




NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

GC/HMU:sg
3600

MEMORANDUM

TO: Executive Director
Don Johnson

FROM: Assistant General Counsel 
Timothy P. McCollum

SUBJ: Filing of consolidated Form 990 for Federal
credit unions

DATE: July 26, 1988

As you know, three Credit Union Leagues (Michigan, North Dakota and Arkansas) wrote to you concerning Letter to Credit Unions No. 99. Letter No. 99 addressed the continuation of NCUA's filing of the consolidated IRS Form 990 for all FCU's. A copy of Letter 99 is attached. We have written to the IRS requesting an opinion on whether it makes sense to continue filing the consolidated 990 for all FCU's. A copy of our letter to the IRS is also attached. We have also sent a copy of our letter to the IRS to the three Leagues. We will let you know the IRS's position as soon as possible.

Attachments



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NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456

July 26, 1988

Office of General Counsel

Mr. Kenyan E. Bixby
President and Chief Executive Officer
Michigan Credit Union League
P.O. Box 5210
Detroit, MI. 48235

Re: IRS Form 990 (Your June 21, 1988, letter)

Dear Mr. Bixby:

Donald Johnson, NCUA's Executive Director, asked that we respond to your letter concerning NCUA's continuing to file a consolidated IRS Form 990 for all Federal credit unions ("FCU's"). We have written the IRS and asked if we can continue filing the consolidated form for all FCU's given the new disclosure requirements of Section 6104(e) of the Internal Revenue Code. As you may know, Section 6104(e) requires that a tax-exempt organization make its informational return available for inspection at its office for up to three years. A copy of our letter to the IRS is enclosed. We will keep you informed of progress.

Sincerely,

TIMOTHY P. MCCOLLUM
Assistant General Counsel

HMU:sg
Enclosure

cc: Donald Johnson
Executive Director

SCIA Vol 1, B, 5 Informational Return



NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456

July 26, 1988

Office of General Counsel

Mr. Donald A. Deems, Jr.
President, Arkansas Credit Union League and Service
Corporation
P.O. Box 425
Little Rock, AR 72203

Re: Consolidated Form 990 (Your June 23, 1988,
letter)

Dear Mr. Deems:

Donald Johnson, NCUA's Executive Director, asked that we respond to your letter concerning NCUA's continuing to file a consolidated IRS Form 990 for all Federal credit unions ("FCU's"). We have written the IRS and asked if we can continue filing the consolidated form for all FCU's given the new disclosure requirements of Section 6104(e) of the Internal Revenue Code. As you may know, Section 6104(e) requires that a tax-exempt organization make its informational return available for inspection at its office for up to three years. A copy of our letter to the IRS is enclosed. We will keep you informed of progress.

Sincerely,

TIMOTHY P. McCOLLUM
Assistant General Counsel

HMU:sg
Enclosure

cc: Donald Johnson
Executive Director

Handwritten note: 10/12/88 U.B. E. Informational Return



NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456

Office of General Counsel

Mr. Arnold C. Paulson
President, North Dakota Credit Union League
P.O. Box 7250
Bismark, ND 58502-7250

Re: Consolidated Form 990 (Your June 24, 1988,
letter)

Dear Mr. Paulson:

Donald Johnson, NCUA's Executive Director, asked that we respond to your letter concerning NCUA's continuing to file a consolidated IRS Form 990 for all Federal credit unions ("FCU's"). We have written the IRS and asked if we can continue filing the consolidated form for all FCU's given the new disclosure requirements of Section 6104(e) of the Internal Revenue Code. As you may know, Section 6104(e) requires that a tax-exempt organization make its informational return available for inspection at its office for up to three years. A copy of our letter to the IRS is enclosed. We will keep you informed of progress.

Sincerely,

TIMOTHY P. McCOLLUM
Assistant General Counsel

HMU:sg
Enclosure

cc: Donald Johnson
Executive Director



NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456
July 26, 1988

FCU/HR 132
700

Office of General Counsel

Mr. E.D. Coleman
Director, Exempt Organizations - Technical
Internal Revenue Service
1111 Constitution Avenue, N.W.
Washington, D.C. 20224

Re: Filing of consolidated Form 990 for Federal
credit unions

Dear Mr. Coleman:

The National Credit Union Administration ("NCUA") requests your opinion on whether it is appropriate for us to continue filing a consolidated Form 990 for all Federal credit unions ("FCU's") in light of the new disclosure requirements for tax-exempt organizations.

