

## How to Prepare Form 8868 to Get an Extension of Time to File Form 990 / 990-EZ / 990-T

### The Plain Language Instructions that Should Have Come With the Form

by David B. McRee, CPA <http://www.form990help.com>

In this booklet when I refer to Form 990, I am also referring to Form 990-EZ. I'll save space and time by not typing the name of both forms. However, when I am referring to Form 990-T, I will specifically mention it by name. The extension for Form 990-T is also filed on Form 8868, but it has different rules.

Note: Form 990-N does not require an extension. Its due date is the same as the due date for Form 990, but there is no penalty for late submission. However, if there is a failure to submit any Form 990 when required, for 3 consecutive years, the organization will lose its tax-exempt status. For more information on Form 990-N, refer to my website at <http://form990help.com/form-990-n.html>

#### Do Not be Afraid to Request an Extension of Time to File Form 990 or 990-T:

- There is nothing wrong with requesting an extension of time to file Form 990 or Form 990-T.
- Doing so does **not** reflect poorly on the organization or its management.
- It does **not** increase the chance of an audit.
- It does **not** make the IRS suspicious.
- It may be problematic when the 990 is not completed by the due date if the 990 is needed to apply for a grant, but this has nothing to do with the IRS.

#### Important Considerations:

If your organization needs to file Form 990 AND Form 990-T (to report and pay tax on unrelated business income), you will need to file two (2) Forms 8868. One to extend the Form 990, and the other to extend Form 990-T. **You cannot file one Form 8868 to extend both forms.**

In order to have a valid extension of time to file, the extension **MUST** be postmarked on or before the due date of Form 990 or 990-T. Example: If your due date is Wednesday, May 15<sup>th</sup>, and you fail to file your return or a properly completed Form 8868, don't bother to mail an extension request to the IRS on Thursday, May 16<sup>th</sup>. The request will be invalid and will be rejected. Just prepare and file your return as soon as possible. You will probably receive a penalty notice, but you can most likely make a reasonable cause argument and have the penalties abated with a proper letter to the IRS.

READ THE INSTRUCTIONS to Form 8868 before filling it out. Much of it will not apply to you and some of it you will not understand, but it is a good idea to read through it anyway. This booklet addresses filing for an extension for the typical nonprofit corporation exempt under some section of 501(c), but does not cover every possible situation or organization. This paper is intended to be used in conjunction with the official IRS instructions, not in place of the instructions.

#### Understanding the Due Date of Form 990

You need to understand when your Form 990 and Form 990-T are due. Both have the same due date, but different extension periods. *To be clear, only organizations with unrelated business income are required to file Form 990-T.* Very few organizations need to file 990-T. Most only need to file Form

990.

Form 990 is due the 15<sup>th</sup> day of the 5<sup>th</sup> month following the end of the organization's tax year. Many nonprofits use the calendar year for accounting and tax purposes, which means December 31<sup>st</sup> is the end of the year. The due date for Form 990 and 990-T for a calendar year organization is **May 15<sup>th</sup>** of the following year.

If May 15<sup>th</sup> falls on a weekend, the due date is the next business day. So if May 15<sup>th</sup> falls on a Saturday, then the due date is Monday, May 17<sup>th</sup>. Normally, I recommend always mailing an extension to the IRS using certified mail with return receipt. This is absolutely necessary when the due date falls on a date other than the 15<sup>th</sup>. The IRS computer often does not take into account that the due date fell on a weekend or holiday and will send out a penalty notice if the postmark on the envelope is later than the 15<sup>th</sup>.

You must be able to prove that your extension was mailed “timely.” Timely means “on or before the due date.” The IRS does not have to actually receive the extension request on the due date. The rule is “timely mailed is timely filed” [see *Internal Revenue Code Section 7502*]. Sometimes the IRS has to be reminded of this. If you've got certified mail receipts, you are in good shape. A postage meter mark will not be sufficient. You need to walk it to the post office, stand in line, and get a hand stamped postmark. [see *Grossman v. Commissioner, T.C. Memo. 2005-164*]

**Example:** DoGooder's Inc's tax and accounting year ended December 31, 2008. The due date of their Form 990 (and 990-T if applicable) is May 15, 2009.

### **What is the Due Date if Your Organization has a Fiscal Year End other than December 31?**

In this case, just count four months and 15 days after the year end.

**Example:** For an organization with a June 30, 2009 fiscal year end, the due date of Form 990 and Form 990-T would be November 15<sup>th</sup>, 2009.

**Example:** For an organization with a September 30, 2009 fiscal year end, the due date of Form 990 and Form 990-T would be February 15, 2010.

