



RESEARCH OF RECORD

nonpartisan economic and
social policy research

CURRENT PROJECTS

PUBLICATIONS

PRESS ROOM

EVENTS

RESOURCES

ABOUT US

Options

► LATEST RESEARCH

► BROWSE BY AUTHOR

▼ BROWSE BY TOPIC:

Children and Youth

Cities and
Neighborhoods

Crime and Justice

Economy and Taxes

Education

Employment

Families and Parenting

Governing

Health and Healthcare

Housing

Immigrants

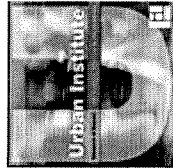
International Issues

Urban Institute > About UI >

About the Urban Institute

Our Mission

The Urban Institute gathers data, conducts research, evaluates programs, offers technical assistance overseas, and educates Americans on social and economic issues — to foster sound public policy and effective government.



Download an
overview brochure
(PDF)

Get Involved at UI

- Current career opportunities
- Visiting Fellows
- Summer Academy program for college juniors
- Internships
- Events

Our History

In the mid-1960s, President Johnson saw the need for independent nonpartisan analysis of the problems facing America's cities and their residents. The President created a blue-ribbon commission of civic leaders who recommended chartering a center to do that work. In 1968, the Urban Institute became that center.

Today, we analyze policies, evaluate programs, and inform community development to improve social, civic, and economic well-being. We work in all

About the Institute

- History and Mission
- FAQ
- Officers
- Trustees
- Institute Fellows
- Affiliated Scholars
- The UI Press
- Annual Report

Connect with UI

- Careers at UI
- Events
- Directions
- Contact Us

40
YEARS
1968
2008

"The Urban Institute was founded to ... bridge the gulf between the lonely scholar in search of truth and the decision-maker in search of progress."

— President Franklin R. Johnson

Nonprofits

Poverty and Safety Net

Race, Ethnicity, Gender

Retirement and Older Americans



RSS



Twitter



Facebook

Urban Institute E-mail Newsletters
Subscribe to receive the latest news on topics of your choice.

50 states and abroad in over 28 countries, and we share our research findings with policymakers, program administrators, business, academics, and the public online and through reports and scholarly books. *read more:*

- Sampling of current and completed projects
- Our policy centers
- The Urban Institute through the years
- 40th Anniversary features and events
- Top 40 Accomplishments, 1968-2008

Our Commitments

- Use rigorous, state-of-the-art methods to analyze public policies and programs
- Bring sound objective evidence to public policy decisions
- Deepen public understanding of policy issues
- Save government and communities time and money through research on effective and efficient programs
- Work to make our Washington, D.C., metropolitan area a stronger community

THE URBAN INSTITUTE
2100 M Street NW
Washington, DC 20037
Contact Us | Careers



The Urban Institute is a member of the Association for Public Policy Analysis and Management.

Policy Centers:

Education Policy

Health Policy

Income & Benefits Policy

International Development and Governance

Justice Policy

Labor, Human Services, & Population

Low-Income Working Families Project

Metropolitan Housing &



email this page



print this page

► LATEST RESEARCH

► BROWSE BY AUTHOR

▼ BROWSE BY TOPIC:

Children and Youth

Cities and
Neighborhoods

Crime and Justice

Economy and Taxes

Education

Employment

Families and Parenting

Governing

Health and Healthcare

Housing

Immigrants

International Issues

Urban Institute > About UI >

Contact Us

UI welcomes your feedback and questions about the Institute, our research, and our website. Answers to many common questions may be found in our FAQ or you may contact us below.

Urban Institute
2100 M Street, N.W.
Washington, DC 20037
(202) 833-7200

Contact us via e-mail:

Please fill out the form below, making sure to select the subject category that best addresses your area of comment or concern. Note that fields with an asterisk * are required fields.

(We regret that UI cannot respond to individual inquiries for referrals or assistance on personal matters.)

About the Institute

- History and Mission
- FAQ
- Officers
- Trustees
- Institute Fellows
- Affiliated Scholars
- The UI Press
- Annual Report

Connect with UI

- Careers at UI
- Events
- Directions
- Contact Us

NATIONAL CENTER FOR
CHARITABLE STATISTICS[contact us](#)[NCCS > About NCCS](#)[Home](#)

About NCCS

- [Projects](#)
- [Publications](#)
- [Staff](#)
- [Contact](#)

Find an Organization

US Nonprofit Sector Overview

Data Analysis Tools

Download Data

Classification

NCCS Projects

Register

External Resources

FAQ

About NCCS

The National Center for Charitable Statistics (NCCS) is the national repository of data on the nonprofit sector in the United States. Its mission is to develop and disseminate high quality data on nonprofit organizations and their activities for use in research on the relationships between the nonprofit sector, government, the commercial sector, and the broader civil society.

Working closely with the IRS and other government agencies, private sector service organizations, and the scholarly community, NCCS builds compatible national, state, and regional databases and develops uniform standards for reporting on the activities of charitable organizations.

The Center was established in 1982 and has been a project of the Center on Nonprofits and Philanthropy (CNP) at the Urban Institute since July 1996, when it was transferred from the research division of INDEPENDENT SECTOR.

**The national clearinghouse
of data on the nonprofit
sector in the United States.**

- [Staff](#)
- [Join the NCCS mailing list](#)
- [Contact Us](#)

©2009 Center on Nonprofits and Philanthropy — Advancing Practice, Informing Policy



NATIONAL CENTER FOR
CHARITABLE STATISTICS

[contact us](#)

[NCCS](#) > [About NCCS](#) > [Contact Us](#)

[Home](#)

Contact Us

The national clearinghouse
of data on the nonprofit
sector in the United States.

About NCCS

Feel free to contact the National Center for Charitable Statistics using the information below. To join the NCCS mailing list or gain access to our databases, register here.

■ [Projects](#)

■ [Publications](#)

■ [Staff](#)

■ [Contact](#)

The National Center for Charitable Statistics
The Urban Institute
2100 M Street NW, 5th Floor
Washington DC 20037

Toll-free: 866-518-3874
Fax: 202-833-6231

Find an Organization

US Nonprofit Sector Overview

NCCS "at" urban.org
(Please replace the word "at" with @.)

Data Analysis Tools

Download Data

Classification

NCCS Projects

Register

External Resources

FAQ

©2009 Center on Nonprofits and Philanthropy — Advancing Practice, Informing Policy



NATIONAL CENTER FOR CHARITABLE STATISTICS

[contact us](#)
[Home](#)
[About NCCS](#)
[Find an Organization](#)
[US Nonprofit Sector Overview](#)
[Data Analysis Tools](#)
[Download Data](#)
[Classification](#)
[NCCS Projects](#)
[Register](#)
[External Resources](#)
[FAQ](#)

National Center for Charitable Statistics

The National Center for Charitable Statistics (NCCS) is the national clearinghouse of data on the nonprofit sector in the United States.

New! Report on Washington-Area Nonprofit Operating Reserves (June 23, 2009). The Nonprofit Reserves Workgroup has more information.

Nonprofit Statistics

US Nonprofit Sector Overview

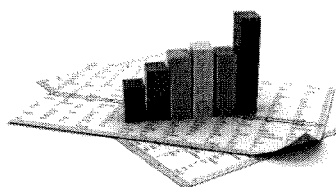
- Quick facts & figures
- State-level statistics
- Nonprofit organizations by 501(c) category
- Nonprofit Almanac — Brief (PDF) or Full Version

Data Analysis Tools

Find the information you're looking for by building custom tables and filters using powerful NCCS-developed online tools.

Download Raw Nonprofit Data

Access NCCS data in common statistical & database formats (advanced users only).



Current NCCS Projects

- NCCS classifies nonprofit organizations and their programs, with more than 2 million organizations classified to date:
 - NTEE — Type of organization
 - NPC — Type of program
- Improving the quality of data on nonprofit organizations:
 - The Unified Chart of Accounts promotes uniform

The national clearinghouse of data on the nonprofit sector in the United States.

Did you know?

8.1% of all U.S. wages were paid by nonprofits in 2006. More quick facts about the U.S. nonprofit sector.

Register

Register to use NCCS' powerful data analysis tools.

File your Form 990

Fill out and submit your Form 990 with our easy-to-use website.

NCCS DataWeb

Create custom reports, generate univariate statistics, combine data files, & access individual organization records via the NCCS DataWeb.

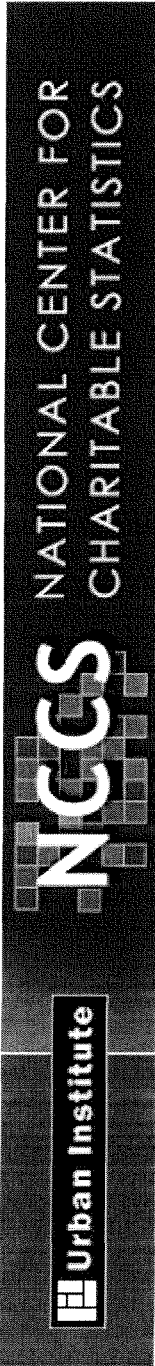
FAQ

Answers to frequently asked questions about nonprofits, NCCS data, and this website.

accounting practices throughout the nonprofit sector

- The Nonprofit Overhead Cost Study aims to to understand and improve the measurement and reporting of fundraising and administrative expenses
- The Quality 990 website focuses on improving the quality of IRS form 990 reporting by nonprofit organizations.
- The Fundraising Effectiveness Project. By integrating with fundraising software platforms to collect and analyze data on donor recruitment, donor retention, and other information, we are helping nonprofits to improve their fundraising performance.
- The Broader Movement: Nonprofit Environmental and Conservation Organizations, 1989-2005. The first comprehensive look at IRS data on more than 26,000 environmental and conservation organizations 8,000 of which had revenues of \$25,000 or more.
- Form 990 Wiki. Originally created to gather feedback on the June 2007 draft Form 990 released by the IRS, the wiki is a website where members of the nonprofit research and practitioner communities can gather information and collaborate openly.

©2009 Center on Nonprofits and Philanthropy — Advancing Practice, Informing Policy



Search Again - Advanced Search - Tools - Feedback - Login

NCCS - Search Active Organizations

Enter information on the organization(s) you wish you to find in the boxes below.

Name:	<input type="text"/>
How should the name be searched?	<input type="button" value="Include anywhere in the name"/>
Location: (5-digit zipcode, county ("... County"), city)	<input type="text"/>
State:	<input type="button" value="Select a State"/>
Organization type:	<input type="button" value="All organizations"/> <input type="checkbox"/> Limit to current 990 filers?
NTEE purpose/activity code:	<input type="text"/> Click here to list or search.
Federal Employer ID Number (EIN) (hyphen optional):	<input type="text"/>
Sort or Order by	<input type="button" value="Total revenue"/>
Show custom list or peer group: (registered users only)	<input type="button" value="Submit"/> <input type="button" value="Reset"/>

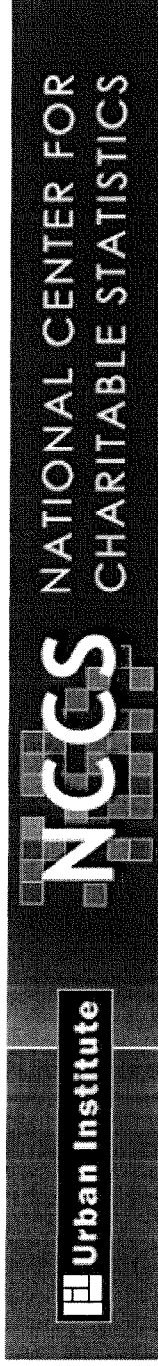
Search tips:

- Search for **UNUSUAL PARTS of an organization name**. Example: To find "Admiral Jeremiah Denton Foundation," search for "Jeremiah Denton".
- The search is NOT case sensitive.
- If you include only a common word ("theater"), **include the STATE to limit the results**.
- Using the default settings, the ORDER of the words DOES NOT matter. Example: "LAZARUS ORDER" retrieves the "ORDER OF ST. LAZARUS".
- Spelling must be PERFECT, so avoid words that may be abbreviated. Example: "ST." IN "ST. LAZARUS".
- Some names are abbreviated (e.g., INSTITUTION is INST or UNIVERSITY is UNIV.) For best results, try both. (We plan to standardize these soon.)
- Surround multiple words with **QUOTATION MARKS** if the words must appear together (e.g., "SIERRA CLUB" instead of SIERRA CLUB).

Note: You are searching the IRS Business Master File.

A service of the National Center for Charitable Statistics at the Urban Institute
IRS Form 990 images provided by The Foundation Center

IRS Business Master File - NCCS Cumulative Master File - 990 Images



[Search Again](#) - [Advanced Search](#) - [Tools](#) - [Feedback](#) - [Login](#)

NCCS - Search NCCS Master File

Enter information on the organization(s) you wish you to find in the boxes below.

Name:	<input type="text"/>		
How should the name be searched?	<input type="button" value="Include anywhere in the name"/>		
Location: (5-digit zipcode, county ("... County"), city)	<input type="text"/>		
State:	<input type="text"/>		
Organization type:	<input type="button" value="Select a State"/> <input type="checkbox"/> All organizations <input type="checkbox"/> Limit to current 990 filers?		
NTEE purpose/activity code:	<input type="text"/>		
Federal Employer ID Number (EIN) (hyphen optional):	<input type="text"/>		
Sort or Order by	<input type="button" value="Total revenue"/>		
Show custom list or peer group: (registered users only)	<input type="text"/>		
		<input type="button" value="Submit"/>	<input type="button" value="Reset"/>

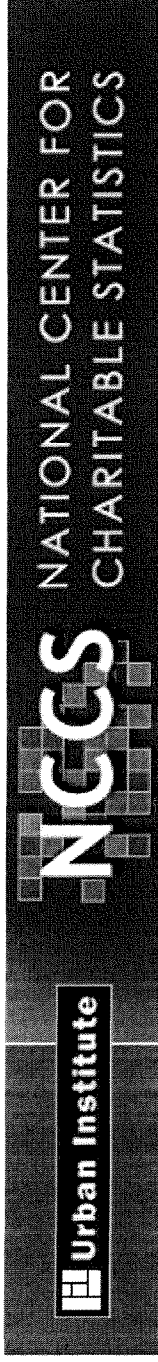
Search tips:

- Search for **UNUSUAL PARTS of an organization name**. Example: To find "Admiral Jeremiah Denton Foundation," search for "Jeremiah Denton".
- The search is NOT case sensitive.
- If you include only a common word ("theater"), **include the STATE to limit the results**.
- Using the default settings, the ORDER of the words DOES NOT matter. Example: "LAZARUS ORDER" retrieves the "ORDER OF ST. LAZARUS".
- Spelling must be PERFECT, so avoid words that may be abbreviated. Example: "ST." IN "ST. LAZARUS".
- Some names are abbreviated (e.g., INSTITUTION is INST or UNIVERSITY is UNIV.) For best results, try both. (We plan to standardize these soon.)
- Surround multiple words with **QUOTATION MARKS** if the words must appear together (e.g., "SIERRA CLUB" instead of SIERRA CLUB).

A service of the National Center for Charitable Statistics at the Urban Institute
IRS Form 990 images provided by The Foundation Center

IRS Business Master File - NCCS Cumulative Master File - 990 Images

[LOGIN](#) - [Feedback](#) - [Home Page](#) - [NCCS Tools](#)



Search Again - Advanced Search - Tools - Feedback - Login

NCCS - Search 990 Images

Enter information on the organization(s) you wish you to find in the boxes below.

Name:	<input type="text"/>		
How should the name be searched?	<input type="button" value="Include anywhere in the name"/>		
State:	<input type="button" value="Select a State"/>		
Organization type:	<input type="checkbox"/> All organizations <input type="checkbox"/> Limit to current 990 filers?		
NTEE purpose/activity code:	<input type="text"/> <input type="button" value="Click here to list or search."/>		
Show only the latest returns?	<input checked="" type="checkbox"/>		
Federal Employer ID Number (EIN) (hyphen optional):	<input type="text"/>		
Show custom list or peer group: (registered users only)	<input type="text"/>		

Search tips:

- Search for **UNUSUAL PARTS of an organization name**. Example: To find "Admiral Jeremiah Denton Foundation," search for "Jeremiah Denton".
- The search is NOT case sensitive.
- If you include only a common word ("theater"), **include the STATE to limit the results**.
- Using the default settings, the ORDER of the words DOES NOT matter. Example: "LAZARUS ORDER" retrieves the "ORDER OF ST. LAZARUS".
- Spelling must be PERFECT, so avoid words that may be abbreviated. Example: "ST." IN "ST. LAZARUS".
- Some names are abbreviated (e.g., INSTITUTION is INST or UNIVERSITY is UNIV.) For best results, try both. (We plan to standardize these soon.)
- Surround multiple words with **QUOTATION MARKS** if the words must appear together (e.g., "SIERRA CLUB" instead of SIERRA CLUB).

A service of the National Center for Charitable Statistics at the Urban Institute
IRS Form 990 images provided by The Foundation Center

IRS Business Master File - NCCS Cumulative Master File - 990 Images

LOGIN - Feedback - Home Page - NCCS Tools



NATIONAL CENTER FOR
CHARITABLE STATISTICS

[contact us](#)

[NCCS](#) > [Statistics](#) > Quick Facts About Nonprofits

[Home](#)

[About NCCS](#)

[Find an Organization](#)

[US Nonprofit Sector Overview](#)

■ [Quick Facts & Figures](#)

■ [Overview by 501 \(c\)3 Category](#)

■ [U.S. & State Profiles](#)

■ [Almanac](#)

[Data Analysis Tools](#)

[Download Data](#)

[Classification](#)

[NCCS Projects](#)

[Register](#)

[External Resources](#)

[FAQ](#)

Quick Facts About Nonprofits

For the latest figures and quick facts please refer to THE NONPROFIT SECTOR IN BRIEF Facts and Figures from the Nonprofit Almanac 2008: Public Charities, Giving, and Volunteering.

