



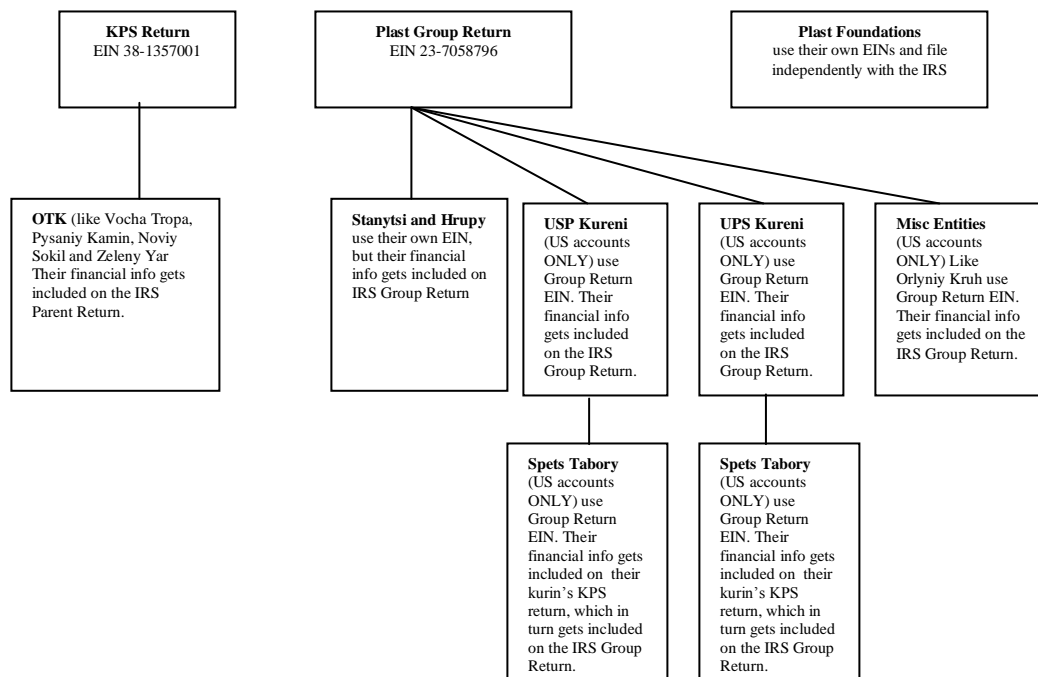
Instructions for Completing PLAST-USA Financial Reports

How the IRS Sees Plast-USA.

The IRS uses EIN numbers to track bank accounts and reporting entities. From the IRS's perspective, each not-for-profit entity with an EIN has a reporting requirement. The IRS has permitted Plast-KPS to file two returns to meet its and its affiliates reporting obligations to the IRS. One return for the parent (KPS) organization and OTK (Parent Return), and one for all of the subsidiaries and affiliates (Group Return). Entities with their own EIN (such as Stanytsi) can be considered subsidiary organizations. For ease of reporting, financial information from USP and UPS Kureni, and miscellaneous entities such as Orlynyi Kruh, are included on the Plast Group Return and it is

for this reason that USP and UPS kureni, and such entities MUST use the Group EIN for their bank accounts and in their reporting. One thing to keep in mind is that these IRS reporting requirements apply only to US entities. So, if, for example, a kurin has membership in both the US and in Canada, the reporting requirement is triggered when the kurin's bank account(s) are located in the US. It is important to note that spets tabory, all of which are operated either by USP and/or UPS kureni are NOT EXEMPT from the IRS and KPS reporting

Plast USA Financial Reporting Structure



requirements. Our spets tabory , especially Morskyi Tabir and Leshchetarskyi Tabir have sizable gross revenues, particularly when combined with the sponsoring kurin's other activities. These revenues ARE reportable and Plast-USA, through the operating entities IS REQUIRED to report to the IRS. Failure to report not only jeopardizes Plast-USA's tax exempt status, but it will put at significant risk the future approval by KPS of the spets tabir's continued sanctioned operations.

It is also important to remember that activities such as zabavy that the USP/UPS kureni organize are reportable. Morskyi Ball and Kalyna Deb spring to mind (rest assured there are others). The revenues from these activities ARE reportable. If the operations are run jointly by an USP and UPS kurin, or jointly by kureni and other Plast entities, the partners can decide who will include the revenues on their KPS Return.

