

What's new in the Redesigned form 990?

All non-profit organizations required to file their latest return on form 990 for 2008, will see significant changes in financial and disclosure reporting. This newly designed form 990 was redesigned to assist Internal Revenue Service staff closely monitor non-profit organizations and identify potential areas where the organization may be subject to tax or the revocation of the exempt status. Non-profit financial executives should pay close attention to these revisions and be prepared for significant increases in the amount of time needed to properly prepare for 990. However, one conciliation is that the IRS did increase the total receipts and assets thresholds for requiring an exempt organization to be forced to use 990 instead of 990-EZ to gross receipts of \$ 1,000,000 and total assets of less than \$ 2,500,000. The Internal Revenue Service has estimated that this new requirement will allow approximately 189,000 exempt organizations to file the less cumbersome and intrusive form 990-EZ rather than the lengthy form 990. Below are highlights of the changes associated with the redesigned form 990 for 2008:

- **Part VI, Governance, Management, and Disclosure**- This is a new section to form 990 that is designed to give the IRS insight into the exempt organization's governance structure, policies and disclosure practices.
- **Part VII, Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**- Although not a new section to form 990, it does include new definitions of officer and key employees, and includes the requirement of now reporting the compensation of the top five highest compensated employees.
- **Schedule A**-Schedule A has been revised to emphasize reporting of public charity status and public support
- **Schedule D**-Schedule D contains new reporting requirements for conservation organizations; museums and other organization maintaining collection of art and other items
- **Schedule G**-Schedule G now requires reporting of certain information regarding contract information with professional fundraisers, special events, and gaming activities
- **Schedule F**-Schedule F is new for 2008 and is for reporting foreign activities
- **Schedule H**-Schedule H is new for 2008 and is required for Hospitals
- **Schedule K**-Schedule K is new for 2008 and reports information concerning an organizations tax exempt bonds
- **Schedule M**-Schedule M is another new schedule for 2008 and reports information concerning non-cash contributions received by the exempt organization
- **Schedule R**-Schedule R, another new schedule, reports information, including financial information, concerning related organization activities

These are but the highlights of the new reporting and disclosure requirements for form 990 2008. There are many other changes and required disclosures and I suggest that you speak with either our firm or your tax advisor to begin your preparation for accurately complying with the new form 990 or 990EZ. You can also get more information by going to IRS.GOV and clicking on the Charitable Organizations tab at the top of the page. If you need further assistance, please give me a call at 770.461.6077 or you may email me at mwa@ahartcpa.com.

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