

Contents

Preface	ix
Acknowledgments	xiii
About the Authors	xv
Chapter One: Redesigned Form 990	1
§ 1.1 History of Redesign Project	3
§ 1.2 Highlights of Revised Form 990	5
§ 1.3 Filing of New Form Delayed for Many	9
§ 1.4 Find Out Why Organization Qualifies for Tax Exemption	10
§ 1.5 Who Is Required to File What	11
§ 1.6 Filing for New Organizations	12
§ 1.7 Who Is Not Required to File	12
§ 1.8 Filing Deadline and Fiscal Year	13
§ 1.9 New Form 990-N (e-Postcard)	13
§ 1.10 Electronic Filing of Returns	14
§ 1.11 Group Returns and Annual Affidavit	15
§ 1.12 Public Inspection of Forms 990 and 1023/1024	16
Notes	17
Appendix 1A: 6/14/07 Draft of Core Form	19
Appendix 1B: BV Suggested Revisions	29
Appendix 1C: Form 990-EZ	30
Chapter Two: Good Accounting Makes a Good 990	35
§ 2.1 Tax Accounting Methods	37
§ 2.2 Professional Accounting Standards	38
§ 2.3 Chart of Differences Between GAAP and IRS Rules	42
Notes	45
Chapter Three: The Core	47
§ 3.1 2008 Form 990 Core	47
§ 3.2 Part I Summary	48
§ 3.3 Part II Signature Block	50
§ 3.4 Part III Statement of Program Service Accomplishments	50
§ 3.5 Part IV Checklist of Required Schedules	53
§ 3.6 Part V Statements Regarding Other IRS Filings and Tax Compliance	56
§ 3.7 Part VI Governance, Management, and Disclosure	64
§ 3.8 Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors	73
§ 3.9 Part VIII Statement of Revenue	81
§ 3.10 Part IX Statement of Functional Expenses	88

CONTENTS

§ 3.11	Part X Balance Sheet	95
§ 3.12	Part XI Financial Statements and Reporting	97
	Notes	97
	Appendix 3A: Transactions with Interested Parties Questionnaire	100
Chapter Four: Form 990, Schedules A through R		103
§ 4.1	Schedule A	103
§ 4.2	Schedule B	120
§ 4.3	Schedule C	125
§ 4.4	Schedule D	132
§ 4.5	Schedule E	146
§ 4.6	Schedule F	149
§ 4.7	Schedule G	155
§ 4.8	Schedule H	160
§ 4.9	Schedule I	165
§ 4.10	Schedule J	170
§ 4.11	Schedule K	173
§ 4.12	Schedule L	174
§ 4.13	Schedule M	182
§ 4.14	Schedule N	188
§ 4.15	Schedule O	192
§ 4.16	Schedule R	195
	Notes	200
	Appendix 4A: State Unified Registration Statement	204
	Appendix 4B: Interested Party by Part and Type	223
Chapter Five: Form 990-T: Exempt Organization Business		225
Income Tax Return		
§ 5.1	What Is Unrelated Business Income?	226
§ 5.2	Exceptions and Modifications from Tax	228
§ 5.3	Unrelated Debt-Financed Income	231
§ 5.4	Who Files Form 990-T?	233
§ 5.5	Due Dates, Tax Rates, and Other Filing Issues	234
§ 5.6	Normal Income Tax Rules Apply	236
§ 5.7	The Unique Design of the 990-T	238
§ 5.8	Categories of Deductions	243
§ 5.9	Cost Allocations	246
§ 5.10	In-Kind Donations	248
	Notes	248
	Appendix 5A: Analysis of Corporation versus Trust 990-T Issues	252
Chapter Six: The Private Foundation Return		253
§ 6.1	Successful Completion of Form 990-PF	253
§ 6.2	The Part I Columns	255
§ 6.3	Line-by-Line Instructions for Revenues	257
§ 6.4	Line-by-Line Instructions for Expenditures	261
§ 6.5	Part II: Balance Sheets	265
§ 6.6	Part III: Analysis of Changes in Net Worth or Fund Balances	266

CONTENTS

§ 6.7	Part IV: Capital Gains and Losses for Tax on Investment Income	267
§ 6.8	Reports Unique to Private Foundations	268
§ 6.9	Part V: Reducing the Tax Rate	268
§ 6.10	Part VI: Calculating the Excise Tax	269
§ 6.11	Part VII-A: Proof of Ongoing Qualification for Exemption	270
§ 6.12	Part VII-B: Questions Seeking Evidence That No Sanctions Apply	275
§ 6.13	Part VIII: Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors	276
§ 6.14	Part IX-A and B: Summary of Direct Charitable Activities and Program-Related Investments	278
§ 6.15	Part X: Minimum Investment Return	279
§ 6.16	Part XI: Distributable Amount	279
§ 6.17	Part XII: Qualifying Distributions	280
§ 6.18	Part XIII: Undistributed Income	280
§ 6.19	Part XIV: Private Operating Foundations	282
§ 6.20	Part XV: Supplementary Information (Lines 1–2)	282
§ 6.21	Part XV: Grants and Contributions Paid During the Year or Approved for Future Payment (Line 3)	283
§ 6.22	Part XVI-A: Analysis of Income-Producing Activity	285
§ 6.23	Part XVII: Information Regarding Transfers to and Transactions and Relationships with Noncharitable Exempt Organizations	286
	Notes	287
Index		289

<http://www.pbookshop.com>