



Reviewing the Form 990.... Through the eyes of the Board of Directors

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Learning Objectives

- Importance of Board of Directors review of the Form 990
- Various types of Form 990 and revocation rules
- Form 990: In Detail
- Schedules A, B & D: Brief overview



Throughout the presentation this icon will indicate a quick hit or the need to emphasize an area



This icon will symbolize what it is – a red flag – but for IRS audit purposes

Why?

- BoardSource® states that a few of the responsibilities of the board are:
 - Determining the mission of the organization and understanding its collective purpose
 - Ensuring strong fiduciary oversight and financial management
 - Fundraising and resource development
 - Approving and monitoring the organization's programs and services
 - Enhancing the organization's public image
 - Ensuring legal and ethical integrity

Increased Scrutiny of Form 990

- Form 990: Public inspection since 1958
- Available via Guidestar's individual search feature
- New emphasis:
 - External rating agencies
 - Charity Navigator & BBB Wise Giving Alliance
 - Amazon Web Service search tools



Financial Statements vs. 990

- Tax – No unrealized gain (losses)
 - reconciling item on Part XII
- Tax – No donated services or use of facilities
 - Remove both revenue and expenses; It is a wash for revenue.
- Tax – Fundraising expenses offset on revenue page
 - Part VIII instead of Part IX
- Tax – Cost of sales offset on revenue page
 - Part VIII instead of Part IX
- Tax – Investment fees are reported as expenses
 - Part IX instead of netted with investment revenue on Part VII



Form 990

- Form 990: 12 pages
- 16 additional schedules: 67 pages

- Today's focus: Form 990 and a few of the most common schedules

The “Faces” of the Core Form 990

Form 990-N

- Average revenues in a 3-year period are less than \$50,000
 - E-postcard
 - 8 questions
 - Filed on IRS.gov

Form 990-EZ

- Revenues greater than \$50,000 and less than \$200,000
 - Core form is 4 pages
 - Possible 8 schedules as attachments

Form 990

- Revenues greater than \$200,000 *or* total assets greater than \$500,000
 - If the required schedules are not attached, it is not a complete return and it will not be considered filed (penalties!)



Key filing points

- Mandatory e-filing of Form 990 with the TCJA for tax years after July 1, 2019 (12/31/2020 was first e-filing requirement for most)
- Due date is four months, 15 days after organization year-end.
 - 12/31 year-end: 5/15
 - 6/30 year-end : 11/15
- Form 8868 grants a 6-month extension automatically when requested before the due date by electronic filing.
- If a Form 990 is not filed for 3 consecutive years, the IRS will automatically revoke 501(c)(3) status. The list of revoked organizations is published on the IRS web site. Organizations must re-apply to obtain nonprofit status but will remain on the list forever.

Revocation rules

Any NFP MUST file a tax return of some form at least every 3 years or the IRS will revoke their tax-exempt status.

Scenario: New 501(c)(3) is formed. Board of directors appointed, EIN obtained, then everything stalls. What should have happened? Is there a timeline?

- Form 1023 should be filed within 27 months to obtain public charity status.
- A tax return should be submitted for each year even though there may not be any activity. (Form 990N)

Form 990: Header & Part I

Part I

- Mission – fill to the lines shown (no more)
- Voting board members at the END of the tax year
- Independent voting board members at END of year
- Volunteers – estimate



Include the organization website

Form 990		Return of Organization Exempt From Income Tax		OMB No. 1545-0047
Department of the Treasury Internal Revenue Service		Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations) Do not enter social security numbers on this form as it may be made public. Go to www.irs.gov/Form990 for instructions and the latest information.		2022 Open to Public Inspection
A For the 2022 calendar year, or tax year beginning , 2022, and ending , 20				
B Check if applicable:		C Name of organization		D Employer identification number
<input type="checkbox"/> Address change		Doing business as		
<input type="checkbox"/> Name change		Number and street (or P.O. box if mail is not delivered to street address)		E Telephone number
<input type="checkbox"/> Initial return		Room/suite		
<input type="checkbox"/> Final return/terminated		City or town, state or province, country, and ZIP or foreign postal code		
<input type="checkbox"/> Amended return				G Gross receipts \$
<input type="checkbox"/> Application pending		F Name and address of principal officer:		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input type="checkbox"/> No
				H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No
				If "No," attach a list. See instructions.
I Tax-exempt status: <input type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				H(c) Group exemption number
J Website:				
K Form of organization: <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		L Year of formation:		M State of legal domicile:
Part I Summary				
1 Briefly describe the organization's mission or most significant activities:				
2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.				
3 Number of voting members of the governing body (Part VI, line 1a)				3
4 Number of independent voting members of the governing body (Part VI, line 1b)				4
5 Total number of individuals employed in calendar year 2022 (Part V, line 2a)				5
6 Total number of volunteers (estimate if necessary)				6
7a Total unrelated business revenue from Part VIII, column (C), line 12				7a
b Net unrelated business taxable income from Form 990-T, Part I, line 11				7b
				Prior Year
				Current Year
8 Contributions and grants (Part VIII, line 1h)				
9 Program service revenue (Part VIII, line 2g)				
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)				

