

Form 990-T

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

2018

For calendar year 2018 or other tax year beginning and ending
Go to www.irs.gov/Form990T for instructions and the latest information.
Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3)

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

Department of the Treasury Internal Revenue Service

A Check box if address changed
B Exempt under section
[X] 501 (C) 3
408(e) 220(e)
408A 530(a)
529(a)

Name of organization () Check box if name changed and see instructions)
American Diabetes Association
Number, street, and room or suite no If a P O box, see instructions
2451 Crystal Drive, Room 900
City or town State ZIP code
Arlington VA 22202
Foreign country name Foreign province/state/county Foreign postal code

D Employer identification number (Employees' trust, see instructions)
13-1623888
E Unrelated business activity code (See instructions)
541800

C Book value of all assets at end of year 142,466,593
F Group exemption number (See instructions)
G Check organization type [X] 501(c) corporation [] 501(c) trust [] 401(a) trust [] Other trust

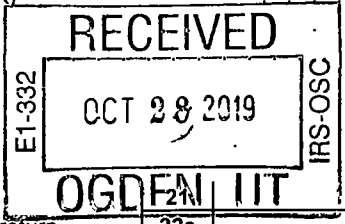
H Enter the number of the organization's unrelated trades or businesses 2 Describe the only (or first) unrelated trade or business here Advertising
If only one, complete Parts I-V If more than one, describe the first in the blank space at the end of the previous sentence, complete Parts I and II, complete a Schedule M for each additional trade or business, then complete Parts III-V

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

J The books are in care of Charlotte M Carter, CFO Telephone number 703-549-1500

Part I Unrelated Trade or Business Income
Table with columns: (A) Income, (B) Expenses, (C) Net
Rows 1-13: 1 a Gross receipts or sales, b Less returns and allowances, c Balance, 2 Cost of goods sold, 3 Gross profit, 4 a Capital gain net income, b Net gain (loss), c Capital loss deduction for trusts, 5 Income (loss) from a partnership or an S corporation, 6 Rent income, 7 Unrelated debt-financed income, 8 Interest, annuities, royalties, and rents from a controlled organization, 9 Investment income of a section 501(c)(7), (9), or (17) organization, 10 Exploited exempt activity income, 11 Advertising income, 12 Other income, 13 Total. Combine lines 3 through 12

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.)
Table with columns: 14-32
Rows 14-32: 14 Compensation of officers, directors, and trustees, 15 Salaries and wages, 16 Repairs and maintenance, 17 Bad debts, 18 Interest, 19 Taxes and licenses, 20 Charitable contributions, 21 Depreciation, 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, 27 Excess readership costs, 28 Other deductions, 29 Total deductions, 30 Unrelated business taxable income before net operating loss deduction, 31 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018, 32 Unrelated business taxable income



SCANNED DEC 09 2019

For Paperwork Reduction Act Notice, see instructions.

Form 990-T (2018)

611

Part III Total Unrelated Business Taxable Income

33	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	33	0
34	Amounts paid for disallowed fringes	34	47,216
35	Deduction for net operating loss arising in tax years beginning before January 1, 2018 (see instructions)	35	47,216
36	Total of unrelated business taxable income before specific deduction Subtract line 35 from the sum of lines 33 and 34	36	0
37	Specific deduction (Generally \$1,000, but see line 37 instructions for exceptions)	37	0
38	Unrelated business taxable income. Subtract line 37 from line 36. If line 37 is greater than line 36, enter the smaller of zero or line 36	38	0

Part IV Tax Computation

39	Organizations Taxable as Corporations. Multiply line 38 by 21% (0.21)	39	0
40	Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 38 from <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	40	
41	Proxy tax. See instructions	41	
42	Alternative minimum tax (trusts only)	42	
43	Tax on Noncompliant Facility Income. See instructions	43	
44	Total. Add lines 41, 42, and 43 to line 39 or 40, whichever applies	44	0

