

Financial Series – Mastering the Form 990 Part I



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Part I – Intended Outcomes

- Upon the completion of this session, we envision that you will be able to:
 - Demonstrate an ability to understand the Core Form 990
 - Use the Core Form 990 to understand governance of the organization
 - Analyze an organization's Core Form 990 for potential red flags and during COVID-19
 - Identify questions to raise with the grant applicant or grantee about their Core Form 990
 - Identify the challenges and limitations that certain organizations run by people of color face



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Form 990 - Overview

- Compliance and information return submitted to the IRS
- Provides comprehensive information about the organization not found in the financial statements
- Public document and marketing tool
- Can be used to satisfy state filing requirements

Basic Filing Requirements

Who must file?

- Most organizations exempt from income tax under IRC §501 (a) must file 990 or 990-EZ or 990-N (electronic postcard)

When?:

- Due 15th day of 5th month after the organizations accounting period ends
- Automatic six-month extension granted for the returns

Exceptions:

- Churches and affiliates
- Certain government organizations
- Certain political organizations
- Disregarded Entities – Single Member LLC's - Reg. § 301.7701-1 to 3



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Due Dates For the Forms

| Ending date of tax year | Initial return due date | Extended due date |
|-------------------------|-------------------------|-------------------|
| December 31 | May 15 | November 15 |
| November 30 | April 15 | October 15 |
| October 31 | March 15 | September 15 |
| September 30 | February 15 | August 15 |
| August 31 | January 15 | July 15 |
| July 31 | December 15 | June 15 |
| June 30 | November 15 | May 15 |
| May 31 | October 15 | April 15 |
| April 30 | September 15 | March 15 |
| March 31 | August 15 | February 15 |
| February 28/29 | July 15 | January 15 |
| January 31 | June 15 | December 15 |

If a due date falls on a Saturday, Sunday, or legal holiday, the due date is delayed until the next business day. The table above does not reflect the additional day.

Thresholds for Filing

Who must file Form 990?

- Organizations with gross receipts of \$200,000 or more or total assets \$500,000 or more at the end of the tax year
- Gross Receipts – total amount of received from all sources during the year
- Total Assets – amount reported on balance sheet at the end of the year

Exceptions to thresholds:

- Sponsoring organizations of donor advised funds
- Controlling organizations described in § 512(b)(13)

Public Disclosure Requirements

- §6104 IRC - Information open for public inspection
- Exact copy of annual returns, applications for exemption, and other information required to be furnished under § 6033, §6034, §6058
- 3-year limitation on inspection of returns
 - Information available in person or on internet
 - Reasonable Fee Charge (postage, copy charge permitted)
 - Penalties for non-compliance
 - Amended returns begin new 3 year period
- Exceptions from disclosure:
 - Schedule B - Schedule of Contributors
 - Organizations not considered private foundations



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Overview of the Form 990

Four Areas of Reporting Impact

1. Governance Issues
2. Programmatic Areas
3. Financial Information
4. Tax Compliance



Overview of the Form 990 (Con't)

Governance Issues

- Year of formation
- State of domicile
- No. of voting board members
- No. of independent voting board members
- Material differences in voting rights among board members
- No. of volunteers
- Board interrelationships
- “Significant diversion of assets” disclosure
- Documentation of board and committee meetings
- Governance policies



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Overview of the Federal Form 990 (Con't)

Programmatic Areas

- Enhanced prominence of description of mission – report what has been accomplished including the “outputs”
- Programs tracked individually by expenses, grants, and revenues
 - 3 largest individual programmatic operations – determined by expenditures
- Report activities “not previously reported to the IRS”
- Disclose “significant” changes in conducting programs or “discontinuation” of any prior programs previously reported



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Overview of the Federal Form 990 (Con't)

Financial Information

- Donor-advised funds
- Conservation easements
- Tracking of additions/deletions to endowment funds for the last five years
- Enhanced balance sheet disclosures
- Enhanced disclosures of non-cash activities - (volunteers, donated goods)
- Same method of accounting as book and records – preferably the “accrual” basis of accounting (US GAAP)



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Overview of the Federal Form 990 (Con't)