Signature block

The Form 990 must be signed by:

- Current president, vice president, treasurer, assistant treasurer, chief accounting officer
- Any other corporate officer who is authorized to sign as of the date of filing.



New officers that did not serve during the tax year must be listed to be an “officer” on Part VII to be eligible to sign the 990. Note effective date with the name of that officer on Part VII.

22 Net assets or fund balances. Subtract line 21 from line 20

Part II Signature Block

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

Sign Here	Signature of officer	Date
	Type or print name and title	
Print	Print/Type preparer's name	Preparer's signature
	Date	Check <input type="checkbox"/> if PTIN

Mission & Program Service Accomplishments (PSA): Part III

- Mission: Not limited by the number of lines on the form—runover goes to Schedule O.
- Changes in programs from the prior year? Check the box and describe the change in 2 or 3
- Program descriptions: Can be as “wordy” as the NFP wants.

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Part III **Statement of Program Service Accomplishments**
Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission:

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
 If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
 If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)



Include quantitative factors in your PSA that are updated annually



Total Expenses for all PSAs at the bottom of the page must total the program expense column on section IX. Only for c(3) and c(4) entities.

Part IV: Trigger Questions

- Pages 3 & 4: Contain 38 questions along with 17 extra follow-up questions about the NFP's activities. Every "Yes" means that a schedule, or part of one, should be completed.
- There are 16 possible schedules – no one organization will complete them all
- The questions are in order of Schedules - i.e. question #1 relates to Schedule A.



Part V – IRS filings and Tax Compliance

Is the NFP compliant in all other tax filings?



Ensure Form W-3 and Form 1096 agree to the numbers reported to the IRS. For fiscal year ends, use the calendar year that ends in December within the fiscal year.

Part V Statements Regarding Other IRS Filings and Tax Compliance
 Check if Schedule O contains a response or note to any line in this Part V

		Yes	No
1a	Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable		
b	Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		

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Part V Statements Regarding Other IRS Filings and Tax Compliance *(continued)*

		Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		

Part V continued

- Other important questions:
 - Unrelated Business Income of \$1,000 or more – are you completing the Form 990 T?
 - Financial account in a foreign country? OR signature authority over a foreign financial account will trigger foreign reporting requirements – FINCEN 114 reporting



6a. Did the organization have gross receipts greater than \$100,000 and solicit contributions that are not tax deductible?

6b. Were acknowledgements or statements made that those contributions or gifts were not tax deductible?

Part V continued

- Did the NFP have a fundraiser where tickets were in excess of \$75?
- Hint – fundraisers may require a Schedule G to be attached



- 7a. Did the organization receive a payment in excess of \$75 that was partly as a contribution and partly for goods and services provided to the payor?
- 7b. If Yes, did the organization notify the donor of the value of goods or services provided?



Part VI: Governance, Management & Disclosure

Section A

- Voting members of the board of directors - as of the end of the fiscal year
- Independent voting members of BOD – as of the end of the fiscal year
 - Who is independent?
 - Who votes?



Typically, the executive director is not a voting member of the board.
Ex-officio and advisors are usually not voting members of the board.

Relationships within Board of Directors

- Part VI: Question 2: Check box if any board of directors have either a family relationship or business relationship with another board member, director, trustee or key employee.
- If box is checked, then you must disclose on Schedule O the relationship and names of the board members, directors, trustees or key employees are related. No need to state the specific relationship, only that there is a “family” or “business” relationship.

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . . If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.		
1b	Enter the number of voting members included on line 1a, above, who are independent . . .		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	<input type="checkbox"/>	<input type="checkbox"/>



Board Independence

Not Independent:

- Board member compensated more than \$10,000 from the organization
- Board member disclosed on Schedule L for other transactions
- Board member with a familial relationship to employees who are compensated more than \$10,000
- Family relationships between board members must be disclosed. Those persons may still be independent.

