

Review of Form 990

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Review of Form 990

1. Key Changes
 - A. Core Form
 - B. Schedules
2. Governance Questions
 - A. Policies
 - (i) Document Retention
 - (ii) Investment Policy
 - (iii) Gift Acceptance
 - (iv) Whistleblower
 - B. Disinterested Board Members



Background:

- Form 990 is a favorite tool for evaluating nonprofits
- Form 990 revision process began in 2004 with IRS requests for public comments on Form 990 and House Ways & Means Committee hearings on nonprofits
- In 2007, Senators Baucus and Grassley urged Treasury to create a more thorough form to “allow the IRS to better identify those entities that warrant additional review”

Background:

- New Form 990 for 2008 (filed in 2009)
- Last major revision in 1979
- Revision's goals:
 - Promote transparency and accountability
 - Improve tax compliance
 - Provide a basis for comparing the organization to similar organizations
 - Ease reporting burden
- “Core Form” (11 pages) and 16 Schedules
- www.irs.gov/charities

Background:

- New Form 990 is phased in over a 3-year period when nonprofit exceeds either gross receipt or asset thresholds below
- May file 990-EZ if gross receipts AND assets are:

Tax year	Gross Receipts	Total Assets
2008 (filed in 2009)	> \$25,000 & < \$1,000,000	< \$2,500,000
2009 (filed in 2010)	> \$25,000 & < \$500,000	< \$1,250,000
2010+ (filed in 2011 & later)	> \$50,000 & < \$200,000	< \$500,000

- File Form 990-N if gross receipts are less than above amounts

Core Form:

- Key changes include:
 - A new summary page on page 1
 - Signature block moved to page 1 from the end of the form
 - Statement of program service accomplishments is moved to page 2
 - A checklist of required schedules in Part IV
 - Consolidation of federal tax compliance questions in Part V
 - New governance section in Part VI
 - Revised compensation reporting of TDOKEs in Part VII
 - Movement of financial statements to pages 9 through 11, and new financial reporting questions in Part XI



Core Form: *Part I – Summary*

- Prior Form 990 did not have summary page
- Provides snapshot of key financial, governance, and compensation information to increase transparency
- Because summary page captures data from other parts of Form 990, it should be completed last
- Now includes prior year's revenues and expenses
- Requires mission and significant charitable activities to be described first

Core Form:

Part III – Statement of Program Service Accomplishments

- Report mission
- List any significant new or discontinued programs
- Describe three major exempt activities

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and (4) organizations and 4947(a)(1) trusts 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 \$)

.....

.....

.....



Core Form:

Part IV – Checklist of Required Schedules

- Identifies schedules to complete

Form 990 (2008)

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Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	1	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	2	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	3	
4 <i>501(c)(3) organizations.</i> Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>	4	
5 <i>501(c)(4), 501(c)(5), and 501(c)(6) organizations.</i> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>	5	
6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	6	

Core Form:

Part V – Other IRS Filings and Tax Compliance

- Increases awareness of filing responsibilities

Form 990 (2008)

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Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable		
1b	Enter the number of Forms W-2G included in 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?		
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return		
b	If at least one is reported in 2a, did the organization file all required federal employment tax returns? Note: <i>If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return.</i>		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		



Core Form:

Part VI – Governance, Management & Disclosure

- IRS and Congressional officials cite poor governance as core problem with non-compliant charities
- Well-governed nonprofits are more likely to use assets for proper purposes and comply with tax laws
- IRS argues §6033 gives them power to ask governance questions
- Part VI covers 3 general areas:
 - Section A – Governing Body & Management
 - Section B – Policies
 - Section C - Disclosure

Core Form:

Part VI, Governance: Section A – Board & Management

Section A. Governing Body and Management

For each "Yes" response to lines 2–7 below, and for a "No" response to lines 8 or 9b below, describe the circumstances, process, or changes in Schedule O. See instructions.

