



# **EXEMPT ORGANIZATION F990 PREPARATION & FILING**

White Paper



---

## EXEMPT ORGANIZATION FORM 990 RETURNS

Form 990 returns are the IRS's key instrument for attaining a complete and accurate overview of a tax-exempt organization's activities, governance and detailed financial information. Form 990 returns are also used by government agencies to prevent organizations from abusing their tax-exempt status. A great deal of information must be collected and reported annually by the organization's management and professionally organized into the Form 990 and supporting schedules.



Each Form 990 return must include a combination of detailed financial information and information on the not-for-profit organization's mission, programs, and use of finances. A non-for-profit organization that does not file annual returns or notices for three consecutive years will have its tax-exempt status revoked as of the due date of the third return or notice. An organization's tax-exempt status may be reinstated if it can show reasonable cause for the years of non-filing.



## GENERAL GUIDELINES

Most not-for-profit organizations (including charitable non-profits) must file a Form 990 (Return of Organization Exempt from Income Tax Form) with the IRS each year.

### NOT-FOR-PROFIT ORGANIZATIONS THAT MUST FILE AN ANNUAL FORM 990 RETURN:

- All private foundations, regardless of income.
- Most tax-exempt organizations with gross receipts of \$200,000 or assets worth \$500,000.
- Larger not-for-profit organizations that have gross receipts of more than \$50,000.
- Small not-for-profit organizations with gross receipts of \$50,000 or less.
- Organizations that are tax-exempt under Sections 501(c), 527, or 4947(a)(1) of the U.S. tax code, and that do not fall into the exemptions listed in the next column.

### NOT-FOR-PROFIT ORGANIZATIONS THAT ARE EXEMPT FROM FILING A FORM 990 RETURN:

- Churches and most faith-based organizations such as religious schools, missions, or missionary organizations.
- Subsidiaries of other not-for-profit organizations, where there may be a group return filed by the parent group.
- Government corporations.
- State institutions. Some state institutions, for instance a university, are exempt because they provide essential services.



# F990 PREPARATION & FILING REQUIREMENTS

The IRS takes Form 990 returns very seriously as a means of knowing almost everything about a tax-exempt organization. The information disclosed in the F990 return must be accurate, transparent and complete. Misleading or inaccurate information within the return could lead to IRS penalties as well as jail time.

The preparation and filing of annual Form 990 tax returns entails the collection and reporting of a great deal of data and information about a not-for-profit organization, which must be professionally organized into the Form 990 and supporting schedules for filing with the IRS.

Certain non-for-profit organizations have more comprehensive reporting requirements than others. In addition to filing a Form 990, many organizations often must file additional schedules to supplement, clarify and more fully support compliance of disclosures made in the Form 990 return. Working with a CPA with F990 preparation and filing expertise will help your organization to more fully support these needs.

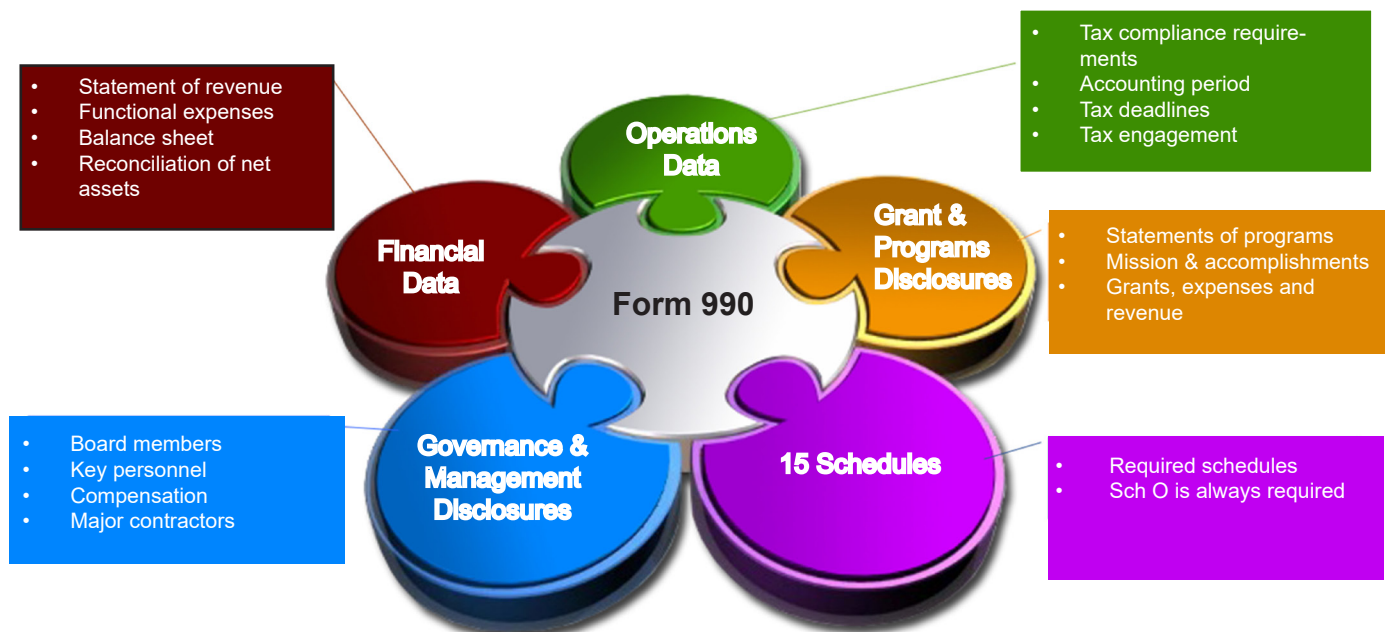
Another important fact about Form 990 returns is that, subsequent to filing a Form 990, portions of the return become public record, accessible to the general public, donors, association members, vendors, contractors, and other authorities.

The amount of effort required to properly prepare and file a Form 990 tax return is highly dependent upon the completeness of the information and documents received from the association, the timeliness and accuracy of responses to any inquiries, and the number of inquiries that are needed to clarify information that is used to prepare the tax return and associated schedules.

In general, the level of effort associated with preparing a Form 990 tax return can be minimized if the organization's documents are complete and well-organized. If documents are incomplete or inaccurate, a higher degree of effort and rounds of inquiries may be necessary to ensure the accuracy and completeness of the information needed to prepare the tax return.

First-year Form 990 tax returns typically require more time to prepare and file than subsequent years because all of the information required to prepare the return has never been previously documented and entered into a tax return.

## F990 Organization Information and Data



When preparing Form 990 tax returns for subsequent years, information from the first-year return may often be carried to the next return helping to minimize the service hours associated with preparation of the returns.



The information provided in this white paper is provided for educational purposes only. The white paper is not intended to be an opinion and does not contain complete expositions or analysis of all relevant information necessary to provide advice for individual situations.

## HOW OUR CPA FIRM CAN HELP

Your organization's Form 990 filing needs are well supported by BAS Certified Public Accountant Firm. From the beginning of the process through completing the proper preparation and filing of your organization's Form 990 return, our firm works to guide your organization through the collection and delivery of your organization's financial statements and information about the organization's mission and programs in an effort to minimize the necessary work load and the preparation and filing of your organization's Form 990 return.

**For assistance with your organization's Form 990 preparation and filing needs please contact us at (571) 495-2227 or visit our firm's website at <https://bas.cpa>**



**BAS Certified Public Accountant Firm**  
19465 Deerfield Ave., Ste 102,  
Lansdowne, VA 20176

Tel: (571) 495-2227 Web: <https://bas.cpa>

©2021 BAS CPA Firm.. All rights reserved.