The national clearinghouse
of data on the nonprofit
sector in the United States.

Nonprofit Organizations

- Currently, 1,514,821 tax-exempt organizations are registered with the IRS. This number includes 956,760 public charities and 112,959 private foundations. (Source: The Urban Institute, National Center for Charitable Statistics, Business Master File 12/08)
- In addition, 443,464 other types of nonprofit organizations, such as chambers of commerce, fraternal organizations and civic leagues, are registered with the IRS. (Source: The Urban Institute, National Center for Charitable Statistics, Business Master File 12/08)
- In 2006, nonprofits—including public charities, private foundations, and all other—accounted for 8.11 percent of the wages and salaries paid in the United States. (Source: The Urban Institute, National Center for Charitable Statistics, Nonprofit Almanac 2008)
- In addition to these organizations an estimated 377,640 congregations currently serve their communities in the United States. (Source: American Church Lists 2006, <http://list.infousa.com/acl.htm>)

Public Charity Finances

- In 2007, public charities reported over \$1.4 trillion in total revenues and nearly \$1.3 trillion in total expenses. (Source: The Urban Institute, National Center for Charitable Statistics, Core Files 2007)
- Of the nearly \$1.4 trillion in total revenues, 22 percent came from contributions, gifts and grants and 67 percent came from program service revenues, which include government fees and contracts. The remaining 11 percent came from "other" sources including dues, rental income, special event income, and gains or losses from goods sold. (Source: The Urban Institute, National Center for Charitable Statistics, Core Files 2007)
- Public charities reported nearly \$2.6 trillion in total assets in 2007. (Source: The Urban Institute, National Center for Charitable Statistics, Core Files 2007)

Volunteering and Charitable Giving

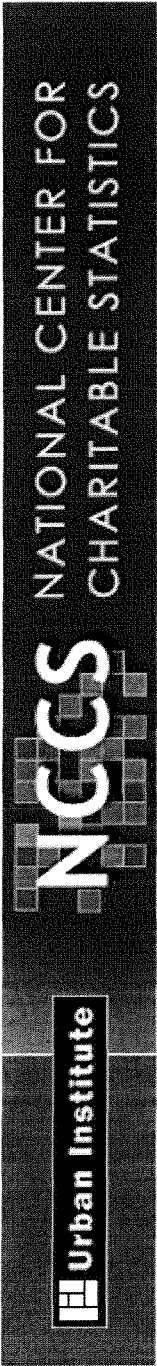
- Approximately 26.4 percent of Americans over the age of 16 volunteered through or for an organization between September 2007 and September 2008. This proportion has remained relatively constant since 2003 after a slight increase from 27.4 percent to 28.8 percent in 2003. (Source: Current Population Survey, September 2008 Supplement found at <http://www.bls.gov/news.release/volun.nr0.htm>)
- Charitable contributions by individuals, foundations and corporations reached \$283.24 billion in 2007, an increase of 1.0 percent from 2006 after adjusting for inflation. (Source: Giving USA 2008)

- Individuals gave \$229.03 billion in 2007, a decrease of 0.1 percent from 2006 after adjusting for inflation. (Source: Giving USA 2008)
- In 2007, religious organizations received the largest proportion of charitable contributions, with 33.4 percent of total estimated contributions going to these organizations. (Source: Giving USA 2008)
- Educational institutions received the second largest percentage of charitable contributions, with 14.1 percent of total estimated contributions going to these organizations (Source: Giving USA 2008).
- Human service organizations, which accounted for 9.7 percent of total estimated contributions in 2007, received the third largest percentage of charitable contributions. (Source: Giving USA 2008)

Foundation Giving

- According to the Foundation Center, foundations gave \$45.6 billion in 2008, an increase of 2.8% from 2007. (Source: The Foundation Center)
- Of the \$45.6 billion in foundation giving, 72 percent came from independent foundations, 10 percent came from community foundations, another 10 percent came from corporate foundations, and the remaining 8 percent came from operating foundations. (Source: The Foundation Center)

©2009 Center on Nonprofits and Philanthropy — Advancing Practice, Informing Policy



NCCS > Tools > Overview

Tools - Feedback - Login

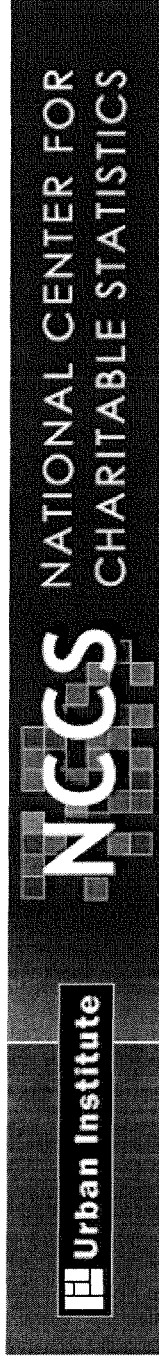
Nonprofit Organizations: Overview

Nonprofit organizations include everything from neighborhood associations that meet a couple of times a year and have no assets to Harvard University and the Gates Foundation, each with tens of billions in assets. They include soup kitchens and traditional "charities" that serve the poor as well as your local church, the Chamber of Commerce, the Sierra Club, the United Steel Workers labor union, and the Metropolitan Opera. As you can see, there's no "one-size-fits-all" way to think about nonprofit organizations.

So we categorize. NCCS often divides nonprofit organizations into the three major categories. Click on a **column heading** or other link to learn more:

501(c)(3) Public Charities		501(c)(3) Private Foundations	Other Exempt Organizations
Arts, higher education, hospitals, human services & more	Registered with IRS	<ul style="list-style-type: none">• All must register and file• Most rely on investment income generated from their endowments• Only 3,000 of 100,000 have staff, but these account for vast majority of assets• A small % are "operating foundations," but most are "grantmaking foundations"• Most are "family foundations"	<p>501(c)(4) "Social Welfare"</p> <ul style="list-style-type: none">• 100 or so big HMOs or managed health plans• Mix of advocacy groups, civic clubs <p>501(c)(5) Labor unions, farm bureaus & more</p> <p>501(c)(6) Business leagues</p> <p>501(c)(7) Social & recreational clubs</p> <p>15-20 other small categories include veterans organizations, fraternal organizations, cemetery companies, & credit unions.</p>
	Gross receipts \$25,000 or more -> Filing IRS Form 990 <i>Examples: Hospitals, colleges, human services, museums & more</i>		
	Small (under \$25,000) <i>Examples: Community theaters, neighborhood orgs., new organizations & more</i>		
Unregistered	Congregations (registration voluntary)		
	Two primary categories: <ul style="list-style-type: none">• Very small orgs. (gross receipts under \$5,000)• Congregations		

LOGIN - Feedback - Home Page - NCCS Tools



NCCS > Tools > Overview

Overview - Tools - Feedback - Login

Other Exempt Organizations

Introduction

Other exempt organizations includes thousands of social and recreational clubs, trade associations, labor unions, veterans associations, and advocacy organizations, as well as a relatively few large but obscure entities, such as a health care trust for a major automaker. Organizations with more than \$25,000 in gross receipts are required to file a Form 990 annually with the Internal Revenue Service. Revenues and assets below are for these reporting public charities only.

Profiles of major groups can be found here:

- 501(c)(4) "social welfare organizations"
- 501(c)(5) Labor unions, farm bureaus, and others
- 501(c)(6) Business leagues
- 501(c)(7) Social and recreational clubs

Click here to see the largest and some examples of smaller organizations.

The Numbers (United States)

- The number of organizations registered with the IRS decreased 11 percent from 491,391 in 1998 to 439,225 in 2008.
- The number of organizations reporting to the IRS increased 32 percent from 155,795 circa 1998 to 205,929 circa 2008.
- Total revenues for reporting organizations increased 68 percent from \$223.0 billion circa 1998 to \$373.7 billion circa 2008.
- Total assets for reporting organizations increased 91 percent from \$504.6 billion circa 1998 to \$961.4 billion circa 2008.

(Number of reporting organizations, revenues and assets are based on all organizations that filed Form 990 or 990EZ within 24 months of the release date of the 1998 and 2008 registration files. Financial data have not been adjusted for inflation.)

Statistical Tables

Registered Organizations

- Summary
- By IRS Subsection Code
- Trends
- By Type of Activity or Purpose (NTEE)
- By Organization Age (The IRS's "ruling date.")

Organizations That File Annually with the IRS

These organizations must have at least \$25,000 in gross receipts.

- Summary

- By IRS Subsection Code
- Trends
- By Type of Activity or Purpose (NTEE)
- By Size of Organization (Total Expenses, Total Revenue, or Assets)
- By Organization Age (The IRS's "ruling date.")

Registered users can create their own custom tables to view organizations in multiple dimensions or explore other information that we have on these organizations. [Click here to learn more.](#)



Number of Registered Other Exempt Organizations by IRS Subsection Code

Coming soon: Drill down to view more detailed categories. Registered users can view individual orgs. Select geography, too.

IRS Subsection	Number of Organizations	Number Filing Annually
501(c)(1) - Corporations originated under Act of Congress, including Federal Credit Unions	98	2
501(c)(2) - Title holding corporation for a tax-exempt organization.	5,639	3,903
501(c)(4) - Civic leagues, social welfare organizations, and local associations of employees	110,924	58,657
501(c)(5) - Labor, agricultural, horticultural organizations. These are educational or instruct. grps...	55,629	34,901
501(c)(6) - Business leagues, chambers of commerce, real estate boards, etc. formed to improve conditions...	71,887	49,095
501(c)(7) - Social and recreational clubs which provide pleasure, recreation, and social activities.	55,838	31,931
501(c)(8) - Fraternal beneficiary societies and associations, with lodges providing for payment of life...	58,065	32,610
501(c)(9) - Voluntary employees' beneficiary ass'ns (including fed. employees' voluntary beneficiary...	9,428	6,940
501(c)(10) - Domestic fraternal societies and assoc's-lodges devoting their net earnings to charitable...	20,044	10,416
501(c)(11) - Teachers retirement fund associations.	10	6
501(c)(12) - Benevolent life insurance associations, mutual ditch or irrigation companies, mutual or coop...	5,857	4,346
501(c)(13) - Cemetery companies, providing burial and incidental activities for members.	10,031	5,717
501(c)(14) - State-chartered credit unions, mutual reserve funds, offering loans to members...	3,245	2,374
501(c)(15) - Mutual insurance cos. ar associations, providing insurance to members substantially at cost...	1,127	415
501(c)(16) - Cooperative organizations to finance crop operations, in conjunction with activities ...	14	10
501(c)(17) - Supplemental unemployment benefit trusts, providing payments of suppl. unemployment comp...	271	131
501(c)(18) - Employee funded pension trusts, providing benefits under a pension plan funded by employees...	1	1
501(c)(19) - Post or organization of war veterans.	32,592	18,559
501(c)(20) - Trusts for prepaid group legal services, as part of a qual. group legal service plan or plans.	9	6
501(c)(21) - Black lung trusts, satisfying claims for compensation under Black Lung Acts.	28	0
501(c)(23) - Veterans association formed prior to 1880	3	3
501(c)(24) - Trust described in Section 4049 of ERISA	1	0
501(c)(25) - Title Holding Company for Pensions, etc	1,059	821
501(c)(26) - State-Sponsored High Risk Health Insurance Organizations	10	9
501(c)(27) - State-Sponsored Workers Compensation Reinsurance	11	4
40- Apostolic and religious orgs. - 501(d)	161	0
50- Cooperative Hospital Service Organization - 501(e)	17	12
60- Cooperative Service Org. of Operating Educ. Org.- 501(f)	1	1

71- Charitable Risk Pool	1	1
81- Qualified State-Sponsored Tuition Program	1	0
82- 527 Political Organizations	8	1
90- 4947(a)(2) Split Interest Trust	463	391
92- 4947(a)(1) Private Foundations	3,984	3,702
Total	446,457	264,965

Execution time: 10/19/2009 01:31 pm, 5 seconds

Source: IRS Business Master File (modified by NCCS) 04/2009

LOGIN - Feedback - Home Page - NCCS Tools


[contact us](#)
[NCCS](#) > [Download Data](#) > Overview of NCCS Data Files

[Home](#)

Overview of NCCS Data Files

The national clearinghouse
of data on the nonprofit
sector in the United States.

[About NCCS](#)

The majority of data files that NCCS users request are based on data that the IRS collects from nonprofit *organizations*. NCCS also has data on giving by individuals and data developed from other sources. However, this page deals solely with files containing organization-level information. We strongly recommend that you read the **Guide to Using NCCS Data** (PDF) before you use NCCS data since there are nuances that this short overview cannot begin to explain. Data dictionaries that describe all the variables in each file are available here.

[Find an Organization](#)
[US Nonprofit Sector Overview](#)
[Data Analysis Tools](#)

Before selecting the data file you wish to use, you will need to understand the different types of nonprofit organizations:

[Download Data](#)
 [Request Raw Data](#)
[Classification](#)
[NCCS Projects](#)
[Register](#)
[External Resources](#)
[FAQ](#)

- **501(c)(3) public charities** include most nonprofit organizations involved in the arts, education, health care, human services, and community service, as well as many others. More than 200,000 organizations filed in recent years.
- **501(c)(3) private foundations** are primarily (but not exclusively) grantmaking organizations like the Ford Foundation or the Pew Charitable Trusts that make grants to other nonprofit organizations. More than 50,000 foundations filed in recent years.
- **Other exempt organizations** registered with the IRS include trade unions, business leagues, social and recreational clubs, and veterans associations classified under varying sections of the IRS code (e.g., 501(c)(4)). More than 120,000 organizations filed in recent years.

You also need to understand the division between organizations that must **file** with the IRS annually and those that have merely completed their initial **registration** with the IRS.

- Organizations that report **gross receipts** of more than \$25,000 in a fiscal year are generally required to **file a Form 990** with the IRS unless they are religious congregations, denominations, or controlled by a congregation or denomination. (See the IRS Form 990 instructions for details.) All private foundations, regardless of their level of gross receipts, are required to file annually.
- Approximately **two-thirds** of the organizations that are **registered** with the IRS do NOT file a Form 990 with the IRS in any given year. Congregations and some other religious organizations as well as organizations with less than \$25,000 in gross receipts are in this category.

NCCS collects data from several different sources. Our most widely used files are:

- The **Core Files**, produced annually, combine descriptive information from charities' initial registration with financial variables from the Form 990, 990-EZ, or 990-PF. Only organizations required to file these forms are included in the files. The 1996 Core File contains 83 variables for 190,844 organizations. Each year, NCCS creates several Core files:
 - 501(c)(3) public charities filing Forms 990 or 990-EZ and reporting gross receipts of at least \$25,000. (View the **Form 990** with field names.)
 - Other exempt organizations (501(c)(4) "social welfare organizations", trade unions, etc.)

- 501(c)(3) private foundations (view the **Form 990-PF** with field names.)
 - "Zero filers" (Organizations filing with the IRS but reporting less than \$25,000 in gross receipts. No financial data is available for these organizations.)
- The **IRS Business Master Files** are cumulative files containing descriptive information on all active tax-exempt organizations. Data contained on the BMF are mostly derived from the IRS Forms 1023 and 1024 (the applications for IRS recognition of tax-exempt status). NCCS downloads these files biannually. The October, 1997 BMF, for example, contains 28 descriptive variables and two financial variables (assets and income) for 637,272 501(c)(3) organizations. Two types of BMF files are available:
 - 501(c)(3) organizations (public charities and private foundations)
 - Other exempt organizations (501(c)(4) "social welfare organizations", trade unions, etc.)
- The **IRS Statistics of Income Sample (SOI) Files** are produced annually and include more than 300 variables for samples of 10,000 to 11,000 public charities. Other SOI files are available for Form 990-EZ filers, private foundations, and other exempt organizations (not 501(c)(3)s). Documentation includes printable IRS Forms 990 (with Schedule A) (pre-2000 & 2000 or newer), pre-2000 Form 990-EZ, 2000 or newer Form 990-EZ, Form 990-PF (before 2000 & 2000 or newer) marked with their corresponding field names and Data Dictionaries for each file.
- The **NCCS-GuideStar National Nonprofit Research Database** (also known as "the **Digitized Data**") contains multiple files for 501(c)(3) public charities filing Forms 990 or 990-EZ with the IRS since July 1998. The universe of organizations contained in these files is similar (but not identical) to the universe in the Core public charity files but the Digitized Data includes hundreds of additional variables unavailable in the Core files. Data for **FY 1998-2003** are available in the Digitized files. For years after 2003, additional variables similar to the ones in the Digitized database can be found in the **NCCS Core Supplement Financial** files.
 - Click [here](#) to learn more about this database and view data dictionaries and sample IRS 990 forms.
- The **Unified Database of Arts Organizations** is a master list of organizations that includes commercial, nonprofit, and governmental organizations. Some are primarily arts organizations; others have *programs* in the arts but may other primary activities. The UDAO can be linked to other parts of the NCCS data system.
 - Click [here](#) for more info on this database.
- The **Master File** is a cumulative list of ALL exempt organizations from the Business Master Files from 1989 to the present. It is primarily used to locate the Employer Identification Number (EIN) for an organization when only the organization's name is known. Some fields which appear in the Business Master File are unavailable for older organizations.