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that 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?		
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		
5	Did the organization become aware during the year of a material diversion of the organization's assets?		
6	Does the organization have members or stockholders?		
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	the governing body?		
b	each committee with authority to act on behalf of the governing body?		
9a	Does the organization have local chapters, branches, or affiliates?		
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990		
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		



Core Form:

Part VI, Governance: Section B – Policies

Section B. Policies

	Yes	No
12a Does the organization have a written conflict of interest policy? <i>If "Yes":</i>	12a	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	
c Does the organization regularly and consistently monitor and enforce compliance with the policy? <i>If "Yes," describe in Schedule O how this is done</i>	12c	
13 Does the organization have a written whistleblower policy?	13	
14 Does the organization have a written document retention and destruction policy?	14	
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?	15a	
b Other officers or key employees of the organization? Describe the process in Schedule O.	15b	
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?	16a	
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable Federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	



Core Form:

Part VI, Governance: Section C – Disclosure

Section C. Disclosure

- 17 List the States with which a copy of this Form 990 is required to be filed.
- 18 IRC Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 own website another's website upon request
- 19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization:
-

Core Form:

Part VII - Compensation

- Extends compensation reporting to all §501(c) entities so IRS may better detect private inurement
- Summarizes data from W-2s and 1099s on calendar year basis

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(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			



Core Form:

Part VIII – Statement of Revenue

- Reports revenue in three categories –
 - Contributions, gifts, grants, and other similar amounts
 - Program service revenue
 - Other revenue
- Remains consistent with current Form 990 with no major changes
- Combines current Part I Statement of Revenues with Part VII Analysis of Income Producing Activities
- Eliminates UBIT exclusion codes, which were sometimes difficult to locate



Core Form:

Part IX – Statement of Functional Expenses

- No material changes from current form; however, there are few small changes including:
 - Separate reporting of management, lobbying, and investment fees
 - New reporting for advertising and promotion, IT, royalties, insurance, and travel and entertainment for public officials
- Expected to reduce administrative burden because revised form specifically details numerous types of fees and expenses, which should eliminate need for attachments

Core Form:

Part X – Balance Sheet

- No material changes from current form
- Certain items (such as accumulated depreciation and receivables from disqualified persons) are no longer required to be listed separately in unstructured attachments because they are now included in specific schedules to revised form (Sch. D & Sch. L, respectively)
- Expected to reduce administrative burden

Core Form:

Part XI – Financial Statements

- New section requires information about financial statement preparation

Part XI Financial Statements and Reporting

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> cash <input type="checkbox"/> accrual <input type="checkbox"/> other		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . .		
b Were the organization's financial statements audited by an independent accountant?		
c If "Yes" to 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? . . .		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		
b If "Yes," did the organization undergo the required audit or audits?		



New Schedules

- Sch. A – Public charity status
- Sch. B – Contributors List
- Sch. C – Campaign & Lobbying
- Sch. D – Financial Data
- Sch. E – Education/Schools
- Sch. F – Foreign Activities
- Sch. G – Gaming/Fundraising
- Sch. H – Hospitals
- Sch. I – Grants to Individuals, Organizations & Governments
- Sch. J – Compensation
- Sch. K – Tax-exempt Bonds
- Sch. L – Transactions with Interested Persons (e.g. loans)
- Sch. M – Non-Cash Contributions (no money)
- Sch. N – Liquidation, Termination, etc.
- Sch. O – Supplemental Data (other)
- Sch. R – Related Organizations



Schedule A:

Public Charity Status and Public Support

- Modifies public support test period from four years to five years
- Reflects recent elimination of advance ruling process
- Separates the public support test for §509(a)(1)/§170(b)(1)(A)(vi) versus §509(a)(2) organizations
- Requires nonprofits to report prior years' amounts using the same accounting method for 2008 form
- Provides additional space for narrative of “facts and circumstances” test

Schedule B:

Contributors

- Charities must file if
 - They meet the 33 $\frac{1}{3}$ % support test and received contributions $>$ \$5,000 (money or property) or 2% of total contributions from any sole contributor
 - They did not meet the 33 $\frac{1}{3}$ % support test but received contributions \geq \$5,000 from any sole contributor
- Any other §501(c) that received contributions \geq \$5,000 from any sole contributor



