

Meet the Presenters

Neely Duncan, CPA, CFE
Partner
214.293.7166
neely.duncan@forvis.com

Ruth Snell, CPA
Director
512.610.7232
Ruth.snell@armanino.com

FORV/S

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

armanino 

1

EVERYONE SAY WITH ME.....

**A NONPROFIT ORGANIZATION IS TO BE RUN LIKE A
BUSINESS!**

**A NFP is simply a business that does not pay out
dividends to shareholders but reinvests its dividends
into the community!**

FORV/S

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

armanino 

2

What is the Form 990?

- Annual **Information** Return for 501(c) orgs
- Reporting:
 - Exempt activities
 - Other activities
 - Finances
 - Governance
 - Compliance
 - Compensation
 - Other info as required (e.g., hospitals)

FORV/S

armanino

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

3

Exempt Purpose



What are we doing?



What does the IRS think we are doing?



What does the Form 990 say we are doing?



What does our website say?



What does our annual report say?



Organizations operating outside of the approved exempt purposes can have their exemptions revoked by the IRS



Exemptions up to date

FORV/S

armanino

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

4

Tax Exemption

- A privilege, not a right. The IRS can revoke exemptions for any one of several reasons
- Individual states have regulatory bodies that oversee NFPs that can revoke their state tax-exempt status without regard to their federal tax-exempt status and even prevent them from operating
- [Exempt Organization Types | Internal Revenue Service \(irs.gov\)](#)
- [Existing Organizations | Stay Exempt \(irs.gov\)](#)

FORV/S



FORV/S is a trademark of FORV/S, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

5

Tax Form 990

- [Form 990](#), *Return of Organization Exempt From Income Tax*, is the annual information return for tax-exempt organizations, including political organizations.
- **What are my filing responsibilities once I receive/apply for my tax-exempt status?**
 - The return is due on the 15th day of the 5th month after the end of the organization's fiscal year. (For example, the 2008 return of an organization whose fiscal year ends on June 30, 2009, would be November 15, 2009.)
 - The due date may be extended for six months, without showing cause, by filing [Form 8868](#) before the due date.
 - An organization will only be allowed an extension of 6 months for a return for a tax year.
 - [Tax Exempt Organization Search | Internal Revenue Service \(irs.gov\)](#)

FORV/S



FORV/S is a trademark of FORV/S, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

6

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](https://utcle.org/elibrary)

Title search: MASTER CLASS: Accounting for Non-Profits:
Understanding the Balance Sheet and Financial Statements (and
the Form 990 Connection)

Also available as part of the eCourse

[2024 Nonprofit Organizations eConference](#)

First appeared as part of the conference materials for the
41st Annual Nonprofit Organizations Institute session

"MASTER CLASS: Accounting for Non-Profits: Understanding the Balance Sheet and
Financial Statements (and the Form 990 Connection)"