



New filing rules take effect for Non-Profits

New requirements

In response to perceived abuses by large tax exempt organizations in the areas of executive compensation and insider dealings, the Internal Revenue Service substantially redesigned the annual Form 990. The new Form 990 requires disclosure of additional financial and operating details, as well as policies and procedures related to governance and compensation. It includes a number of new schedules and tables for this purpose.

Impact on your organization

Since the Form 990 is open to public inspection, it is in your organization's best interest to address these new areas, since potential donors may use your organization's Form 990 as a decision making tool.

Effective dates

Mandatory use of the new form is to be phased in over time based on an organization's revenues and total asset value (it can be voluntarily used by organizations at any time). For organizations that have an accounting year beginning in 2009, the new form is required when gross receipts are at least \$500,000 or assets total \$1,250,000 or more.

For accounting years beginning in 2010, the new form is required once gross receipts reach \$200,000 or total assets reach \$500,000. Organizations not meeting these requirements may continue to file the much shorter Form 990-EZ.

Guidance

We have created an [Exempt Organization Action plan](#) to assist organizations in their efforts to comply with these new rules.

Please contact us at 707-963-4466 if you have specific questions about your organization's Form 990 filing requirements.

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