Part VI continued

Section B

- Policies to be disclosed – beware that these are closely monitored by Nonprofit watchdogs
- Conflict of interest – if Schedule L is attached to the Form 990 with related party transactions and there is a no conflict-of-interest policy –a huge RED FLAG



Part VI: Review of the Form 990 Process

- Has the organization provided a complete copy of the Form 990 to all members of its governing body before filing the form? (Page 6, question 11a)
- Describe in Schedule O the process, if any, used by the organization to review this Form 990 (Page 6, #11b)



The full copy of the Form 990 must be distributed to answer this question as YES. A Public Disclosure copy of the Form 990 does not satisfy this question. A “No” response may indicate to the public a lack of governance.

Part VI, Section B, Questions #12 - 16

A “No” response to 12 – 16 may be perceived by the public as poor management – even though there is no requirement for those policies



12a	Did the organization have a written conflict of interest policy? <i>If “No,” go to line 13</i>			
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?			
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? <i>If “Yes,” describe on Schedule O how this was done.</i>			
13	Did the organization have a written whistleblower policy?			
14	Did the organization have a written document retention and destruction policy?			
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization’s CEO, Executive Director, or top management official			
b	Other officers or key employees of the organization			
	<i>If “Yes” to line 15a or 15b, describe the process on Schedule O. See instructions.</i>			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?			
b	If “Yes,” did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization’s exempt status with respect to such arrangements?			

Part VI continued

Section C

- State registration – Line 17 should show all states that require the Form 990 to be filed to register for charitable solicitations. Currently 41 states plus Washington DC require charities to register prior to soliciting the public for donations.
- Form 990 must be available to the public for 3 years after the required filing date. Only use the public disclosure copy



“Another’s website” does not mean Guidestar (Candid), unless the NPO uploads a copy to Guidestar (Candid) in addition to the one the IRS uploads

Part VII Compensation and Board

- List all the board of directors that served at any time during the tax year. If they left during the year, enter the date left so the reader can “audit” the number at the end of the year on page Part I and Part VI
- List those persons on the board that are officers too. The board officers will check two boxes under column (C)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1)										

Part VII continued

Three types of employees to list

- Officers – list them with any amount of compensation – no minimum
- Key employees – must meet a responsibility test AND have compensation of \$150,000 or more (top 20 of these based on compensation)
- Highly Compensated – Must have compensation of \$100,000 or more – only the highest five that are not already an officer or key employee



Make sure to include everyone by including officers first, then look for key employees and then the High 5, in that order.

An officer may meet the definition of a High 5, but they are listed as an officer because that is the first “level”

Part VII continued



- Enter in descending order with highest compensation on line 1
- This section is calendar year! Column D or E must match the W-2 wages - highest of box 1 or 5 - for that employee
- Enter officer wages even if paid by a third party or related organization



Former does not only mean former officer – that box is for a person that was an officer or trustee but is now compensated over \$100,000 (officer) or \$10,000 (trustee) in another position with the organization

Do not check the former box if the CEO left in the middle of the year and is no longer with the organization – that person is still considered an officer during the tax year

Part VII continued

Benefits – “Big Three”

- Health Insurance – paid by the NFP or by the employee with pre-tax dollars that are not already included in compensation
- Deferred compensation – employer made contributions to a qualified defined contribution retirement plan
- Deferred compensation – employer made contributions to a funded or nonfunded nonqualified defined contribution plan



No other benefits unless it is at least \$10,000 per item. Complex rules about Schedule J when this is the case

Part VII continued

- 3-5: Trigger questions for Schedule J
- Section B: Independent Contractors – this could be those that are issued 1099s or it could be organizations.
 - Ex. Management companies or food service for schools



Q #2: Some software systems automatically “count” the number of people showing on Part VII that are over \$100,000, which may or may not be accurate because of the limits on the highest compensated

2		Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization			
				Yes	No
3	Did the organization list any former officer, director, trustee, key employee, or highest compensated employee on line 1a? <i>If “Yes,” complete Schedule J for such individual</i>				
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If “Yes,” complete Schedule J for such individual</i>				
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If “Yes,” complete Schedule J for such person</i>				
Section B. Independent Contractors					
1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.					
	(A) Name and business address	(B) Description of services	(C) Compensation		

Part VIII Revenue

- Membership dues – Are the “dues” really contributions? Or are they in exchange for a program service (should go on line 2)
- Fundraising events – Sponsorships and the amount over the FMV of donor benefits
- Government grants – grants, PPP forgiveness and ERC refunds

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Gifts, Grants, Similar Amounts	1a	Federated campaigns	1a			
	b	Membership dues	1b			
	c	Fundraising events	1c			
	d	Related organizations	1d			
	e	Government grants (contributions)	1e			
	f	All other contributions, gifts, grants				

