Don't Neglect Your Form 990 Filing

If you don't have the necessary information, a little sleuthing is well worth your time.

by Diane DeBok, LAWINRC Editor and Content Manager

For officers in nonprofit organizations, some areas of responsibility allow for more generous learning curves than others. When it comes to filing the I.R.S. Form 990, typically a task falling to the treasurer, it is important to be informed about the obligations surrounding the filing. The Form 990 is a document that must be filed with the Internal Revenue Service by most tax exempt organizations. There are different versions of the form. The version to be filed depends upon the financial activity of the organization. Organizations that fail to file the Form 990 for three consecutive years automatically lose their tax exempt status and can face significant financial penalties. For persons who are unfamiliar with this responsibility or whose predecessors did not share sufficient information about it, a little sleuthing is well worth the time. Fortunately, the Internal Revenue Service website provides many valuable resources.

Which form should your organization file?

With the exception of churches, most tax exempt organizations are required to file a Form 990 each year regardless of how much money the organization takes in. For specifics regarding who does and does not need to file see https://www.irs.gov/charities-non-profits/annual-exempt-organization-return-who-must-file) There are different versions of the Form 990, and the proper one to use depends upon the organization's financial activity. These are explained in a chart called *Which forms do exempt organizations file?* found at https://www.irs.gov/charities-non-profits/form-990-series-which-forms-do-exempt-organizations-file-filing-phase-in

The website thebalance.com also provides a succinct discussion of the 990 and its versions at https://www.thebalance.com/what-nonprofits-need-to-know-about-form-990-2502284

Starting in 2008, small tax-exempt organizations that previously were not required to file returns—those with gross receipts of $50,000 or less—were required to submit an annual electronic notice. This is the Form 990-N (e-Postcard). There is no paper form for this version. Until February 2016, the Form 990-N (e-Postcard) had been hosted on the Urban Institute website. It now resides on the I.R.S. website. Details on the 990-N (e-Postcard) are at https://www.irs.gov/charities-non-profits/annual-electronic-filing-requirement-for-small-exempt-organizations-form-990-n-e-postcard

Organizations with gross receipts of less than $200,000 and with assets less than $500,000 should file the 990-EZ or 990 while those with gross receipts greater than $200,000 and assets greater than $500,000 should file the 990. Links to each of these forms are provided on the *Which forms do exempt organizations file?* chart mentioned above.

How do I know if the most recent Form 990 has been filed?

If you have no reliable records or if no one in your organization can provide information on the most recent filing, a good place to start searching is the EO Select Check on the I.R.S. website at https://www.irs.gov/charities-non-profits/exempt-organizations-select-check. About mid-screen is a rectangular blue button labeled Exempt Organizations Select Check Tool. Click the button. The next screen offers access to three databases: 1) Are eligible to receive tax-deductible charitable contributions; 2) Were automatically revoked; and 3) Have filed Form 990-N (e-Postcard).

If your organization's status requires the 990-N, choose the third database, Have filed Form 990-N (e-Postcard). A form with six fields appears. If you

know your nonprofit's Employer Identification Number (EIN), enter it in the first field and click Search.

The EIN is unique to your organization. If you do not know the EIN, fill in the official name of your organization enclosed in quotation marks so the system will look specifically for that name. Otherwise the system will return all organization names with those words in any combination. Click Search. Your organization's name and filing history should appear.

If the most recent tax year does not appear in the list of past filings, log in to the IRS website to submit the current filing at https://sa.www4.irs.gov/epostcard/ You will see two columns, one with the heading First Time Users and the other with the heading Returning Users. Returning users can use the same login credentials as in the past, but if you do not have the username or other information used by a predecessor, you can create new credentials by clicking on the Get Started button for First Time Users.

Users who registered before February 18, 2016, when the ePostcard was hosted on the Urban Institute website, must register as first-time users and create new profiles as usernames and passwords used on the Urban Institute website will not work with the I.R.S. interface. In setting up a security profile, you are asked to provide some personal information, set up challenge questions, and fill in other relevant details. First-time users should refer to the *e-Postcard User Guide, Publication 5248* at https://www.irs.gov/pub/irs-pdf/p5248.pdf for step-by-step guidance.

If you do not have all the information you need, choose Save Filing to save your work and log out, otherwise, your session will time out and you will be logged out automatically.

If your organization does not appear in the database Have filed form 990-N (ePostcard), return to the screen listing the three databases and choose the second one, Were automatically revoked. If your organization is listed, it will be necessary to seek reinstatement by filing another Form 1023 Application for Recognition of Exemption. If your nonprofit did not file because of circumstances beyond its control such as serious illness or a natural disaster, you can claim reasonable cause. A finding of reasonable cause can make reinstatement retroactive. Information about abatement of penalties is included in the section below, **More on revocation and penalties**.