Tax Compliance

- Employment tax filings
- Independent contractor filings
- Donor acknowledgement filings
- Tax shelter reporting
- Compliance with state registration and filing requirements
- Support schedule (facts & circumstances tests)
- Compliance with gaming regulations
- Reporting of political and lobbying activities
- Foreign filings
- Unrelated business income tax



Core Form 990 Overview

- Part I – Summary Page
- Part II – Signature Block
- Part III - Statement of Program Service Accomplishments
- Part IV-Checklist of Required Schedules
- Part V- Statements Regarding Other IRS Filings and Tax Compliance
- Part VI - Corporate Governance, Management and Disclosure
- Part VII – Executive Compensation
- Part VIII - Statement of Revenue
- Part IX- Statement of Functional Expenses
- Part X- Balance Sheet
- Part XI- Financial Statements and Reporting



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Parts I and II – Summary & Signature Block

- Part I & II contain the following:
 - Brief description of the organization's mission or most significant activities
 - Number of voting members of the governing body
 - Number of independent voting members of the governing body
 - Number of employees and volunteers
 - Total gross unrelated business income revenue and net unrelated business income reported on Form 990-T (if any)
 - Comparison of total revenue (contributions & grants, program services, investment income and other income) between the current year and prior year
 - Comparison of total expenses between the current year and prior year
 - Comparison of Net Assets or Fund Balances between the current year and prior year



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Parts I and II – Summary & Signature Block (Con't)

Form 990 **Return of Organization Exempt From Income Tax** OMB No. 1545-0047

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
Do not enter social security numbers on this form as it may be made public.
Go to www.irs.gov/Form990 for instructions and the latest information.

2020
Open to Public Inspection

Department of the Treasury
Internal Revenue Service

A For the 2020 calendar year, or tax year beginning , 2020, and ending , 20

B Check if applicable:
☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C Name of organization
Doing business as
Number and street (or P.O. box if mail is not delivered to street address) Room/suite
City or town, state or province, country, and ZIP or foreign postal code

D Employer identification number

E Telephone number

F Name and address of principal officer:

G Gross receipts \$

H(a) Is this a group return for subordinates? ☐ Yes ☐ No
H(b) Are all subordinates included? ☐ Yes ☐ No
If "No," attach a list. See instructions.

I Tax-exempt status: ☐ 501(c)(3) ☐ 501(c) () * (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶

K Form of organization: ☐ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation:

M State of legal domicile:

Part I Summary

1 Briefly describe the organization's mission or most significant activities:

2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3 Number of voting members of the governing body (Part VI, line 1a) **3**

4 Number of independent voting members of the governing body (Part VI, line 1b) **4**

5 Total number of individuals employed in calendar year 2020 (Part V, line 2a) **5**

6 Total number of volunteers (estimate if necessary) **6**

7a Total unrelated business revenue from Part VIII, column (C), line 12 **7a**

7b Net unrelated business taxable income from Form 990-T, Part I, line 11 **7b**

Revenue

8 Contributions and grants (Part VIII, line 1h)

9 Program service revenue (Part VIII, line 2g)

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)

12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)

Expenses

13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)

14 Benefits paid to or for members (Part IX, column (A), line 4)

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)

16a Professional fundraising fees (Part IX, column (A), line 11e)

b Total fundraising expenses (Part IX, column (D), line 25) ▶

17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)

18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)

19 Revenue less expenses. Subtract line 18 from line 12

Net Assets or Fund Balances

20 Total assets (Part X, line 16)

21 Total liabilities (Part X, line 26)

22 Net assets or fund balances. Subtract line 21 from line 20

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer _____ Date _____

Type or print name and title _____

Paid Preparer Use Only

Print/type preparer's name _____ Preparer's signature _____ Date _____ Check ☐ if self-employed PTIN _____

Firm's name ▶ _____ Firm's EIN ▶ _____

Firm's address ▶ _____ Phone no. _____

May the IRS discuss this return with the preparer shown above? See instructions ☐ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11282Y Form 990 (2020)



Parts III and IV – Program Achievements & Checklist

- Part III- Statement of Program Accomplishments
 - This section highlights the organizations mission and program service accomplishments
 - Description of exempt purpose achievements including expenses, grants and revenues associated with the **three** largest program services
 - Opportunity to “market” organization
 - Qualitative and quantitative description of program and its impact

Form 990 (2020) Page **2**

Part III **Statement of Program Service Accomplishments**
Check if Schedule O contains a response or note to any line in this Part III ☐

1 Briefly describe the organization's mission:

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☐ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☐ No
If "Yes," describe these changes on Schedule O.



