

Private Foundation Basics – Form 990-PF Workshop

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- ▶ Financial information (Part I – Part IV)
- ▶ Determining tax on net investment income (Part V)
- ▶ Statements regarding activities and compensation (Part VI-A, Part VI-B and Part VII)
- ▶ Reporting direct charitable activities and program related investments (Part VIII-A and VIII-B)
- ▶ Determining required distributions (Part IX – Part XI)
- ▶ Calculating undistributed income (Part XII)
- ▶ Private operating foundations (Part XIII)
- ▶ Grants and charitable activities (Part XIV)
- ▶ Allocation of income (Part XV) and transactions with noncharitable exempt organizations (Part XVI)

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Learning Objectives

Upon the completion of this program, you should be able to:

- ▶ Determine the purpose of the Form 990PF.
- ▶ Review the parts of the Form 990PF and how to complete each section
- ▶ Discuss tips and highlights of specific items to focus on
- ▶ Recognize the steps in exercising expenditure responsibility

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Form 990-PF purpose

- ▶ Calculation of net investment income excise tax
- ▶ Calculation of required distributions
- ▶ Determination of whether operating or non-operating foundation tests are met
- ▶ Provide financial information, address governance issues, disclose grant recipients
- ▶ Adherence to excise tax regulations and determination of whether any of the penalty excise taxes have been triggered
- ▶ Disclosure of foundation charitable activities, including grant programs

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Form 990-PF, Part I

- ▶ Column A:
 - ▶ All items of income and expense as shown on the books of the foundation
 - ▶ Report unrealized gains and losses as an adjustment to fund balance in Part III
 - ▶ Exclude donated services and free use of equipment or facilities
 - ▶ Report rental income from investment property on Line 5; other rental income is reported on Line 11
 - ▶ Income from program-related investments should be reported on Line 11

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