It is also possible that your nonprofit has filed a *Form 990, Return of Organization Exempt from Income Tax* or *Form 990-EZ, Short Form Return of Organization Exempt from Income Tax* in the past. You can search for your nonprofit's listing on the GuideStar website at www.guidestar.org. Users may set up a free account with an email and password to find this information.

For assistance in filling out the Form 990 and 990-EZ, the I.R.S. offers FAQs, videos, and other assistance on a web page entitled *Annual Reporting and Filing* at https://www.irs.gov/charities-non-profits/annual-reporting-and-filing

When is the filing due?

The filing is due on the fifth month after the end of your organization's fiscal year. Organizations that follow the calendar year should file by May 15. You cannot file early. In other words, you cannot file before the end of your fiscal year. A chart entitled *Return Due Dates for Exempt Organizations: Annual Return* is at https://www.irs.gov/charities-non-profits/return-due-dates-for-exempt-organizations-annual-return.

More on revocation and penalties

If your nonprofit has lost its tax exemption, learn more about what this means and how to be reinstated at the I.R.S. web page called *Revoked? Reinstated? Learn More* at https://www.irs.gov/charities-non-profits/automatic-revocation-of-exemption. The page

2017 Nonprofit Summit Organizers Seeking Session Presenters

Organizers of the Iowa Nonprofit Summit are seeking presenters for sessions at the 2017 summit scheduled for October 24-25, 2017 in Altoona, Iowa.

Persons interested in delivering presentations relevant to Iowa nonprofit and volunteer management professionals may submit online proposals to Summit organizers until 12 pm, May 5.

Information about the conference is at https://www.regonline.com/builder/site/default. aspx?EventID=1931676 under the Summary tab. Details about submitting a workshop proposal are under the Call for Workshops tab.

Questions should be directed to Chad Driscoll at Volunteer Iowa either by telephone at 515-725-3074 or by email at chad.driscoll@iowaeda.com

Partners organizing the Summit include: Volunteer Iowa, the Larned A. Waterman Iowa Nonprofit Resource Center, United Ways of Iowa, Volunteer Centers of Iowa, Iowa Council of Foundations, Iowa Mentoring Partnership, Iowa RSVP, and Foster Grandparent/Senior Companion program directors' associations.

Abatement of Late Filing Penalties at https://www. irs.gov/charities-non-profits/exempt-organizations-annual-reporting-requirements-filing-procedures-abatement-of-late-filing-penalties also has information.

The *Journal of Accountancy* has a brief, to-the-point article called *Form 990: Late filing penalty abatement* at http://www.journalofaccountancy.com/issues/2014/nov/late-filing-form-990.html The article explains the penalties for failing to file the Form 990 and outlines criteria for penalty relief.

Whether your nonprofit is large or small, make sure you are aware of where it stands in regard to its filing of the Form 990, and be certain to share the information with your successors who will shoulder this responsibility in the future.

Iowa AmeriCorps Seeks Input

Iowa AmeriCorps is asking interested persons to complete a short survey to help determine the feasibility of an intermediary that would support AmeriCorps (not VISTA) programming in a variety of ways. An intermediary is an entity that may serve as the granting organization and place members at host sites across the state. Such an entity could possibly offer services including background checks, member and supervisor training support, and sharing of best practices and templates, to name just a few. The survey, which takes 5-10 minutes to complete, seeks input regarding such services.

Complete the survey at https://www.surveymonkey. com/r/2017IACorps

More information on Iowa AmeriCorps is at https:// www.volunteeriowa.org/americorps-state.

If questions, contact Michelle Rich at mrich@sppg.com

Training Opportunities

Greater Des Moines Community Foundation

Register for individual sessions on the Calendar of Events at https://www.desmoinesfoundation.org/

On Board: The Basics of Being an Effective Board Member
Date: April 20
Time: 3-5 pm
Location: Junior Achievement, 6100 Grand Ave., Des Moines
Presenters: Angela Dethlefs-Trettin, Chief Community Impact Officer, and Anna Nalean, Director of Nonprofit Relations, Community Foundation of Greater Des Moines
Cost: $20

Starting a Nonprofit: What to Know and Alternatives to Consider
Date: May 8
Time: 3-5 pm
Location: Iowa Center for Higher Education, 2500 Fleur Dr., Des Moines
Presenter: Paul Thelen, Assistant Director, Larned A. Waterman Iowa Nonprofit Resource Center
Cost: $25