### **Due Date of Form 990 if The Organization Has Dissolved, Liquidated, or Terminated**

If your organization has dissolved or liquidated during the year, the Form 990 will be due earlier than the normal due date. It will be due 4 months and 15 days after the month of dissolution, liquidation, or termination.

Example: DoGooders, Inc., ceases operations and liquidates on July 15, 2009. The final Form 990 is due December 15, 2009. The organization may apply for extensions, as usual.

### **How Much Additional Time Do We Get With an Extension- Form 990?**

It depends. For tax years that BEGAN in 2015, the law provides that an organization can apply for a three month extension of time to file the return. If three months isn't enough, the organization can apply for an additional three months for a total of six months.

For tax years that BEGAN in 2016 or later, a new law provides that an organization can apply for a single six-month extension of time to file Form 990. This new law reduces the complexity of the extension process and reduces paperwork. It's one of the few things Congress and the IRS have done that actually does save time, money and paper.

In practice, what this new extension procedure means is that if you are requesting an extension for a return that is filed on a 2016 Form 990, a 2016 Form 990-EZ, or a 2016 Form 990-PF, you will use the new Form 8868 that is available on the IRS website and provides a six-month extension. You do not have to give a reason for needing the extension. It is automatically granted as long as it is requested on or before the due date of the return.

## The New Form 8868 Protocol (for 2016 & later returns)

Now, let's go over the new Form 8868. (If you are requesting an extension for a 2015 return, skip ahead to the instructions for the old Form 8868 that allows two separate three-month extensions).

To get the new form, go to the <http://www.irs.gov> and in the upper right corner of the home page enter "8868" in the search box. Don't type the parenthesis. The search results should return the latest revision of Form 8868. Just click on the link to the pdf to open it and then save it to your computer's hard drive.

Unlike the old Form 8868, the new one is a single page. Instructions are found on page 2 of the form. Be sure to read the instructions.

The first part of the form is where you provide identifying information about the organization which hopefully will match what the IRS has in its records.

<p><b>Form 8868</b> (Rev. January 2017) Department of the Treasury Internal Revenue Service</p>	<p><b>Application for Automatic Extension of Time To File an Exempt Organization Return</b></p> <p>► File a separate application for each return. ► Information about Form 8868 and its instructions is at <a href="http://www.irs.gov/form8868">www.irs.gov/form8868</a>.</p>	<p>OMB No. 1545-1709</p>
<p><b>Electronic filing (e-file).</b> You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>, click on Charities &amp; Non-Profits, and click on <i>e-file for Charities and Non-Profits</i>.</p>		
<p><b>Automatic 6-Month Extension of Time.</b> Only submit original (no copies needed).</p>		
<p>All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.</p>		
<p><b>Type or print</b></p> <p>File by the due date for filing your return. See instructions.</p>	<p><b>Enter filer's identifying number, see instructions</b></p>	
	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
City, town or post office, state, and ZIP code. For a foreign address, see instructions.		

Use the organization's legal name and be sure to use the proper EIN. As long as those two things match what is in the IRS records, there should be no problem.

The next part of the Form 8868 specifies for which form you need an extension of time to file. As you can see from the choices, the 8868 applies to various forms. Just find the one that applies to you. **IMPORTANT!!!** As you can see, there is only one box with spaces for two characters to enter the type

of return you are extending. That means you **MUST** file a separate Form 8868 for each type of return for which you are requesting an extension. For instance, if you are filing a Form 990 and a Form 990-T for an organization, you'll need a separate Form 8868 for each return.

Enter the Return Code for the return that this application is for (file a separate application for each return) ▶

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

The next section of Form 8868 just wants more information about who is asking for the extension. For “the books are in care of,” generally you should put the name of a corporate officer that either has the books / accounting records or who has the authority to discuss them. If you are filing a Group Return, enter the group exemption number. Most organizations will not have one. If yours does, you should be aware of it. Organizations that have a Group Exemption Number are those that have not applied for tax-exempt status on their own, but are relying on the tax-exempt status of a parent organization.

- The books are in the care of ▶ .....
- Telephone No. ▶ ..... Fax No. ▶ .....
- If the organization does not have an office or place of business in the United States, check this box . . . . . ▶
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ..... If this is for the whole group, check this box . . . . . ▶  . If it is for part of the group, check this box . . . . . ▶  and attach a list with the names and EINs of all members the extension is for.

The next part of the Form 8868 is the most important part. It is, after all, the reason you are filing the extension. Make sure you get the dates right. You are calculating a date which is six months from the due date of the return. A return for a calendar year filer (Year ending on December 31) is due on May 15<sup>th</sup> of the following year. A six-month extension will extend the due date until November 15<sup>th</sup>.