©2009 Center on Nonprofits and Philanthropy — Advancing Practice, Informing Policy



NATIONAL CENTER FOR
CHARITABLE STATISTICS

a program of the Center on Nonprofits and Philanthropy at the Urban Institute

Guide to Using NCCS Data

(August 2006)

Table of Contents

Table of Contents.....	1
Going to the Source: An Introduction to IRS Forms and Databases	2
Business Master File of Exempt Organizations (BMF) and Forms 1023 and 1024.....	4
Return Transaction Files, the Statistics of Income (SOI) Sample Files, and the Form 990	5
NCCS Core Files.....	7
National Nonprofit Research Database	8
Financial Data	9
Limitations of the Data and Recommended Error Checking Procedures	9
Definitions of Financial Measures	11
Definitions of Return Years	12
Year-to-Year Comparisons: A Word of Caution	14
From Arts to Cemetery Companies: Classification	15
Introduction to the National Taxonomy of Exempt Entities (NTEE-CC)	15
NTEE System Background.....	15
North American Industrial Classification System (NAICS)	16
Using Nonprofit Program Classifications (NPC) for Program-Level Research.....	16
Other NCCS Definitions	16
Public Charities and Private Foundations	16
Operating, Supporting, and Mutual Benefit Public Charities	19
Non-Reporting Organizations and Zero-Filers	20
Out-of-Scope Organizations	21
Bibliography	23

Going to the Source: An Introduction to IRS Forms and Databases

NCCS derives its data files primarily from information that tax-exempt nonprofit organizations file with the Internal Revenue Service. IRS databases offer the most comprehensive standardized data on tax-exempt organizations but have significant limitations. The purpose of this guide is to acquaint the researcher with these data, to discuss their limitations, and to develop strategies for working within these limitations.

The data produced by NCCS are intended for use by researchers and policy-makers in their quantitative analyses, and as a springboard for more in-depth survey or case study research. While NCCS employs a range of data checking procedures, our limited resources do not permit systematic in-depth verification of every record. If your focus is on individual organizations or on categories where a few large organizations account for the majority of financial activity or resources, we strongly advise that you include inspecting financial data for dominant individual organizations as part of your analysis plan.

The IRS releases three types of exempt organization database files on a regular basis:

1. The IRS Business Master File (BMF) is a cumulative file containing descriptive information on all active tax-exempt organizations. Data contained on the BMF are mostly derived from the IRS Forms 1023 and 1024 (the applications for IRS recognition of tax-exempt status) and are updated each month. The November 2005 BMF contains 50 descriptive variables and two financial variables (assets and income) for 949,113 organizations under subsection 501(c)(3) and 464,595 organizations under other subsections of the 501(c) code. The BMF is posted on the IRS website monthly and NCCS downloads the file several times a year and makes it available through the Data Web. Although it is available to the public on the IRS web site, it is difficult to use and the NCCS version is set up in a researcher-friendly format.

2. The IRS Return Transaction Files (RTF) are a convenient source of financial data for all organizations that file IRS Forms 990, Form 990-EZ, or Form 990-PF – forms that are typically filed on an annual basis. The files contain up to 60 financial variables, depending on the year, transcribed from the Forms 990 by the IRS and are produced annually. Organizations not required to file Form 990, including religious organizations and those with less than \$25,000 in gross receipts, are generally excluded from the file. NCCS does not distribute these files, but instead distributes the NCCS Core Files, which are based upon the RTF.

3. The IRS Statistics of Income Sample Files (SOI) are produced annually by using information from organizations' Form 990. The SOI files include more than 300 variables for all 501(c)(3) organizations with \$30 million or more in assets (\$10 million in earlier years) and all organizations filing under sections 501(c)(4) through 501(c)(9) with \$10 million or more in assets and a sample of a few thousand smaller organizations per year that is selected to represent the entire universe of nonprofit organizations.

Additional files have been created by NCCS based on the IRS databases:

1. The NCCS Cumulative Master File (Master) is a cumulative list of 501(c) organizations from the BMF. It is primarily used to locate the Employer Identification Number (EIN) for an

organization when only the organization's name is known. Some fields in the BMF are unavailable for older organizations. Unlike the BMF files, this file contains information on any "dead" organizations that NCCS is aware of dating back to 1989.

2. The NCCS Core Files (Core), produced annually since **1989**, combine descriptive information from the BMF and financial variables from the RTF after they have been cleaned by NCCS. Only organizations required to file Form 990 are included in the files. The Core 2004 for public charities (called NCCS Core PC) contains 113 variables for 303,077 organizations. Additional files are prepared for private foundations (called NCCS Core PF) and organizations under subsections other than 501(c)(3) (called NCCS Core 501(c) others).

3. The NCCS-GuideStar National Nonprofit Research Database (NNRD or "digitized data") is a cumulative listing of public charities filing Form 990 and Form 990-EZ from FY 1998 to FY 2003. As with the NCCS Core files, only organizations required to file with the IRS are included. The latest fiscal year of National Nonprofit Database, fiscal year 2003, contains over 350 variables on over 254,000 organizations. Unlike the Core files, the data are maintained in a series of cumulative files, one for each major section of the form.

Distribution of Fiscal Years in the "Digitized Data"

Fiscal year (ending year)	Public Charities	
1998	191,895	13.8%
1999	220,453	15.9%
2000	231,285	16.7%
2001	245,268	17.7%
2002	245,332	17.7%
2003	254,247	18.3%
Total	1,388,480	100.0%

Note that the number of organizations by year does not follow a smooth trend line like the Core files. In FY 1998, the year when the IRS began scanning Form 990s, a number of organizations were probably missed. The number of organizations in 2001 and 2002 is virtually identical, an oddity that appears to be attributable to data processing, not to any reality within the nonprofit sector. These potential problems may pose a problem for some types of aggregate analysis but should not be an issue for panel or other types of analyses.

4. The 1992 IRS Form 990 Parts 3 & 8 Supplement, transcribed from Form 990 by NCCS, contains descriptions of the program service accomplishments and income-producing activities of more than 100,000 501(c)(3) public charity organizations and 20,000 501(c)(4) organizations.

5. Trend Analysis Files have been created to assist in longitudinal studies. The **Core Trend Files** (one for public charities, another for private foundations, with a third planned for "other exempt organizations") combine a small number of variables from every Core file for every year into a single long, narrow file with one record for each unique EIN-Core File Year combination. NCCS also created a **1990-1996 Longitudinal File** based on fiscal years, with imputed values for 990 entries that are missing or probably in error. Each record contains key variables for a single organization spanning the six-year period. This file is available on special request only.

Data Dictionaries for these files are available on the NCCS website.

6. The NCCS NTEE Master File is a cumulative list of organizations' Employer Identification Numbers (EINs) and their NTEE classifications. To date, NCCS, the Foundation Center, the IRS, and others have assigned NTEE codes to nearly 800,000 organizations.

Business Master File of Exempt Organizations (BMF) and Forms 1023 and 1024

The Business Master File (BMF) is a cumulative file that contains basic information drawn from IRS Forms 1023 and 1024 for all “**active**” (see below) and **registered** tax-exempt organizations. Form 1023, used by 501(c)(3) organizations, and Form 1024, used by non-501(c)(3) organizations, are used in applying for recognition of their tax-exempt status. The BMF includes the name and address of each organization, whether it must meet the public support test, when it obtained tax exempt status, what type of return it files, when its fiscal year ends, and other descriptive information. It also includes the ruling date, which is the date the organization received recognition of its tax exempt status. Ruling dates prior to 1965 are unreliable predictors of trends and that a ruling date does not necessarily coincide with the date on which the organization was formed (Bowen, 201-201).

As of May 2006, there were more than 1.4 million “active” organizations that had obtained recognition of their tax-exempt status from the IRS. These include nearly 955,000 501(c)(3) public charities and private foundations and nearly 464,00 organizations covered by other subsections of 501(c). Most 501(c)(3) organizations must file Form 1023 in order for the IRS to recognize their 501(c)(3) status. Others, including many religious organizations, are not required to register with the IRS, but they are recognized as having 501(c)(3) status because of the nature of their activities. All 501(c)(3)s are exempt from paying federal taxes (and usually state and local taxes as well). A blank Form 1023 is available in PDF format from both the NCCS and IRS websites.

Certain types of public charities are not required to obtain official recognition of their 501(c)(3) status. These organizations, unless they voluntarily choose to register, are not included in the IRS databases. The IRS Code, Section 508(c)(1) describes the **two categories** of organizations exempted from registering.

- ❑ Public charities or other exempt organizations with **less than \$5,000 in gross receipts**. All private foundations, regardless of their levels of gross receipts, must obtain recognition; see *Other NCCS Definitions*, below, for the difference between public charities and private foundations.)
- ❑ **"Churches, their integrated auxiliaries, and conventions or associations of churches."** Generally, churches and their conventions or associations are easily identified in our files. An estimated 341,000 churches were exempt from registering with the IRS in the early 1990's (Hodgkinson and Weitzman, 37). However, only 91,000 of these congregations have registered and are included in the BMF. An "integrated auxiliary" is a term used by the IRS and is defined precisely in IRS documents. (See *Identifying Faith-based Organizations in NCCS Databases (Method Note)* in the NCCS Knowledgebase for more details). Probably the most common type is a parochial school

that is affiliated with a congregation. For more information on religious organizations, see *Non-Reporting Organizations and Zero-Filers* in this guide.

What is an “active” organization? The BMF does contain some inactive organizations. Postcards are mailed by the IRS every three years to verify that organizations still exist. The term “active” here means the organization is providing services. While this eliminates some defunct organizations, the BMF probably overstates the number of registered, functioning nonprofits at a given time. Definitions of inactive or defunct organizations may vary depending on the research question. For example, Bielefeld found in his study that some dormant organizations returned to life (Galaskiewicz and Bielefeld 1998).

In 1994, the IRS examined errors in a sample of 501 (c)(3) organizations in the BMF that do not file the Form 990, and found that twenty-one percent of the organizations had either ceased operations or could not be found (Internal Revenue Service 1994). Twenty-seven percent of the records for organizations actually located listed an incorrect address. NCCS recommends incorporating a process for cleaning the addresses into any survey project using BMF data, especially if organizations that do **not** file the Form 990, 990-EZ, or 990-PF are included. Online Yellow Pages are one source for current addresses.

Return Transaction Files, the Statistics of Income (SOI) Sample Files, and the Form 990

Exempt organizations report financial information to the IRS annually on the Form 990. Many state governments also require organizations to register annually, although the forms and criteria for reporting may differ. Fewer organizations are required to file with states than the IRS, but some religious organizations (probably a very small number) may only file with the state agency. In 2003, more than 254,000 public charities filed Form 990 or Form 990-EZ (shortened version for smaller organizations) with the IRS, and 74,000 private foundations filed Form 990-PF (private foundation version). (The 254,000 excludes approximately 70,000 organizations that were **not** required to file a 990 or 990-EZ but did so anyway. See discussion of *Zero-Filers* in this guide.)

The IRS Return Transaction File. The IRS annually records selected information from Form 990 in the Return Transaction File (RTF). The Statistics of Income (SOI) division of the IRS creates an extract from the RTF as a population from which to select their research sample. Since a substantial percentage of organizations receive filing extensions, each year this extract includes the most recently filed return for an organization that was filed in the last three years and that covered a tax period within the last three years. If an organization files two returns in a calendar year, only the most recent is included. Amendments and duplicate returns are excluded. To see an example of the latest core file (“Core 2004 PC” file) with the distribution of fiscal years, refer to the section “Core Files and ‘Circa Years’” under *Definitions of Return Years* of this guide.

In recent years, the RTF extract has included over 60 of the more than 300 financial variables on the Form 990 as well as organization EINs. It does not include name, address, or any other descriptive information. Since IRS officials primarily use the RTF for regulatory purposes, they have not constructed the file for use as research data. As a result, the RTF data entry process is geared toward speed and data entry errors occur. While the IRS produces the RTF annually,

NCCS typically only distributes the NCCS Core file, based upon the RTF but reviewed for quality. Information on the Core file is available in the next section.

IRS Statistics of Income (SOI) Files. The Statistics of Income (SOI) Division of the IRS annually creates sample files of 501(c) organizations. These files, which are available from IRS and NCCS, have included over 15,000 501(c)(3) filing organizations since 2000. Separate samples are created for the Form 990-EZ and Form 990-PF filers and are also available from IRS and NCCS. The SOI files only include non-501(c)(3) organizations in the (c)(4) to (c)(9) range. (In 1994, SOI also completed a special study of Form 990-PF filers, including the entire universe of returns.)

Since 2000, SOI files for 501(c)(3) entities have included all organizations with \$30 million or more in total assets (\$10 million before 2000), plus a random sample of smaller organizations stratified and weighted by asset level. Thus, all organizations with total assets (end-of-year) of more than \$10 million (prior to 2000 or 2001) or \$30 million (more recent files) are included with a weight of 1. Weights for other organizations are designed to match populations of 6 other asset classes. These are presented in the following table:

Distribution of SOI 2002 Public Charity 990 Returns by Asset Levels and Weight

Asset Levels	Number of Records	Record Weight	Population Count
Less than \$250,000	1,185	96	113,760
\$250-499,999	486	49	23,814
\$500-999,999	1,726	15	25,890
\$ 1 mil. to under \$2.5 mil.	1,542	9	13,878
\$2.5 mil. to under \$5 mil.	1,890	5	9,450
\$5 mil. to under \$10 mil.	3,294	2	6,588
Over \$10mil.	6,787	1	6,787
Total	16,910	N/A	200,167

Forty percent of the 16,910 records in the 2002 SOI 501(c)(3) file were large organizations with assets of \$30 million or more. While the RTF contains no more than 60 financial variables, the SOI file includes over 300 financial and programmatic variables from the Form 990.

Unlike the process used for entering RTF data, the staff of the SOI Division enters every number twice and takes great care to avoid data entry errors and to resolve inconsistencies on individual forms. Further, SOI editors – the staff responsible for entering the data – also redistribute amounts from the “other” categories – other revenue, expenses, assets and liabilities – to the appropriate line items, when possible. (“Other expenses,” the most problematic of these categories, accounts for 25% of total expenses. See the *NCCS Knowledgebase entry on “The Reporting of “Other Expenses” in Part II of the Form 990 (Technical Note)”* for details.) Because of this careful input method, NCCS uses the SOI files to cross-check and correct financial data in the RTF for the annual Core files.

Keep in mind that the year designation on SOI files is based on the **starting** year for the return, which is NOT necessarily its fiscal year. For example, in the 1999 SOI file, 66 percent of the

returns (unweighted) were for fiscal year 2000—most of those with a July-June fiscal year. Weighted, the percentage drops to 54 percent. Please note also that the 1999 file includes a few returns dated 1998 for large organizations that the IRS believed should be included in the sample but that had missing or un-filed returns.

NCCS Core Files

The NCCS Core files are based on the Internal Revenue Service's annual Return Transaction Files (RTF). They contain data on all 501(c)(3) organizations that were required to file a Form 990 or Form 990-EZ and complied. The IRS does not keypunch financial data for approximately 80,000 organizations that filed Form 990 but that were **not** required to do so because they had less than \$25,000 in gross receipts or are congregations. NCCS also excludes a small number of other organizations, such as foreign organizations or those that are generally considered part of government. (See discussion of *Non-Reporting Organizations and Zero-Filers* and *Out-of-Scope Organizations*.)

To create the Core file, NCCS first verifies and corrects if needed the financial data in the RTF using the SOI-coded return and manually reviews organizations' 990s on GuideStar (www.guidestar.org) when necessary. This process is complicated by the fact that the RTF and SOI files have different methods of recording an organization's financial year. The records in the RTF are dated by the year in which the organization's fiscal year begins. SOI, on the other hand, records the month and year of the end of an organization's fiscal year (see *Definitions of Return Years*). To match the organization and the correct fiscal year for the two sets of files, the SOI records are modified to correspond to the dates used in the RTF. Because a single RTF contains data for three fiscal years, three SOI sample files must be used to update each one. Using SOI files, NCCS successfully updated over 10,000 records from the RTF that went into the Core 2001 public charity file. Although this number represents only 4 percent of the organizations in the RTF, it includes 59 percent of the revenue and expenses and nearly 70 percent of the assets. A value of "S" in the Core file for the variable VERIFY indicates those returns verified by the SOI files.

Next, NCCS matches records from the BMF to records in the RTF. Because the Return Transaction Files do not contain descriptive information such as name and address, combining BMF with RTF presents more information on the organizations in the files.

Finally, NCCS enhances the data by adding several useful fields.

- ❑ Classification for each organization using the National Taxonomy of Exempt Entities Core Codes (NTEE-CC).
- ❑ Using a zip code-to-county crosswalk, FIPS state and county codes are assigned for approximately 90 percent of the organizations.
- ❑ Several financial variables, including total revenue are calculated from various income items (the IRS started including it after 1997); levels of gross receipts (RINCCD); total revenue (RREVCD); expenses (REXPCD); and assets (RASCD) of each organization.

- ❑ Variables resulting from NCCS verification of the internal and external consistency of each return.

National Nonprofit Research Database

The National Nonprofit Research Database includes all Forms 990 and Forms 990-EZ filed by 501(c)(3) organizations that are required to file with the IRS. The specific requirement is that all 501(c)(3) public charities with \$25,000 or more in gross receipts are included. The forms received by the IRS are scanned and saved as images by IRS. IRS provides the images to NCCS and Philanthropic Research Inc. (GuideStar) which keys in the data from the images to create a database. NCCS then prepares the research files from the data provided by GuideStar.

NCCS first created a unified structure that incorporates Forms 990 and Forms 990-EZ in a single database. Next, large-scale errors in financial variables were corrected (typically errors over \$1,000,000 and a difference of more than 25 percent from expected value, i.e. value of components versus totals). Then NCCS adds organization level descriptive variables such as the NTEE-CC classification and geographic identifiers such as county (FIPS) codes and MSA codes.