Schedule B:

Contributors

- Open to public inspection if nonprofit files Form 990-PF or if nonprofit is a §527 that files Form 990 or 990-EZ
- Closes names and addresses of contributors for all other nonprofits to public, but allows amounts and descriptions of non-cash items to be disclosed
- Only requires names of persons who give > \$5,000 or 2% of total contributions

Schedule C:

Political Campaign and Lobbying Activities

- Must complete if charity engaged in
 - Direct or indirect political campaign activities, or
 - Lobbying
- Must disclose and estimate volunteer hours using any reasonable method
- Must report excise taxes under §4955 (campaigning) and §4911 (lobbying)
- Separates lobbying activities between charities with §501(h) election and those without such election

Part I-A To be completed by all organizations exempt under section 501(c) and section 527 organizations. (See Schedule C Instructions for details.)

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political expenditures \$ _____
- 3 Volunteer hours _____



Schedule C:

Political Campaign and Lobbying Activities

- New disclosures for NON-501(c)(3)s

Part I-C To be completed by all organizations exempt under section 501(c), except section 501(c)(3).
(See Schedule C Instructions for details.)

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities \$ _____
- 2 Enter the amount of the filing organization's own internal funds contributed to other organizations for section 527 exempt function activities \$ _____
- 3 Total of direct and indirect exempt function expenditures. Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b \$ _____
- 4 Did the filing organization file **Form 1120-POL** for this year? Yes No
- 5 State the names, addresses and Employer Identification Number (EIN) of all section 527 political organizations to which payments were made. Enter the amount paid and indicate if the amount was paid from the filing organization's own internal funds or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's own internal funds. If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-



Schedule D:

Supplemental Financial Statements

- Captures required reporting for:
 - Donor advised funds
 - Conservation easements
 - Art and museum collections
 - Trust, escrow and custodial arrangements
 - Endowment funds
 - FIN 48 footnotes
- Includes space for narrative to provide additional financial information for certain assets

Schedule D:

Supplemental Financial Statements

Part VI Investments—Land, Buildings and Equipment (See Form 990, Part X, line 10)				
Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				
<i>Column (e) TOTAL (should equal Form 990, Part X, line 10)</i>				▶

Part VII Investments—Other Securities (See Form 990, Part X, line 12)		
(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other		



Schedule E:

Schools

- Schedule E contains same questions which used to be found on Schedule A of 2007 Form 990
- Focuses on fact that tax-exempt educational organizations cannot discriminate and must publicize admission policies
- Query whether Senator Grassley's and IRS soft contact with large universities regarding endowment size and unrelated business taxable income will change Schedule E in near future

Schedule F:

Activities Outside the U.S.

- Report fundraising, grant making, commercial, or exempt activities outside the U.S.
- Three categories:
 - Commercial and/or exempt activities by region
 - Grants to foreign organizations or governments
 - Grants to foreign individuals
- May include passive investments, too

Schedule F:

Activities Outside the U.S.

- Reporting required on regional basis (rather than by country), names not required
- \$10,000 aggregate revenues or expenses threshold

Part I **General Information on Activities Outside the United States.** Complete this section if you answered "Yes" to Form 990, Part IV, line 14b, and had aggregate revenues or expenses from such activities that exceeded \$10,000.

1 *For grantmakers.* Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No

2 *For grantmakers.* Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States.

3 **Activities per Region.** (Use Schedule F-1 if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i.e., fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures in region



Schedule F:

Activities Outside the U.S.

- Grants to foreign organizations/governments
- Report if any single entity receives > \$5,000

Schedule F (Form 990) 2008

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Part II Grants and Other Assistance to Organizations or Entities Outside the United States. Complete this table if the organization reported more than \$5,000 on Form 990, Part IX, line 3, for any recipient who received more than \$5,000. Check this box if no one recipient received more than \$5,000
 Use Schedule F-1 if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

Schedule F:

Activities Outside the U.S.