You are also asked to specify the tax period that you are requesting an extension for. If it is for a full 12 months (January 1 through December 31<sup>st</sup>), then indicate the calendar year in the first box. If the organization has a fiscal year other than a calendar year, or if the return will cover a period less than 12 months, indicate the beginning and ending dates in the second box of line 1, and indicate on line 2 the reason the accounting period is less than 12 months.

---

1 I request an automatic 6-month extension of time until \_\_\_\_\_, 20\_\_\_\_, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶  calendar year 20 \_\_\_\_ or

▶  tax year beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_.

2 If the tax year entered in line 1 is for less than 12 months, check reason:  Initial return  Final return  
 Change in accounting period

---

The final section of the Form 8868, line 3, asks about any tax that the organization owes, payments made, and the balance due. In most cases for a public charity, zeros will be entered on these lines. Do not leave lines 3a, 3b, or 3c blank. If yours is a different type of organization and owes some type of tax, you should be getting professional help and should probably not be filling out the 8868 on your own.

<b>3a</b>	If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$
<b>b</b>	If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$
<b>c</b>	<b>Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$

**Caution:** If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

**For Privacy Act and Paperwork Reduction Act Notice, see instructions.** Cat. No. 27916D **Form 8868** (Rev. 1-2017)

That's the end of the Form 8868. The instructions tell you where to mail it.

### Tips for Success!

Use Certified Mail with Return Receipt and keep the hand-stamped mailing receipt readily available for at least 5 years. The IRS often waits several years to notify an organization that it filed the return late and that the IRS has no record of an extension being filed. At that point, it's your word against theirs. They usually win. If you have the date-stamped Certified Mail Receipt, you win.

This is what you need to prove you mailed it on time:



**WARNING!** If you are in the situation where the organization has failed to file a return for the two prior years, and this is the third consecutive year for which a return has not yet been filed, you should either file the extension at least 10 business days before the deadline, or you should file it electronically. This is to avoid having a misunderstanding about the date the extension was filed and having the IRS revoke the organization's exempt status for failing to file a return for three consecutive years.

In many cases, even though the extension was filed on or before the due date of the third consecutive unfiled return, the IRS will revoke the organization's tax-exempt status if the extension is not RECEIVED by the due date. This is an error on the IRS's part, but they are slow to admit it and to correct it by reinstating the organization's exempt status. In the interim, which may be six months, the organization cannot receive tax-deductible donations.

## The Old Form 8868 Protocol (for 2015 & earlier returns)

Under the old system, you can request up to 2 extensions for Form 990. (Note: this does NOT apply to Form 990-T, which has always been granted one 6-month extension). Each extension grants a 3 month extension of time to file. This means you can extend the due date for up to 6 months beyond the original due date. Both extensions are requested on Form 8868. There is no extension available for



Form 990-N.

### **First Extension Request – Form 990**

The first extension is granted “automatically,” which means you don't have to give a reason for needing the extension. If Form 8868 is properly completed and timely filed, it is automatically granted. The “automatic” 3 month extension is requested by filling out page 1 of Form 8868 and sending it to the IRS on or before the due date of Form 990. It does not require a signature.

Example: DoGooders, Inc. has a Form 990 due date of May 15<sup>th</sup> 2009. They timely file Form 8868. The due date of DooGooders' Form 990 is automatically extended to August 15<sup>th</sup>, 2009.

### **Second Extension Request – Form 990**

The second 3-month extension request is not automatic. An organization may only request a second 3-month extension if it properly extended the first due date by timely filing Form 8868. In other words, if you forgot to file the first extension, don't bother with trying to request a second extension.

A reason must be given for needing an additional three months. This will be covered later in the specific instructions for Form 8868.

The second 3-month extension is requested by filling out page 2 of Form 8868, stating a reason for the need for an extension, having an authorized person sign the form, and timely filing it with the IRS.

**Example:** DoGooders Inc. has a Form 990 due date of May 15, 2009. It has properly extended the due date to August 15, 2009 by timely filing Form 8868. An approved second extension will extend the due date of Form 990 to November 15, 2009. No further extensions are permitted.

Note: If the first due date falls on a weekend, thereby making the due date fall on, for instance, the 17<sup>th</sup>, it does not follow that a second 3-month extension will carry through to the 17<sup>th</sup>. A due date will always fall on the 15<sup>th</sup>, unless the 15<sup>th</sup> is a weekend or federal holiday.