Part VIII continued

- Programming – many 501(c)(3) orgs may not have much in line 2 revenue and others may only have line 2 revenue.
- Understand what the revenue is and what column it should be shown
- Typically interest income, royalties will be shown in column (D) – excluded under section 512 (b)(1 & 2) – shown below

		Business Code				
		(A) Real Estate	(B) Personal Services	(C) Other	(D) Excluded	
Program Service Revenue	2a					
	b					
	c					
	d					
	e					
	f	All other program service revenue . . .				
	g	Total. Add lines 2a-2f . . .				
3	Investment income (including dividends, interest, and other similar amounts)					
4	Income from investment of tax-exempt bond proceeds					
5	Royalties					

Part VIII continued

Notice that rental expenses and fundraising expenses are netted with their respective gross revenue on the revenue page.

If the NFP org is in the business of rental, report revenue on line 2 instead of line 6

- Understand the definition of a fundraising event. Is there a donor benefit? How did the NFP calculate the donor benefit? Is the “event” all contributions and should just be shown as gross contributions and expense instead of an “event”?

		(i) Real	(ii) Personal				
6a	Gross rents . . .	6a					
b	Less: rental expenses	6b					
c	Rental income or (loss)	6c					
d	Net rental income or (loss)						
			(i) Securities	(ii) Other			
7a	Gross amount from sales of assets other than inventory	7a					
b	Less: cost or other basis and sales expenses . . .	7b					
c	Gain or (loss) . . .	7c					
d	Net gain or (loss)						
8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	8a					
b	Less: direct expenses	8b					
c	Net income or (loss) from fundraising events						

Part IX Statement of functional expenses

- This section outlines how expenses are allocated between three main functions of a NFP organization.
- It should mirror the statement of functional expenses in the financial statements
- If no financial statements, then work with the NFP to understand the breakdown between the Program, Management & General and Fundraising expenses for each line item.

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Part IX **Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations				

Part IX continued

- A few points – if there are Lobbying expenses on 11d, there should be a Schedule C.
- Report expenses on the line items where possible. For example, postage should go on Office expenses, line 13.
- Read the instructions, especially for expense lines such as Information Technology, Occupancy and Office expenses.



Carefully consider the split between Program, M&G and Fundraising. Charity watchdogs like Charity Navigator will reduce points in ratings when total program service as a ratio of total expenses is less than 70%.



This could be a RED FLAG for an audit if consistently low Program expenses relative to total expenses.

Part X Balance Sheet

This section should mirror the statement of Financial Position.

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Part X Balance Sheet
 Check if Schedule O contains a response or note to any line in this Part X

	(A) Beginning of year		(B) End of year
1 Cash—non-interest-bearing		1	
2 Savings and temporary cash investments		2	
3 Pledges and grants receivable, net		3	
4 Accounts receivable, net		4	
5 Loans and other receivables from any current or former officer, director,			



If there are amounts on line 22, loans & payables to officers or directors, etc., and if there is no conflict-of-interest policy on Part VI – RED FLAG
 If there is mortgage and notes payable, in addition to rent revenue (Part VIII), and no UBI due to debt financed rental income – RED FLAG



Part XI Reconciliation of net assets

Reconciliation of net income per Form 990 to GAAP:

- Unrealized gains (losses) on investments
- Prior period adjustments
- Change in any other unrealized or market gains (losses)

Don't be fooled by these lines as they should have no impact on net income:



- Donated services / use of facilities should be eliminated from revenue and expenses
- Investment expenses should be a reclass from contra revenue to an expense

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Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	
2	Total expenses (must equal Part IX, column (A), line 25)	2	
3	Revenue less expenses. Subtract line 2 from line 1	3	
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	

Part XII Financial statements & Reporting

Typical questions concerning the Form 990 basis and financial statements

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other <input checked="" type="checkbox"/> If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Uniform Guidance, 2 C.F.R. Part 200, Subpart F?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

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The basis of the Form 990 – should be the basis used for all schedules attached.

Schedule A Public Support Test

Key Points

- For 501(c)(3) public charities
- Five-year lookback ensures the public charity is supported by the public by at least 33 1/3% of total contributions
- Must follow the determination “letter status” for the first 5 years.
- After first 5 years, can switch between the two parts to pass the support test.
- Part II is the easiest to complete and has a “safety net” of 10% facts and circumstances test if the org fails the public support test.