Federal credit unions are tax-exempt organizations under Section 501(c)(1) of the Internal Revenue Code. Their exempt organization status was recognized by the IRS on June 30, 1944; a copy of the July 1, 1978, letter from the IRS updating this recognition is enclosed.

Section 6033 of the Internal Revenue Code [26 U.S.C. §6033] requires tax-exempt organizations to file an annual informational return. For the past several years, NCUA has filed a consolidated IRS Form 990 - Return of Organization Exempt From Income Tax - for all FCU's. The 1978 IRS letter enclosed approved of NCUA's filing such a "group return."

In 1987, Congress amended the Internal Revenue Code by adding Subsection (e) to Section 6104 [26 U.S.C. §6104]. Section 6104(e) states:

During the 3-year period beginning on the filing date, a copy of the annual return filed under section 6033 (relating to returns by exempt organizations) by any

10/17/88 [unclear] [unclear] [unclear] [unclear] [unclear]

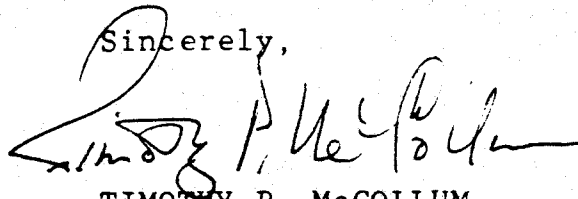
organization to which this paragraph applies shall be made available by such organization for inspection during regular business hours by any individual at the principal office of the organization and, if such organization regularly maintains 1 or more regional or district offices having 3 or more employees, at each such regional or district office.

NCUA has provided all FCU's with a copy of the 1987 consolidated Form 990 it filed for 1987; a copy is enclosed. Since the form only provides aggregated figures for all FCU's, it contains no specific information on any single FCU. However, many FCU's are small in size and staffed by volunteers, who would much prefer NCUA to continue being permitted to file a consolidated form. Several state credit union trade associations have contacted us and asked that we continue filing the consolidated 990. NCUA is willing to do so and to send copies to all FCU's if the consolidated Form 990 can be used to satisfy FCU's obligation under Sections 6033 and 6104(e) of the Internal Revenue Code.

We request your opinion on this issue as soon as possible. If FCU's are required to file their own 990's for calendar year 1988, we need to give several months' notice for them to make the necessary preparations.

Please contact Ms. Hattie Ulan of this Office at (202) 357-1030 if you need any further information.

Sincerely,



TIMOTHY P. McCOLLUM
Assistant General Counsel

HMU:sg
Enclosures

Internal Revenue Service
Washington, DC 20224

Date: **JUL 1 1944**

In reply refer to:
Form M-3444
T.M.S. FOR -OCS

National Credit Union Administration
(formerly Bureau of Federal Credit
Unions)

Att: Carroll Smith, Dir. Div. of
Administration
Department of Health, Education
and Welfare
Social Security Administration
Washington, D. C. 20201

Gentlemen:

Date of original group exemption letter: **June 30, 1944**

I.R. Code: **Section 501(c)(6)**

Based on the information supplied, we rule that the new subordinates recently submitted for addition to your group exemption roster are exempt from Federal income tax under the section of the Internal Revenue Code shown above. This ruling supplements your original group exemption letter.

The new subordinates are not required to file a Form 1120 income tax return. However, if they are subject to the tax on unrelated business income under section 514 of the Code, they must file Form 990-T. They are required to file an annual information return, Form 990. If you do not include the subordinates in a group return, each must file this return by the 15th day of the fifth month after its annual accounting period closes.

Next year, within 45 days after your annual accounting period closes, please send us copies of the following information about your subordinates:

1. A statement describing any changes during the year in the purposes, character, or method of operation of your subordinates.
2. A list of the names, mailing addresses including ZIP Codes, and employer identification numbers (if required for group exemption letter purposes) of subordinates on your group exemption roster that during the year:
 - a. changed names or addresses;
 - b. were deleted from the roster;
 - c. were added to the roster.

National Credit Union Administration
(formerly Bureau of Federal Credit Unions)

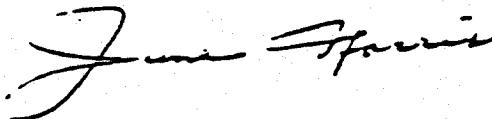
A directory of subordinates may be substituted for this list if it includes the required information and identifies the affected subordinates according to the three categories above.

3. For subordinates added to the roster, a letter signed by one of your principal officers containing or attaching:
 - a. a statement that the information upon which your present group exemption letter is based applies to the new subordinates;
 - b. a statement that each has given you written authorization to add its name to the roster; and
 - c. a list of those to which the Service previously issued separate rulings or determination letters relating to exemption.
4. If applicable, a statement that your group exemption roster did not change during the year.

