

The Revised Form 990: More Than a Required Tax Form

Greater New Orleans Foundation

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Introduction and Background

- Annual IRS information return
- Drivers for revision

Implications for Nonprofits

- IRS weapons against abuse
 - Revocation of tax-exempt status: activities that can jeopardize tax-exempt status
 - Activity that results in private benefit or inurement
 - Lobbying activity — if it constitutes a substantial part of the organization's overall activities or if it exceeds a predetermined dollar amount
 - Any political campaign activity
 - Unrelated business activity that is substantial when compared with the organization's exempt-function activities

Implications for Nonprofits

- Sanctions: excise taxes and UBIT for public charities
 - Tax on excess benefit transactions
 - Tax on political expenditures
 - Tax on excess lobbying expenditures
 - Tax on disqualifying lobbying expenditures
 - Tax on premiums paid on personal benefit contracts
 - Tax on being a party to prohibited tax shelter transactions
- Public information: displaying Form 990 publicly

Implications for Nonprofits

- Objectives of redesigning Form 990
 - To create uniformity and transparency in reporting
 - To allow the public to scrutinize if NPO is efficient and to determine the return on contribution dollars
 - To promote self-regulation, having market forces and good sense bring change to the sector

Implications for Nonprofits

- Results
 - Enhancing compliance: self-reporting is on the magnitude of an audit
 - Weeding out abusive practices
 - Obtaining information to seek legislative reform

Overview of Revised Form 990

- Core form is 12 pages long and must be completed by all organizations
- 16 schedules are included for more detailed information on various topics
- Questions answered in Part IV of the core form determine which schedules are required to be attached

Structure: Core Form

Core Form	Topic
Part I	Summary
Part II	Signature block
Part III	Program service accomplishments
Part IV	Checklist of required schedules
Part V	IRS filing and tax compliance
Part VI	Governance, management and disclosure
Part VII	Compensation
Part VIII	Statement of revenue
Part IX	Statement of functional expenses
Part X	Balance sheet
Part XI	Reconciliation of net assets
Part XII	Financial statements and reporting

Structure: Schedules

Schedule	Topic
A	Public charity status
B	Contributors
C	Political and lobbying activity
D	Supplemental financial statement detail
E	School
F	Foreign activities
G	Fundraising and gaming
H	Hospitals

Structure: Schedules (continued)

Schedule	Topic
I	Grants
J	Compensation
K	Tax-exempt bonds
L	Transactions with interested persons
M	Non-cash contributions
N	Termination or significant disposition of assets
O	Supplemental information
R	Related organizations