### **Form 990-N Extensions**

No extensions of time to file are available for Form 990-N. The same due dates that apply to Form 990 also apply to Form 990-N, but there is no monetary penalty for filing Form 990-N late. However, failing to file Form 990-N for three consecutive years will result in AUTOMATIC revocation of the organization's tax-exempt status. Example: DoGooders Inc, which operates with a 12/31 year-end, has annual gross receipts of about \$20,000 in each of the years 2009, 2010, and 2011. It did not file any return for 2009 or 2010. It filed a Form 990-N for 2011 on May 31<sup>st</sup>, 2012. In this situation, DoGooders Inc. will have its tax-exempt status revoked because the Form 990-N was filed AFTER the May 15, 2012 due date. In other words, as of the May 15<sup>th</sup> due date of the 2011 return, the organization had not filed ANY returns for three consecutive years (2009, 2010 and 2011).

### **How Do We Apply for an Extension for Form 990-T?**

Form 990-T is the tax return used by tax-exempt organizations to pay tax on income generated from activities that they conduct which are not related to the exempt purpose for which they were formed, and for which there is no exception to taxability. For instance, if a church rents church meeting rooms for local businesses to conduct business seminars and also provides set-up and clean-up services for the

tenants, this would generate unrelated business income that is subject to tax and would be reported on Form 990-T (if a profit is realized after expenses are allocated and deducted). A discussion of unrelated business income is beyond the scope of this paper. *(Note: even though churches are exempted from the requirement to file Form 990, if they have unrelated business income, they are required to file Form 990-T).*

Most tax exempt organizations do not have unrelated business income and do not have to file Form 990-T. For purposes of being complete, and to highlight the differences between filing for an extension of time to file a Form 990 vs. a Form 990-T, I'm including information on the 990-T in this booklet.

Form 990-T due dates are exactly the same as for Form 990, that is, they are due the 15<sup>th</sup> day of the 5<sup>th</sup> month following the end of the organizations tax and accounting year. May 15<sup>th</sup> for calendar year filers.

### **What's Different About Form 990-T Extension Requests?**

There are two key differences between filing for an extension for Form 990-T and for Form 990 (under the old extension protocol for 2015 and earlier years):

1. You are allowed one (1) extension of 6 months to file Form 990-T. (not two 3-month extensions). The extension is “automatic.” That is, you don't have to give a reason for needing an extension (but you still have to file Form 8868 to get the extension).
2. The extension is an extension of time to file, not an extension of time to pay any tax that the organization may owe. Quarterly estimated tax payments MAY be necessary if your tax-exempt corporation owes tax on unrelated business income. A discussion of this is beyond the scope of this paper.

### **State Corporate Income Tax Return Extension Requests**

Form 990-T reports taxable income to the Federal Government (IRS). Your state may also require that you file a corporate income tax return to report and pay tax on the income as well. Check your state laws in that regard. I know that Florida does require organizations that file 990-T to file Form F-1120 to report and pay tax on the income.

**Be sure to file an extension request for any state returns as well.** Pay close attention to the state due dates, which may be different from the normal state corporate return due dates.

## Filing Out Form 8868

Form **8868**  
(Rev. January 2012)  
Department of the Treasury  
Internal Revenue Service

**Application for Extension of Time To File an Exempt Organization Return**

OMB No. 1545-1709

► File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box . . . . . ►
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

**Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*.

Figure 1., page 1

The top of the first page indicates that this is Form 8868 and that it is for exempt organizations to use to apply for an extension of time to file an exempt organization return.

Notice that right away you are presented with a check-box to indicate if this is your request for the automatic 3-month extension. Page 1 of this form is used only for the first extension request for the return that is due. If you have already applied for an extension for the return in question and need to request a second extension, ignore page 1 of Form 8868 and go to page 2 of Form 8868.

If this is the first extension for the return that is due, check the box indicated above in figure 1.

The section of the form illustrated in figure 1 above also has instructions pertaining to electronic filing of Form 8868, which is beyond the scope of this booklet. I'm assuming that you are filing on paper.

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only . . . . . ►

*All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.*

Figure 2., page 1

Part I, has a checkbox where you indicate if you are requesting a 6 month extension of time to file a Form 990-T. Mark the box if that is the case. **If you are not filing Form 990-T, leave the checkbox blank.**

Note that at the top of this section of Part I (figure 2), it says that you should “only submit original (no copies needed).” The reason for this statement is that a number of years ago the first 3-month extension was not automatic. An organization had to send the original and one copy to the IRS, which then indicated whether or not the extension was approved by marking a box on the copy and sending it back to the organization. That procedure is outdated. But the IRS is still probably receiving duplicates from many filers, out of habit. So they want to be sure you know just to send the original Form 8868 to the IRS.