General

Now that this is all clear, lets move on to the Reporting Forms. You should have received an Excel Workbook, and embedded in it are six Worksheets look at the bottom of the spreadsheet for the six Tabs, one for each Form). If you did not receive the forms via e-mail, you can find them at www.plastusa.org, under "КПС", under "Фінанси". By completing these forms electronically, you will aid KPS in providing accurate reports to the IRS. It also makes everyone's job much easier because the forms have embedded formulas.

We request that you complete the forms electronically and return them to kps@plastusa.org by **March 1, 2010**. If you do not have access to Excel, please find someone that does. If for some reason you cannot complete and return the forms electronically, print out the forms and fill them out by hand. You will however find that completing them in Excel is much easier.

If you have questions or problems with the forms, send an e-mail to kpsfinancy@plastusa.org . DO NOT send the completed returns to kpsfinancy@plastusa.org , because the Kantseliariya (kps@plastusa.org) needs to log the returns as they come in.

Since the same forms are used by everyone, certain aspects of the forms may apply differently to different affiliates. For example, a stanytsia collecting fees from yunatstvo that will be attending Sviato Vesny at an oselia, would report those fees on Line 2 of Form I as "Camp and program fees collected". Those Sviato Vesny fees may be used in part to pay a bus company to get the participants up to the oselia, and in part to pay the oselia for food and lodging. In this case, the bus fees would be reported on Line 25 of Form I as

"Travel", while the fees paid to the oselia would be reported on Line 18 of Form I as "Camp and program payments". The oselia, on the other hand, would report the stanytsia's payments on its Line 2 as "Camp and program fees collected".

Any item on any form requiring listing or scheduling should be provided on the Schedule Tab.

Info Tab/Section.

This is all fairly self explanatory.

EIN Number. Each affiliate should use its own EIN number, or in the case of USP and UPS kureni and other affiliates, the Group Return EIN: 23-7058796. This number should correspond to each and every bank account opened in the affiliate's name (including the bank accounts of each hurtok, or special purpose account (zabava account, etc.). Should you have another EIN, please list it below the first EIN and state its purpose.

Note that Plast KPS still requires an authorized officer of each subsidiary and affiliate to authorize the inclusion of its financial information on the Group Return (thus eliminating the subsidiary's or affiliates' independent obligation to file with the IRS). This year, in the spirit of digitization, we will be requiring e-mail submissions, preferably from the Treasurer (but also from the President). See below under "**Submission**" for instructions.

Form III Account Balances And

Form IV Liabilities and Depreciation

These forms are self explanatory. Form III should be completed first and Form IV should be completed second. Note that the balances, interest earned, liabilities and depreciation amounts flow to the appropriate places in the other Forms.

Form I - Income Statement (P&L)

Note, any item requiring scheduling should be provided on the Schedule Tab

- Line 1 Dues. Gross amount of dues collected. Do not subtract amount transmitted to KPS.
- Line 2 Camp and program fees collected. Enter the fees collected in connection with camp and other programs such as prohulky, Orlykiada, Sviato Vesny, etc. Include the travel portion collected (bus, van, plane, etc.) in connection with the program(s). Note that