While one would assume that all organizations required to file would be included in the research files, in practice certain organizations are not in the database. For example about 30,000 990s were not in the NNRD, but were in the NCCS Core 2000 file. The reason for this difference is found in the methods for constructing the files. For the NNRD, the literal fiscal year (the year in which the filing period ends) is used. For the NCCS Core files, a “Circa Year” is used. This “Circa Year” includes all the returns received by the IRS in a certain calendar year as well as returns of organizations that have filed in the previous two years, but do not appear in the present years files. In practice, this should not impact most analysis at the aggregate level very much, but a researcher might assume that the figures presented, while fairly accurate representations, are likely a bit small with the NNRD. Researchers can choose to use a variable called “LATEST” to select only the most recent filing. In addition, researchers should not always assume that the NNRD dataset can always be used to find accurate information on a specific organization.

Unlike the SOI and the NCCS Core files, the NNRD attempts to cover almost all items on the Form 990 for almost all filers. In practice, the database includes all items in most financial sections and the non-financial items are covered more selectively. Certain non-financial items, such as the Part III data on an organization’s statement of purpose or specific program information, as well as data from Part VI of the form and Schedule A, are included based upon their usefulness to the research community. The NNRD database provides the fullest understanding of organization activities that currently exists. The chart below illustrates the differences between the Core files and the Digitized Data:

Dataset Characteristics	NCCS Core Files	NCCS NNRD, v2005b
Number of Organizations per year	289,000 (fy 2003)	254,000 (fy 2003)
Years Covered	Circa 1989-Circa 2004	Fiscal 1998- Fiscal 2000
Number of Variables per Year	up to 140	approximately 350
Types of organizations covered	Public charities, private foundations & other exempt orgs.	Public charities only
Coverage of Form 990 public charity files		
Header – Address and Contact Info	Some Variables	All Variables
Part I – Revenue & Expenses	Major Variables	All Variables
Part II – Functional Expenses	Major Variables	All Variables
Part III – Program Services	None	All Variables
Part IV – Balance Sheets	Major Variables	All Variables
Part IV-A and Part IV-B – Audited Financials	None	None
Part V – Officers, Directors, etc.	None	All Variables
Part VI – Other Information	Some Variables	Most Variables
Part VII – Income Producing Activities	Some Variables	Some Variables
Part VIII –Relationship of Activities to Purpose	None	None
Part IX – Taxable Subsidiaries	None	Some Variables
Coverage of Schedule A:		
Part I – Compensation of Employees	None	All Variables
Part II – Compensation of Contractors	None	None
Part III – Statements About Activities	Some Variables	All Variables
Part IV –Non-PF Status, Support Schedule	Most Variables	None
Part V – Private School Questionnaire	None	None
Part VI – Lobbying Expenditures	Some Variables	Some Variables
Part VII – Information Regarding NON-501(c)(3)s	None	None

Financial Data

Limitations of the Data and Recommended Error Checking Procedures

Financial data in the nonprofit database files should be used with caution. While NCCS performs some data checks, errors still exist. We strongly advise checking outliers and finances of large individual organizations before publishing analyses of the data sets.

In addition to the potential data-entry errors discussed above, researchers have questioned the reliability of the underlying data on the Form 990, Form 990-EZ, or Form 990-PF. Preparers, especially in small nonprofit organizations, may not fully understand the complexities of the financial entries. Organizations may also shift expenses from one category to another to obtain desired ratios. While studies have shown aggregate measures to be reliable, financial entries

requiring exclusions or multiple calculations are less so. (For a more detailed discussion, see Froelich, Knoepfle, and Pollak 2000).

A four-stage error checking process is recommended. When using financial data, it is important to keep in mind that there is an enormous range in size between the smallest and the largest nonprofit organizations. A single hospital or university in a small state may account for more than 20 percent of the nonprofit revenues or assets within the state. Thus, if data on the nonprofit sector are being aggregated, the finances of any dominant organizations should be reviewed.

First, the researcher should identify large organizations that dominate analytic categories. When studying the sector as a whole, any inaccuracy, accounting change, or anomaly in the financial reports of a single large hospital, for instance, can mask the financial trends of thousands of small human service organizations.

Such misleading data may also be found within individual subsectors. For example, one large arts organization in New England accounts for a substantial percentage of the income for the region's nonprofit arts community. When the way it accounted for some income was changed from one year to the next, the aggregate data then seemingly indicated a "trend" for the entire arts and culture subsector in New England.

Second, geographic information and NTEE classifications should be verified for accuracy (or, at minimum, plausibility). On relatively rare occasions, a parent organization will file returns for multiple affiliates. These affiliates may use the legal address of the parent organization, thus inflating the number of organizations and nonprofit activity in a particular city. (Jackson, MS, Los Angeles, CA, Pittsburgh, PA, and Missoula, MT are four known cases where this has occurred.) NCCS has verified the consistency of zip codes and states in many of its major files. However, it is still possible that some cases have eluded us. (Some Core files, for example, might contain incorrect state abbreviations.) As of Fall 2006, the NCCS team is in the process of fixing the remainder of the files that have inconsistencies between state and zip code values.

As discussed later in this guide, NTEE codes should also be checked carefully for organizations that have a large impact on your analysis. NCCS can provide researchers with online tools for facilitating this review.

Third, financial data outliers (if they are likely to meaningfully affect your analysis) and "suspicious" dominant organizations should be checked, one return at a time. Perusal of a Form 990 (and its attachments) on GuideStar or the Foundation Center may be sufficient. In other cases, it is often most efficient to call an organization directly and ask for clarification about its Form 990 data. Another approach is to obtain financial or programmatic information from other sources. Data on higher education institutions and hospitals, for example, may be acquired from some states, the Centers for Medicare & Medicaid Services, or private sources. However, these data, in our experience, are often more difficult to match and compare than researchers initially expect, especially if they lack EINs. (NCCS can provide sophisticated name and address matching programs to help in this case.) Some state charity offices also make their data available.

Fourth, adjustments should be made to the data where appropriate. If accounting changes or corporate transactions (mergers, spin-offs, etc.) are the cause of financial anomalies, one may choose to impute financial measures to account for the effect of the transactions. If simple errors in data entry are found, they should be corrected. In order to improve the quality of our data, NCCS would appreciate feedback (ideally in electronic format) on errors identified and adjustments made so that our master files can be updated for future research.

Definitions of Financial Measures

The meaning of some financial items on the Form 990 (and in the Core and Digitized Data) is clear but for other items, a researcher simply must consult the Form 990 instructions or other documentation to understand the information that is being collected. Sometimes a term may sound obvious – “government grants” or “dues and other membership fees,” to name two – but mean something very different from what one would assume.

In describing the finances of nonprofit organizations, NCCS typically uses three principal measures: public support, total expenses, and total assets. These are described in greater detail below. Refer to the ***NCCS Guide to Form 990 Line Items*** for further details on other items.

- ❑ **Public support**, collected from the Form 990, line 1d or Form 990-EZ, line 1, includes private gifts and contributions (both cash and in-kind) and government grants. There is evidence, however, that some organizations may be treating revenue from government programs inconsistently. The rules that determine whether government revenue should be called a government grant, another type of public support, or program service revenue (line 2 on the Form 990) can be difficult to interpret. The magnitude of this problem has not yet been determined.
- ❑ **Total expenses** is obtained from line 17 of the Form 990 or Form 990-EZ, and equals the sum of program, fundraising, management, and general expenses, as well as payments to affiliates.
- ❑ **Total assets** include real estate, accounts receivable, pledges receivable, grants receivable, inventories, and other assets. This variable is collected from the IRS Form 990, line 59 or Form 990-EZ, line 25 and represents the total assets at the end of the organization's fiscal year. The instructions for the Forms allow organizations to choose whether they report investment assets according to cost or end-of-year market value. Total assets should not be confused with net assets (total assets minus total liabilities).
- ❑ **Gross receipts** while not itself an item on the 990 form, is the total of "Rental Expenses" (line 6b) + "Cost or other basis and sales expenses" (line 8b)+ "Direct special event expenses other than fundraising expenses" (line 9b) + "Cost of goods sold" (line 10b) + "Total Revenue" (line 12).

Definitions of Return Years

The term "return year" is one of the more difficult concepts to understand and use in creating a snapshot of nonprofit organizations. It can be defined in four different ways: 1) the year in which the IRS processed the Form 990 returns, i.e., the **IRS return processing year**; 2) the end of the filing organization's **fiscal year**; 3) the **Start Year** (also called **Tax Year**) of a reporting organization's fiscal year; and 4) the central time period (or year) for the data, designated as "**circa year**" (or profile year in the *State Nonprofit Almanac* 1997).

Fiscal vs. Start Years. For example, Organization "X" has a fiscal year that begins January 1, 2003, and ends December 31, 2003. It files its Form 990 return for that year by the May 15, 2004, IRS deadline. The return's Start or Tax Year and Fiscal Year are both 2003 and its Processing Year is 2004. The fiscal year for Organization "Y" runs from July 1, 2003, to June 30, 2004. Its Start or Tax Year will be 2003 but its Fiscal Year and Processing Year will be 2004.

Most managers and accountants think in terms of organization fiscal years. The IRS, in contrast, focuses on the Start/Tax Year in both naming the IRS SOI files and in determining what version of the Form 990 to use. Thus, Organization "Y" with its fiscal year beginning in 2003 and ending in 2004 would use the IRS form with the "2003" in the upper right corner, since this reflects its Start/Tax Year.

The following table shows the distribution of public charities in the NCCS Core 2004 PC file by the ending month of their fiscal year. More than half of the returns have calendar (January through December) fiscal years that coincide with the calendar year). Of the remainder, the vast majority have fiscal years ending in June. However, since these tend to be larger organizations, they account for a larger share of both total expenses (39.7%) and assets (46.1%) than the "calendar year" filers.

End Month of FY	Public Charities		Total Expenses (in dollars)		Total Assets (in dollars)	
	918	0.3%	454,232,931	0.0%	666,050,605	0.0%
00	5	0.0%	945,821	0.0%	232,316	0.0%
01	1,337	0.4%	2,157,342,601	0.2%	2,588,239,336	0.1%
02	1,646	0.5%	1,753,335,972	0.2%	3,747,540,376	0.2%
03	5,892	1.9%	17,824,432,927	1.7%	39,683,163,578	2.0%
04	3,932	1.3%	8,066,283,040	0.8%	16,561,406,752	0.9%
05	7,783	2.6%	20,724,535,450	2.0%	63,162,721,453	3.3%
06	86,816	28.6%	406,551,928,409	39.7%	895,168,315,070	46.1%
07	6,252	2.1%	6,079,820,936	0.6%	19,911,994,522	1.0%
08	10,456	3.4%	36,638,321,725	3.6%	101,055,863,064	5.2%
09	19,702	6.5%	136,594,774,558	13.3%	189,216,803,067	9.7%
10	2,794	0.9%	3,706,297,492	0.4%	6,373,275,890	0.3%
11	1,203	0.4%	1,788,686,122	0.2%	4,177,322,933	0.2%
12	154,341	50.9%	381,109,852,184	37.2%	599,753,566,018	30.9%
Total	303,077	100.0%	1,023,450,790,168	100.0%	1,942,066,494,980	100.0%

Core Files and "Circa" Years. The Core files include the most recent return for each organization that filed in the last three calendar years and that covered one of the last three fiscal years. They include Forms filed for previous years by late filers and organizations with filing extensions. Therefore, the NCCS Core 2004 PC file includes returns for organizations with fiscal years that ended as early as December 2002 and go through November 2005. These returns cover fiscal years 2002 through 2005, though over 70 percent in that file are from 2004. Moreover, about 81% have fiscal years that end between June 2004 and June 2005. These organizations accounted for 76% of the expenses and 81% of the assets for organizations included in the file.

Distribution of Start and Fiscal Years for the NCCS Core 2004 PC File ("circa year 2004")

Start year when fiscal year began (yyyy) (STYEAR)	Public Charities	
2002	18,571	6.1%
2003	130,274	43.0%
2004	154,232	50.9%
Total	303,077	100.0%

Fiscal Year when year ended (FISYR)	Public Charities	
2002	9,120	3.0%
2003	39,560	13.1%
2004	214,579	70.8%
2005	39,818	13.1%
Total	303,077	100.0%

If a substantial portion of financial data in the Core files related to earlier years, the analysis of that data would be slightly skewed because data from earlier years are not adjusted for inflation. However, the distribution of returns discussed above suggests that possible bias resulting from combining different fiscal years is minimal.

If a researcher wanted to compile a database that contained a complete set of returns covering a single fiscal year, it would be necessary to extract records from several Core files. To create a Financial Year 1992 file, for example, roughly one-quarter of the records would need to be extracted from the 1992 Core files, two-thirds from the 1993 Core files, and the remaining records from the 1994 and 1995 Core files.

Year-to-Year Comparisons: A Word of Caution

When making year-to-year comparisons, especially financial comparisons, it is important to keep in mind that the Core files from the 1990s include only organizations that filed within a given IRS processing (i.e., calendar) years. Analyzing files based on processing year can result in missing organizations that may not file a return in an individual processing year because extensions were requested and granted by IRS. For example, an organization with a fiscal year beginning July 1 files its FY 1992 return in August 1992. In 1993, it received a filing extension and filed the organization's FY 1993 return in January 1994. Later that same year, it filed its FY 1994 return on time in August. In this case, the organization would file returns for FY 1992 and 1993 but no return would be filed during calendar year 1993, the processing year used in the database.

How significant is this problem? The 1996 Business Master File (BMF) included 12,546 organizations that had received tax-exempt status prior to 1991 and had filed returns in 1995 but not in 1993. Nearly 4,000 of these organizations had expenses (a rough proxy for gross receipts) of less than \$25,000 in 1994. Assuming that their expenses were at this same level in fiscal year 1992, they would not have been required to file Form 990. However, 2,601 of the organizations had expenses of \$100,000 or more in 1994, and 498 had expenses of \$1 million or more. Among these large organizations, it seems doubtful that many would have failed the gross receipts test two years earlier.

On the other hand, 15,305 organizations filed in 1993 but did not file in 1995, including 772 that had expenses of more than \$1 million in 1993. Perhaps some of them merged or went out of business; others may have received filing extensions. Of these organizations, 4,224 were dropped from the Business Master File. They, presumably, had dissolved, merged, or ceased active functioning. About 44 percent of the 15,305 organizations (6,716 of them), actually filed returns covering fiscal years 1994, 1995, and 1996, but they didn't file any of them in 1995. Care should be taken in making assumptions that organizations with missing returns no longer exist. A cursory review of the records, for example, shows that a prominent university which accounted for a substantial percentage of all assets for reporting public charities in one state in 1993 did not file in 1995, yet the university is alive and well.

From Arts to Cemetery Companies: Classification

Introduction to the National Taxonomy of Exempt Entities (NTEE-CC)

Developed in the mid-1980s, the NTEE-CC system is a hierarchical mixed notation (letters and numbers) organization classification system of 630 centile level codes, collapsible into 26 major groups, collapsible into 10 major categories:

Major Category	Major Groups	Major Category	Major Groups
Arts	A	International	Q
Education	B	Religion-related	X
Environment & Animals	C, D	Mutual benefit	Y
Health Care	E, F, G, H	Public & societal benefit (other)	R, S, T, U, V, W
Human Services	I, J, K, L, M, N, O, P	Unknown or unclassified	Z

At present, nearly 800,000 records are coded with an NTEE. A description of the NTEE system is available on the NCCS web site. (We also have used an automated system to classify the remaining one million organizations that have been registered during the past twenty years. These classifications are maintained in a file that is not publicly released.)

Our NTEE classifications come from several sources and use various types of information. Approximately 106,000 organizations were classified by NCCS (formerly based at Independent Sector) based on an assessment of program descriptions contained in Parts 3 and 8 of the Form 990. Because program descriptions were only available for some organizations, the rest were classified based on additional research, including information in nonprofit directories and other data contained on Forms 990 and 1023. The Exempt Organization Division of the IRS adopted the NTEE system and began adding codes for new organizations in the 1995 Business Master File. A confidence level of A, B, or C is assigned to each organization classification to identify the general level of confidence that we have in the accuracy of the code. A confidence level of A, for example, indicates that there is at least a 90 percent probability that the major group classification is correct.

NTEE System Background

To update and assess how well the NTEE is meeting users' needs, NCCS periodically convenes the NTEE Oversight Committee, consisting of representatives of organizations using the coding system. The committee monitors NTEE use and makes decisions about revisions to the system. The NTEE Advisory Committee, a group of university researchers, classification experts, and users of NTEE codes, makes recommendations to the NTEE Oversight Committee.

During the summer of 1997, NCCS staff sent questionnaires requesting general improvements, and specific changes to committee members and NTEE users across the country. Based on these responses and consultations with the original designers of the system, an overhaul in three parts was recommended. Many surveys and analysis of inter-coder reliability point to the sheer number of groupings as problematic. Based on frequency cutoffs, a new version of NTEE

was created. The new system, called NTEE-CC (Core Codes) has just over 400 possible codes. The new system was adopted in 1999 after testing by NCCS and Foundation Center staff. A revision of NTEE-CC was completed in May 2005, after recommendations from users were considered and approved by the NTEE Oversight Committee. The manual, definitions, and classifications tools on the NCCS web site are updated to reflect these changes.

North American Industrial Classification System (NAICS)

The North American Industrial Classification System (NAICS) (rhymes with “cakes”) was created by the federal government in the mid-1990s to replace the 1930s-era Standard Industrial Classification System (SIC) and is intended to encompass the whole of economic activity on the continent. Standard analyses by the U.S. Census Bureau, the Bureau of Labor Statistics (BLS) and the Bureau of Economic Analysis (BEA) use NAICS. Crosswalks between the NTEE codes and the much broader NAICS codes have been developed to permit the IRS and researchers to group organizations using this system as well. The crosswalk is available on the NCCS web site.

Using Nonprofit Program Classifications (NPC) for Program-Level Research

The NTEE system is used for classifying organizations, not programs. For studies that seek to examine particular types of programs (especially when the programs tend to be small), organization classifications are the best starting point but other sources should be used as well.