Enter filer's identifying number, see instructions

<b>Type or print</b>  <small>File by the due date for filing your return. See instructions.</small>	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or <input type="checkbox"/>
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	

Enter the Return code for the return that this application is for (file a separate application for each return) . . . . .

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

Figure 3., page 1

The next section of page 1, Form 8868 asks for the organization's name, address, and EIN number. You should use the legal name of the organization. In other words, use the name that appears on the corporation's Articles of Incorporation, which should be the same as the name used on Form 1023 when the organization applied for recognition of its tax exempt status by the IRS.

Then the organization is asked to indicate what type of Form the organization needs an extension of time to file for. Generally, you'll be entering the code for either Form 990, Form 990-EZ, Form 990-PF (for private foundations), or Form 990-T. Other forms are less common. Enter the 2-digit code that corresponds to the type of return you are extending. For instance, for a Form 990-EZ, you would enter "01" in the boxes. (Note that on the 2012 revision of Form 8868, the code for Form 990 and Form 990-EZ is the same: "01").

If you don't know what type of form your organization is required to file, or what type of legal entity you are, get professional help. Don't try to guess. If it is not properly filled-out, the extension will not be valid and you will be facing late filing penalties.

If your organization normally files both a Form 990 and a Form 990-T, you will need to fill out a separate Form 8868 for each extension request.

- The books are in the care of ►
- Telephone No. ►  FAX No. ►
- If the organization does not have an office or place of business in the United States, check this box . . . . . ►
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN)  . If this is for the whole group, check this box . . . ►  . If it is for part of the group, check this box . . . ►  and attach a list with the names and EINs of all members the extension is for.

Figure 4., page 1

The IRS wants to know who is holding the accounting records of the organization. With small nonprofits this is usually (but not always) the treasurer. Indicate the person's name and title, telephone number, and FAX number (if any). Information is also requested from organizations filing a group return. If this pertains to you, you'll know it. Otherwise, leave it blank. Most organizations do not file a group return.

---

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until \_\_\_\_\_, 20\_\_\_\_, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶  calendar year 20\_\_\_\_ or

▶  tax year beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_.

2 If the tax year entered in line 1 is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period

---

Figure 5., page 1

Figure 5 displays the part of Form 8868, page 1 where specific date information is requested. It is important that you get this right. The first two blanks on line 1 indicated the date you wish to have the return extended to. For Form 990, this date will be 3 months after the original due date of the form. So, for a calendar year-end organization, this date will be August 15<sup>th</sup>. If August 15<sup>th</sup> falls on a weekend, then enter the date of the next business day (Monday). The latest this date will ever be for a calendar year filer is August 17<sup>th</sup> unless a special circumstance arises and the IRS issues special instructions.

The second part of line 1 is where you must indicate which tax year this extension applies to. If it is for a tax year that ends on December 31, check the first box and indicate the year.

If it is for a fiscal year, check the second box and indicate the beginning and end of the year that the return applies to.

**Example – fiscal year:** if your fiscal year ended June 30, 2009, you would fill in the following dates: “tax year beginning July 1, 2008, and ending June 30, 2009.”

**Example – initial year:** if this was your initial year of existence, and you began operations on April 5, 2008 and your year end is in December, you would fill in the following: “tax year beginning April 5, 2008, and ending December 31, 2008.”

**Example – final return:** if this was your organization's final return because the corporation was dissolved or liquidated and ceased operations, say, on August 18<sup>th</sup>, 2009 and kept its accounting records on the calendar year, you would fill in “tax year beginning January 1, 2009, and ending August 18<sup>th</sup>, 2009.”

**Example – change of accounting period:** if your organization changed from a December year end to, for instance, a June year end you will need to file a “short year” return for the first year that ends June 30. For example, if in March of 2009 your organization applied for and received permission to change its accounting period to a year ending June 30<sup>th</sup>, then you will need to file a return covering the “tax year beginning January 1, 2009 and ending June 30, 2009.”

If you indicated a tax year of less than 12 months above, line 2 asks you to indicate why it was less than 12 months. Check the appropriate box.

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$ <input type="text"/>
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$ <input type="text"/>
c <b>Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$ <input type="text"/>
<b>Caution.</b> If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.		
For Privacy Act and Paperwork Reduction Act Notice, see Instructions.	Cat. No. 27916D	Form <b>8868</b> (Rev. 1-2012)

Figure 6., page 1

Figure 6, above, displays the bottom of page 1 of Form 8868. It is the place to report the amount of tax liability the organization believes it has, the amount of payments and credits against the liability, and the balance due and payable. In most cases you will only show a tax liability in box 3a if you are filing a Form 990-T and expect to have a tax liability. If there is no tax liability, enter zeros on lines 3a, b, and c. Do not leave these lines blank!