Please be sure to enter your employer identification number on all your tax returns and in your correspondence with the Internal Revenue Service.

Thank you for your cooperation. The 1969 Form 990 has been forwarded to the Mid-Atlantic Service Center in Philadelphia for their information.

Sincerely yours,



Chief, Rulings Section
Exempt Organizations Branch

Acting

NCUA **LETTER** **TO CREDIT UNIONS**

NCUA LETTER NO. 99

DATE: June 3, 1988

TO OFFICIALS OF THE FEDERAL CREDIT UNION ADDRESSED:

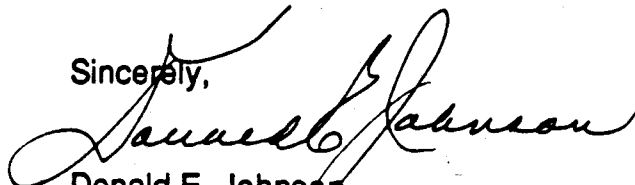
For the past several years, NCUA has filed a consolidated IRS Form 990 - Return of Organization Exempt From Income Tax (an informational return) for all Federal Credit Unions (FCU's). The consolidated form 990 is filed by NCUA by May 15 for the prior calendar year. FCU's have not been filing their own 990's. FCU's are required to file the annual return pursuant to Section 6033 of the Internal Revenue Code (IRC) (26 U.S.C. 6033).

In 1987, Congress amended the IRC by adding subsection (e) to Section 6104. Section 6104(e) (26 U.S.C. 6104(e)) states, in part, as follows

During the 3-year period beginning on the filing date, a copy of the annual return filed under section 6033 (relating to returns by exempt organizations) by any organization to which this paragraph applies shall be made available by such organization for inspection during regular business hours by any individual at the principal office of the organization and, if such organization regularly maintains 1 or more regional or district offices having 3 or more employees, at each such regional or district office.

Since FCU's must make a copy of the form 990 available in their offices in accordance with the new law, we are providing attachment 1, a copy of the 1987 consolidated form 990. We are reviewing whether it is feasible for NCUA to continue filing a consolidated return. Once a decision is made, all FCU's will be notified.

Sincerely,



Donald E. Johnson
Executive Director

990

Return of Organization Exempt From Income Tax

Under section 501(c) (except black lung benefit trust or private foundation) of the Internal Revenue Code or section 4947(a)(1) trust

OMB No 1545-0047

1987

Note: You may be required to use a copy of this return to satisfy state reporting requirements. See instruction D.

Department of the Treasury Internal Revenue Service

For the calendar year 1987, or fiscal year beginning January 1, 1987, and ending December 31, 1987

Name of organization: National Credit Union Administration
A Employer identification number (see instruction L): 52 6057757
Address (number and street): 1776 G Street, NW
B State registration number (see instruction D):
City or town, state, and ZIP code: Washington, DC 20456
C Section 4947(a)(1) trusts filing this form in lieu of Form 1041, check here (see instruction C10):

Select type of organization—Exempt under section 501(c) (13) (insert number), OR section 4947(a)(1) trust
Accounting method: X Cash, Accrual, Other (specify)

Has this a group return (see instruction J) filed for affiliates? Yes [X] No
Yes, enter the number of affiliates for which this return is filed
Has this a separate return filed by a group affiliate? Yes No [X]

Check here if your gross receipts are normally not more than \$25,000 (see instruction B11). You do not have to file a completed return with IRS but should file a return without financial data if you were mailed a Form 990 Package (see instruction A). Some states may require a completed return.

Check here if gross receipts are normally more than \$25,000 and line 12 is \$25,000 or less. Complete Parts I (except lines 13-15), III, IV, VI, and VII and only the indicated items in Parts II and V (see instruction I). If line 12 is more than \$25,000, complete the entire return.

(X3) organizations and 4947(a)(1) trusts must also complete and attach Schedule A (Form 990). (See instructions.)

Table with 4 columns: (A) Total, (B) Unrestricted/Expendable, (C) Restricted/Nonexpendable. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 7 Other investment income; 8a Gross amount from sale of assets other than inventory; 9 Special fundraising events and activities; 10a Gross sales minus returns and allowances; 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess (deficit) for the year; 19 Fund balances or net worth at beginning of year; 20 Other changes in fund balances or net worth; 21 Fund balances or net worth at end of year.