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Parts III and IV – Program Achievements & Checklist

- Part IV- Checklist of Required Schedules
 - Contains a total of 38 “YES”/ “NO” type questions to help determine which required Form 990 schedules are to be completed by the organization
 - Intended to provide IRS with a snapshot of the organization’s activities and to guide the organization and which schedules should be filed



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Parts III and IV – Program Achievements & Checklist

Form 990 (2020)

Page **3**

Part IV Checklist of Required Schedules

| | Yes | No |
|---|------------|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A | 1 | |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors See instructions? | 2 | |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I | 3 | |
| 4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II | 4 | |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III | 5 | |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I | 6 | |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II | 7 | |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III | 8 | |
| 9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV | 9 | |
| 10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? If "Yes," complete Schedule D, Part V | 10 | |
| 11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. | | |
| a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI | 11a | |
| b Did the organization report an amount for investments—other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII | 11b | |
| c Did the organization report an amount for investments—program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII | 11c | |
| d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX | 11d | |
| e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X | 11e | |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X | 11f | |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII | 12a | |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional | 12b | |



Part V – Other IRS Filings

- Part V - Statements Regarding Other IRS Filings and Tax Compliance
 - Similar to Part VI of current Form 990
 - Questions regarding organization activities and filing of the following required forms:
 - Form 1096 – Independent Contractors
 - Form W-2G – Gambling/Gaming Reporting
 - Form W-3 – Lists the total number of employees
 - Form 941 – Employment Tax Returns
 - Form 990-T – Unrelated Business Tax Reporting
 - FinCEN Form 114– Foreign Bank Accounts
 - Form 8886-T – Tax Shelter Reporting for Tax Exempt Investors

Part V – Other IRS Filings (Con't)

- Part V - Statements Regarding Other IRS Filings and Tax Compliance
 - Questions related to Donor Advised Funds and their distributions to certain persons
 - Personal benefit contracts
 - Questions related to deductible contributions specifically:

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V ☐

| | Yes | No |
|--|-----|----|
| 1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable | | |
| 1b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable | | |
| 1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | | |

Form 990 (2020)



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Part VI, Form 990 – Governance, Management and Disclosure

- Questions are about **policies not required by Internal Revenue Code**
- Required to be completed by **all** organizations
- IRS developed a series of questions designed to emphasize corporate “best practices”
- IRS considers such policies and procedures necessary to tax compliance



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Break Time!

➤ Time for a quick break!



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Part VI, Form 990 – Governance, Management and Disclosure (Con't)

➤ Section A- Governing Body and Management

- Inquires about number of both board and independent board members
- Inquiries about family and business relationships with officers, directors etc..
- Delegation of controls over management
- Describe governing body review and documentation process
- Significant organizational changes / material diversion of assets
- Questions regarding documentation and maintenance of board minutes of meetings of the governing body
- Questions pertaining to local chapters, branches or affiliates and policies governing them



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Part VI, Form 990 – Governance, Management and Disclosure (Con't)

➤ Sections B & C – Policies and Disclosure

- Inquiry about a conflicts of interest policy and enforcement
- New questions on existence of whistleblower / document destruction and retention policies
- New questions regarding the process of determining compensation for CEO, top management officials and other key employees
- Questions regarding the organizations investments in taxable entities and procedures to review policies of such relationships
- Schedule O – describe compensation process
- Public Inspection process / State reporting questions



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Part VI, Form 990 – Governance, Management and Disclosure (Con't)

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Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions. Check if Schedule O contains a response or note to any line in this Part VI ☐

Section A. Governing Body and Management

| | | Yes | No |
|--|-----------|-----|----|
| 1a Enter the number of voting members of the governing body at the end of the tax year | 1a | | |
| If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O. | | | |
| b Enter the number of voting members included on line 1a, above, who are independent | 1b | | |
| 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? | 2 | | |
| 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person? | 3 | | |
| 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? | 4 | | |
| 5 Did the organization become aware during the year of a significant diversion of the organization's assets? | 5 | | |
| 6 Did the organization have members or stockholders? | 6 | | |
| 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? | 7a | | |
| b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? | 7b | | |
| 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: | | | |
| a The governing body? | 8a | | |
| b Each committee with authority to act on behalf of the governing body? | 8b | | |
| 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O | 9 | | |



