

# IRS AUDITS FOR PRIVATE FOUNDATIONS

UT Law: Nonprofit  
Organizations Fundamentals  
Workshop

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## Agenda

Intro

Types of IRS Contact

Audit Outcomes

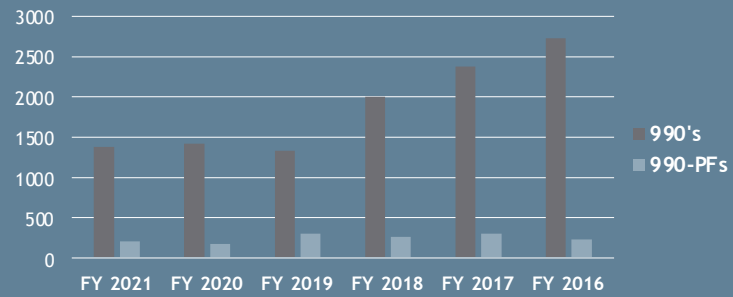
Practical Guidance

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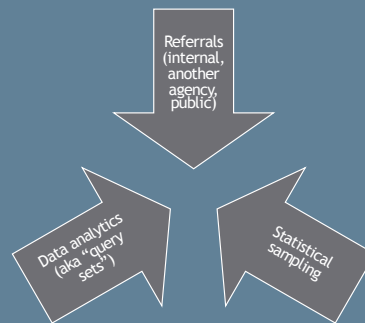
## Intro – Historic Activity

### IRS EXAMINATIONS



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## Intro – Audit Initiation



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## Intro – Areas of Focus

- Worker classification
- Retirement plans
- Form 990-N filers
- 4960 Excess Compensation
- Hospitals and UBI
- 501(c)(7) organizations and non-member income
- Private benefit and private inurement
- 4947 non-exempt charitable trusts
- Organizations converted to 501(c)(3) status
- Management company compensation

<https://www.irs.gov/government-entities/tax-exempt-government-entities-compliance-program-and-priorities>

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## Types of IRS Contact

“Soft Letters” provide notification of changes in law or compliance issues, mainly for education



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