- Grants to foreign individuals
- Report if aggregate grants > \$5,000

Schedule F (Form 990) 2008

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Part III Grants and Other Assistance to Individuals Outside the United States. Enter information in this table for each type of grant or assistance reported on Form 990, Part IX, line 3, if the aggregate amount of all grants and assistance, made to individuals located outside the U.S. exceeded \$5,000. Use Schedule F-1 if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)

Schedule G:

Fundraising & Gaming Activities

- New and detailed questions
- Three separate and distinct sections:
 - *Professional fundraising*
 - *Special events*
 - *Gaming activities*

Schedule G:

Fundraising & Gaming Activities: Professional Fundraising

- Report if nonprofit pays > \$15,000 for professional help

Part I Fundraising Activities (Complete this part if the organization reported more than \$15,000 on Form 990, Part IX, line 11e.)

1 Indicate whether the organization raised funds through any of the following activities. (Check all that apply)

- | | |
|--|--|
| <input type="checkbox"/> mail solicitations | <input type="checkbox"/> solicitation of non-government grants |
| <input type="checkbox"/> email solicitations | <input type="checkbox"/> solicitation of government grants |
| <input type="checkbox"/> phone solicitations | <input type="checkbox"/> special fundraising events |
| <input type="checkbox"/> in-person solicitations | |

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising activities? Yes No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			



Schedule G:

Fundraising & Gaming Activities: Special Events

Part II **Events.** (Complete this part if the organization reported more than \$15,000 on Form 990, Part VIII, line 8a or Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.)

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events (sum of (a)-(c))
		_____	_____	_____	
		(event name)	(event name)	(total number)	
Revenue	1 Gross receipts				
	2 Less: (Charitable contributions)				
	3 Gross revenue (line 1 minus line 2)				
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes				
	6 Rent/Facility costs				
	7 Other direct expenses				
	8 Direct expense summary (Sum lines 4-7, column (d)) ▶				
9 Net Income Summary. (Enter the difference between lines 3(d) and 8(d)) ▶					



Schedule G:

Fundraising & Gaming Activities: Gaming

- This includes bingo, pull-tabs, raffles
- Texas has strict rules on gambling/gaming activities

Part III Gaming. (Complete this part if the organization reported more than \$15,000 on Form 990, Part VIII, line 9a or on Form 990-EZ, line 6a.)

	(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (sum of (a)-(c))
Revenue				
1 Gross Revenue				
Direct Expenses				
2 Cash Prizes				
3 Non-Cash Prizes				
4 Rent/Facility Costs				
5 Other Direct Expenses				
6 Volunteer Labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
7 Direct expense summary (Sum lines 2-5, column (d)) ▶				
8 Net gaming income summary (Enter the difference between lines 1(d) and 7(d)) ▶				



Schedule H:

Hospitals

- Previous form did not require detailed reporting of community benefit activities or activities that serve the public
- Part I contains questions regarding community benefit activities
- Parts I, II, III, IV and VI are optional for 2008
- Most complicated new schedule in revised Form 990

Schedule H:

Hospitals

Part I Charity Care and Certain Other Community Benefits at Cost (Optional for 2008)

	Yes	No
1a Does the organization have a charity care policy? If "No," skip to question 6a		
b If "Yes," is it a written policy?		
2 If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals. <input type="checkbox"/> applied uniformly to all hospitals <input type="checkbox"/> applied uniformly to most hospitals <input type="checkbox"/> generally tailored to individual hospitals		
3 Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients.		
a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %		
b Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %		
c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4 Does the organization's policy provide free or discounted care to the "medically indigent"?		
5a Does the organization budget amounts for free or discounted care provided under its charity care policy?		
b If "Yes," did the organization's charity care expenses exceed the budgeted amount?		
c If "Yes" to 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a Does the organization prepare an annual community benefit report?		
b If "Yes," does the organization make it available to the public?		
Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.		