If you are filing only a Form 990 (no Form 990-T) and have not incurred any penalty taxes that need to be reported and paid on Form 4720, then fill in lines 3a, 3b, and 3c with zeros. Most organizations will show zeros on these lines. Black Lung Benefit Trusts, organizations that have taxable unrelated business income, and organizations that have engaged in prohibited transactions or other activities that result in an excise tax will need to fill in lines 3a, b, and c as applicable.

END OF INSTRUCTIONS FOR PAGE 1 of Form 8868

## Applying for an Additional 3-month Extension of Time to File Form 990

Form 8868 (Rev. 1-2012) Page **2**

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box
- Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

**Part II Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Enter filer's identifying number, see instructions

<b>Type or print</b>  <small>File by the due date for filing your return. See instructions.</small>	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or <input type="checkbox"/>
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	

Enter the Return code for the return that this application is for (file a separate application for each return)

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

Figure 7, page 2

If you are applying for an additional 3 month extension of time to file Form 990, you will only use part II of Form 8868. Page 1 does not apply to the second extension request.

Mark the box at the top right of the form to indicate that this is a second request and to indicated that your organization has a valid first extension. To reiterate, filing a second extension without having filed for a first extension is a waste of time.

Fill in the organizations name, address and Employer ID number and then enter the 2-digit return code to indicate what type of form is being extended. Most organizations will indicate either Form 990, Form 990-EZ, or Form 990-PF. Note that Form 990-T for a nonprofit corporation is not an option, because they get one 6-month extension, not two 3-month extensions. Only Form 990-T being filed for a trust (rather than for a corporation) requests extensions in 3 month increments.

---

- The books are in the care of  Telephone No.  FAX No.
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN)  . If this is for the whole group, check this box  . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

---

Figure 8, page 2

The IRS wants to know who is holding the accounting records of the organization. This is usually the treasurer. Indicate the person's name and title, telephone number, and FAX number (if any). Information is also requested from organizations filing a group return. If this pertains to you, you'll know it. Otherwise, leave it blank. Most organizations do not file a group return.



---

4 I request an additional 3-month extension of time until \_\_\_\_\_, 20\_\_\_\_.

5 For calendar year \_\_\_\_\_, or other tax year beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_.

6 If the tax year entered in line 5 is for less than 12 months, check reason:  Initial return  Final return  
 Change in accounting period

7 State in detail why you need the extension \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

---

Figure 9, page 2

Line 4 above is to indicate the date to which you are extending Form 990. Since this is the second extension request, it is for an additional 3 months. For an organization that keeps its accounting records on the calendar year (December 31 year-end), this request will extend Form 990 to November 15<sup>th</sup>.

Line 5 and 6 ask the same information that is asked on the first extension request (page 1 of Form 8868). Refer to the instructions for Figure 5.

### **Reason For Needing an Additional Extension of Time to File**

Line 7 must be filled in for the extension request to be accepted and approved. You should state the reason you need more time to file. Two common reasons are that the annual audit is not yet completed, or that more time is needed to assemble information needed to file the return. Form 990 asks for a lot of detailed information, especially concerning contributions and special events. Many organizations do not have the resources to produce this information by the original or first extended due date of the return. Here are two “reasons” that I have used successfully for many years:

*“The organization is awaiting completion of its annual independent audit.”*

OR

*“Additional time is requested in order to assemble information necessary to file a complete and accurate Form 990.”*

I have filed many hundreds of extension requests and have NEVER had a timely request rejected by the IRS using either of the above two reasons.

If you have a more specific or compelling reason, use it: You lost your records in a fire or flood, etc. Be honest.



<b>8a</b>	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>8a</b>	\$	
<b>b</b>	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	<b>8b</b>	\$	
<b>c</b>	<b>Balance due.</b> Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>8c</b>	\$	

**Signature and Verification must be completed for Part II only.**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ► \_\_\_\_\_ Title ► \_\_\_\_\_ Date ► \_\_\_\_\_

Form **8868** (Rev. 1-2012)

Figure 10, page 2

Line 8 should reflect the amounts owed and paid. If a payment was made with the first extension, it should be included on line 8b, and it is to be hoped that the amount on line 8c will be zero, assuming that all taxes believed to be owed have been paid in by the time the second extension is requested. If you are filing Form 990 or Form 990-EZ, there ordinarily will not be any tax liability, in which case enter zeros on lines 8a, b, and c. Do not leave lines 8a, 8b, or 8c blank.

Signature. Refer to the instructions accompanying Form 8868 for details on who may sign.