In order to facilitate this type of programmatic research, NCCS developed the Nonprofit Program Classification (NPC) System to provide a means for capturing and classifying the actual program activities reported on Part III of the Form 990. While the type of organization is indicated by its NTEE classification, many organizations have multiple programs, services, and activities.

The Nonprofit Program Classification (NPC) System classifies the actual activities of each organization, as reported on Part III of its Form 990. The major groups for this classification system mirror those of the NTEE system, but the codes tend to be more specific in nature. In addition, organizations are also allowed to have multiple program codes based on the types of programs they provide.

For example, if a community center has 15 different projects from literacy to recreation to drug prevention, these can each be given a separate code under NPC while its NTEE-CC identifier will remain “P28 Community Center.”

Other NCCS Definitions

Public Charities and Private Foundations

The IRS separates 501(c)(3) organizations into two categories: public charities and private foundations. Public charities are 501(c)(3) organizations that receive significant public support or fall into another category that entitles them to automatic public charity status. Public charities

are the main focus of NCCS databases and account for nearly 90 percent of all 501(c)(3) organizations. Unless a public charity falls under one of the filing exceptions below, it is required to file IRS Form 990.

1. A church, an interchurch organization of local units of a church, a convention or association of churches, an integrated church (such as a men's or women's organization, religious school, mission society, or youth group).
2. Church-affiliated organizations that are exclusively engaged in managing funds or maintaining retirement programs.
3. A school below college level affiliated with a church or operated by a religious order.
4. A mission society sponsored by, or affiliated with, one or more churches or church denominations, if more than half of activities are conducted in, or directed at persons in foreign countries.
5. An exclusively religious activity of any religious order.
6. A state institution whose income is excluded from gross income.
7. An organization that is described as an instrument of the United States and is exempt from federal income taxes.
8. A private foundation exempt under section 501(c)(3) and described in section 509(a)-Use Form 990-PF (described below).
9. A black lung benefit trust described in section 501(c)(21).
10. A stock bonus, pension, or profit-sharing trust that qualifies under section 401.
11. A religious or apostolic organization described in section 501(d).
12. A foreign organization whose annual gross receipts from sources within the U.S. are normally \$25,000 or less.
13. A governmental unit or affiliate of a governmental unit.
14. A political organization that is
 - a. A state or local committee of a political party;
 - b. A political committee of a state or local candidate;
 - c. A caucus or association of state or local officials;
 - d. An authorized committee of a candidate for federal office;
 - e. A national committee of a political party;
 - f. A United States House of Representatives or United States Senate campaign committee of a political party committee;

- g. Required to report under the Federal Election Campaign Act of 1971 as a political committee; or
- h. An organization described under section 6033(g)(3)(G)

15. An organization whose annual gross receipts are normally \$25,000 or less.

Approximately 70 percent of the 501(c)(3) organizations listed in the IRS Business Master File are required to meet the public support test (Organizations must show that they normally receive 1/3 of their support from the public, which includes support from the government and foundations. Organizations can also meet the public support test if 10 percent of their support is from the public and it receives not more than 1/3 of its support from investment income and unrelated business taxable income). The remaining organizations obtained public charity status because they are medical care providers, congregations or religious organizations, educational institutions, governmental units, or “single organization support organizations” such as fundraising auxiliaries that support other public charities (Hopkins, 401).

There are two IRS codes, which are not necessarily consistent, that can be used to identify the reason why an organization qualified for public charity status. The Foundation Code (FNDNCD) field reflects the organization’s type at the time it obtained recognition of its exempt status from the IRS. The Core files also contain the REASON code (for Reason for Non-Private Foundation Status), which specifies the box that the organizations checked on Part IV of Schedule A of the Form 990 or 990-EZ.

Private Foundations. Most private foundations are organizations created to distribute money to public charities or individuals, and most have substantial investments that are used to fund their giving. Private grant-making foundations face strict guidelines requiring them to distribute at least five percent of their assets each year. All private foundations must file IRS Form 990-PF – there is no threshold size.

Private foundations include **operating foundations**, which represented about 4 percent of all private foundations and held about 4.5 percent of total assets in fiscal year 2003. These foundations function much like public charities and operate their own programs. Giving money to other organizations or individuals plays a minor role or may be absent altogether. Unlike public charities, however, they do not have to meet the public support test or fall within any of the other categories (hospitals, churches, educational institutions, or governmental units) to maintain tax-exempt status.

Public foundations – a NTEE code, but not a category with any legal meaning -- are considered public charities. Like most other public charities, they are required to demonstrate broad public support. **Community foundations**, the most typical type of public foundation, serve particular geographic regions and pool donations from many donors.

Failed public charities are organizations created with the intention of becoming public charities, but which failed to meet the public support test and instead became private foundations. Failed public charities are subject to the same requirements as other private foundations and must file IRS Form 990-PF. Organizations such as the Foundation Center that focus on private grantmaking foundations typically exclude these organizations since, as a

practical matter, they are very different from other private foundations, despite their identical legal status.

Group Filers are organizations with incorporated chapters, affiliates, or subordinate organizations that receive group exemption status from the IRS and file a group return form (Stevenson, Pollak, and Lampkin 1997). The group exemption status saves the organization from applying for tax-exempt status for each of its affiliates. However, even if the institutions have group exemption status, most of them do **not** file a group return form, but rather a Form 990 for themselves only, while their affiliates file separate IRS tax returns (ibid.). The Business Master Files (BMFs) contain group identification numbers assigned by the IRS for all entities under group exemption status. Based on the 1996 BMF, in 1992 there were only 332 group returns of 501(c)(3) entities covering as many as 31,404 affiliates. Over 60 percent of these affiliates (19,222 organizations) were located in a state different from the state that the "parent" organization indicated on the group return. (For more information refer to "Appendix C: Group Exemptions and Group Returns" of the *State Nonprofit Almanac 1997*). Group returns are very easy to identify: The organization name literally includes the words "GROUP RETURN."

Operating, Supporting, and Mutual Benefit Public Charities

Reporting public charities are divided into (1) operating public charities, (2) supporting public charities, and (3) mutual benefit public charities, identifiable through Core file variable LEVEL3. If NCCS data are being used for financial analysis, we recommend that the separation between these three groups be maintained in order to avoid double counting of finances and to distinguish these fundamentally different types of organizations. (Non-501(c)(3) organizations -- so-called *other exempt organizations* -- can also be grouped into these three categories but, unlike public charities, the vast majority are *mutual benefit organizations*.)

Operating public charities may engage in a variety of activities ranging from research and education to health care and anti-poverty work. They represent about 85% of filing organizations with values other than zero in at least one of the financial variables. **Supporting public charities**, such as United Way organizations or grantmaking community foundations, distribute funds to operating public charities. Both operating and supporting public charities function for the primary benefit of the general public. Together, they account for more than 90 percent of all reporting public charities.

The primary rationale for distinguishing between operating and supporting public charities is to avoid double counting of funds. The definition of supporting public charities used in the *Nonprofit Almanac*, therefore, does not include organizations that provide non-financial support to nonprofit organizations. Thus, an association of human services organizations that provides technical assistance and public policy analysis for its member 501(c)(3) organizations is considered an operating public charity.

Mutual Benefit Organizations are "essentially providers of private services to paying customers" (Weisbrod, 76). In 1992, these organizations received less than one percent of their revenue from contributions, gifts, and grants. Among the 548 mutual membership benefit organizations in that year, the category with the greatest number of organizations (209) was insurance providers and services (NTEE category Y20). Most of these 209 organizations were

self-insurance trust funds created by nonprofit organizations to provide themselves with liability insurance and workers compensation coverage. Two New York-based organizations, known jointly as TIAA-CREF, which provide pension and retirement benefits to employees in educational and research organizations, accounted for most of the assets and expenses within the mutual benefit category. With combined assets of \$113 billion in 1992, TIAA-CREF dwarfed all of the other organizations in this category. In 1998, however, both TIAA and CREF had given up their tax-exempt status.

The Mutual Benefit public charities are an anomaly among public charities but typical in other exempt organization categories. Almost all of the Mutual Benefit exempt organizations belong in non-501(c)(3) categories specifically intended for organizations that serve their members. Most prominently, these include trade associations (501(c)(6)) and social and recreational clubs (501(c)(7)).

Non-Reporting Organizations and Zero-Filers

As already noted, two broad categories of public charities are not required to file Form 990. The first category generally includes organizations with less than \$25,000 in gross receipts, although the filing exemption threshold is slightly higher (up to a maximum of \$37,500) during the first three years of an organization's existence. Gross receipts is not a line item on the Form 990, but can be calculated from data on the Form 990. It is equal to gross income without subtractions for costs and expenses of inventory, asset sales, or rentals.

The second category of filing exemption covers religious organizations, as explained in the earlier section, *Business Master File of Exempt Organizations (BMF) and Forms 1023 and 1024*. Congregations, mission societies, organizations with "exclusively religious activities," and conventions or associations of churches are automatically excluded from the Form 990 filing requirements. This exemption also applies to most schools below the college level that are affiliated with congregations or religious associations. Other religious organizations must qualify as integrated auxiliaries for exception from the IRS filing requirement.

Religious organizations that receive the majority of their revenue from serving the general public, however, must obtain recognition from the IRS and are subject to Form 990 filing requirements. Religious colleges and universities, including Catholic University of America and Kentucky Christian College, health organizations, such as the Sisters of Mercy hospital chain, and human services organizations, such as Lutheran Social Services, fall into this category. About 15,000 religious organizations were required to file Forms 990 in circa 2001.

Although most religion-based organizations are not required to obtain IRS recognition of their tax-exempt status or to file annual information returns, many have obtained recognition and some file returns. Over 130,000 organizations, representing 15 percent of all registered 501(c)(3) organizations in the 2003 BMF, had obtained IRS recognition but were listed as not required to file because they were churches or related organizations. Most of these organizations were likely churches. But even assuming that all these organizations were churches, this number represents roughly 30 percent of the 341,000 religious congregations estimated to exist in the early 1990s (Hodgkinson and Weitzman, 1996, p. 39).

Typically, when an organization that is not required to file a Form 990 or Form 990-EZ does so anyway, the IRS enters the EIN, but not the financial information, in its database. All of the financial information for these filers is recorded as "zero" in the RTF. These organizations are called "**zero-filers**" and are generally excluded from the Core files and other NCCS analyses. In the 2001 RTF, there were about 42,000 public charity zero-filers and approximately 26,000 under other subsections of 501(c).

Out-of-Scope Organizations

Out-of-scope organizations are those that are included in the IRS databases but excluded in NCCS analyses of the data; in 2001, NCCS considered 935 reporting 501(c)(3) public charity organizations out-of-scope, based on their meeting one of the following five criteria:

- Foreign organizations (192 organizations)
- Organizations operating in US Territories or overseas (31 organizations)
- Organizations without geographic identifiers (633 organizations), though we tend to think these are US-based organizations.
- Organizations deemed to be out of scope by *Independent Sector* (45 organizations).
- Governmental organizations (34 organizations)

The first three categories, foreign organizations, organizations in US territories, and organizations without geographic identifiers, are easily recognized. Independent Sector staff identified the 45 additional out-of-scope entities in the third category through in-depth organization research. The fifth category, classifying out-of-scope governmental organizations, proves the most difficult and requires a two-step process. The first step is to develop criteria for determining out-of-scope governmental units. The second is to identify the organizations that meet the criteria. IRS regulations state:

A state or municipal instrumentality may qualify under section 501(c)(3) if it is organized as a separate entity from the governmental unit that created it and if it otherwise meets the organizational and operational test of section 501(c)(3). Examples of a qualifying instrumentality might include state schools, universities, or hospitals. However, if an organization is an integral part of the local government or possesses governmental powers, it does not qualify for exemption. A state or municipality itself does not qualify for exemption. (IRS, *Tax-Exempt Status for Your Organization*, p. 14.)

At first glance, differentiating between governmental and private nonprofit organizations appears to be an easy task. Unfortunately, the IRS Business Master File and Return Transaction File do not include any variables that clearly distinguish one from the other. Only in the SOI file, which contains variable E019 (collected from Form 990 Schedule A, Part VI), are determinations easily made. This field on the Form 990 asks organizations for the reason they are not private foundations. If an organization identifies itself as "a Federal, state or local government or governmental unit," it is designated as out-of-scope.

Often, the lines between governmental and private nonprofit organizations are not clear. For example, state colleges and universities are considered governmental organizations and are considered out-of-scope. Foundations and alumni associations affiliated with public universities, on the other hand, are in scope because they are established to receive private funds and fulfill a supporting role for their associated public institution.

The issue of out-of-scope determination is further complicated by the fact that a growing number of organizations are "quasi-governmental." This is particularly true of hospitals. For example, the Hospital Administrative District 4, a 501(c)(3) organization in Maine was created in the mid-1970s by 12 towns, all with their own tiny hospitals that were so small they were located in houses. The towns asked the state legislature to establish a unified hospital district, which then built a single hospital, Mayo Regional, to replace the small ones. The District is governed by a board of representatives from each of the towns. It receives some funds from private donations. Should such an entity be considered in or out-of-scope? The name, Hospital Administrative District 4, sounds like a governmental entity, yet it has an independent board of directors, receives tax-deductible private contributions, and has established 501(c)(3) status.

The National Association of Public Hospitals has identified seven legal structures used by public hospitals. Similar structures are found, albeit less frequently, among libraries and in the fields of public transportation, education, and economic and community development. The structures vary from semi-independent commissions to legislatively created public benefit corporations and hospital authorities to contracts with existing independent nonprofit corporations.

In the *Nonprofit Almanacs*, hospital districts, including the Hospital Administrative District 4, were considered out-of-scope and excluded from analyses. Other districts, authorities, and commissions (e.g., Central Texas Housing Authority) and organizations that appeared to be governmental and had more than \$100 million in total expenses were also excluded. Arguably, many more of the 206 smaller authorities and a small number of districts could have been excluded as well. As the example of the Maine hospital district shows, however, even an organization that appears by its name to be governmental can have attributes of public charities.

Bibliography

Bielefeld, Wolfgang. "Tales from the Grave: Organizations Accounts of Their Own Demise." *American Behavioral Scientist*. 39.8 (1996) 975-994.

Bowen, William, Nygren, Thomas, Turner, Sarah, and Duffy, Elizabeth. *The Charitable Nonprofits: An Analysis of Institutional Dynamics and Characteristics*. San Francisco: Jossey-Bass Publishers, 1994.

Froelich, Karen A. and Knoepfle, Terry W. "Internal Revenue Service 990 Data: Fact or Fiction?" *Nonprofit and Voluntary Sector Quarterly* 25.1 (1996): 40-52.

Froelich, Karen A., Terry W. Knoepfle, and Thomas H. Pollak. (2000). "Financial measures in nonprofit organization research: Comparing IRS 990 return and audited financial statement data." *Nonprofit & Voluntary Sector Quarterly*, 29, 232-254.

Galaskiewicz, Joseph and Joseph Bielefeld. *Nonprofit Organizations in an Age of Uncertainty. A Study of Organizational Change*. Piscataway, NJ: Aldine Transaction, 1998.

Grønbjerg, Kristen. "Using NTEE to Classify Non-Profit Organizations: An Assessment of Human Service and Regional Applications." *Voluntas* 5:3 (1994): 301-328.

Grønbjerg, Kristen and Nelson, Sheila. "Mapping Small Religious Nonprofit Organizations: An Illinois Profile." *Nonprofit and Voluntary Sector Quarterly* 27.1 (1998): 13-31.

Hodgkinson, Virginia and Weitzman, Murray, et al. *Nonprofit Almanac 1996-1997: Dimensions of the Independent Sector*. San Francisco: Jossey-Bass Publishers, 1996.

Hopkins, Bruce. *The Law of Tax-Exempt Organizations*. New York: John Wiley and Sons, 1983.

Internal Revenue Service "Exempt Organizations Nonfiler Study." Washington, DC: Internal Revenue Service (December 1994).

Renz, Loren. *Foundation Giving: Yearbook of Facts and Figures on Private, Corporate and Community Foundations*. New York: The foundation Center, 1996.

Stevenson, David, Thomas Pollak, and Linda Lampkin. *State Nonprofit Almanac 1997: Profiles of Charitable Organizations*. Washington, D.C.: The Urban Institute Press, 1997.

United States. Exempt Plans and Exempt Organizations, Internal Revenue Service. *Exempt Organizations Nonfiler Study*. Washington, D.C.: Internal Revenue Service, 1994.

United States. Exempt Plans and Exempt Organizations, Internal Revenue Service. *Publication 557: Tax-Exempt Status for Your Organization*. Washington, D.C.: Internal Revenue Service, 1995.

Weisbrod, Burton. *The Nonprofit Economy*. Cambridge: Harvard University Press, 1988.

Weitzman, Murray S., et al. *The New Nonprofit Almanac and Desk Reference: The Essential Facts and Figures for Managers, Researchers, and Volunteers*. New York, 2002



NATIONAL CENTER FOR
CHARITABLE STATISTICS

[contact us](#)

[NCCS](#) > Nonprofit Organization and Program Classifications

[Home](#)

[About NCCS](#)

[Find an Organization](#)

[US Nonprofit Sector Overview](#)

[Data Analysis Tools](#)

[Download Data](#)

[Classification](#)

- [NTEE \(Orgs\)](#)
- [NPC \(Programs\)](#)
- [NAICS](#)
- [IRS Activity Codes](#)
- [Tools](#)

[NCCS Projects](#)

[Register](#)

[External Resources](#)

[FAQ](#)

Nonprofit Organization and Program Classifications

Obtaining meaningful information about a group of organizations so diverse yet so vital to society becomes impossible without a classification system that groups similar entities by purpose, type, or major function.

