting the new year end on their return and writing “change in accounting period” at the top of the return. If these entities have changed their year end in the past 10 years, they will have to file their own application. Please inform Volunteer Operations staff if you believe your chapter/ council has changed its fiscal year in the past 10 years.

How will this impact chapter/ council reporting with the IRS if the chapter/ council has gross receipts normally ≤ \$50,000 or less per year?

If a chapter/ council regularly files a 990N, during the transition fiscal year that chapter/ council should simply skip filing for a year since it is not possible to file a 990N for a short year. That chapter/ council will file for the current fiscal year ending Sept. 30, 2018 by the deadline of Feb. 15, 2019, and will then wait until the year ending March 31, 2020 to file again. This means the chapter/ council will not file a Form 990N with the year 2018 on the Form.

Note: if a chapter/ council has not filed the Form 990N for the previous two fiscal years, the IRS will revoke that chapter/ council’s exemption status when the chapter/ council skips the fiscal year filing as advised above. TU asks that chapters or councils that may be in this situation to reach out to Volunteer Operations staff for assistance with these special cases.

How will this impact our reporting with the IRS if we are a chapter/ council with gross receipts normally ≥ \$50,000 per year and file a 990EZ or the full Form 990?

Chapters and councils that regularly file a 990 EZ or full Form 990 will need to file a return for the shortened six-month fiscal year (Oct. 1, 2018 – March 31, 2019.) To change the fiscal year, chapters/ councils simply indicate the new year end on the form and write “Change in Accounting Period” at the top of the form.

In order to help chapters and councils with this change, TU will pay for up to \$1,900 for each full Form 990 and up to \$900 for each 990-EZ during this transition year. Chapters and councils filing the 990EZ or full form 990 may also utilize the services of TU’s tax and audit firm, Gelman Rosenberg and Freedman, to prepare the IRS required forms if so desired. If interested, contact TU’s CFO Matt Renaud at mrenaud@tu.org. The subsidy will be available for those using other firms.

How will this impact our reporting with the IRS if we file a 990-T?

If your chapter/ council files a 990-T, your chapter/ council must file a short year return for the year ending on March 31, 2019, and the chapter/ council may have to file its own application to change its accounting period if the chapter/council has changed its year end in the past 10 years. See “How will the IRS be notified of the change?” above.

Will TU chapters/ councils need to amend their bylaws?

Not likely. When all TU chapters and councils updated their bylaws in 2011, the vast majority adopted bylaws that state the chapter/ council fiscal year will be that of TU. However, some bylaws, especially councils, state that “The fiscal year of the Council shall be October 1 to September 30 or such other fiscal year as shall be adopted by Trout Unlimited.” If this is the case for your chapter or council, you do not need to amend your bylaws; however, you might want to update this language during your next bylaws update to remove the reference to Oct. 1 to Sept. 30. In addition, there are several TU chapters/ councils that adopted their own language in this section and have more specific language on the fiscal year. Please check your bylaws and make sure that the language allows for this fiscal year change.

Why is TU making a change to the national bylaws?

TU’s current bylaws have us electing our Board of Trustees members and officers of the Board (including the NLC officers) at our annual meeting and with their terms beginning on the new fiscal year. TU plans to continue to hold our annual meetings in the fall and feels that waiting from Sept. to April is too long for a newly elected trustee or officer to be serving their term/ office. We are simply making an edit to this

provision so that elections and terms of office will go into effect at the time of the vote at the annual meeting.

How will this impact chapter/council annual meetings and election of officers?

The model chapter and council bylaws that chapters/ councils adopted in 2011 do not specify any relation of the chapter or council's annual meeting to the fiscal year, nor do they associate the election or beginning of officer/ director terms with the fiscal year. For this reason, your chapter or council annual meetings should not be impacted by this change. However, each chapter or council should reference their own chapter/ council bylaws, as a small minority of chapters/ councils have adopted specific language different from the model chapter/ council bylaws that may have implications for your chapter or council. Additionally, some chapters and councils may choose to change the date of their annual meeting so that it correlates more closely with the end or beginning of the fiscal year. This is a choice for each chapter and council to make.

My chapter/council currently has annual audits. Will our books need to be audited for the six-month short year?

This depends on the audit mandate. If your chapter/ council audit is mandated by either federal or state grant requirements, you should check with your auditors. If your audit is mandated by your board as a control measure, you can consider having a financial review for the six-month period, rather than a full audit.

How will this impact chapter/ council state-level filings (gaming/ raffle; incorporation; etc...?)