- travel portion of the collected revenue should appear as an expense on line 25.
- Line 3 Sale of goods. Include revenues from sale of books, uniforms, T-shirts, all kramnytsia items, sale of items at bazaars, etc.
- Line 4 Social functions. Include revenues before expenses from all social functions, raffles, exhibits, buffets, zabavas, and banquets.
- Line 5 Interest (or dividends) on savings, checking and short term (12 months or less) CDs from ALL accounts. Flows from Form III.
- Line 6 Dividends on investments such as stocks, bonds or long term (over 12 months) CD. Flows from Form III.
- Line 7 Meeting Income. This represents any income that you collected for Rady or other such functions.
- Line 8 Contributions and donations. List caroling donations separately from all other donations. Do not subtract any amounts transmitted to KPS.
- Line 9 Taxes collected from subsidiaries. Used by KPS to report payroll taxes collected from OTK.
- Line 10 Other collections for specific causes. List and itemize on a schedule all amounts, including amounts transmitted to KPS. This would include, for example, any amounts collected for restricted purposes such as a building fund, 50th anniversary of Plast, 50th Anniversary of Vovcha Trova, etc. Such restricted amounts should be maintained in a separate account which should be identified on Form III as a Specified funds and this information will flow into Form II, Line 4.
- Line 11 Subscriptions. Amounts collected for Plastovyj Shlyakh and Hotuys subscriptions.
- Line 12 Miscellaneous revenue. List and itemize on a the Schedule Tab any individual income item that you could not categorize. This amount should be under \$100.
- Line 13 Total revenue. Total of lines 1 through 12.
- Line 14 Postage and shipping.
- Line 15 Interest expense on loans and mortgages. This line flows in from Form IV.
- Line 16 Printing, reproduction, publications, web sites, and advertising Include cost of printing or copying bulletins, manuals, handbooks, etc. Also List and itemize on the Schedule Tab costs of web hosting and web site development.
- Line 17 Conferences, conventions and meetings. Enter fees associated with conducting or attending various conferences, conventions and meetings. This would, for example include the costs of stanychni schodyny if they were held at a local hotel or in a room of the Ukrainian center that is paid for separately from the normal domivka rent (which rent would be reported on Line 33). It would also include the cost of sending representatives to a KPZyiszd (excluding travel expenses, which would be included on Line 25. *IRS Instructions: Enter the total expenses incurred by the organization in conducting meetings related to its activities. Include such expenses as the rental of facilities, speakers' fees and expenses, and printed materials. Include the registration fees (but not travel expenses) paid for sending any of the organization's staff to conferences, meetings, or conventions conducted by other organizations. However, do not include on this line the salaries and travel expenses of the reporting organization's own officers, directors, trustees, and employees who participate.*
- Line 18 Camp and program payments. Enter expenditures connected with camp and other programs such as payments to oseli (OTK and others) for prohulky, Orlykiyada, Sviato Vesny, tabory, spets tabory, etc. Do not include travel portion of the camp expenses. These should appear as an expense on line 25.
- Line 19 Insurance. Include costs of ALL insurance: property, casualty, umbrella, event, worker's compensation, disability, etc.
- Line 20 Salaries and wages. Include gross amounts of all employee salaries. Do not include fees paid to consultants. Such consulting expenses should appear in the expense category to which the services were related.
- Line 21 Other employee benefits. Include costs of medical insurance, pension, etc. THIS LINE IS NOT TO EXCEED LINE 20.
- Line 22 Taxes. List other taxes separately from payroll taxes paid. List and itemize on a schedule other taxes paid.
- Line 23 Accounting fees.
- Line 24 Legal fees.
- Line 25 Travel
- Line 26 Telephone
- Line 27 Office supplies This would include various office supplies.
- Line 28 Equipment rental. Also used by spets tabory to show, for example, expenses of boat, horse, bus, etc. rental.
- Line 29 Cost of social functions. Include cost of events such as debs, zabavy, yalynka, etc.
- Line 30 Cost of goods sold. Include cost of goods sold, including those at bazaars and in kramnytsias.

- Line 31 Other supplies. This would include supplies for arts and crafts.
- Line 32 Food for camps. This line is used generally by oseli (OTK) and spets tabory to show costs of feeding campers. If these costs cannot be broken out separately (as may be the case at a facility that charges room and board on a per person basis, include those costs on Line 18 as Camp and program payments.)
- Line 33 Occupancy. Enter the total amount paid or incurred for the use of office space or rental of other facilities. This includes heat, light, power, and other utilities (other than telephone expenses reported on Line 26), outside janitorial services, property insurance, real estate taxes, and similar expenses. Do not subtract rental income received from renting or subletting rented space from the amount reported for occupancy expense on Line 35.
- Line 34 Depreciation. This is current year depreciation of buildings, capital improvements, purchase of furniture etc. This flows in automatically from Form IV. This item does not include Accumulated Depreciation which is accounted for on Form II under each specific category.
- Line 35 Dues to KPS. Portion of collected dues transmitted to KPS.
- Line 36 Caroling to KPS. Portion of caroling revenues transmitted to KPS.
- Line 37 Other payments to KPS or HPB. List and itemize on a schedule .
- Line 38 Transmittal of collections. List and itemize on a schedule the type of amounts collected and listed on Line 10 and transmitted to other entities, whether or not Plast entities. This would include any amounts transmitted to KPS.
- Line 39 Transmittal of subscription. Hotuys and Plastovyj Shliakh subscriptions of the type collected on Line 11 and transmitted to collecting entity (KPS, Plast Publishing, etc.).
- Line 40 Transmittal of payroll taxes. Generally used by oseli (OTK) to transmit payroll taxes to KPS.
- Line 41 Grants and allocations. Report grants or allocations to individuals or organizations, such as grants (donations) by stanytsi or kureni in support of KUPO, HPB, Obmin Bulavy etc.
- Line 42 Miscellaneous expenses. List and itemize on the Schedule Tab any miscellaneous expenses. This amount should not be over \$100.
- Line 43 Total expenses. This is a total of lines 14 to 42. It is automatically calculated.