Generally an officer of the corporation will sign the extension. The CPA, attorney, or enrolled agent preparing the extension may sign it.

**End of page 2, Form 8868**

**Sending Form 8868 to the IRS**

There is no need to wait until the due date to mail the extension to the IRS. If you know your organization will need an extension of time to file Form 990 or Form 990-T, send the extension to the IRS a full two weeks or more in advance of the deadline. For a May 15<sup>th</sup> deadline, there is no problem with sending an extension request on May 1<sup>st</sup>. In fact, I recommend doing so in order to avoid a controversy about whether it was filed on time. This can generally be avoided by mailing the extension soon enough that the IRS receives it before the due date. Early mailing is especially important for the second extension request because there is the possibility that the IRS may deny the request. Give yourself enough time to receive notification of denial before the due date so you have time to prepare a return quickly. See the next section on what to do if your extension request is denied.

My recommendation is that any correspondence to the IRS, especially correspondence and forms that have a due date, be sent via US Postal Service Certified Mail with a return receipt.

If you'd like step-by-step instructions on a nearly bullet-proof method of certified mailing, watch the short how-to video on my website: <http://form990help.com/mailing-documents-to-irs.html>

## What if Your Request for a Second Extension is Denied?

In this case you have no choice but to prepare the return as soon as possible and file it to minimize or avoid penalties. My advice is to file the most accurate and complete return you can with the information you have. Make a reasonable attempt to file a complete and accurate return within the limitations of the information and time you have available.

If you later receive additional or more accurate information you can file an amended return to reflect the new information.

If you receive a penalty notice, you can rely on the “reasonable cause” provisions of the Internal Revenue Code available to have the penalties abated (removed / forgiven).

*See the completed example Forms 8868 at the end of this document, for both a first extension and a second extension, and for a typical Form 990-T extension request.*



Who is David McRee, CPA?

I am a Certified Public Accountant in St. Petersburg, Florida. Since 1996 I have worked mainly with tax-exempt organizations, particularly 501(c)(3), (4), (6), and (7) organizations. I have worked with organizations that have a few thousand dollars in revenue as well as organizations that have nearly \$20 million in annual revenue. I have prepared many hundreds of Form 990's and extensions.

My focus now is on providing information in plain English to organizations to help them get and maintain their tax exempt status. I do this by:

- Maintaining an informational website at [www.form990help.com](http://www.form990help.com)
- Preparing Form 1023 (for Florida nonprofit corporations only).
- Offering for sale an ebook that teaches anyone to have Form 990 late filing penalties abated by writing a proper “reasonable cause” letter to the IRS. It is very effective. You can learn more about it here: <http://form990help.com/form-990-penalty-relief.html>
- Providing for FREE, this instructional booklet on how to file for an extension of time to file Form 990.
- Continuing to develop additional resources to help nonprofits stay in compliance with federal requirements.
- Participating in online tax discussion groups.
- Consulting on the formation of tax-exempt organizations and ongoing compliance issues.

Below is an example of a filled-in Form 8868 for a calendar year-end organization applying for its "automatic" 6-month extension of time to file its 2016 Form 990, to extend the filing due date to November 15, 2017. This extension would have to be filed on or before the original due date of May 15, 2017 to be valid:

Form <b>8868</b> (Rev. January 2017) Department of the Treasury Internal Revenue Service	<b>Application for Automatic Extension of Time To File an Exempt Organization Return</b>  ▶ File a separate application for each return. ▶ Information about Form 8868 and its instructions is at <a href="http://www.irs.gov/form8868">www.irs.gov/form8868</a> .	OMB No. 1545-1709	
<p><b>Electronic filing (e-file).</b> You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>, click on Charities &amp; Non-Profits, and click on e-file for Charities and Non-Profits.</p>			
<p><b>Automatic 6-Month Extension of Time.</b> Only submit original (no copies needed).</p>			
<p>All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.</p>			
		<b>Enter filer's identifying number, see instructions</b>	
<b>Type or print</b>  File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. <b>We Do Good, Inc.</b>	Employer identification number (EIN) or <b>63-1234567</b>	
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>1313 Mockingbird Lane</b>	Social security number (SSN)	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>Anytown, USA 65201-4561</b>		
Enter the Return Code for the return that this application is for (file a separate application for each return) . . . . . <b>0 1</b>			
<b>Application Is For</b>	<b>Return Code</b>	<b>Application Is For</b>	<b>Return Code</b>
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12
• The books are in the care of ▶ <b>Herman Munster</b>			
Telephone No. ▶ <b>888-456-1234</b> Fax No. ▶ _____			
• If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ <input type="checkbox"/>			
• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box . . . ▶ <input type="checkbox"/> . If it is for part of the group, check this box . . . ▶ <input type="checkbox"/> and attach a list with the names and EINs of all members the extension is for.			
1 I request an automatic 6-month extension of time until <b>November 15</b> , 20 <b>17</b> , to file the exempt organization return for the organization named above. The extension is for the organization's return for:			
▶ <input checked="" type="checkbox"/> calendar year 20 <b>16</b> or			
▶ <input type="checkbox"/> tax year beginning _____, 20 _____, and ending _____, 20 _____.			
2 If the tax year entered in line 1 is for less than 12 months, check reason: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Change in accounting period			
<b>3a</b>	If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$ <b>0</b>
<b>b</b>	If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$ <b>0</b>
<b>c</b>	<b>Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$ <b>0</b>
<b>Caution:</b> If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.			
<b>For Privacy Act and Paperwork Reduction Act Notice, see instructions.</b>			
		Cat. No. 27916D	Form <b>8868</b> (Rev. 1-2017)