Part V Tax and Payments

45 a	Foreign tax credit (corporations attach Form 1118, trusts attach Form 1116)	45a		
b	Other credits (see instructions)	45b		
c	General business credit Attach Form 3800 (see instructions)	45c		
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	45d		
e	Total credits. Add lines 45a through 45d	45e		0
46	Subtract line 45e from line 44	46		0
47	Other taxes Check if from <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	47		
48	Total tax. Add lines 46 and 47 (see instructions)	48		0
49	2018 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 2	49		
50 a	Payments A 2017 overpayment credited to 2018	50a		
b	2018 estimated tax payments	50b		
c	Tax deposited with Form 8868	50c		
d	Foreign organizations Tax paid or withheld at source (see instructions)	50d		
e	Backup withholding (see instructions)	50e		
f	Credit for small employer health insurance premiums (attach Form 8941)	50f		
g	Other credits, adjustments, and payments <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other Total	50g		0
51	Total payments. Add lines 50a through 50g	51		0
52	Estimated tax penalty (see instructions) Check if Form 2220 is attached <input type="checkbox"/>	52		
53	Tax due. If line 51 is less than the total of lines 48, 49, and 52, enter amount owed	53		0
54	Overpayment. If line 51 is larger than the total of lines 48, 49, and 52, enter amount overpaid	54		0
55	Enter the amount of line 54 you want Credited to 2019 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	55		0

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

56	At any time during the 2018 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 FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here	Yes	No
			X
57	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		X
58	Enter the amount of tax-exempt interest received or accrued during the tax year \$		

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.

Signature of officer: Charlotte McCarter Date: 10/1/2019 Title: Chief Financial Officer

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only	Ppnt/Type preparer's name Kay Thies	Preparer's signature <u>[Signature]</u>	Date 9-30-2019	Check <input type="checkbox"/> if self-employed	PTIN P01404047
	Firm's name	KPMG LLP		Firm's EIN	13-5565207
	Firm's address	8350 Broad St., Suite 900, McLean, VA 22102		Phone no	703-286-8000

Schedule A—Cost of Goods Sold. Enter method of inventory valuation ►

1	Inventory at beginning of year	1		6	Inventory at end of year	6	
2	Purchases	2		7	Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	0
3	Cost of labor	3					
4 a	Additional section 263A costs (attach schedule)	4a					
b	Other costs (attach schedule)	4b				Yes	No
5	Total. Add lines 1 through 4b	5	0				X

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		
(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)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(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) ►		(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 schedule)	(b) Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 × column 6)	8. Allocable deductions (column 6 × total of columns 3(a) and 3(b))
(1)		%	0	0
(2)		%	0	0
(3)		%	0	0
(4)		%	0	0
Totals			Enter here and on page 1, Part I, line 7, column (A) ►	Enter here and on page 1, Part I, line 7, column (B) ►
			0	0
Total dividends-received deductions included in column 8 ►				

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

Exempt Controlled Organizations					
1. Name of controlled organization	2. Employer identification number	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)					
(2)					
(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)					
(3)					
(4)					
Totals				Add columns 5 and 10 Enter here and on page 1, Part I, line 8, column (A)	Add columns 6 and 11 Enter here and on page 1, Part I, line 8, column (B)
				0	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 schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col 3 plus col 4)
(1)				0
(2)				0
(3)				0
(4)				0
Totals		Enter here and on page 1, Part I, line 9, column (A)		Enter here and on page 1, Part I, line 9, column (B).
		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)			0			0
(2)			0			0
(3)			0			0
(4)			0			0
Totals		Enter here and on page 1, Part I, line 10, col (A)	Enter here and on page 1, Part I, line 10, col (B)			Enter here and on page 1, Part II, line 26
		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) Attachment 3	2,278,379	4,401,003				
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))	2,278,379	4,401,003	-2,122,624	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) Attachment 4	124,500	177,511	-53,011	3,156,465	1,521,267	0
(2)			0			0
(3)			0			0
(4)			0			0
Totals from Part I	2,278,379	4,401,003				0
	Enter here and on page 1, Part I, line 11, col (A)	Enter here and on page 1, Part I, line 11, col (B)				Enter here and on page 1, Part II, line 27
Totals, Part II (lines 1-5)	2,402,879	4,578,514				0

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

**SCHEDULE M
(Form 990-T)**

**Unrelated Business Taxable Income for
Unrelated Trade or Business**

OMB No 1545-0687

2018

Department of the Treasury
Internal Revenue Service

For calendar year 2018 or other tax year beginning _____, 2018, and ending _____, 20____.
 ▶ Go to www.irs.gov/Form990T for instructions and the latest information.
 ▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

