



SCHELL BRAY PLLC  
ATTORNEYS AND COUNSELORS AT LAW

## The Public Charity Life Cycle: A Compliance Overview

Edward T. Chaney

2017 Nonprofit Organizations Compliance  
and Internal Review Workshop

January 11, 2017

GREENSBORO | CHAPEL HILL

[schellbray.com](http://schellbray.com)

100 EUROPA DRIVE • SUITE 271 • CHAPEL HILL, NC 27517  
919.869.3080 • [ECHANNEY@SCHELLBRAY.COM](mailto:ECHANNEY@SCHELLBRAY.COM)



SCHELL BRAY AYCOCK ABEL & LIVINGSTON PLLC  
ATTORNEYS AND COUNSELORS AT LAW

## Overview

- Annual Tax Filings and Public Disclosures
- Substantiating Charitable Contributions
- Earned Income and UBIT
- Public Charity Status
- Operational Limitations/Considerations
- Other Key Issues
  - State law and other tax issues

The Public Charity Life Cycle:  
A Compliance Overview

## Annual Tax Filings: Form 990

- Generally, a public charity must annually file a version of the Form 990 with the IRS.
- Due on the 15th day of the 5th month following the end of fiscal year (e.g., May 15th for calendar year filers).
- Failure to file for three consecutive years results in automatic revocation of tax-exempt status.
- In addition, late filing of Forms 990 (other than a Form 990-N) can result in financial penalties

## Which Form 990?

Gross Receipts	Form to File	Description
Gross receipts normally $\leq$ \$50,000 <b>Note:</b> Organizations eligible to file the Form 990-N may choose to file a full return	990-N	Simple form filed electronically; no financial reporting required.
Gross receipts $<$ \$200,000, and Total assets $<$ \$500,000	990-EZ or 990	Moderately complex document, though materially simpler than the full Form 990.
Gross receipts $\geq$ \$200,000, or Total assets $\geq$ \$500,000	990	Full, complex document that covers financial information, governance practices, transactions with insiders, foreign activities, and other operational aspects.



## Form 990 and Governance

- 990 is a compliance tool for IRS exempt organization oversight.
- Also provides an organization the opportunity to tell its story to the public.
- Serves as a useful internal compliance document.
- Form asks if the board was provided a copy of the form prior to filing, and process used to approve the document.

The Public Charity Life Cycle:  
A Compliance Overview



## Other Public Disclosures

- Public charities must also make available for public inspection, (including providing copies):
  - their Forms 1023
  - and the last three years of their Forms 990.
- Failure to do so may result in penalties.
- Public charities may (and generally should) redact the names and addresses of donors on Schedule B prior to providing these copies to the public.

The Public Charity Life Cycle:  
A Compliance Overview

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](http://utcle.org/elibrary)

Title search: The Public Charity Life Cycle: A Compliance Overview

Also available as part of the eCourse

[2017 Nonprofit Organizations Compliance and Internal Review eConference](#)

First appeared as part of the conference materials for the  
2017 Nonprofit Organizations Compliance and Internal Review Workshop session  
"The Public Charity Life Cycle: A Compliance Overview"