

Private Foundation Basics – Form 990-PF Workshop

January 18, 2023



1

Presenters

- ▶ Jennifer Rhoderick, EY, Indianapolis, IN
 - ▶ +1 317 681 7445, jennifer.rhoderick@ey.com
- ▶ Mike Sales, EY, Iselin, NJ
 - ▶ +1 732 516 4883, michael.sales@ey.com
- ▶ Chelsey Ziegler-Scaffidi, Heising-Simons Foundation, Austin, TX
 - ▶ +1 650 535 1818, cscaffidi@hsfoundation.org
- ▶ Jorge Lopez, John D. and Catherine MacArthur Foundation, Chicago, IL
 - ▶ +1 312 920 6295, jlopez@macfound.org

2

Contents

- ▶ Introduction – Form 990-PF purpose
- ▶ Financial information (Part I – Part IV)
- ▶ Determining tax on net investment income (Part V)
- ▶ Statements regarding activities and compensation (Part VI-A, Part VI-B and Part VII)
- ▶ Reporting direct charitable activities and program related investments (Part VIII-A and VIII-B)
- ▶ Determining required distributions (Part IX – Part XI)
- ▶ Calculating undistributed income (Part XII)
- ▶ Private operating foundations (Part XIII)
- ▶ Grants and charitable activities (Part XIV)
- ▶ Allocation of income (Part XV) and transactions with noncharitable exempt organizations (Part XVI)

3

Learning Objectives

Upon the completion of this program, you should be able to:

- ▶ Determine the purpose of the Form 990PF.
- ▶ Review the parts of the Form 990PF and how to complete each section
- ▶ Discuss tips and highlights of specific items to focus on
- ▶ Recognize the steps in exercising expenditure responsibility

4

Form 990-PF purpose

- ▶ Calculation of net investment income excise tax
- ▶ Calculation of required distributions
- ▶ Determination of whether operating or non-operating foundation tests are met
- ▶ Provide financial information, address governance issues, disclose grant recipients
- ▶ Adherence to excise tax regulations and determination of whether any of the penalty excise taxes have been triggered
- ▶ Disclosure of foundation charitable activities, including grant programs

Form 990-PF, Part I

- ▶ Column A:
 - ▶ All items of income and expense as shown on the books of the foundation
 - ▶ Report unrealized gains and losses as an adjustment to fund balance in Part III
 - ▶ Exclude donated services and free use of equipment or facilities
 - ▶ Report rental income from investment property on Line 5; other rental income is reported on Line 11
 - ▶ Income from program-related investments should be reported on Line 11

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: Form 990-PF Workshop

Also available as part of the eCourse

[2023 Nonprofit Organizations Fundamentals eConference](#)

First appeared as part of the conference materials for the
2023 Nonprofit Organizations Fundamentals Workshop session
"Form 990-PF Workshop"