

Refunding issue

An issue of obligations, the **proceeds** of which are used to pay principal, interest, or redemption price on another issue (a prior issue), including the issuance costs, accrued interest, capitalized interest on the refunding issue, a reserve or replacement fund, or similar costs, if any, properly allocable to that refunding issue. A current refunding issue is a refunding issue that is issued not more than 90 days before the last expenditure of any proceeds of the refunding issue for the payment of principal or interest on the prior issue. An advance refunding issue is a refunding issue that is not a current refunding issue. See Regulations sections 1.150-1(d)(1), 1.150-1(d)(3), and 1.150-1(d)(4).

Related organization

An organization that stands in one or more of the following relationships to the filing organization.

- Parent: an organization that **controls** (see examples of **control** in the definition above) the filing organization.
- Subsidiary: an organization controlled (see examples of **control** in the definition above) by the filing organization.
- Brother/Sister: an organization controlled (see examples of **control** in the definition above) by the same person or persons that control the filing organization.
- Supporting/Supported: an organization that is (or claims to be) at any time during the organization's tax year (i) a **supporting organization** of the filing organization within the meaning of section 509(a)(3), if the filing organization is a **supported organization** within the meaning of section 509(f)(3); (ii) or a supported organization, if the filing organization is a supporting organization.

Religious order

An organization described in Rev. Proc. 91-20.

Reportable compensation

Compensation that is reported on Form W-2, box 5 (or box 1 if the employee's compensation is not reported in box 5), or Form 1099-MISC, box 7, filed for the calendar year ending with or within the organization's tax year.

Review of financial statement

An examination of an organization's financial records and practices by an independent accountant with the objective of assessing whether the **financial statements** are plausible, without the extensive testing and external validation procedures of an audit.

School

An organization, the primary function of which is the presentation of formal instruction, and which has a regular faculty, curriculum, an enrolled body of students, and a place where educational activities are regularly conducted.

Security/securities

Any bond, debenture, note, or certificate or other evidence of indebtedness issued by a corporation, government or **political subdivision**, share of stock, voting trust certificate, or any certificate of interest or participation in, certificate of deposit or receipt for, temporary or interim certificate for, or warrant or right to subscribe to or purchase, any of the foregoing.

SFAS 116

Statement of Financial Accounting Standards No. 116, Accounting for Contributions Received and Contributions Made.

SFAS 117

Statement of Financial Accounting Standards No. 117, Financial Statements of Not-for-Profit Organizations.

Short accounting period

An accounting period of less than 12 months, which exists when an organization changes its annual accounting period, and which may exist in its initial or final year of existence (see **tax year**).

Short period

See **short accounting period**.

Significant disposition of net assets

A disposition of net assets, consisting of a sale, exchange, disposition or other transfer of more than 25% of the fair market value of the organization's net assets during the year, regardless of whether the organization received full or adequate consideration. A significant disposition of net assets involves:

1. One or more dispositions during the organization's **tax year**, amounting to more than 25% of the fair market value of the organization's net assets as of the beginning of its **tax year**; or
2. One of a series of related dispositions or events commenced in a prior year that, when combined, comprise more than 25% of the fair market value of the organization's net assets as of the beginning of the **tax year** when the first disposition in the series was made. Whether a significant disposition of net assets occurred through a series of related dispositions depends on the facts and circumstances in each case.