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Part VI, Form 990 – Governance, Management and Disclosure (Con't)

| Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.) | | Yes | No |
|---|--|--------------------------|--------------------------|
| 10a | Did the organization have local chapters, branches, or affiliates? | <input type="checkbox"/> | <input type="checkbox"/> |
| b | If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? | <input type="checkbox"/> | <input type="checkbox"/> |
| 11a | Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? | <input type="checkbox"/> | <input type="checkbox"/> |
| b | Describe in Schedule O the process, if any, used by the organization to review this Form 990. | | |
| 12a | Did the organization have a written conflict of interest policy? If "No," go to line 13 | <input type="checkbox"/> | <input type="checkbox"/> |
| b | Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? | <input type="checkbox"/> | <input type="checkbox"/> |
| c | Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done | <input type="checkbox"/> | <input type="checkbox"/> |
| 13 | Did the organization have a written whistleblower policy? | <input type="checkbox"/> | <input type="checkbox"/> |
| 14 | Did the organization have a written document retention and destruction policy? | <input type="checkbox"/> | <input type="checkbox"/> |
| 15 | Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? | | |
| a | The organization's CEO, Executive Director, or top management official | <input type="checkbox"/> | <input type="checkbox"/> |
| b | Other officers or key employees of the organization | <input type="checkbox"/> | <input type="checkbox"/> |
| | If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions). | | |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? | <input type="checkbox"/> | <input type="checkbox"/> |
| b | If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? | <input type="checkbox"/> | <input type="checkbox"/> |
| Section C. Disclosure | | | |
| 17 | List the states with which a copy of this Form 990 is required to be filed ▶ | | |
| 18 | Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input type="checkbox"/> Upon request <input type="checkbox"/> Other (explain on Schedule O) | | |
| 19 | Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year. | | |
| 20 | State the name, address, and telephone number of the person who possesses the organization's books and records ▶ | | |

Part VII – Executive Compensation

- Section A. requires the listing of all person considered to be the following:
- All of the **current Officers, Directors, Trustees** regardless of amount of compensation
 - All of the **current Key Employees** (if any)
 - The **five current highest compensated employee** (other than those listed above) who received compensation of > \$100,000 from the organization **and** any related organizations
 - All of the **former Officers, Key Employees and highest compensated employees** who received > \$100,000 from the organization **and** any related organizations
 - All of the organization's **former Directors or Trustees** that received in the capacity as a former Director or Trustee > \$10,000 of reportable compensation from the organization **and** any related organizations

Part VII – Executive Compensation (Con't)

- Some considerations on the listing:
 - All of the **current Officers, Directors, Trustees** regardless of amount of compensation: this list includes **ALL** Trustees/Directors (voting members only) who served at **ANY** point during the fiscal-year.
 - This listing is not necessarily the same as the number of voting members presented on **Page 1** of the Form, which is based on year-end.
 - Therefore there may be 23 listed on **Page 1** and 26 names on the Part VII list.



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Part VII – Executive Compensation (Con't)

- In addition the following two individuals regardless of titles and salary level are required to be listed
 - Top Management Official – CEO or Executive Director
 - Top Financial Official – CFO types (could be the bookkeeper)
- Must list EVEN IF neither were designated in the organization's governing documents or under relevant statute in the filer's home jurisdiction as legally holding such status.

Part VII – Executive Compensation (Con't)

- Some helpful hints for Reviewing Part VII Section A:
 - Should only check one “Position” box for each person listed in the compensation table, unless the filer is both an officer and trustee/director of the organization.
 - When is the box for “former” is checked it is for an employee or board member who received compensation, but was not employed or serving the entity at all during the fiscal-year. This is targeting severance payments, etc.
 - If there is an officer or key employee who terminated mid-year, they **DO** get listed, and “former” is **NOT** checked. This means two Directors of Finance might be listed.
 - On the list of Officers/Key Employees/Highest Paid, compensation is reported on the calendar year that matches the year of the form being filed. The 5 highest paid is based on those individuals whose taxable compensation exceeded \$100,000 (not based on non-taxable benefits).