Schedule H:

Hospitals

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from worksheets 1 and 2)						
b Unreimbursed Medicaid (from worksheet 3, column a)						
c Unreimbursed costs – other means-tested government programs (from worksheet 3, column b)						
d Total Charity Care and Means-Tested Programs						
Other Benefits						
e Community health improvement services and community benefit operations (from worksheet 4)						
f Health professions education (from worksheet 5)						
g Subsidized health services (from worksheet 6)						
h Research (from worksheet 7)						
i Cash and in-kind contributions to community groups (from worksheet 8)						
j Total Other Benefits						
k Total (line 7d and 7j)						



Schedule H:

Hospitals

Schedule H (Form 990) 2008

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Part II **Community Building Activities** (Complete this table if the organization conducted any community building activities) *(Optional for 2008)*

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

FT

Schedule H:

Hospitals

Schedule H (Form 990) 2008

Page **3**

Part V Facility Information *(Required for 2008)*

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
.....									
.....									
.....									
.....									
.....									
.....									

Schedule I:

Grants and Other Assistance

- Information formerly reported on unstructured attachments are shown on this new schedule
- Filing threshold is $> \$5,000$
 - To any single entity for grants to US governments or US organizations and
 - In aggregate for grants to US individuals
- Foreign grants reported on Schedule F

Schedule I:

Grants and Other Assistance

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the U.S.

To be completed by organizations that answered "Yes," on Form 990, Part IV, lines 21 or 22.

CMB No. 1545-0047

2008

**Open to Public
Inspection**

Name of the organization

Employer identification number

Part I General Information on Grants and Assistance

- Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No
- Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete this table if the organization reported more than \$5,000 on Form 990, Part IX, line 1 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Schedule I-1 if additional space is needed

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
.....							
.....							
.....							



Schedule I:

Grants and Other Assistance

Schedule I (Form 990) 2008

Page 2

Part III Grants and Other Assistance to Individuals in the United States. Enter information in this table for each type of grant or assistance reported on line 2, Form 990, Part IX, if the aggregate amount of all grants and assistance to individuals in the United States exceeds \$5,000. Use Schedule I-1 if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Schedule K:

Tax-Exempt Bonds

- Significant noncompliance issues with recordkeeping and record retention led to this new Schedule K
- Includes questions on use of proceeds to identify whether the organization is trying to circumvent arbitrage rebate requirements
- Has detailed questions regarding private business use
 - Leases
 - Partnerships
 - Management contracts

Schedule L:

Transactions with Interested Persons

- Consolidates reporting of transactions with insiders into single schedule
- Report loans to and from interested persons
- Report non-loan transactions, including excess benefit transactions (§§501(c)(3)/(4)s only), grants, and business transactions, such as sales, joint ventures, management contracts
- Requests information on transactions not previously reported
- Instructions define “interested” persons



Schedule M:

Non-Cash Contributions

- Imposes new reporting requirements for non-cash contributions of specific categories, including:
 - Art
 - Books and publications (quantity information not required)
 - Clothing and household goods (quantity information not required)
 - Cars and other vehicles
 - Securities
 - Conservation easements
 - Real estate
- Reporting threshold is \$25,000 in aggregate revenues from non-cash items or receipt of any work of art, historical treasure or artifact, scientific specimen or archaeological artifact

Schedule M:

Part I Types of Property

	(a) Check if applicable	(b) Number of Contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution (historic structures)				
14 Qualified conservation contribution (other)				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other (describe				

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Schedule N:

Liquidation, Termination, Dissolution, or Significant Disposition of Assets

- Intended to help ensure assets continue to be used for exempt purposes

Part I Liquidation, Termination or Dissolution. Complete this part if the organization answered "Yes" to Form 990, Part IV, line 31. (Use Schedule N-1 if additional space is needed.)