The National Taxonomy of Exempt Entities (NTEE) offers a definitive classification system for nonprofit organizations recognized as tax exempt under the Internal Revenue Code. These charitable organizations are exempt from federal taxes because of their religious, educational, scientific, and public purposes. The broad range of their activities includes health, human services, arts and culture, education, research, and advocacy. The use of NTEE is key to illuminating the diversity of the nonprofit sector.

In addition to the NTEE system, NCCS has developed the **Nonprofit Program Classification System (NPC)** to provide a parallel taxonomy for classifying the *programs* of nonprofit organizations. The major groups for this taxonomy are the same as the major groups for the NTEE system, but the specific codes tend to be more specific.

Click on one of the links to the right or click on **Classification Tools** on the left to view NCCS's tools and resources for classification.

The national clearinghouse
of data on the nonprofit
sector in the United States.

Code Lookup

[Search NTEE codes](#)

[List all NTEE codes
\(2pp Word doc\)](#)

[Search NPC codes](#)

[Find an Organization's
NTEE Code](#)
Enter the Federal ID
number (or name and
state) and hit Submit.
Click the name of the
organization to find the
NTEE code on Line 8.



NATIONAL CENTER FOR
CHARITABLE STATISTICS

[contact us](#)

[NCCS](#) > [Classification](#) > National Taxonomy of Exempt Entities

[Home](#)

[About NCCS](#)

[Find an Organization](#)

[US Nonprofit Sector Overview](#)

[Data Analysis Tools](#)

[Download Data](#)

[Classification](#)

■ [NTEE \(Orgs\)](#)

■ [NPC \(Programs\)](#)

■ [NAICS](#)

■ [IRS Activity Codes](#)

■ [Tools](#)

[NCCS Projects](#)

[Register](#)

[External Resources](#)

[FAQ](#)

National Taxonomy of Exempt Entities

The national clearinghouse
of data on the nonprofit
sector in the United States.

NTEE Core Codes (NTEE-CC)

The National Taxonomy of Exempt Entities (NTEE) system is used by the IRS and NCCS to classify nonprofit organizations. It is also used by the Foundation Center to classify both grants and grant recipients (typically nonprofits or governments). NCCS and the IRS use the NTEE-CC system, described below, while the Foundation Center uses a slightly different version with more codes, as well as "population/beneficiary" codes to indicate the type of population served and "auspice" codes to indicate religious or governmental affiliation.

To see a full list of the codes, click here for a two-page listing or here for our searchable list of codes, definitions, and scope notes.

History

In the mid-1990s, the IRS decided to begin classifying new organizations using the NTEE system. The "IRS determination specialists" -- the individuals who decide whether or not an organization is eligible to receive federal tax exempt status -- would classify the organizations based on descriptive data in the organizations' applications for recognition of tax-exempt status (Forms 1023 and 1024). Before beginning, they requested a simplified version of the NTEE to ease classification and to provide a better fit into the North American Industry Classification System (NAICS), the new federal government economic classification system that replaced the Standard Industrial Classification (SIC) codes in 1999.

The National Taxonomy of Exempt Entities - Core Codes (NTEE-CC) was created to meet this need. Designed by a team of experts, the NTEE-CC includes approximately two-thirds, or about 400, of the 645 categories in the original NTEE. Though the majority of the differences in the NTEE-CC are a result of collapsing lesser-used codes, improvements were also included. With its ease of use and consistent hierarchical logic, the NTEE-CC serves as the best instrument for tax-exempt status determination, NAICS linkage, and nonprofit organizational classification.

Unlike the system used the Foundation Center, the NTEE-CC system eliminated the so-called **Common Codes** that permitted the 4th character of the NTEE to indicate if an organization primarily serve any of a dozen or so functions other than direct service. These categories include: alliances, advocacy, management and technical assistance, research, policy analysis, fundraising and other types of support for other nonprofit organizations.

At the same time, the NTEE-CC system added 3-character categories -- all in the 01-19 range within each major group (e.g., A01, B01, A19, B19, etc.) -- for organizations that fulfilled these specialized functions. The NTEE Manual, available under Classification Tools, explains these changes more fully.

As of mid-2007, NCCS has attempted to classify all of the more than two million organizations in its data files.

Click on Classification Tools on the left to view NCCS's tools and resources for classification, or continue reading to learn more...

Using the NTEE-CC

The NTEE-CC classification system divides the universe of nonprofit organizations into 26 major groups under 10 broad categories as follows:

Major Group

- I. Arts, Culture, and Humanities - A
- II. Education - B
- III. Environment and Animals - C, D
- IV. Health - E, F, G, H
- V. Human Services - I, J, K, L, M, N, O, P
- VI. International, Foreign Affairs - Q
- VII. Public, Societal Benefit - R, S, T, U, V, W
- VIII. Religion Related - X
- IX. Mutual/Membership Benefit - Y
- X. Unknown, Unclassified - Z

Within the major groups, organizations are broken down according to logical divisions (decile level codes) and subdivisions (centile level codes). Organizations that exist across all or most of the 26 major groups are treated separately and are given what is known as "common codes".

Major Groups (1st Digit) - Alphabetic

Decile Codes (2nd Digit) - Numeric

Centile Codes (3rd Digit) - Usually numeric but a few letters are used if the number of categories exceeds 10.

Common Codes (2nd-4th Digit) Numeric

Major Groups. The major groups represent broad subsectors, such as health, education, and youth development, of the charitable organization universe. For descriptions, see the Definitions section.

Decile Codes. Decile codes subdivide organizations in the major groups by specific activity areas, such as Higher Education within the Education major group. See Definitions section for a full listing of decile codes.

Centile Codes. Centile codes subdivide organizations in the decile codes into specific types of organizations. For example, junior colleges, undergraduate colleges, and universities have separate centile codes within Higher Education (B40). See the Definitions section for a full listing.

Common Codes. Common codes represent activities of organizations, such as research, fundraising, and technical assistance, which are common to all major groups. The seven common codes used are:

- 01 Alliance/Advocacy Organizations
- 02 Management and Technical Assistance
- 03 Professional Societies/Associations
- 05 Research Institutes and/or Public Policy Analysis
- 11 Monetary Support - Single Organization
- 12 Monetary Support - Multiple Organizations
- 19 Nonmonetary Support Not Elsewhere Classified (N.E.C.)

Common codes differ from other codes in that a fourth-digit is available. This digit, used within the common code framework, indicates a kind of organization within a group of organizations. For example, B114 would designate college and university fundraising under B11 Monetary Support. The "4" was chosen from the decile level, B40 Higher Education Institutions. Conversely, high school booster clubs would be classified as B112 (B11 Monetary Support — Single Organization plus B20 Elementary, Secondary Education, K-12.)

Another example of coding is classifying the tax-exempt "St. Christopher Hospital" as E22; the major group is E for Health, and the decile and centile codes (22) designate a General Hospital. A professional society called "The Learned Society of Landscape Photographers" would be given an NTEE-CC code of A034; the major group is A for Arts, the common code 03 designates the organization as a professional society and the fourth digit (4) signifies visual arts organizations.

An organization that raises funds for a specific organization, such as a single hospital ("Friends of St. Christopher Hospital") receives a code of E112; an organization that raises funds for several hospitals ("Friends of Memphis Hospitals") receives a code of E122.

When a coder knows the appropriate major group category for an organization but is not sure of decile or centile designation, the decile and centile codes of 99 should be assigned.

History

The NTEE was developed by NCCS during the 1980's with the collaboration of major nonprofit organizations. According to Russy D. Sumariwalla, one of the principal developers of the system, the use of such a system:

- facilitates the collection, tabulation, presentation, and analysis of data by the types of organizations and their activities
- promotes uniformity and comparability in the presentation of statistical and other data collected by various public and private agencies
- provides better quality information as the basis for public policy debate and decision-making for the nonprofit sector and for society at large

References

Hodgkinson, Virginia A., Murray S. Weitzman, John A. Abrahams, Eric A. Crutchfield, and David R. Stevenson. *Nonprofit Almanac 1996-1997: Dimensions of the Independent Sector*. San Francisco: Jossey-Bass Publishers, 1996

Kaplan, Ann E. (Ed.). *Giving USA, 1997: The Annual Report on Philanthropy for the Year 1995*. New York: AAFRC Trust for Philanthropy, 1997.

Kovacs, Ruth and McLaughlin, Ben (Eds.) *Grants Classification System Indexing Manual with Thesaurus*. New York: The Foundation Center, 1995.

Sales, Georgia. 1994. *A Taxonomy of Human Services*, 3d ed. Los Angeles: INFOLINE, Seattle: AIRS.

Sales, Georgia. *AIRS/INFOLINE Taxonomy of Human Services*. 16 March 2005
<http://www.211taxonomy.org/>

Stevenson, David R., Pollak, Thomas H., Lampkin, Linda M., Pettit, Kathryn L.S., and Stengel, Nicholas A. J. *State Nonprofit Almanac 1997: Profiles of Charitable Organizations*.

Washington, DC: The Urban Institute Press, 1997.

Sumariwalla, Russy D. "Toward a National Taxonomy of Exempt Entities" prepared for INDEPENDENT SECTOR, March 1986.

©2009 Center on Nonprofits and Philanthropy — Advancing Practice, Informing Policy



NATIONAL CENTER FOR
CHARITABLE STATISTICS

[contact us](#)

[NCCS](#) > [Classification](#) > Nonprofit Program Classification (NPC)

[Home](#)

Nonprofit Program Classification (NPC)

The national clearinghouse
of data on the nonprofit
sector in the United States.

[About NCCS](#)

The National Center for Charitable Statistics (NCCS) has developed the Nonprofit Program Classification (NPC) system for classifying program services and beneficiaries for the

[Find an Organization](#)

NCCS/GuideStar digitized database of IRS Forms 990. The system should serve all potential users of the NCCS/GuideStar database, ranging from researchers to donors. Search or browse the codes here.

[US Nonprofit Sector Overview](#)

A complete listing of NPC codes is available as an Adobe Acrobat file or in a searchable database.

[Data Analysis Tools](#)

[Download Data](#)

Currently, codes from the National Taxonomy of Exempt Entities (NTEE) system are used to classify nonprofit organizations according to their organizational purpose. Although this is essential to research, an organizational category does not adequately describe the activities and the beneficiaries of these activities for many organizations. Often, the questions that are asked by researchers, nonprofit organizations, and the public are focused on what the organizations actually do and who is served, rather than the types of organization. Organizations may have several types of activities that cannot be adequately described using one organizational classification.

[Classification](#)

☐ [NTEE \(Orgs\)](#)

☐ [NPC \(Programs\)](#)

☐ [NAICS](#)

☐ [IRS Activity Codes](#)

☐ [Tools](#)

The Nonprofit Program Classification System will classify the actual activities of each organization, as reported on Part III of its Form 990. For the first time, such a system is feasible because of the creation of the NCCS/GuideStar digitized database, with Part III information that can be electronically searched and categorized. The task of implementing a system that involves reviewing the Part III text of each organization's Form 990 each year (as major activities and beneficiaries may change from year to year) is daunting. Implementation plans call for the use of artificial intelligence to the maximum extent possible, the creation of a Web-based interactive program for self coding by organizations, and the merging of NCCS data and information from Information and Referral Systems to maximize data collection efforts. As this information becomes more widely available, the nonprofits themselves should have a greater interest in accurate coding, as this is a way that their organizations will be introduced to potential donors.

[NCCS Projects](#)

[Register](#)

[External Resources](#)

The process of creating the Nonprofit Program Classification (NPC) system includes the following components.

[FAQ](#)

Creating subject hierarchies. These are lists of standardized terms, displayed in hierarchical arrays, using the same major types as NTEE. Both the NTEE and actual Form 990 program services descriptions serve as guides to the appropriate terms, supplemented by various sub-sector thesauri in the different disciplines. Some of the thesauri examined include the Educational Resources Information Clearinghouse (ERIC) Thesaurus, the Justice Department's Criminal Justice Thesaurus, the Art and Architecture Thesaurus, the National Association of State Arts Agencies' National Standard and INFOLINE's Taxonomy of Human Services. The terms in the hierarchies group like concepts (the term "senior housing" groups organizations that provide senior housing, housing for the elderly, and assisted living facilities). Care must be taken to ensure that activities described with terms that fit but with different definitions (for example, organizations that renovate older housing must be excluded from the term "senior housing") are appropriately placed.

Defining terms, adding broader and narrower terms, and developing extensive cross-

references. As users will access the classification system by searching for terms that they enter, a way to take random terms and convert them to terms used in the hierarchies must be devised. Extensive cross-references will complete this task. In addition, lists of broader and narrower terms will allow users to choose terms from "drill down menus" in a logical matter. As each hierarchy is completed, the lists of broader and narrower terms and cross-references are also completed.

Classifying the activities of nonprofits. Based on the IRS Form 990 Part III program service descriptions in the NCCS/GuideStar database, key words are used to place the activities in the hierarchy. Different key words are given rating weights, based on testing how well the machine coding matches manual coding of the same activities. The results of the machine matching are used to identify missing key words and modify rating weights to increase the match rate. This is an iterative process with each revision of key words and weighting leading to a higher match rate. Two hierarchies now have match rates of 85 percent or better, and four others are being fine tuned. The test files of Part III program service descriptions for the other hierarchies have been manually classified and keywords are being compiled.

These data will be an immensely useful tool for researchers, practitioners and policy makers who are concerned with the role of the nonprofit sector at national, regional, and local levels and the various service sub-sectors.

©2009 Center on Nonprofits and Philanthropy — Advancing Practice, Informing Policy



NATIONAL CENTER FOR
CHARITABLE STATISTICS

[contact us](#)

[NCCS](#) > [Frequently Asked Questions](#)

[Home](#)

[About NCCS](#)

[Find an Organization](#)

[US Nonprofit Sector Overview](#)

[Data Analysis Tools](#)

[Download Data](#)

[Classification](#)

[NCCS Projects](#)

[Register](#)

[External Resources](#)

[FAQ](#)

[KnowledgeBase](#)

Frequently Asked Questions

The national clearinghouse
of data on the nonprofit
sector in the United States.

The **NCCS FAQs** provide answers to many frequently asked questions about the nonprofit sector. More detailed technical notes are also available by clicking on the "FAQ+/KnowledgeBase" link on the left.

- [General Nonprofit Information](#)
- [Nonprofit Funding and Finances](#)
- [Nonprofit Employment and Wages Information](#)
- [Foundation Information](#)
- [Charitable Giving](#)
- [Legal Questions](#)
- [Data Request Information](#)
- [Data Files Questions](#)
- [Contact Information](#)

General Nonprofit Information

What are nonprofit organizations?

Formal organizations in the United States are typically thought about in three broad categories: a) Business and industry, or "for-profit" organizations; b) Government, including state, local, and federal agencies that provide services and regulation; c) Nonprofit organizations, that qualify for tax-exempt status under the Internal Revenue Code because they are organized for the specific purposes stated in the Code. Although there are legal distinctions among nonprofit organizations and different reporting requirements, all are exempt from paying federal income taxes. About half of nonprofits - called charitable organizations - are exempt under Section 501(c)(3). This status permits donations to charities to be tax-deductible to the donor.

Are all nonprofit organizations public charities?

Public charities represent a substantial portion of the nonprofit sector, but not all nonprofit organizations are public charities. Public charities receive their tax-exemption under subsection (3) of Section 501(c). This privileged status allows donors to make tax-deductible contributions to the organization. The IRS defines these organizations as "charitable" because they serve broad public purposes, including educational, religious, scientific, and the literary activities, among others, as well as the relief of poverty and other public benefit actions.

Private foundations are also charitable organizations exempt under Section 501(c)(3), but are not public charities. Most private foundations are created to distribute money to public charities or individuals. They must meet strict guidelines requiring distribution of a proportion of their assets each year.

Other types of tax-exempt organizations include social welfare organizations (501(c)(4)), labor and agricultural associations (501(c)(5)), business leagues (501(c)(6)), and fraternal beneficiary societies (501(c)(8)).

What is the difference between a "nonprofit" and a "not-for-profit" organization?

There is no legal distinction and the terms are often used interchangeably.

How do nonprofit organizations differ from for-profit organizations?

Generally, the purposes of nonprofit organizations and for-profit organizations differ and the purpose of a nonprofit forms the basis of its formal exemption from paying federal income taxes. Additionally, unlike for-profit organizations, most nonprofit organizations are legally constrained from distributing residual earnings to individuals who exercise control over the firm, such as officers, directors, or members. Nonprofit organizations are **not** prohibited from earning profits or paying reasonable compensation to employees, but they must devote any surplus to the continuing operation of the organization or distribute it to noncontrolling persons.

Which nonprofit organizations are required to file with the IRS? Do they file the Form 990, 990-EZ, or 990-PF?

There is a difference between registration and filing. Tax-exempt organizations with more than \$5,000 in annual gross receipts must register with the IRS, but they don't have to file the annual information report until they reach annual gross receipts of \$25,000. Religious congregations have automatic Section 501(c)(3) status and are not required to register or file. Foundations of any size must register and file.

Nonprofit organizations with over \$25,000 in annual gross receipts are required to file Form 990 with the IRS. Organizations that have gross receipts between \$25,000 and \$100,000 and less than \$250,000 in total assets at the end of the year can opt to file a shorter form called Form 990-EZ. Private foundations of any size file Form 990-PF. Since some funders require Form 990, some smaller nonprofit organizations do file Form 990 even though they are not required to do so by the IRS.

How many nonprofit organizations are there in the United States?

In 2006, there were over 1.48 million exempt organizations that had formally obtained recognition of their tax-exempt status from the IRS. In addition, there are many other organizations that are not required to register with the IRS. These fall primarily into two categories. First, organizations with less than \$5,000 in gross receipts each year are not required to register although an unknown percentage do so nonetheless. This category includes many (but not all) neighborhood associations, PTAs and community theater companies. The total number of these small organizations is unknown with scholars offering widely varying estimates. Second, of the more than 300,000 religious congregations, approximately half voluntarily register with the IRS although they are not required to do so. See the NCCS FAQ+/KnowledgeBase to learn more.

