

## **NEW REQUIREMENTS OF THE FORM 990**

The redesigned Form 990 is effective for fiscal years ending December 31, 2008 and later (e.g., June 30, 2009, etc.). For your reference, below is a list of the policies, procedures and items needed to comply with the revised Form 990. Some key points to consider are:

1. Even non-profits that file Form 990-EZ and 990-N must have these policies and procedures in place.
2. All policies and procedures must be written and formally adopted (and reflected in the minutes) as soon as possible.
3. The Form 990 asks if these policies and procedures are in place. If the answer is “no”, the organization must explain why they are not in place. If you fail to answer these questions, the IRS will consider the return as incomplete, as if it was never filed.
4. You can visit the IRS Website, [www.irs.gov](http://www.irs.gov), for complete instructions – they are more than 300 pages long.

### **ITEMS REQUIRED FOR THE REDESIGNED FORM 990 (applicable to ALL non-profits)**

#### **Required Policies**

- Conflict of Interest Policy
- Whistleblower Policy
- Document Retention and Destruction Policy
- Joint Venture Policy
- Expense Reimbursement Policy
- Non-Standard Gift Acceptance Policy

Samples of these policies can be found on my Website ([www.npocpa.pro](http://www.npocpa.pro)).

#### **Practice and Procedures**

- Prepare a *written document* which sets forth the procedures by which the *Board of Directors* will *review the Form 990* before it is filed.
- Document compensation reasonableness processes (i.e., salary surveys, Board policy).
- Prepare documentation regarding eligibility to receive gifts.
- Prepare documentation to support classification of independent contractors.
- Make sure to register with the California Attorney General if conducting raffles.
- Document meetings of Board of Directors committees with authority to act.
- Prepare a written document which indicates how the organization satisfies public disclosure requirements.
- Revise the Chart of Accounts, and audited financial statements, to match the expense categories listed in the left-hand column of the Statement of Functional Expenses attached.