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Exempt Organization Business Income Tax Return

(and proxy tax under section 6033(e))

2012

Open to Public Inspection for
501(c)(3) Organizations Only

Department of the Treasury
Internal Revenue Service

For calendar year 2012 or other tax year beginning _____, and ending _____

<p>A <input type="checkbox"/> Check box if address changed</p> <p>B Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)</p>	<p>Print or Type</p>	<p>Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) MINNESOTA COUNCIL OF NONPROFITS INC</p> <p>Number, street, and room or suite no. If a P.O. box, see instructions. 2314 UNIVERSITY AVE WEST, NO. 20</p> <p>City or town, state, and ZIP code ST. PAUL, MN 55114</p>	<p>D Employer identification number (Employees' trust, see instructions) 36-3501477</p> <p>E Unrelated business activity codes (See instructions) 511140 541800</p>
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C Book value of all assets at end of year: **1,697,022.**

F Group exemption number (see instructions): _____

G Check organization type: 501(c) corporation 501(c) trust 401(a) trust Other trust

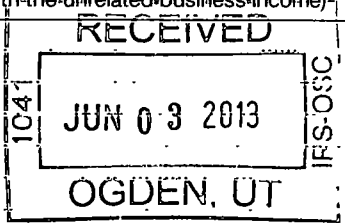
H Describe the organization's primary unrelated business activity: **SEE STATEMENT 1**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
 If "Yes," enter the name and identifying number of the parent corporation: _____

J The books are in care of: **SONDRA REIS** Telephone number: **651-642-1904**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales 3,238.			
b Less returns and allowances _____ c Balance 3,238.	1c 3,238.		
2 Cost of goods sold (Schedule A, line 7)	2 8,562.		
3 Gross profit. Subtract line 2 from line 1c	3 -5,324.		-5,324.
4a Capital gain net income (attach Schedule D)	4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c Capital loss deduction for trusts	4c		
5 Income (loss) from partnerships and S corporations (attach statement)	5		
6 Rent income (Schedule C)	6		
7 Unrelated debt-financed income (Schedule E)	7		
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8 17,071.		17,071.
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10 Exploited exempt activity income (Schedule I)	10		
11 Advertising income (Schedule J)	11 15,450.	3,237.	12,213.
12 Other income (see instructions; attach statement) STATEMENT 2	12 6,606.		6,606.
13 Total. Combine lines 3 through 12	13 33,803.	3,237.	30,566.

Part II Deductions Not Taken Elsewhere (see instructions for limitations on deductions) (except for contributions, deductions must be directly connected with the unrelated business income)	21	22a	22b
14 Compensation of officers, directors, and trustees (Schedule K)			
15 Salaries and wages			3,778.
16 Repairs and maintenance			
17 Bad debts			
18 Interest (attach statement)			
19 Taxes and licenses			
20 Charitable contributions (see instructions for limitation rules)			
21 Depreciation (attach Form 4562)			
22 Less depreciation claimed on Schedule A and elsewhere on return			
23 Depletion			
24 Contributions to deferred compensation plans			
25 Employee benefit programs			
26 Excess exempt expenses (Schedule I)			
27 Excess readership costs (Schedule J)			11,536.
28 Other deductions (attach statement)			
29 Total deductions. Add lines 14 through 28			15,314.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13			15,252.
31 Net operating loss deduction (limited to the amount on line 30) SEE STATEMENT 3			15,252.
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30			0.
33 Specific deduction (generally \$1,000, but see instructions for exceptions)			1,000.
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32			0.



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 For Paperwork Reduction Act Notice, see instructions.

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Part III Tax Computation

35 Organizations taxable as corporations (see instructions for tax computation). Controlled group members (sections 1561 and 1563) check here [] See instructions and: a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ (2) \$ (3) \$ b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ (2) Additional 3% tax (not more than \$100,000) \$ c Income tax on the amount on line 34 35c 0. 36 Trusts taxable at trust rates (see instructions for tax computation). Income tax on the amount on line 34 from: [] Tax rate schedule or [] Schedule D (Form 1041) 36 37 Proxy tax (see instructions) 37 38 Alternative minimum tax 38 39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies 39 0.

