

## How to Make Your Form 990 Work for You

February 2000

If your organization is one of the more than 220,000 public charities in the country that are required to file a Form 990 or 990-EZ with the Internal Revenue Service, take note. Regulations that went into effect in summer 1999 make this public document easier to access. This transparency means that donors, reporters, colleagues, and researchers alike will look to your 990 as one more tool in evaluating your organization. Likewise, you should begin viewing this document as one more way to communicate effectively with these audiences.

If your accountant and chief executive officer are typically the only people in your organization who pay much attention to your 990, now is the perfect time to share this document with your marketing, development, and communications officers as well. They can help write clear narratives that add the much-needed context to the pages of 990 financials.

### Here are some tips to get you started:

- **Use the correct form**

The Form 990 has changed over the years, so be sure to use the correct version for the year for which you are filing. Don't use software that includes more lines than the actual 990 requires. Some programs have a line 43f, which is not part of the form.

- **Protect your organization's address when necessary**

If your organization engages in work that protects the location of at-risk individuals (i.e., a battered women's shelter), do not put the actual address of your organization on the 990. Instead, use your mailing address or P.O. box.

- **Contributors, donors, and government grants are not public information (Part 1, line 1d; Schedule A, Part IV-A, lines 26b, 27a, 28)**

You need to include a list of your contributors, donors, or the specific source of unusual grants your organization received. This information, however, is *not* part of the public record. It should be clearly marked as confidential data and submitted on separate pages so that the IRS can easily remove those pages before releasing the 990 to interested parties.

- **Get the most out of Part III, your Statement of Program Service Accomplishments**

What is your organization's primary/exempt purpose? This is your mission statement. Don't let your accountant determine this. It should be concise (not a lengthy narrative), but it doesn't have to fit into the small space provided on the document itself. You can refer readers to an attached statement. If you refer readers to an attachment, on this line put: SEE STATEMENT 1.

Describe your exempt-purpose achievements, both measurable and not measurable. This section supports your mission statement and gives you an opportunity to describe specific accomplishments. A supporting program service expense must follow each listing, so this section should include broad, well-explained categories.

- **Don't include Social Security Numbers**

The Social Security number of your Form 990 preparer, although a field on the 990, is *not* required when filing. Instruct your form preparer to leave it off if he/she does not want the Social Security number released to the public. Also, don't include Social Security numbers for any other persons you identify on the form.

If you make scholarship, fellowship, or research grants to individuals, you are required to list them individually by name, address, and amount given, unless your organization is subject to the Family Educational Rights and Privacy Act. You are not, however, required to provide the recipients' Social Security numbers. Also, if you are reporting specific assistance to individuals on Line 23, you are not required to provide names and addresses.

- **Round your numbers**

Round numbers to the nearest dollar. There is no need to use decimal points.

- **Don't leave blanks**

An absence of information where it is required will create questions in many readers' minds. In general, fill in all the blanks, especially where you need to total various lines. Also, keep in mind that the IRS requires Parts II and VII to be filled out in the exact format, using the same categories, as specified on the form. Many organizations submit attachments that stray from the format.

- **Do not put more than one number in any box**

- **Do not include bank account numbers on your 990**

- **Protect the privacy of your officers, directors, trustees, and key employees**

Although these people need to be identified by name and address, the address listed should be where they receive company mail, not necessarily their home addresses. That means that board members do not have to include their home addresses in this section.

- **Remember that Form 2758, Application for Extension of Time To File, is also a public document**

Debra Snider

February 2000

© 2000, Philanthropic Research, Inc.