Part IV Program Service Revenue and Other Revenue (State nature.)		Program service revenue	Other revenue
a	Fees from government agencies	(IN THOUS.)	
b		6,973,825	
c		3,393,079	
d		489,483	
e		-24,538	
f	Total program service revenue (enter here and on line 2)	10,831,849	
g	Total other revenue (enter here and on line 11)		

Part V Balance Sheets If line 12 or Column (B) of line 59 is more than \$25,000, complete the entire balance sheet. If line 12, Part I, and Column (B) of line 59 are \$25,000 or less, you may complete only lines 59, 66, 74, and 75. See instructions.

Note: Columns (C) and (D) are optional. Columns (A) and (B) must be completed to the extent applicable. Where required, attached schedules should be for end-of-year amounts only.	(A) Beginning of year	End of year		
		(B) Total	(C) Unrestricted/Expendable	(D) Restricted/Nonexpendable
Assets				
15 Cash—noninterest-bearing	2,378,509	2,398,468		
16 Savings and temporary cash investments	17,009,938	18,443,776		
7 Accounts receivable ▶ minus allowance for doubtful accounts ▶				
8 Pledges receivable ▶ minus allowance for doubtful accounts ▶				
9 Grants receivable				
0 Receivables due from officers, directors, trustees, and key employees (attach schedule)				
1 Other notes and loans receivable ▶ 65,122,222 minus allowance for doubtful accounts ▶ 466,813	55,454,920	64,725,404		
2 Inventories for sale or use				
3 Prepaid expenses and deferred charges				
4 Investments—securities (attach schedule)	8,925,123	10,407,117		
5 Investments—land, buildings and equipment: basis ▶ 1,238,690 minus accumulated depreciation ▶ (attach schedule)				
6 Investments—other (attach schedule)	18,415,310	15,615,367		
7 Land, buildings and equipment: basis ▶ minus accumulated depreciation ▶ (attach schedule)	1,582,836	1,238,690		
8 Other assets ▶	1,083,706	1,885,719		
9 Total assets (add lines 45 through 58)	104,850,342	114,714,541		
Liabilities				
0 Accounts payable and accrued expenses	1,926,209	633,422		
1 Grants payable				
2 Support and revenue designated for future periods (attach schedule)				
3 Loans from officers, directors, trustees, and key employees (attach schedule)				
4 Mortgages and other notes payable (attach schedule)	342,917	622,869		
5 Other liabilities ▶	227,615	2,130,986		
6 Total liabilities (add lines 60 through 65)	2,496,741	3,387,277		
Fund Balances or Net Worth				
Organizations that use fund accounting, check here <input type="checkbox"/> and complete lines 67 through 70 and lines 74 and 75.				
7a Current unrestricted fund				
b Current restricted fund				
8 Land, buildings and equipment fund				
9 Endowment fund				
0 Other funds (Describe ▶)				
Organizations that do not use fund accounting, check here <input type="checkbox"/> complete lines 71 through 75.				
1 Capital stock or trust principal	96,419,492	104,438,913		
2 Paid-in or capital surplus	3,392,627	3,822,338		
3 Retained earnings or accumulated income	2,540,932	3,066,013		
4 Total fund balances or net worth (see instructions)	102,353,051	111,327,264		
5 Total liabilities and fund balances/net worth (see instructions)	104,850,342	114,714,541		

Part VI List of Officers, Directors, and Trustees (List each one whether compensated or not. See instructions.)

Table with 5 columns: (A) Name and address, (B) Title and average hours per week devoted to position, (C) Compensation (if any), (D) Contributions to employee benefit plans, (E) Expense account and other allowances. Content: INFORMATION NOT COLLECTED BY THE NATIONAL CREDIT UNION ADMINISTRATION

Part VII Other Information NOT APPLICABLE

Form with questions 76-90 and Yes/No columns. Questions include: Has the organization engaged in any activities not previously reported to the Internal Revenue Service? Have any changes been made in the organizing or governing documents... Did the organization receive donated services... Section 501(c)(5) or (6) organizations... Section 501(c)(7) organizations... Section 501(c)(12) organizations... Public interest law firms... List the states with which a copy of this return is filed... During this tax year did you maintain any part of your accounting/tax records on a computerized system? The books are in care of... Section 4947(a)(1) trusts filing Form 990 in lieu of Form 1041.

Please Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Signature and Date fields. Signature: [Handwritten Signature], Date: 3/13/88. Fields for Title, Preparer's signature, Firm's name (or yours, if self-employed) and address, ZIP code, and Check if self-employed.