
Is it Community Benefit?

The following questions can help organizations determine whether a program or activity should be reported as community benefit. Organizations are also urged to review the Internal Revenue Service (IRS) Instructions for completing IRS Form 990, Schedule H www.irs.gov/pub/irs-pdf/i990sh.pdf and CHA's *A Guide to Planning and Reporting Community Benefit* for expanded guidance. Visit www.chausa.org/communitybenefit to order a copy of that CHA resource.

In addition, more information about reporting community benefit can be found at www.chausa.org/whatcounts. View the "Community Benefit Categories and Standard Definitions" document for definitions of community benefit categories.

This tool does not address community building activities or community benefit operations. Information on these activities can be found in other CHA resources.

- + Guidance on community building activities can be found on the CHA website at www.chausa.org/whatcounts under **What Counts Resources**.
- + Community benefit operations include costs associated with assigned staff and community health needs and/or asset assessment, as well as other costs associated with community benefit strategy and operations. See the categories and definitions document referenced above for specific examples of community benefit operations costs.

Step I*Does the program or activity:*

- + address a demonstrated community health need?¹ and
- + seek to address at least one of the following community benefit objectives:
 - improve access
 - enhance public health
 - advance increased general knowledge
 - relieve government burden to improve health

Does the program or activity:

- + primarily benefit the community rather than the organization?
- + result in measurable expense to the organization?

If “No” to any of the questions in Step I, not a community benefit**If “Yes” to all questions in Step I, proceed to Step II****Step II***Is the program or activity:*

- + provided primarily for marketing purposes?
- + standard practice, expected of all hospitals (such as activities required for accreditation, licensure, or to participate in Medicare)?
- + provided primarily for discharged patients or the organization’s “covered lives”?
- + primarily for employees (not including interns, residents and fellows) and/or affiliated physicians?

If “Yes” to any of the questions in Step II, not a community benefit**If “No” to all questions in Step II, proceed to Step III**¹ **IRS Instructions for Schedule H say that community need may be demonstrated through:**

- + A community health needs assessment developed or accessed by the organization.
- + Documentation that demonstrated community need or a request from a public agency or community group was the basis for initiating or continuing the activity or program.
- + The involvement of unrelated, collaborative tax-exempt or government organizations as partners in the activity or program.

Step III

