

Assessing Organization Capacity Using the IRS Form 990



Topic Area	Question	Where to Look in the 990	Notes
Program Services	What is the organization’s mission?	Part III, Question 1	
	Were any significant changes made to program services?	Part III, Question 3; Schedule O	
	What are the program service accomplishments of the three largest programs?	Part III, Question 4	
Governance, Management & Disclosure (“Tone at the Top”)	How many board members are there? Are they independent?	Part VI, Section A, Question 1	
	Did the organization recently become aware of a significant diversion of assets?	Part VI, Section A, Question 5	
	Are board and committee meetings documented?	Part VI, Section A, Question 8	
	Is there a conflict of interest policy in place? Is compliance with the policy monitored	Part VI, Section B, Question 12	
	Is there a policy for whistleblower protection?	Part VI, Section B, Question 13	
	Is there a document retention policy?	Part VI, Section B, Question 14	
	In which states does the organization file a 990?	Part VI, Section C, Question 17	
	How does the organization make key documents available to the public?	Part VI, Section C, Question 18	
Compensation	Are compensation levels reviewed and approved by independent persons?	Part VI, Section B: Question 15	
	Is comparability data used when setting compensation levels?		
	Is there substantiation of the deliberation and decision to set compensation?		
	What sources are being used to substantiate the compensation of the CEO/Executive Director?	Schedule J, Part I: Question 3	
	Who are the highest compensated employees?	Part VII, Section A	

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Compensation (continued)	Are there significant pay disparities between top employees?	Part VII, Section A	
	Does compensation of senior staff seem appropriate given the size/complexity of the organization?		
	Are board members being paid?		
	Is the organization paying for items such as first class travel, discretionary spending accounts, “business use” of a personal residence, or personal services (e.g. maid, chauffeur, etc)?	Schedule J, Part I, Question 1a	
Financial Statements & Reporting	Was the Form 990 prepared using the cash or accrual basis of accounting?	Part XII, Question 1	
	Does the organization have a board committee that oversees the audit process?	Part XII, Question 2c	
Public Support	What is the percentage of revenue received in the form of public support? Does it meet the requirements of the public support test?	Schedule A, Part II, Question 14	
Fundraising Activities	Through what activities is the organization raising funds?	Schedule G, Part I, Question 1	
	Is the organization contracting with professional fundraisers? What are the compensation arrangements?	Schedule G, Part I, Question 2	
	What was the financial return on the year’s special events?	Schedule G, Part I	
Other	How depreciated are the organization’s fixed assets?	Schedule D, Part VI	
	Did the organization sell or transfer more than 25% of its net assets?	Schedule N, Part I	
	Did the organization take out a loan from a board member?	Schedule L, Part II	
	How long after the end of the fiscal year was the 990 filed?	Part II, Signature Block	
Quality of Form 990	Overall, does the Form 990 appear to have been prepared in a competent, thoughtful, and transparent way?	N/A	