- Line 44 Net income (deficit). This line indicated whether your group had a profit or loss. It flows into Form II line 26.

Form II – Balance Sheet

Any item requiring scheduling must be listed on the Schedule Tab.

ASSETS

- Line 1 Cash – non-interest bearing. This amount flows from Form III. On Form III enter the total of non-interest-bearing checking accounts, deposits in transit, change funds, petty cash funds, or any other non-interest-bearing account. Do not include advances to employees or officers or refundable deposits paid to suppliers or others.
- Line 2 Savings and temporary cash investments. This amount flows from Form III. On Form III, enter the total of interest-bearing checking accounts, savings and temporary cash investments, such as money market funds, commercial paper, certificates of deposit, and U.S. Treasury bills or other governmental obligations that mature 1 year or less. Do not include Specified funds. Enter this information in the Specified Funds section on Form III. All of this information will automatically populate the appropriate lines.
- Line 3 Investments – securities. This amount flows from Form III. On Form III, enter the fair market value of securities held as investments at the beginning and end of the year. Show each type of security (U.S. Government obligations, corporate stocks, etc.) separately. Do not include Specified funds.
- Line 4 Specified funds. This amount flows from Form III. On Form III, enter the balances or market values of funds held for specific purposes at the beginning and end of the year. As with non-specified funds (i.e., those reportable elsewhere on Form III and on Lines 2 and 3 of Form II), specified funds can be either short term (12 months or less) or long term). These would include, for example, any amounts collected for specified purposes such as a building fund, 50th anniversary of Plast, 50th anniversary of Vovcha Tropa, etc. Show each type of security (U.S. Government obligations, corporate stocks, etc.) separately. Do not include amounts reported on Form II, Line 2 or 3. Report dividends and interest from these securities on Form II, Line 8 or 9 as

appropriate (i.e., interest/dividends from short or long term investments).

Line 5 Accounts receivable. Enter the total accounts receivable (reduced by the allowance for doubtful accounts) from the sale of goods and/or the performance of services. Report claims against vendors or refundable deposits with suppliers or others here, if not significant in amount. Otherwise, report them on Line 15, Other assets.

Line 6 Inventories. Enter the amount of materials, goods, and supplies purchased and held for future sale or use.

Line 7 Prepaid expenses. Enter the amount of short-term and long-term prepayments of expenses attributable to one or more future accounting periods. Examples include prepayments of rent, insurance, and pension costs, and expenses incurred for a solicitation campaign of a future accounting period.

Lines 8 to 15 Property, plant and equipment, etc. Enter the book value (cost or other basis less accumulated depreciation) of all land, buildings, and equipment owned by the organization and not held for investment. This includes any property, plant, and equipment owned and used by the organization in conducting its exempt activities. Identify each asset where appropriate, or list and itemize on a schedule those fixed assets held at the end of the year and show, for each item or category listed, the cost or other basis, accumulated depreciation, and book value.

Line 16 Other assets. List and itemize on a schedule, and show the book value of each category of assets not reportable on Lines 1 through 14.

Line 17 Total assets

LIABILITIES

Line 18 Accounts payable. Enter the total of accounts payable to suppliers and others and accrued expenses, such as salaries payable, accrued payroll taxes, and interest payable.

Line 19 Accrued taxes. Taxes due but not paid.

Line 20 Accrued expenses. Expenses due but not paid.

Line 21 Not transmitted collections. Collected amounts not yet transmitted such as Caroling or dues due to KPS.

Line 22 Not transmitted subscriptions. Collected amounts for Yunak or Hotuys not yet transmitted.