Below is an example of a filled-in Form 8868 under the old protocol for a calendar year-end organization applying for its initial automatic 3-month extension of time to file Form 990 for 2011, to extend the filing due date to August 15, 2012. This extension would have to be filed on or before the original due date of May 15, 2012 to be valid.

Form <b>8868</b> (Rev. January 2012) Department of the Treasury Internal Revenue Service	<b>Application for Extension of Time To File an Exempt Organization Return</b> ▶ File a separate application for each return.	OMB No. 1545-1709
---	--	-------------------

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box . . . . .
  - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*.

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).  
 A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only . . . . .   
*All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.*

<b>Type or print</b>  File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. <b>Do Gooders, Inc.</b>	Employer identification number (EIN) or <input checked="" type="checkbox"/> <b>99-1234567</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>1313 Mockingbird Lane</b>	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>Anytown, FL 33333</b>	
	Enter filer's identifying number, see instructions	

Enter the Return code for the return that this application is for (file a separate application for each return) . . . . . **0 1**

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ Herman Munster, Treasurer
- Telephone No. ▶ 666-123-4567 FAX No. ▶ \_\_\_\_\_
- If the organization does not have an office or place of business in the United States, check this box . . . . .
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box . . . . . . If it is for part of the group, check this box . . . . .  and attach a list with the names and EINs of all members the extension is for.

**1** I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until August 15, 20 12, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
 ▶  calendar year 20 11 or  
 ▶  tax year beginning \_\_\_\_\_, 20 \_\_\_\_\_, and ending \_\_\_\_\_, 20 \_\_\_\_\_.

**2** If the tax year entered in line 1 is for less than 12 months, check reason:  Initial return  Final return  
 Change in accounting period

<b>3a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	<b>0</b>
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	<b>0</b>
<b>c Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	<b>0</b>

Below is an example of a filled-in page 2 of Form 9968 to request an additional 3 month extension of time to file Form 990. Assuming that a previous three month extension had been granted, extending the due date from May 15, 2012 to August 15, 2012, this request will extend the due date to November 15, 2012. It must be filed on or before August 15, 2012 (the first extended due date) to be valid. It would also have to be signed and dated by an officer or CPA or Enrolled Agent to be valid:

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box  **Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

**Part II Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Type or print	Enter filer's identifying number, see instructions	
	Name of exempt organization or other filer, see instructions. <b>Do Gooders, Inc.</b>	Employer identification number (EIN) or <input checked="" type="checkbox"/> <b>99-1234567</b>
Number, street, and room or suite no. If a P.O. box, see instructions. <b>1313 Mockingbird Lane</b>	Social security number (SSN) <input type="checkbox"/>	
City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>Anytown, FL 33333</b>		

Enter the Return code for the return that this application is for (file a separate application for each return)

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

- The books are in the care of **Herman Munster, Treasurer**  
Telephone No. **666-123-4567** FAX No. \_\_\_\_\_
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ . If this is for the whole group, check this box  . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

- I request an additional 3-month extension of time until **November 15**, 20 **12**.
- For calendar year **2011**, or other tax year beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_.
- If the tax year entered in line 5 is for less than 12 months, check reason:  Initial return  Final return  
 Change in accounting period
- State in detail why you need the extension **Additional time is needed to assemble the information necessary to file a complete and accurate Form 990.**

<b>8a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>8a</b>	\$	<b>0</b>
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	<b>8b</b>	\$	<b>0</b>
<b>c Balance due.</b> Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>8c</b>	\$	<b>0</b>

**Signature and Verification must be completed for Part II only.**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_