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

Name of the organization **American Diabetes Association** Employer identification number **13-1623888**

Unrelated business activity code (see instructions) ▶ **453000**
 Describe the unrelated trade or business ▶ **Miscellaneous Sales**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a	Gross receipts or sales			
b	Less returns and allowances			
	c Balance ▶	1c		
2	Cost of goods sold (Schedule A, line 7)	2		
3	Gross profit Subtract line 2 from line 1c	3	0	0
4 a	Capital gain net income (attach Schedule D)	4a		0
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		0
c	Capital loss deduction for trusts	4c		0
5	Income (loss) from a partnership or an S corporation (attach statement)	5		0
6	Rent income (Schedule C)	6		0
7	Unrelated debt-financed income (Schedule E)	7		0
8	Interest, annuities, royalties, and rents from a controlled organization (Schedule F)	8		0
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		0
10	Exploited exempt activity income (Schedule I)	10		0
11	Advertising income (Schedule J)	11		0
12	Other income (See instructions, attach schedule)	12	54,814	Attachment 1
13	Total. Combine lines 3 through 12	13	54,814	0

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.)

14	Compensation of officers, directors, and trustees (Schedule K)	14		
15	Salaries and wages	15		5,378
16	Repairs and maintenance	16		
17	Bad debts	17		
18	Interest (attach schedule) (see instructions)	18		
19	Taxes and licenses	19		
20	Charitable contributions (See instructions for limitation rules)	20		
21	Depreciation (attach Form 4562)	21		
22	Less depreciation claimed on Schedule A and elsewhere on return	22a		22b
23	Depletion	23		
24	Contributions to deferred compensation plans	24		
25	Employee benefit programs	25		
26	Excess exempt expenses (Schedule I)	26		
27	Excess readership costs (Schedule J)	27		
28	Other deductions (attach schedule)	28	Attachment 2	139,246
29	Total deductions. Add lines 14 through 28	29		144,624
30	Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13	30		-89,810
31	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	31		
32	Unrelated business taxable income Subtract line 31 from line 30	32		-89,810

For Paperwork Reduction Act Notice, see instructions

Schedule M (Form 990-T) 2018

AMERICAN DIABETES ASSOCIATION

13-1623888

ATTACHMENT 1

PART I - LINE 12 - OTHER INCOME

GIFT OF HOPE PROGRAM

54,814

PART I - LINE 12 - OTHER INCOME

54,814

AMERICAN DIABETES ASSOCIATION

13-1623888

ATTACHMENT 2

FORM 990T - PART II - LINE 28 - TOTAL OTHER DEDUCTIONS

GIFT OF HOPE DIRECT EXPENSES	104,198
GIFT OF HOPE OVERHEAD ALLOCATION	35,048

PART II - LINE 28 - OTHER DEDUCTIONS	<u>139,246</u>
--------------------------------------	----------------

AMERICAN DIABETES ASSOCIATION

13-1623888

ATTACHMENT 3

Schedule J - Part I (Income from Periodicals Reported on a Consolidated Basis)

Line 1.	Line 2.	Line 3	Line 4	Line 5.	Line 6
Name of Periodical	Gross Advertising Income	Direct Advertising Costs	Advertising Gain or (Loss)	Circulation Income	Readership Costs
Diabetes Forecast	1,634,794	3,469,578		263,819	4,361,307
Diabetes Care	429,858	190,214		5,696,346	1,851,351
Clinical Diabetes	93,609	689,487		88,356	38,838
Spectrum	90,118	48,593		264,274	359,951
Professional Section News	30,000	3,131		78	109,580
Total	2,278,379	4,401,003	-2,122,624		

AMERICAN DIABETES ASSOCIATION

13-1623888

ATTACHMENT 4

Schedule J - Part II (Income from Periodicals Reported on a Separate Basis)

Line 1	Line 2	Line 3	Line 4	Line 5	Line 6
Name of Periodical	Gross Advertising Income	Direct Advertising Costs	Advertising Gain or (Loss)	Circulation Income	Readership Costs
Diabetes Journal	87,155	170,623		3,156,465	1,521,267
Knowledge Ads (Online)	16,345	6,888		0	0
Food Hub	10,000	0		0	0
Education Recognition Program	11,000	0		0	0
Total	124,500	177,511	-53,011	3,156,465	1,521,267