If a chapter/council currently maintains a charitable registration with their state, it will need to renew as usual for the fiscal year ended Sept. 30, 2018 and will need to renew again six months later. Since states have different deadlines for renewals, chapters/ councils need to make sure to check with their state for the new deadline under the new fiscal year. Chapters/ councils will also will need to contact their state's Secretary of State office for any change to filings for gaming or raffle licenses.

How will this impact our reporting through [the Annual Financial Report for TU?](#)

TU will not require chapters/ councils to report for the six months short year ending March 31, 2019 as a stand-alone report. Instead, chapters/ councils will report for the 18-month period ending March 31, 2020 in the regular 45-day reporting period (April 1 – May 15, 2020.)

Note: chapters/ councils will file their TU Annual Financial Report for the current FY18 fiscal year as usual in [the Leaders Only Tools section of tu.org](#) between Oct. 1 and Nov. 15, 2018.

Where can I go to get additional information?

TU staff will be constantly updating the resources available to volunteer leaders at: tu.org/financialreporting. Additionally, updates and reminders will be sent out through the monthly e-newsletter *Lines to Leaders* and direct e-mails to all chapter and council treasurers that are listed in the Leaders Only Tools section of tu.org.

You can also directly reach out to staff with questions or to discuss your particular situation.

Matt Renaud
TU Chief Financial Officer
mrenaud@tu.org
703 284-9416

Beverly Smith
VP for Volunteer Operations
bsmith@tu.org
307-734-2814

Jeff Yates
Director of Vol. Operations
jyates@tu.org
203-216-7078



TU Fiscal Year Change Timeline of Key Action Items & Dates

6/12/2018	TU Board of Trustees approval of fiscal year change to April 1 - March 31.
6/15/2018	TU chapter and council leaders advised of the change with first initial outreach.
8/15/2018	Chapters and councils begin the budgeting process for the short fiscal year 2019 (Oct. 1, 2018 – March 31, 2019.)
9/15/2018	Chapters and councils complete review of bylaws and confirm or revise, where applicable, language for annual meeting, officer and director elections, terms of office and other related items. Note most chapters will NOT need to amend their bylaws in order to change their fiscal year.
9/30/2018	Fiscal year 2018 (Oct. 1, 2017 – Sept. 30, 2018) concludes.
9/22/2018	TU Annual Members Meeting in Redding, Calif. New trustees and NLC officers elected. TU bylaws revisions are voted on, and pending approval, new officers and trustees terms begin.
10/1/2018	Six-month transition fiscal year FY19 begins (Oct. 1, 2018 – March 31, 2019.)
11/15/2018	Due date for TU Annual Financial Report for FY18 (Oct. 1, 2017 – Sept. 30, 2018.)
11/15/ 2018	TU staff distributes to chapters and councils an authorization letter for fiscal year change approval to complete with instructions to return by Sept. 15, 2018
2/15/2019	Due date for filing all IRS Forms 990N, 990EZ, 990, and/or 990T for FY18 (Oct. 1, 2017 – Sept. 30, 2018.)
2/15/2019	Chapters and councils begin budgeting process for the first new fiscal year FY19 (April 1, 2019 – March 31, 2020.)
3/31/2019	Six-month transition fiscal year FY19 ends (Oct. 1, 2018 – March 31, 2019.) Important Note: data from this six-month period will be collected through TU's Annual Financial Report in the spring of 2020. Most chapters and councils (those with gross receipts usually \$50,000 or less that file a Form 990N with the IRS will similarly skip a year of filing.
4/1/2019	The first new fiscal year FY19 (April 1, 2019 – March 31, 2020) begins.
4/1/2019	Due date for TU chapters and councils return signed letter for fiscal year change to Volunteer Operations staff.
5/1/2019	Due date for TU accounting staff will file an application with the IRS for a change of accounting period with all 400+ chapter and council signatures collected.
8/15/2019	Due date for filing IRS Forms 990, 990EZ and 990T for the six-month transition fiscal year FY19 (Oct. 1, 2018 – March 31, 2019.) Important note: Chapters/ councils filing the 990N will not file this year.
3/31/2020	End of the first new fiscal year FY19 (April 1, 2019 – March 31, 2020.)
5/15/2020	Deadline for all TU chapter and council Annual Financial Reports for short fiscal year FY18 (Oct. 1, 2018 – March 31, 2019) AND fiscal year FY19 (April 1, 2019 – March 31, 2020.) All chapters and councils will be reporting for the 18-month period.
8/15/2020	Deadline for all TU chapter and council Forms 990N, 990EZ, 990, and/or 990T for fiscal year FY19 (April 1, 2019 – March 31, 2020.)