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 40a 40b Other credits (see instructions) 40b 40c General business credit. Attach Form 3800 40c 40d Credit for prior year minimum tax (attach Form 8801 or 8827) 40d 40e Total credits. Add lines 40a through 40d 40e 41 Subtract line 40e from line 39 41 0. 42 Other taxes. Check if from: [] Form 4255 [] Form 8611 [] Form 8697 [] Form 8866 [] Other (attach statement) 42 43 Total tax. Add lines 41 and 42 43 0. 44a Payments: A 2011 overpayment credited to 2012 44a 44b 2012 estimated tax payments 44b 44c Tax deposited with Form 8868 44c 44d Foreign organizations: Tax paid or withheld at source (see instructions) 44d 44e Backup withholding (see instructions) 44e 44f Credit for small employer health insurance premiums (Attach Form 8941) 44f 44g Other credits and payments: [] Form 2439 [] Form 4136 [] Other Total 44g 45 Total payments. Add lines 44a through 44g 45 46 Estimated tax penalty (see instructions). Check if Form 2220 is attached [] 46 47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed 47 0. 48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 48 0. 49 Enter the amount of line 48 you want Credited to 2013 estimated tax [] Refunded [] 49

Part V Statements Regarding Certain Activities and Other Information (see instructions)

1 At any time during the 2012 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here [] Yes [] No X 2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file [] Yes [] No X 3 Enter the amount of tax-exempt interest received or accrued during the tax year \$ []

Schedule A - Cost of Goods Sold. Enter method of inventory valuation [] N/A

1 Inventory at beginning of year 1 0. 2 Purchases 2 3 Cost of labor 3 7,077. 4a Additional section 263A costs (att statement) 4a b Other costs (attach statement) 4b 1,485. 5 Total. Add lines 1 through 4b 5 8,562. 6 Inventory at end of year 6 0. 7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 7 8,562. 8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? [] Yes [] No X

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 taxpayer) is based on all information of which preparer has any knowledge.

Sign Here [Signature] 5/13/13 ASSOCIATE DIRECTOR May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [] No

Print/Type preparer's name Preparer's signature Date Check [] if self-employed PTIN KIM HUNWARDSSEN, CPA CPA 05/09/13 P00484560 Firm's name EIDE BAILLY LLP Firm's EIN 45-0250958 Firm's address 800 NICOLLET MALL, STE. 1300 MINNEAPOLIS, MN 55402-7033 Phone no. 612-253-6500

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)

1. Description of property

(1)
(2)
(3)
(4)

2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach statement)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)		
(2)		
(3)		
(4)		
Total	0.	Total 0.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **0.** (b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) **0.**

Schedule E - Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach statement)	(b) Other deductions (attach statement)	
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach statement)	5. Average adjusted basis of or allocable to debt-financed property (attach statement)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals			0.	0.

Total dividends-received deductions included in column 8 **0.**

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1) NONPROFIT					
(2) INSURANCE ADVISORS	45-3137316				
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)	-10,113.	17,071.	17,071.	
(3)				
(4)				
Totals			17,071.	0.

Schedule G' - Investment Income of a Section 501(c)(7), (9), or (17) Organization
(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach statement)	4. Set-asides (attach statement)	5. Total deductions and set-asides (col 3 plus col 4)
(1)				
(2)				
(3)				
(4)				
Totals	0.			0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income
(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols 5 through 7	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals	0.	0.				0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3). If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))	0.	0.				0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3). If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1) NONPROFIT NEWS	10,700.	2,342.	8,358.	5,807.	23,350.	8,358.
(2) GRANTS ALERT	4,750.	895.	3,855.	1,190.	4,368.	3,178.
(3)						
(4)						
Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	15,450.	3,237.				11,536.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total Enter here and on page 1, Part II, line 14			0.

FORM 990-T DESCRIPTION OF ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY STATEMENT 1

MAILING LABELS TO FOR-PROFIT ENTITIES, NEWSLETTER ADVERTISING, INTEREST/RENT FROM CONTROLLED ENTITY, AND SPONSORSHIPS OF JOB BOARD AND E-NEWSLETTERS

TO FORM 990-T, PAGE 1

FORM 990-T OTHER INCOME STATEMENT 2

DESCRIPTION	AMOUNT
ADVERTISING FROM JOB BOARD	6,356.
ADVERTISING FROM SMART NONPROFITS	250.
TOTAL TO FORM 990-T, PAGE 1, LINE 12	6,606.

FORM 990-T NET OPERATING LOSS DEDUCTION STATEMENT 3

TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR
12/31/04	2,648.	0.	2,648.	2,648.
12/31/05	0.	1,838.	-1,838.	-1,838.
12/31/06	4,467.	0.	4,467.	4,467.
12/31/07	6,739.	0.	6,739.	6,739.
12/31/08	6,584.	0.	6,584.	6,584.
12/31/09	6,818.	0.	6,818.	6,818.
12/31/10	6,889.	0.	6,889.	6,889.
12/31/11	6,168.	0.	6,168.	6,168.
NOL CARRYOVER AVAILABLE THIS YEAR			38,475.	38,475.

FORM 990-T COST OF GOODS SOLD - OTHER COSTS STATEMENT 4

DESCRIPTION	AMOUNT
ADDRESS CORRECTION SERVICE	1,485.
TOTAL TO FORM 990-T, SCHEDULE A, LINE 4B	1,485.