To learn more about the number and types of nonprofit organizations that have filed with the IRS in the United States, please [click here](#).

How many nonprofit organizations are in each state?

Information on charitable and other nonprofit organizations by state is available on this website. Click below to view:

- [State profiles](#)

- National profile

Information on the distribution of other tax-exempt organizations is not available.

What are the biggest public charities in the United States by assets or expenses?

Click [here](#) to see the NCCS list of top ten charities by major group (arts, health, human service, etc).

The Chronicle of Philanthropy and the NonProfit Times also compile lists periodically.

Please note that these lists vary because of different criteria. For example, some lists may exclude supporting organizations (those that primarily support programs of other charities, such as United Ways) or higher education institutions or hospitals.

Do you have information on the number and types of nonprofit organizations in major cities across the United States? Over time?

NCCS information is based on Forms 990 filed annually by charities with the IRS. While NCCS researchers complete specific projects and annually summarize the scope of the nonprofit sector on a national and state basis, we typically do not create databases for specific cities. NCCS will provide data to researchers for their own analyses. To order data, please fill out a [Data Request Form](#). You should also review the listing of NCCS databases and other data-related FAQs for additional information.

How many public charities have failed in the past decade? The past year?

Organizations registered with the IRS are supposed to notify the IRS when they formally dissolve. However, many organizations fade away gradually and do not formally notify the IRS. Some organizations may be inactive for a number of years but eventually secure new funding or volunteers and become active again. The IRS has periodically mailed postcards to organizations that haven't filed a Form 990 over several years. However, many of these postcards cannot be delivered due to outdated addresses. In 2008, the IRS will begin requiring organizations that do not file Form 990s (or 990-EZs or 990-PFs) to complete an online "epostcard" to let the IRS know that they are still in business. Organizations that do not respond within three years will be removed from the list of registered organizations. An IRS study of "nonfilers" conducted in the 1990s found that 21 percent of the nonprofit organizations in the IRS Business Master File that had not filed a Form 990 could no longer be located, indicating that they had probably ceased operations.

Over the five year period from 2000 to 2005, 16% of organizations that filed IRS Form 990s in the 2000 time period failed to file in 2005. This means that they either dropped below the \$25,000 filing threshold or went out of business. Click [here](#) to learn more from our FAQ+.

How do you determine the health of organizations in the nonprofit sector? Do nonprofits suffer from inefficiency, governance or management problems, or budget issues?

These issues are given considerable thought by researchers within the nonprofit field. Although we do not offer guidelines on what constitutes a healthy or unhealthy organization, NCCS data have proven useful to compute various measures of organizational financial health. However, a full portrait requires an understanding of an organization's programs, management and environment.

For more information pertaining to these issues:

- Urban Institute's homepage Search for articles, reports and books.

- For scholarly articles, ARNOVA's Abstracts Database is an excellent source.
- Other resources can be found on our wiki website at <http://nccs.jot.com/Practitioner%20Resources>

Do you have statistics available with regard to nonprofit organizations and their use of the Internet? How are nonprofits making use of the Internet for fundraising and membership?

There are a number of studies and surveys on the use of technology by nonprofits. Check out websites of The Foundation Center or Independent Sector for additional information.

Do you have website addresses for nonprofit organizations?

Currently, NCCS does not have website addresses for nonprofit organizations. However, Form 990s (since the 2001 form) include an optional field for organizations' URLs, which will be collected as they are filed. Many nonprofits have also provided their URLs to GuideStar.org.

Who should I contact if I have concerns about the integrity or practices of a particular nonprofit organization?

NCCS is not a regulatory agency. Charities are regulated at the federal and state levels.

- At the state level: Contact your state's charity office, typically a part of the Office of the Attorney General or the Office of the Secretary of State. You can find the appropriate contact at the National Association of State Charity Officials website.
- At the federal level: Contact the IRS.

Other groups investigating charities include Better Business Bureau Wise Giving Alliance, Charitable Choices, The American Institute of Philanthropy, and the Charities Review Council.

[return to top](#)

Nonprofit Funding and Finances

On average, what percentage of a nonprofit's budget is spent on fundraising? How are these expenses broken down? What percentage of an average public charity's budget is spent on overhead? A private foundation?

Most people who ask about the percentage of a charity's budget spent on fundraising or administration are really interested in knowing what percentage of the organization's expenses are spent on programs. They want some assurance that the organization meets a minimum level of efficiency, that funds contributed are not just going to raise more funds and that its purpose is not to provide its own employees with jobs.

Watchdog groups provide various guidelines for nonprofit management and fundraising activity. For example, the BBB Wise Giving Alliance recommends that nonprofits spend at least 65% of its annual expenses on program activity, while the American Institute of Philanthropy sets its minimum standard at 60% of expenses. The United Way of the National Capital Area, on the other hand, sets its minimum requirement for agencies that receive funds at 80% of total expenses spent on programs.

[Click here](#) to find an NCCS summary of some of the current guidelines on fundraising and

administrative ratios. An organization's program, fundraising, or administrative ratios can vary widely based on a number of organizational characteristics. For example, an established university with lots of wealthy alumni may have much lower fundraising expenses as a percentage of total expenses than a newly formed nonprofit with no established contributor base.

How efficient are an organization's fundraising efforts? How much does a nonprofit spend on overhead costs?

One easily calculated measure of a nonprofit's efficiency in fundraising is the ratio of fundraising expenses (Form 990, line 15) divided by public support (Form 990, line 1a). There are many opinions about the appropriate level of fundraising and factors such as size and type of organization that affect the ratio. Some economists argue that the ideal level of fundraising is reached when it costs one dollar to raise the last dollar of contributions. Other theories are more conservative. All nonprofit executives will agree, however, that it takes money to raise money.

Click [here](#) to learn more about the findings from the Nonprofit Overhead Cost Study, a joint project of Urban Institute and the Center on Philanthropy at Indiana University. We found a great deal of variation in what organizations consider to be fundraising expenses. Thus, we chose not to publish standards or benchmarks. However, we do provide information on common practices and pitfalls and some broad ranges for different types of organizations. We recommend reviewing the policy briefs and guide books to learn more.

Where can I find information about possible sources of funding for my organization?

The Foundation Center maintains a database of grantmaking organizations in the United States. The Chronicle of Philanthropy also lists grants in each of its issues. Regional associations of grantmakers often provide a listing of grants available within specific regions or states.

Use a web search engine to find the numerous additional websites that may be useful in locating funders.

What percentage of an average public charity's total revenue comes from individuals? From grantmaking foundations? From corporations?

The major source of information on the financing of charities comes from the Form 990, but their funding are all combined on the direct and indirect "private contributions" lines. Thus, there is no way to separate these funding sources on the Form 990.

The Giving USA Foundation publishes national estimates based on a number of sources each year in their Giving USA report. For 2006, Giving USA reported the following national totals:

- Individuals: \$222.89 billion (75.6%)
- Foundations: \$36.5 billion (12.4%)
- Bequests: \$22.91 billion (7.8%)
- Corporations: \$12.72 billion (4.3%)

What percentage of an average public charity's total revenue comes from government?

Government support for charities is difficult to measure because it comes in different forms and is reported on the IRS Form 990 in several places. A grant to provide a service for the public, for example, is reported under "Government contributions (grants)" on Form 990,

line 1c, while a contract to provide a service or good to the government itself is reported under "Program service revenue" on Form 990, line 2. Program service revenue is further divided into revenue from Medicare/Medicaid and from government fees and contracts, as well as other contracts.

In 2004, government grants only made up about 9 percent of revenue for all reporting charities (about \$100 billion), but represented a higher proportion for human service, international, and public benefit organizations. This amount does **not** include government funding from Medicare and Medicaid, and the revenue from contracts for providing services directly to the government, all of which are reported under program service revenues on the Form 990. (Medicare and Medicaid revenues are drastically underreported on the Form 990. See the latest Nonprofit Almanac 2008 for more information and new estimates for these sources.)

A third source of government support for charities is more indirect, as individuals may receive grants or subsidies and then use them to pay fees for services and goods provided by nonprofits. This would include, for example, primary and secondary school vouchers or college scholarships. Further research is necessary to measure this source of government support for charities.

The US Census Bureau has a very useful website containing information on Federal grants going to nonprofits and state and local governments. Under the requirements of the Single Audit Act, any state, local government, or nonprofit that receives \$300,000 or more per year in grants from the Federal Government must have an audit conducted, and the US Census Bureau serves as a clearinghouse for the data. The Census Bureau maintains the Federal Audit Clearinghouse and has a very user-friendly online system for accessing the data. (This information was provided by Gordon Green, VP for Research, INDEPENDENT SECTOR.)

INSTRUCTIONS FOR ACCESSING THE FEDERAL AUDIT CLEARINGHOUSE

Go to the Census Bureau homepage at <http://www.census.gov>

1. Under the category *Business*, click on *Government*.
2. This is the Governments Division home page. Scroll to the bottom, and under the category *Special Topics* click on *Federal Audit Clearinghouse*.
3. You can click *Single Audit Reference Information* for background information about the clearinghouse, but click *Search the Single Audit Database* to access the data directly.
4. You will see a disclaimer, but scroll to the bottom and click *Retrieve Records*.
5. Several options are available to search the clearinghouse, but I prefer number four, *Advanced Entity Search*.
6. Under *Organizational Types*, scroll to the bottom and click *Non-Profit*.
7. You can now enter whatever information you choose to find the nonprofit (auditee) or any other criteria desired.

Discussions of government support for charities are included in The Nonprofit Almanac 2008 published by the Urban Institute. The "New Nonprofit Almanac and Desk Reference" published by Jossey-Bass in 2002 provides data for older time periods.

[return to top](#)

Nonprofit Employment and Wages Information

Do you have information on nonprofit executive compensation?

SOURCE: PULSE Newsletter, Oct 2002, edited by Alliance for Nonprofit Management. More than 1,300 nonprofit organizations, reporting on over 51,000 employees in 125 benchmark jobs, participated in a recent study on compensation in nonprofit organizations. Abbott, Langer and Associates conducted the study, and a report of the results is available for purchase.

Findings include: while the median income of nonprofit CEOs is \$81,000, some of the highest-paid CEOs in nonprofit organizations make well over \$600,000; median annual compensation of CEOs is highest in business-related trade associations (\$122,697), health and welfare-related professional societies (\$118,000), foundations (\$95,050), educational organizations (\$93,000), and performing arts organizations (\$85,000); and, the median annual compensation of CEOs is lowest in chambers of commerce/associations of commerce and industry (\$41,750), advocacy/consumer organizations (\$56,881), aging/senior citizen organizations (\$57,183), housing/shelter organizations (\$63,000), and development disabilities care-providing organizations (\$72,508). In the report, compensation data are reported by region, state, and metropolitan area, and by each of certain variables in relation to type of organization (for example, number of employees in relation to operating budget). For information about purchasing the report, visit the Abbott, Langer and Associates website or call 708-672-4200.

What do you know about employee turnover rates among nonprofit organizations?

According to the Council on Foundations, the average annual turnover rate for associations is 24%, but there appears to be wide variation among nonprofit subsectors. For example, employee turnover has become such a widespread problem in child welfare agencies that the Child Welfare League of America has formed national workgroups to address annual turnover rates often in the 100%-300% range.

Where can I find salary information on nonprofit employees?

Charities report salary information on the Form 990 in several places. (Please see our data dictionaries for a description of variables contained here.)

- Part II (Statement of Functional Expenses) lists total organizational expenditures on salaries, wages, and benefits and allocates them by program services, management and fundraising expenses.
- Part V (Officers, Directors and Key Employees) lists titles and amounts of compensation. A key employee is any person having responsibilities or power similar to those of officers, directors or trustees. Department managers are not considered key employees.
- Schedule A (Part I) lists the five highest paid employees that are paid more than \$50,000 per year, other than officers, directors or trustees.

There are several other sources of information on nonprofit employee salaries.

- GuideStar's reports and tools on compensation practices within the nonprofit sector.
- Other surveys are available for sale. Some state nonprofit associations, such as the Minnesota Council of Nonprofits, and industry associations collect salary statistics each year for their particular region or industry. ERI (Economic Research Institute) is another trusted source of compensation data. Use a web search engine to locate the most recent information.

Do you keep nonprofit employment statistics?

Yes. However, the Form 990 has only required the number of employees to be listed since 1997. Our NCCS/PRI National Nonprofit Research Database includes this variable, but no historical data are available from the Form 990 data.

Additional sources for this information include:

The Center for Civil Society Studies in the Institute for Policy Studies at Johns Hopkins University is currently working on a nonprofit employment data project.

A detailed discussion on wage and employment trends is presented in The Nonprofit Almanac 2008 published by the Urban Institute in May 2008.

A summary of statistics on nonprofit employment is available in Independent Sector's New Nonprofit Almanac IN BRIEF.

Do you have statistics on nonprofit volunteers or volunteer hours? What is the worth of a volunteer hour?

Information regarding volunteer hours and volunteering can be found at:

- The Nonprofit Almanac 2008 published by the Urban Institute.
- A brief summary can be found in THE NONPROFIT SECTOR IN BRIEF Facts and Figures from the Nonprofit Almanac 2008: Public Charities, Giving, and Volunteering (2008).
- A summary on volunteering data before the 2008 Brief can be found in the NCCS Nonprofit Sector in Brief (2007).
- U.S. Bureau of Labor Statistics supplement to the September U.S. Current Population Survey
- Independent Sector's 2001 Giving and Volunteering survey
- Nonprofit Almanac & Desk Reference, published by Jossey-Bass in 2002.
- The Center for Information and Research on Civic Learning and Engagement at the University of Maryland

Independent Sector offers the most well publicized estimation of the worth of a volunteer hour. However, researchers differ on how best to calculate the value of volunteer time.

[return to top](#)

Foundation Information

Where can I find information on foundations?

NCCS creates a file from IRS data from Forms 990-PF that is available for research purposes. For a listing of variables available, click on the corresponding Data Dictionary.

To view the Form 990-PF for a specific foundation, click [here](#) or visit GuideStar.

Both The Foundation Center and the Council on Foundations are also important sources of information on foundations.

Where can I find a list of private foundations ranked by size? What are the top ten private foundations in the United States by assets? By total giving?

The Foundation Center publishes a list of the largest private foundations by asset size and by total giving. Information on the largest foundations in each state is also available.

Where can I find possible sources of funding for my nonprofit organization?

The Foundation Center maintains a database of grantmaking organizations in the United States. The Chronicle of Philanthropy also lists grants in each of its issues. Regional associations of grantmakers often provide a listing of grants available within specific regions or states.

Use a web search engine to find the numerous additional websites that may be useful in locating funders.

[return to top](#)

Charitable Giving**Where can I find information concerning tax deductions for charitable contributions? Where can I find a breakdown by state?**

The IRS website provides Publication 526, "Charitable Contributions."

For information on individual states, check the webpage for the revenue department in the relevant state.

Are nonprofit organizations required to report grant recipients?

If the recipient is a charitable organization, the foundation that makes the grant and the charity that receives it may both list the grant in their annual reports. The Chronicle of Philanthropy lists nonprofit recipients of grants from large foundations in each issue. Private foundations must provide a list of grant recipients in Part XV of the Form 990-PF. Scanned images of the forms can be viewed at GuideStar or NCCS.

The Forms 990 filed by the charities also include the names of some recipients - both individuals and organizations - of grants. Line 22 in Part II lists recipients of grants, although the names of some individual grant recipients are confidential, (for example, those receiving college scholarships). Others, such as scientists who receive research grants, are listed in the attachment to Line 22. Specific assistance to individuals, including direct cash assistance to indigents and disaster victims is included in line 23, but only a schedule of the categories of assistance provided is required rather than the names of the individuals who receive this assistance. As of 2001, students who receive financial aid from private schools are no longer listed on Form 990 attachments.

Where can I find information identifying current trends in charitable giving?

NCCS Profiles of Individual Charitable Contributions by State are available under "Statistics" on our website for each available year since 1996.

Additional information can be found at the following websites:

The American Association of Fund-Raising Counsel (AAFRC)/Giving Institute publishes Giving USA, the annual yearbook on American philanthropy.

Indiana University's Center on Philanthropy publishes the results from its periodic household survey.

Independent Sector published its most recent 2001 survey results in its Giving and Volunteering in the United States series, the last in a decades-long series of surveys

conducted by the organization.

The Chronicle of Philanthropy publishes occasional research findings on charitable giving.

Where might I find information on a for-profit corporation's charitable giving?

Businesses are not required to divulge this information. However, if they do participate in charitable giving, they may be inclined to publicize this information. Such information may be found by visiting the corporation website or contacting the public relations department.

If a business contributes through a separately incorporated foundation, the foundation will file Form 990-PF. The scanned image will be available at GuideStar.

The American Association of Fund-Raising Counsel provides aggregate information regarding corporate giving on its website, while The Conference Board publishes estimates of this charitable giving.

What statistics do you have available on individual giving? Where might I find a contributor demographic profile for a particular state?

NCCS has prepared annual Profiles of Individual Charitable Contributions from 1996 to 2005 at the state level. Click on our Statistics page and scroll to "Profiles of Individual Charitable Contributions by State" to view the PDF files for each year (1996-2005).

Demographic profiles of contributors who itemize deductions on their annual tax returns are not available. National estimates of contribution levels of non-itemizers are available based on the Urban Institute Charitable Giving Model (The Charitable Giving Model estimates that non-itemizer giving is equal to about one-third of the total charitable giving reported on individual tax returns by taxpayers who itemize deductions) but there are no state, regional, or local estimates.

Additional information can be found at the following websites:

For estimates of individual giving compiled by the Giving USA, please click [here](#).

For some areas, individual giving data may be available from local United Way affiliates. This information can be accessed at the United Way of America website.

