



IRS Form 990 Reporting Issues

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Technical Difficulties?

- Contact WebEx at 1-866-229-3239
- Event #: **620 072 281**
- Event Password: GRF990
- This webinar will be recorded and made available after the event
- Please use the “Chat” function during the webinar for any technical questions

IRS Form 990 Reporting Issues

Learning Objective: To provide attendees with a better understanding of Form 990 reporting issues.

Instructional Delivery Methods: Group-Live; Group Internet-based

Recommended CPE: 1.5 CPE

Recommended Fields of Study: Accounting & Audit

Prerequisites: None Required

Advance Preparation: None

Program Level: Basic

Course Registration Requirements: None

Refund Policy: No fee is required to participate in this session.

Cancellation Policy: In the event that the presentation is cancelled or rescheduled, participants will be contacted immediately with details.

Complaint Resolution Policy: Gelman, Rosenberg & Freedman is committed to our seminar participants' 100% satisfaction and will make every reasonable effort to resolve complaints as quickly as possible. Please contact kdavis@grfcpa.com with any concerns.

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- Attendees seeking CPE for this presentation must complete and submit a short evaluation survey that will pop up on their screens after the webinar ends
- Three words will be shared during the webinar; the survey will ask you for those words
- Attendees cannot claim CPE unless we receive a completed evaluation survey
- Technical questions about the survey can be addressed to Alina Stone at astone@grfcpa.com
- Turn off your pop-up blocker
- This presentation is available for download at www.grfcpa.com/media/990.pdf

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Gelman, Rosenberg & Freedman CPAs

Richard J. Locastro, CPA, JD is a Tax Partner with Gelman, Rosenberg and Freedman CPAs, where he oversees the firm's team of nonprofit tax professionals who provide consulting and tax compliance services to more than 500 nonprofit organizations. He coordinates tax planning, consulting services, return preparation and representation on IRS audits.

Jennifer Arminger, CPA is an Audit Partner with Gelman, Rosenberg and Freedman, CPAs and specializes in auditing and accounting services for tax-exempt organizations, both locally and nationwide. Additionally, she has extensive expertise in compliance audits in accordance with Uniform Guidance (formerly A-133), and helps manage the employee benefit plan audit practice at the firm.

Form 990

- Who is required to file?
- IRS Purpose – Still tax exempt
- Public Purpose – Accountability
- Deadline
 - 15th day of 5th month after FYE
 - Allowed two 3-month extensions
- Basic form is 12 pages; 12 parts

Form 990 – (Parts I, II and III)

➤ General Information

- Ensure accuracy and up-to-date

➤ Summary of Financial Data

➤ Organizations Mission & Significant Activities

- Allows organization to “brag” about activities
- More detail the better!
- Within industry – this part should be enhanced

Form 990 – (Parts IV and V)

➤ Checklist of Required Schedules

- 38 YES/NO Questions
- “YES” answer triggers an additional schedule

➤ Other IRS Filings and Tax Compliance

- Salary withholdings
- Foreign accounts
- 990-T (Unrelated Business Income)
- Deductible contributions

Form 990 – (Parts VIII through XII)

➤ **Statement of Revenue**

- Reconciling items: Event expenses

➤ **Statement of Functional Expenses**

- Reconciling items: Gain/losses, In-kind
- Program vs. M&G Expenditures – Driver for Watchdog Organizations

➤ **Balance Sheet**

➤ **Reconciliation of Net Assets**

➤ **Financial Statements & Reporting**

Schedule A – Public Charity Status & Public Support Test

➤ Charity Status Type

➤ Public Support Test

- Concept: Receives “substantially” all of it’s support from general public – Over 33.3%
- Income from Investments and UBIT
- Five years of data
- Two year determination - Public Charity vs. Private Foundation
- Facts-and-circumstances

Schedule C – Political Campaign & Lobbying Activities

➤ Lobbying

- Allowable amount based on expenditures
- Up to \$1 million
- Determining grassroots lobbying amounts
- Results of non-compliance

Schedule D – Supplemental Financial Statements

➤ Reconciliation of Revenue to Audited Financial Statements

- Unrealized Gains/Losses on Investments
- Investment expenses
- Donated services

➤ Reconciliation of Expense to Audited Financial Statements

- Investment expenses
- Donated services

Schedule G – Fundraising & Gaming Activities

➤ Fundraising

- Events >\$15,000 in contributions
- Reporting of direct costs
- “Negative” results

Schedule J – Compensation

- **Questions regarding compensation**
- **Officers, Directors, Trustees, Key Employees and Highest Compensated Employees**
 - What type of compensation must be reported?
 - Period for reporting compensation
 - Retirement & deferred compensation

990-T – Unrelated Business Income Tax (UBIT)

- Tax-exempt organizations may still be liable for tax on unrelated business income
- Income not “substantially” related to charitable mission
- Form 990-T for $> \$1,000$ in UBI

990-T – Unrelated Business Income Tax (UBIT) (con't)

➤ Exclusions

- Dividends & interest
- Certain other investments income
- Royalties
- Certain rental income
- Gains/losses from disposal of assets

Other Items

- **Transparency of information**
- **State filing issues**

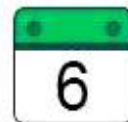
Future Seminars

NOV



Common Management Letter Findings for Nonprofit Organizations & Audit Preparation*

JAN



Open Forum: Ask the CPA (Nonprofits)*

*Location to be determined

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GRF Expertise

- GRF CPAs works with 500+ nonprofit organizations locally, nationally and internationally, travels to over 60 countries on behalf of our clients
- GRF CPAs annually conducts 100+ Single Audits for nonprofits, which receive federal funding and need to comply with Uniform Guidance
- Our CPAs host seminars, workshops and presentations to keep clients current with industry regulations
- GRF CPAs is an industry-recognized, award-winning firm with 35 years of experience working with nonprofits
- GRF CPAs is committed to technical excellence, personal attention, ongoing communication, staff continuity, community service and diversity
- GRF CPAs MOTTO- “Personal attention will never become obsolete”