Line 23 Loans from affiliates. Loans from subordinates or affiliates. List information on the Schedule Tab not on Form IV. This information is not automatically populated.

Line 24 Mortgage(s) and notes payable. Flows from Form IV. Enter the amount of mortgages and other notes payable at the beginning and end of the year on Form IV. The schedule should also identify the relationship of the lender to any officer, director, trustee, or key employee of the organization.

Line 25 Total liabilities.

CAPITAL

Line 26 Total capital – Beginning of Year. Net asset balance (assets *minus* liabilities) from preceding reporting period.

Line 27 Net income (Deficit). Net income (Deficit) from current reporting period. Flows from Form 1, Line 47.

Line 28 Total capital. Sum of lines 26 and 27

FORM III

It is essential that you complete this form thoroughly. Most of the information on this form flows into the appropriate lines on Forms I & II. The other data requested enables us to keep track of accounts as the stanychnij provid changes. This assures that assets are not lost over the course of time. Please note that this form is divided into five sections. Each section deals with different types of bank/investment assets. Please enter your account information in the appropriate section. The first section is for cash and non-interest bearing accounts. The second section is for savings, temporary cash investments and short term CDs. This would normally be part of your working capital. The next section deals with longer term financial assets such as stocks, bonds and long term CDs. There are two additional sections on this form that deal with Specified Funds. Specified Funds are assets that are specified for a specific purpose and cannot be used for other purposes. An example of this may be funds that are set aside for the purchase of a domivka. One of these sections is for Short term commitments and the other for Long term commitments. The following data is required:

Bank account no. Fill out the complete bank account numbers in these cells.

Account title Fill out the account registration for example: Plast Ukrainian Scouting Organization USA. – Hrebli

Institution Complete the name of the bank or institution where these funds are held for example: Self Reliance Credit Union

Type of account Indicate the type of account (checking, savings, CD brokerage etc.)

Name of custodian (signatories) Indicate who is a signatory on each account

Balance at 01/01/ This is the amount of funds in the account on the first day of the reporting year

Balance at 12/31 This is the amount of funds in the account on the last day of the reporting year. These sums automatically flow into the appropriate line on Form II

Checks written but not cashed Please total the checks that you have written but have not been cashed by vendors or payees.

Un-deposited funds Record any checks or cash you have recorded in your books but that have not yet cleared the bank.

Mortgage balance at 01/01. Indicate the outstanding balance on the mortgage at the beginning of the reporting year.

Mortgage balance at 12/31. Indicate the outstanding balance at the end of the reporting year. This flows into Form II

Interest Expense. Indicate the amount of interest paid on this loan. Do not include principal payments. This flows into line 14 on Form I

Current year depreciation. Indicate the amount of depreciation for this specific property. This flows into line 34 of Form I

Accumulated depreciation. This amount includes all of the accumulated depreciation on this building as well as the current year depreciation. This flows into Form II

This form includes sections where you can list additional loans and notes that do not correspond to any buildings, capital improvements or the purchase of furniture or fixtures. Please list those loans in the appropriate section.

FORM IV

This form must be completed by any kurin, stanycia or oselia that has land, buildings, hard assets such as boats, furniture and fixtures or loans. This form is similar to Form III and is divided into sections. Each section relates to a different type of capital expenditure. The value of land is carried as cost as opposed to fair market value. Buildings are depreciated and capital improvements increase the basis or cost of a building but are depreciated as well. Furniture and fixtures are depreciated also.

Building name. Indicate the name of the building (domivka, pavilion, administration building etc.)

Building address. This would be the legal address of the building in the case of a domivka.

Date of purchase. This is self explanatory.

Cost. This is self explanatory. This flows into Form II

Name of lender. Name of lender or lending institution

Mortgage original amount. Indicate the amount of the original loan.

SCHEDULE

Use this form to record any lists or clarifying information from the previous forms

Submissions

Returns are due no later than March 1, 2010.

You must cut and paste (or type) the following declaration in your submitting e-mail:

"I declare that the information on the accompanying financial statements are, to the best of my knowledge and belief, true and correct. By submitting this information electronically, the sender, duly authorized to do so, authorizes its parent organization (while in all respects intending to comply with all applicable legal provisions governing the use of digital signatures), to include this subsidiary's information in applicable returns to the IRS."

Send the completed workbook/spreadsheet along with the declaration to kps@plastusa.org .