Where might I find information on tax policies for corporate and individual giving?

The primary national document is the Internal Revenue Code. Interpretations of the Code are offered at various websites. For legal advice, consult your tax attorney or financial advisor.

[return to top](#)

Legal Questions

How do I start a charity? What steps are necessary?

The IRS has a variety of resources available to help new nonprofit organizations apply for the correct form of tax-exempt status.

Additional IRS tax information on nonprofit organizations is available in IRS Publication 557

Tax-Exempt Status for your Organization and these easy-to-use links on the life cycle of nonprofits.

Additional websites that may be useful include:

- The Internet Nonprofit Center
- Minnesota Council of Nonprofits
- About.com One Stop Answer Page

Why is the information on the Form 990s public?

Section 6104 of the Internal Revenue Code addresses the disclosure requirements for Forms 990 and other IRS forms. General Instruction M of the IRS Instructions for the Form 990 provides additional information. In the mid-1990s, legislative changes to the federal laws governing exempt organizations were made to encourage public disclosure of Forms 990 to promote accountability. For a summary of disclosure regulations click [here](#).

What if our organization would prefer not to have our Form 990 made available on the web?

GuideStar and NCCS have created a national database of information about charitable organizations in the United States to enhance access and accountability. Congress views such public inspection as a price to be paid in return for exempt status, and an aid to ensure that exempt organizations operate in accordance with the requirements of their particular category of tax-exempt status. According to a letter from the IRS, "public disclosure promotes accountability and discourages inappropriate activities, which, in turn, enhances voluntary compliance and assists ... in the administration of the tax law." Although we cannot remove your organization from the website, you can choose to remove your organization's name from the list of organizations whose information can be licensed at other sites. Contact GuideStar directly to do so.

GuideStar and NCCS take the responsibility of bringing information to the public very seriously. Several million dollars are spent each year digitizing the information that appears on the Forms 990, including double-keying most entries, checking for spelling and math errors, and verifying that what is reported on the form is correctly entered in the database. We also safeguard the privacy of tax preparers and executive directors by blocking social security numbers and signatures that appear on the Forms 990.

As nonprofit organizations have grown to understand GuideStar and NCCS and our high standards, most now welcome the posting of the information and use GuideStar as a free way to publicize their charities. We regularly hear anecdotal stories about organizations that have received large, unsolicited donations because the donor found them at GuideStar. We encourage charities to become GuideStar participants by filling out the GuideStar Information Form.

Does the posting of our Form 990 on your website satisfy our public disclosure requirements?

No. The public disclosure law requires that all tax-exempt organizations (except for private foundations, which have slightly different requirements) make available upon request their application form for tax exemption (Form 1023 or 1024), the IRS determination letter, and the three most recent information returns filed with the IRS (Form 990, 990-EZ, 990-BL, or Form 1065), along with schedules and attachments. An organization is not required, however, to disclose the parts of the return that identify names and addresses of contributors, nor is it required to disclose Form 990-T.

[return to top](#)

Data Request Information

Are mailing lists of nonprofit organizations available?

For information regarding mailing lists, please call our data request line at (202) 261-5801 or send an email to nccs@urban.org.

How do I obtain a list of nonprofit organizations in a particular area?

See our Database Access page for submitting a request for data.

Is it possible to look at the Form 990 for a specific nonprofit organization?

Yes, click [here](#) to search for scanned images of Forms 990. You will be able to find information on charities or private foundations, along with scanned images of Form 990.

How can I order copies of the Nonprofit Almanac 2008 and other Urban Institute publications?

Please call the Urban Institute Press at 1-877-847-7377 or visit our website.

Can data requests be processed more quickly for an additional fee?

The standard time for filling data requests is 2-3 weeks. If you would like your data sent overnight once they have been compiled, please submit an express mail service account number (ex. FedEx, USPS Express, etc.) along with your data request form.

How do I obtain a password that will allow me to download your files?

If a file is available for download, you can click on "Extract Data" under the database description on our database page. You will then be instructed to complete and submit the online form to request a username and password. Currently, this feature is available for our NCCS Core files. Should fees apply you will be notified. It may take up to 3 business days to receive your password.

If payment for a data request is necessary, where do I send the check? May I use a credit card for payment instead?

Checks for data should be made out to The Urban Institute and sent to NCCS/Center on Nonprofits and Philanthropy, The Urban Institute, 2100 M Street NW, Washington, DC 20037. We are not able to accept credit cards at this time.

Do you have information on nonprofit organizations located within the U.S. territories?

Yes, but it is limited. The information on charities located in U.S. territories that file the Form 990 is reported as a total on our State Profiles page. The information on charities located in specific territories (such as Puerto Rico) is only available in the data files. However, because of variations in laws and reporting requirements, these lists are typically not comprehensive.

Do you have information regarding possible sponsors for nonprofit events?

No.

Do you have a list of recommended charities?

No. NCCS provides data on charities but does not rate them. There are many sources of information on individual charities, including their own web sites and GuideStar. There are a number of groups that do rate charities, including the BBB Wise Giving Alliance, the American Institute of Philanthropy, the Charities Review Council, and the Maryland Association of Nonprofit Organizations. Search the web for additional sources.

[return to top](#)

Data Files Questions**Where can I find information on the variables included in NCCS datasets?**

Please choose "Data" on the main menu of the NCCS home page to learn more..

Which is the best variable to use to identify "type of organization?"

The best variable is the organization's National Taxonomy of Exempt Entities - Core Codes (NTEE-CC) classification. See the NTEE two pager for an overview of available codes or the Manual for more information.

Is there a way to extract the files by county?

The standard extraction variable for counties is FIPS (federal information processing standard) codes. FIPS codes are 5-digit numbers assigned to each county, with the first two digits unique to each state and three unique digits assigned to the county. Click [here](#) to find a list of FIPS codes. This site also provides population counts for each county.

Metropolitan statistical area (MSA), primary metropolitan statistical area (PMSA), and New England Consolidated Metropolitan Area (NECMA) variables are also included in NCCS datasets to allow various metropolitan groupings.

How do I find public charities grouped by specific cities, counties, or states?

Information for states and counties is on NCCS State Profiles page. If data for specific cities are needed, please submit a data request.

Is the ruling date of an organization the date on which the organization was founded?

No, the ruling date is the date the organization received its recognition of exemption from the IRS. The organization could have been in existence prior to the ruling date. Information on when an organization was founded or incorporated is not collected on the Form 990.

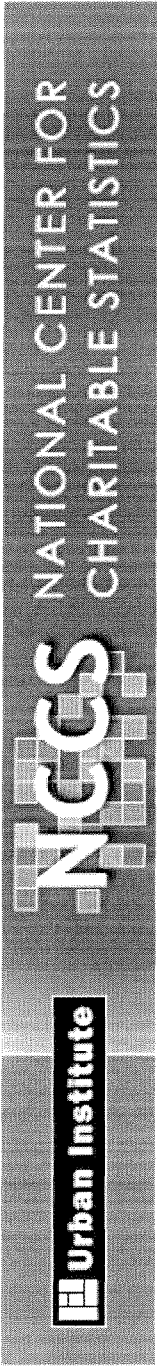
[return to top](#)

NCCS Contact Information

For questions not covered on this site, please contact us. An NCCS researcher will respond within forty-eight hours.

Send an email to NCCS@urban.org

©2009 Center on Nonprofits and Philanthropy — Advancing Practice, Informing Policy



[Home Page](#) [NCCS Tools](#) [Feedback](#)

[Guest](#) [LOGIN](#)

NCCS Web Tools

Overview

[NCCS Nonprofit Overview](#) - Start here.
[Summary Tables](#)
[Top 10 Lists](#) ... by expenses, assets, or type
[Largest & Sample of Orgs, by IRS Subsection](#) (All
[Table Wizards](#) - Customize standard tables

Geographic Focus

[Geo Search](#)
[State Tables](#)
[Largest Public Charities by State](#)
[NCCS County Browser](#) - List foundations & other organizations.

Learn More

[NCCS KnowledgeBase](#)
[NCCS FAQs](#)
[NCCS Wiki](#)
[Learning Modules](#)
[Data Dictionaries](#)

Categorizing and Classifying Organizations

[NTEE Purpose/Activity Codes](#)
[Public Charities](#)
[Private Foundations](#)
[Other Exempt Organizations: 501\(c\)\(4\), \(5\)s & more](#)
[Program-Level Classification](#)

Search for Specific Organizations

[Search Active Organizations](#)
[Search Active and Inactive Organizations \(NCCS Master List\)](#)
[Search Form 990 Images](#)
(Registration required)

Advanced Tools

[NCCS Data Web](#) (new version 2!)
[Freehand Report Writer](#) - SQL knowledge required
[Largest & Sample of Organizations, with Custom Filters](#)
[Custom List Management](#)
[EON Advanced NTEE Classification Tool](#)
[NCCS Reports](#)

[Home Page](#) | [NCCS Tools](#) | [Feedback](#) | [Login](#)

LOGOUT

Choose a data tool, and then pick a data set from the list below.

Report Builder 

Home

Help

Getting Started

NCCS Tools

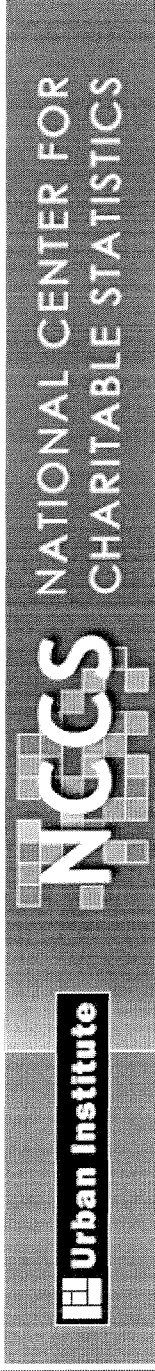
[+] Core Data

[+] Other Files

[+] Lookup Tables

(-) Data Views

You are using default user options.



NCCS Tools Logout

Welcome to the **NCCS Data Web** maintained by the National Center for Charitable Statistics.

Try out the novice interface under construction.

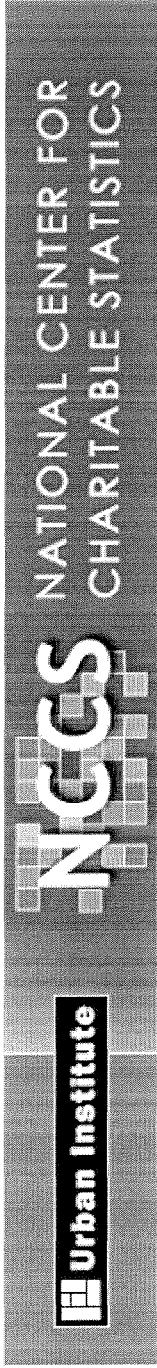
New users should begin by reading Getting Started.

The text in this section is taken from the document "Advanced Interface Home." NCCS staff should customize.

Business Master Files

The IRS Business Master Files (BMF) are created twice each year from IRS data and include basic descriptive data on **all active organizations registered with the IRS** as well as gross receipts (INCOME), total assets (ASSETS), and the tax period (TAXPER) from the most recent IRS form filing for the approximately 1/3 of registered organizations filing Forms 990, 990-EZ, or 990-PF. Organizations registering ("applying for recognition of exempt status") with the IRS file either **IRS Form 1023** (for public charities and private foundations) or **Form 1024** (for other exempt organizations).

Detailed technical information on the files can be found at [here](#).



Search/FAQs - Knowledgebase - Tools - Feedback - Logout **public**

NCCS Knowledgebase Item

Back to IRS Business Master Files (BMF)

How often does the IRS refresh the BMF Exempt Organization extract files on the SOI Tax Stats web site?

(Summary of correspondence between Jon Durnford (NCCS) and James Willis, Statistics of Income Div., Internal Revenue Service, 11/2004)

SOI tries to update the BMF extract listing every month. Occasionally, there may be problems and a month may be skipped, but the schedule is monthly. There is no public notice sent (email or otherwise), but the BMF Exempt Organization extract URL, <http://www.irs.gov/taxstats/article/0,,id=97186,00.html>, indicates "The following files were last updated on:" date as soon as the files go live. The data is sent from Martinsburg to SOI around the 20/25 of every month and it takes about 3/4 days to convert the data and upload the files to the SOI Tax Stats section of the web site.

Follow-up Question:

How long does it take from when an organization has it's tax exempt status recognized to when that determination is reflected in the IRS's live/private BMF system?

Answer:

It depends... From what I understand, it can be as long as three weeks from when a Determination Specialist closes the entry process before it actually shows up in the BMF. But, if it goes into the BMF around the same time as the EO extract is stripped out, it might not show up on our listing until the following month. So, it can be 7 weeks between the time a specialist closes the file until it shows up on the extract. I do not know how long it takes a specialist from the time he/she gets the request for EO status and he/she finishes the entry phase into the system, I would think it can't take more then week. So, most likely, you are talking about 2 months total.

Jim Willis - Badge # 50-07931
Statistics of Income Div.
Internal Revenue Service
James.n.willis@irs.gov

URL: <http://www.irs.gov/taxstats/article/0,,id=97186,00.html>

Added 11/19/04 by jdurnford , Modified 05/24/06 by jauer

Back to Top | NCCS Knowledgebase Home | Knowledgebase (editable) Home | Back to IRS Business Master Files (BMF)

LOGOUT

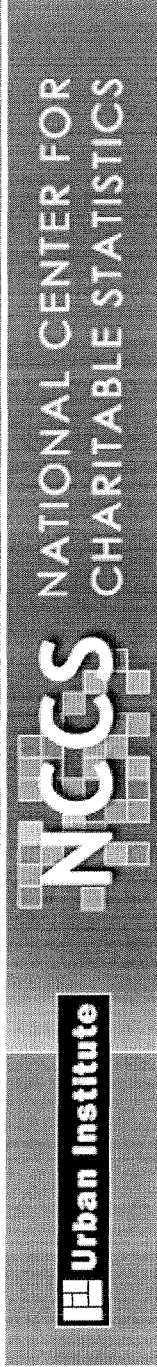
Choose a data tool, and then pick a data set from the list below.

Report Builder

- Home
- Help
- Getting Started
- NCCS Tools

- [+] Core Data
- [+] Other Files
- [+] Lookup Tables
- (-) **Data Views**

You are using default user options.



Welcome to the **NCCS Data Web** maintained by the National Center for Charitable Statistics. NCCS Tools Logout

Try out the novice interface under construction.

New users should begin by reading [Getting Started](#).

The text in this section is taken from the document "Advanced Interface Home." NCCS staff should customize.

NCCS Master

The NCCS Master File is a cumulative list containing EINs, organization names, and other descriptive information for ALL nonprofit organizations collected from the IRS. Unlike the IRS Business Master Files, this file includes organizations that are defunct.

Other files in this section include Master NTEE Codes, which lists all the NTEE codes for all organizations that have received NTEEs from NCCS, the IRS, the Foundation Center, GuideStar, or any other known source.



Knowledgebase Item

Using the Ruling Date (RULEDATE) for Research

The IRS Business Master Files include a field (RULEDATE) indicating when registered nonprofit organizations obtained formal recognition of their tax exempt status by the IRS. (In other words, when the IRS approved their applications for exempt status.) NCCS typically uses this as a proxy for when an organization was created. However, one should understand its origins and flaws before determining how best to use it in one's research.

Limitations are of two types:

- Nonprofit corporations -- the majority of organizations -- must incorporate before they register with the IRS. This could occur at more or less the same time as they file with the IRS, but may also occur a year or more earlier. (Incorporation is handled by state governments.) Moreover, some organizations begin informally without any formal legal structure. Thus, depending on one's definition of "founding," the ruling date may or may not be adequate as a proxy.
- Prior to the 1960s, IRS nonprofit information was maintained in paper form only and recording of ruling dates appears to be spotty. This is discussed at greater length below.

IRS files were computerized in the 1960s. Prior to that time, collection of ruling date information appears limited. Only 138 501 (c)(3) organizations out of more than 800,000 registered in 2002 had ruling dates prior to 1920.

A review of major private universities shows that many have 20th Century ruling dates that clearly do NOT reflect their date of establishment. An additional 8,884 (1%) had no ruling dates entered. (These appear as '0000' on the file. An analysis of the 2004 Core Public Charity File shows that approximately the same percentage (0.9%) of Form 990 filers have no ruling dates, too.) However, universities are NOT typical of the sector as a whole, which includes a much larger percentage of newer organizations.

To put this in perspective, 41% of organizations in the higher education NTEE categories (B4 and B5) had ruling dates from 1970 or later. (This surprisingly large number includes a range of entities, such as schools or special programs within existing institutions as well as some misclassified entities.) In comparison, more than twice that percentage -- approximately 85% of all 990-filing public charities -- had ruling dates of 1970 or later, and 92% of these are for 1960 or later. (Analysis of the 2004 NCCS Core Public Charity File)

For additional discussion of the limitations of this variable, see the mid-2000s article in Nonprofit and Voluntary Sector Quarterly by Kirsten Gronbjerg, et al., comparing ruling dates and incorporation dates for Indiana nonprofit organizations for further discussion.

TWO APPROACHES TO USING THE RULING DATE IN REGRESSION ANALYSIS

There are at least two options for dealing with the limitations of this variable:

- 1) Recode the ruling dates into age ranges -- pre-1970, 1970-80, 80-90, 90-00 (or possibly 5-year increments in later years). This makes the impact of age harder to interpret but seems a safe approach.
- 2) "Bottom-code" age at, say, 1970. Thus, any entry (including missing entries) would be coded as "1970."

	Added 12/27/2006 by tpollak , Modified 06/10/2009 by

Top of Page | Knowledgebase Home | Knowledgebase (editable) Home | Back to IRS Business Master Files (BMF)
LOGIN - Feedback - Home Page - NCCS Tools