



# UNDERSTANDING THE FORM 990

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## LEARNING OBJECTIVES

- The Form 990

This session will cover the fundamentals of the Form 990, with an emphasis on the essential information that every director, officer, fundraiser, and staff member must understand. The instructors will illustrate how the Form 990 is simultaneously a public relations tool for potential donors and a compliance roadmap, both internally (for staff) and externally (for regulators).

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## Form 990, Part I – Summary

- Front page presents a snapshot of the organization
  - Almost all information comes from other parts of the 990 (VI, VIII, and X)
- Line 1 – Description of mission OR most significant activities
- Lines 3-4 – Number of *voting* board members
- Line 5 – Number of employees
- Line 6 – Number of volunteers
- Line 7 – Gross unrelated business revenue compared to net taxable unrelated business income (coordinate with 990-T)
- Lines 8-22 – Financial information extracted from other parts

## Form 990 – Heading

- Box B – Application Pending – Check this box if the organization has not received its IRS determination letter, *even if the 1023 has not yet been submitted*.
- Box F – Principal Officer – List the current officer who (regardless of title) has ultimate responsibility for implementing the decisions of the organization's governing body, or for supervising the management, administration, or operation of the organization.
  - Most likely the CEO, President, or Executive Director
  - Not necessarily the Board Chair

## Form 990, Part II – Signature Block

- The return must be signed by the current President, Vice President, Treasurer, Assistant Treasurer, Chief Accounting Officer, or other corporate Officer (such as a Tax Officer) who is authorized to sign as of the date the return is filed.
  - For a trust, an authorized trustee must sign.
- Does this include the Executive Director?
  - Is the ED the top management official listed on Part VII?

## Form 990, Part III – Program Accomplishments

- Line 1 – Mission as adopted by the governing body
- Lines 2/3 – Any new or discontinued programs?
  - Important to keep IRS informed, but organization will not receive approval for the changes.
- Line 4 – Describe program service accomplishments for three largest activities as measured by expenses.
  - Additional programs are described on Schedule O.
  - For each activity also report:
    - Expenses attributable to the activity
    - Grant expenses attributable to the activity, if any
    - Program revenue derived from the activity, if any

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"The Form 990 Series"