Part VII – Executive Compensation (Con't)

Form 990 (2020)

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Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

See instructions for the order in which to list the persons above.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

| (A) Name and title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|-----------------------|--|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (1) | | | | | | | | | | |
| (2) | | | | | | | | | | |
| (3) | | | | | | | | | | |



Part VII – Executive Compensation (Con't)

| | | | | |
|---|--|---|-----|----|
| 2 | | Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶ | | |
| | | | Yes | No |
| 3 | Did the organization list any former officer, director, trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual | | 3 | |
| 4 | For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual | | 4 | |
| 5 | Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person | | 5 | |

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

| (A) Name and business address | (B) Description of services | (C) Compensation |
|----------------------------------|--------------------------------|---------------------|
| | | |
| | | |
| | | |
| | | |
| | | |

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶

Form 990 (2019)

Part VIII – Statement of Revenue

- Lines 1a – 1g focus on the Contributions, Gifts, Grants and other Similar Amounts organization's receive during the year
- Rental income
- Do not use "net" from fundraising events as the gifted amount – gross up
- Properly value property contributions – FMV date of donation
- Refunded contributions do not reduce collected contributions
- GAAP treatment of pledges is also used on the 990 (if return is prepared on accrual basis)
- Never report "value of donated services or contributed 'use of materials, equipment or facilities on Line 1
- Does not include unrealized gains or losses
- Likely will not match total revenue per audited financial statements



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Part VIII – Statement of Revenue

Form 990 (2020)

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Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII ☐

| | | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512-514 |
|---|--|------------------------|----------------------|--|--------------------------------------|---|
| Contributions, Gifts, Grants and Other Similar Amounts | 1a Federated campaigns | 1a | | | | |
| | b Membership dues | 1b | | | | |
| | c Fundraising events | 1c | | | | |
| | d Related organizations | 1d | | | | |
| | e Government grants (contributions) | 1e | | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above | 1f | | | | |
| | g Noncash contributions included in lines 1a-1f | 1g \$ | | | | |
| | h Total. Add lines 1a-1f ▶ | | | | | |
| Program Service Revenue | 2a _____ | Business Code | | | | |
| | b _____ | | | | | |
| | c _____ | | | | | |
| | d _____ | | | | | |
| | e _____ | | | | | |
| | f All other program service revenue | | | | | |
| | g Total. Add lines 2a-2f ▶ | | | | | |
| | 3 Investment income (including dividends, interest, and other similar amounts) ▶ | | | | | |
| 4 Income from investment of tax-exempt bond proceeds ▶ | | | | | | |
| 5 Royalties ▶ | | | | | | |
| | 6a Gross rents | (i) Real (ii) Personal | | | | |
| | b Less: rental expenses | 6b | | | | |
| | c Rental income or (loss) | 6c | | | | |
| | | | | | | |



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Part IX – Statement of Expenses

- Statement of Functional Expenses:
 - Only 501(c)(3) and (c)(4) are required to functionalize
 - Should tie to the financial statements with exception of in-kind
- Expense categories to review carefully:
 - Compensation to disqualified persons
 - Management services
 - Lobbying expenses
 - Professional fundraising
 - Miscellaneous < 10% of total expenses

Part IX – Statement of Expenses

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. | | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|--|--|-----------------------|---------------------------------|--|-----------------------------|
| 1 | Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 | | | | |
| 2 | Grants and other assistance to domestic individuals. See Part IV, line 22 | | | | |
| 3 | Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 | | | | |
| 4 | Benefits paid to or for members | | | | |
| 5 | Compensation of current officers, directors, trustees, and key employees | | | | |
| 6 | Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | | | | |
| 7 | Other salaries and wages | | | | |
| 8 | Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) | | | | |
| 9 | Other employee benefits | | | | |
| 10 | Payroll taxes | | | | |
| 11 | Fees for services (nonemployees): | | | | |
| a | Management | | | | |
| b | Legal | | | | |
| c | Accounting | | | | |
| d | Lobbying | | | | |
| e | Professional fundraising services. See Part IV, line 17 | | | | |
| f | Investment management fees | | | | |
| g | Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) | | | | |
| 12 | Advertising and promotion | | | | |
| 13 | Office expenses | | | | |
| 14 | Information technology | | | | |
| 15 | Royalties | | | | |
| 16 | Occupancy | | | | |
| 17 | Travel | | | | |