1	(a) Description of asset(s) distributed or transaction expenses paid	(b) Date of distribution	(c) Fair market value of asset(s) distributed or amount of transaction expenses	(d) Method of determining FMV for asset(s) distributed or transaction expenses	(e) EIN of recipient	(f) Name and address of recipient	(g) IRC Code section of recipient(s) (if tax-exempt) or type of entity

- 2 Did or will any officer, director, trustee, or key employee of the organization:
- | | Yes | No |
|--|-----|----|
| a Become a director or trustee of a successor or transferee organization? | 2a | |
| b Become an employee of, or independent contractor for, a successor or transferee organization? | 2b | |
| c Become a direct or indirect owner of a successor or transferee organization? | 2c | |
| d Receive, or become entitled to, compensation or other similar payments as a result of the organization's liquidation, termination, or dissolution? | 2d | |
| e If the organization answered "Yes" to any of the questions in this line, provide the name of the person involved and explain in Part III. | | |



Schedule O:

Supplemental Information

- Electronic filers complained about inability to provide additional information
- Provides 2 pages to answer questions or provide additional information not required by the Form
- You may provide as many continuation pages (Page 2 of Schedule O) as needed
- Must file if you file Schedules G, K, L or R
- 2008 e-file program will continue to limit attachment of PDF files



Schedule R:

Related Organizations and Unrelated Partnerships

- New reporting requirements on information about joint ventures and investments in for-profit organizations that are not controlled by the organization
- Requires information about transfers to and from non-charitable exempt organizations
- Increase transparency about organizational structures where there are tax compliance concerns
- Allows IRS to track charitable assets

Schedule R:

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

To use be completed by organizations that answered "Yes" to Form 990, Part IV, lines 33, 34, 35, 36, or 37.
Use Schedule R-1 if additional space is needed.

Name of the organization

Employer identification number

Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary Activity	(C) Legal Domicile (State or Foreign Country)	(D) Total Income (\$)	(E) End-of-year assets (\$)	(F) Direct Controlling Entity
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Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary Activity	(C) Legal Domicile (State or Foreign Country)	(D) Exempt Code section	(E) Public charity status (if 501(c)(2))	(F) Direct Controlling Entity
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For Paperwork Reduction Act Notice, see the Instructions for Form 990.

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Schedule R (Form 990) 2008

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Governance Questions

- Document Retention Policy
 - Ensures that records are adequately protected and maintained
 - Identifies proper time to discard records that are no longer needed
 - Separates retention guidelines by record categories, including:
 - Employment and employee benefit plan records
 - Key agreements
 - Real estate records
 - Intellectual property records and
 - Tax records

Governance Questions

Investment Policy

- Protects directors under the prudent investor rule
- Clearly states investment goals and objectives
- Defines & assigns duties
- Offers guidance & limitations
- Establishes basis for evaluating investment results
- Sets asset allocations
- Describes asset quality
- Includes investment philosophy
- Delegates duties to investment committee or professional manager
- Specifies reporting requirements
- Identifies investments which are restricted from mission and tax perspective



Governance Questions

- Gift Acceptance Policy
 - Causes nonprofit to focus on types of assets that are acceptable gifts
 - Specifies nonprofit's or development staff's role in administering a gift
 - Helps prevent nonprofit from accepting bad gifts
 - Educates board and staff about issues that certain gifts might trigger
 - Develops better gift planning and administration

Governance Questions

- Whistleblower Policy
 - Encourages staff and volunteers to come forward with credible information on illegal practices or violations of adopted policies of nonprofit
 - Specifies that nonprofit will protect the individual from retaliation
 - Identifies those staff or board members or outside parties (which may be needed for smaller nonprofits) to whom such information can be reported

Governance Questions

- Disinterested Board Members must
 - Not be compensated as officer or employee of nonprofit or its affiliates
 - Cannot receive total compensation or other payments exceeding \$10,000 from nonprofit or its affiliates other than expense reimbursement and payment for services rendered as board member
 - Cannot be involved in a transaction that is reportable on Schedule L

Governance Questions

- Disinterested Board Members include a member
 - Who donates to the nonprofit
 - Who has taken a *bona fide* vow of poverty and either
 - Receives compensation from a religious order or apostolic organization or
 - Belongs to a religious order that receives nontaxable sponsorship payments
 - Who receives financial benefits from the nonprofit solely as being a member of the nonprofit's charitable class

Conclusion:

QUESTIONS??????????