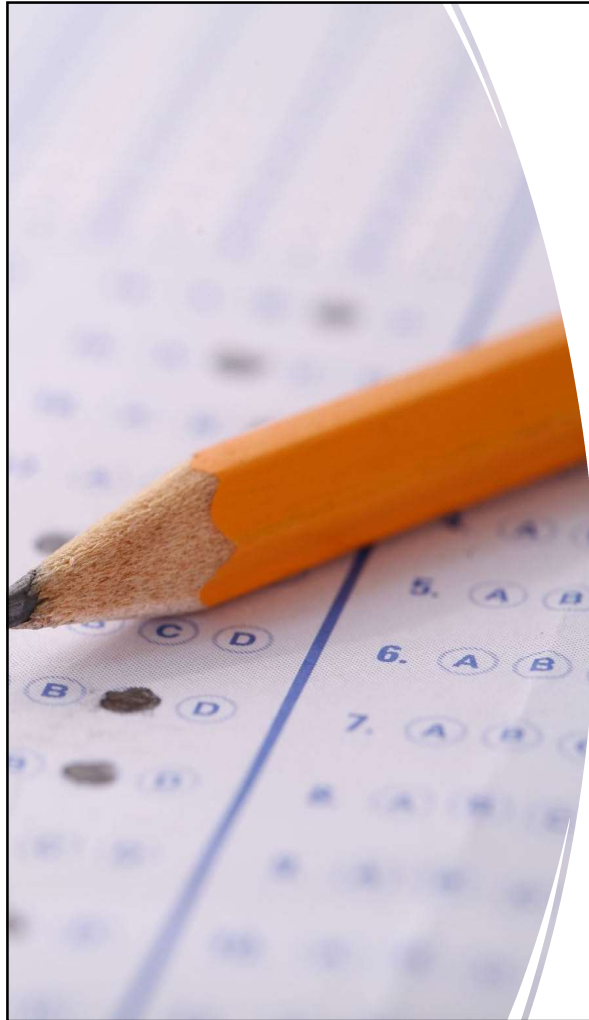
Schedule A Preparation hints

Do not include realized gains and losses on this schedule

Complete Revenue – Part VIII – first and then this form

Fundraising events net income should be listed under the “Unrelated Business activities not regularly carried on”. If a loss, do not report on Schedule A.

Prepare Schedule B first – then use that form information to complete the excess contributors



Public Support Test – What if you fail?

- If the public support test Part II fails - and the 10% facts and circumstances test cannot be used, then the organization automatically defaults to a private foundation and needs to complete a Form 990 PF.
- After a few years, if that Private foundation can then pass the support test and wants to again be a public charity, it must file a Form 8940 and wait for a five-year “probationary” time. A Form 990 PF will need to be filed for those five years.

Schedule B

Schedule of contributors

- Rules depend on the Part completed on Schedule A
- Schedule A Part II completion - Special Rule can be followed –total contributions greater than 2% of the total (Part VIII, line 1h) are listed
- General rule – all contributors (even government grants) who gave \$5,000 total

From Schedule B:

General Rule

- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 $\frac{1}{3}$ % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000; or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

Schedule D Supplemental Financial Statements

- Details on the following:
 - Donor Advised Funds
 - Conservation Easements
 - Policies on Collections of Art, Historical Treasures, etc.
 - Escrow & Custodial Arrangements
 - Endowment Funds
 - Property: Land, Buildings & Equipment
 - Details on the Balance Sheet input from the Core Form
 - Reconciliation of the Financial Statements with the Form 990



If the Audit contains a footnote for Uncertain Tax Positions (FIN 48), then it should be mirrored in the supplemental information section – Schedule D, Part XIII

Public Disclosure Form 990

- The public disclosure copy shows the names and addresses of donors redacted (Schedule B) and excess contributors (Schedule A)
- NFP Orgs should always use the public disclosure version to meet the requirement of publishing it or fulfilling requirements to give to those that request a copy.
- The full Form 990 should only be used internally within the organization by management and the board governance.

Schedule B (Form 990) (2022) Page 2

Name of organization _____ Employer identification number _____


Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
	_____		Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II for noncash contributions.)</small>
	_____	\$ _____	

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
	_____		Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II for noncash contributions.)</small>
	_____	\$ _____	



Other schedules

- Schedule C – Lobbying for 501(c)(3) and also for 501(c)(6)
 - Schedule E – Schools
 - Schedule F – Activity outside the US (Foreign)
 - Schedule G – Fundraising or Gaming activities
 - Schedule H – Hospitals
- 

Other schedules - continued

- Schedule I – Info for Grants or other assistance to Orgs, Gov't or Individuals
- Schedule J – Compensation – additional information
- Schedule L – Transactions with Interested persons
- Schedule M – Non-cash contributions
- Schedule N – Liquidation / Termination / Dissolution
- Schedule O – Supplemental Information
- Schedule R – Related Organizations and Unrelated Partnerships

Questions?

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