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Part IX – Statement of Expenses (Con't)

➤ Key Items to tie together:

- Grants
 - ☐ Line 1 should tie to Schedule I, part II (if > \$5,000)
 - ☐ Line 2 should tie to Schedule I, part III
 - ☐ Line 3 should equal the sum of Schedule F, Part II (if all grants are > \$5,000)
- Fees for Services:
 - ☐ Line 11d, lobbying should tie to Schedule C, Part II (except for payroll costs that may be imbedded)
 - ☐ Line 11e, professional fund-raising services should tie to Schedule G, Part 1 and Page 1 of Core Form
 - ☐ Line 11g, other services, must be detailed on Schedule O > 10% of total expenses on line 25
- Other miscellaneous must be detailed if > 10% of total expenses on line 25



Part X– Balance Sheet

- Part X - Balance Sheet
 - Although titled differently is essentially a copy of the Statement of Financial Position found in the audited financial statements
 - Provides some greater detail of certain asset/liabilities than the financials might



Part X— Balance Sheet

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Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

| | | (A) Beginning of year | (B) End of year |
|--|--|--------------------------|--------------------|
| Assets | 1 Cash—non-interest-bearing | 1 | |
| | 2 Savings and temporary cash investments | 2 | |
| | 3 Pledges and grants receivable, net | 3 | |
| | 4 Accounts receivable, net | 4 | |
| | 5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons | 5 | |
| | 6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B) | 6 | |
| | 7 Notes and loans receivable, net | 7 | |
| | 8 Inventories for sale or use | 8 | |
| | 9 Prepaid expenses and deferred charges | 9 | |
| | 10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 10a | |
| | b Less: accumulated depreciation | 10b | 10c |
| | 11 Investments—publicly traded securities | 11 | |
| | 12 Investments—other securities. See Part IV, line 11 | 12 | |
| | 13 Investments—program-related. See Part IV, line 11 | 13 | |
| | 14 Intangible assets | 14 | |
| | 15 Other assets. See Part IV, line 11 | 15 | |
| 16 Total assets. Add lines 1 through 15 (must equal line 33) | 16 | | |
| Liabilities | 17 Accounts payable and accrued expenses | 17 | |
| | 18 Grants payable | 18 | |
| | 19 Deferred revenue | 19 | |
| | 20 Tax-exempt bond liabilities | 20 | |
| | 21 Escrow or custodial account liability. Complete Part IV of Schedule D | 21 | |
| | 22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons | 22 | |
| | 23 Secured mortgages and notes payable to unrelated third parties | 23 | |
| | 24 Unsecured notes and loans payable to unrelated third parties | 24 | |
| | 25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17–24). Complete Part X of Schedule D | 25 | |
| | 26 Total liabilities. Add lines 17 through 25 | 26 | |

Part XI – Reconciliation of Net Assets

- Reconciles Net Asset balance of books and records to “Tax Basis” Net Assets
- Reconciling items can include:
 - Donated services and use of facilities (In-kind donations)
 - Prior period adjustments, unrealized gains and losses, loss on uncollectible pledges

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Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI ☐

| | | | |
|-----------|--|-----------|--|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | |
| 3 | Revenue less expenses. Subtract line 2 from line 1 | 3 | |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A)) | 4 | |
| 5 | Net unrealized gains (losses) on investments | 5 | |
| 6 | Donated services and use of facilities | 6 | |
| 7 | Investment expenses | 7 | |
| 8 | Prior period adjustments | 8 | |
| 9 | Other changes in net assets or fund balances (explain on Schedule O) | 9 | |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B)) | 10 | |



Part XII – Financial Statements

- Part XII - Financial Statements and Reporting
 - Pay attention to the accounting method being checked off
 - Is it accrual or another basis?
 - Asks the question regarding whether or not the financial statements were compiled, reviewed or audited?
 - Ask the question if the organization has a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements **AND** selection of an independent account
 - Ask the question about if the organization is required to have a Single Audit



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Part XII – Financial Statements

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII ☐

| | Yes | No |
|---|-----------|----|
| 1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O. | | |
| 2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . . If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | 2a | |
| b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | 2b | |
| c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? . If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O. | 2c | |
| 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? | 3a | |
| b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits . | 3b | |

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Questions?

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