

Completing The New Form 990: Can You Check “YES”?

With the release of the revised Form 990 just around the corner (in effect for tax years ending after December 31, 2007), tax-exempt entities should start gaining an understanding of the questions that will be asked on the new Form and contemplate what they should be doing in order to check “yes” to the various questions that will be asked. To help your organization know what it should be doing before the end of its fiscal year, listed below are numerous questions that will be on the revised Form 990. Can your organization answer “yes” to the following questions?

- Does your organization contemporaneously document the meetings held or written actions undertaken during the year by your governing body and each committee with authority to act on behalf of your governing body?
- If your organization has local chapters, branches or affiliates, does your organization have written policies and procedures governing the activities of such chapters, branches or affiliates to ensure their operations are consistent with those of your organization?
- Is a copy of the Form 990 provided to each voting member of your organization's governing body before it is filed?
- Does your organization have a written conflict of interest policy?
 - Are officers, directors, trustees and key employees required to disclose annually interests that could give rise to conflict?
 - Does your organization regularly and consistently monitor and enforce compliance with this policy?
- Does your organization have a written whistleblower policy?
- Does your organization have a written document retention and destruction policy?
- Does the process of determining compensation for your organization's CEO, Executive Director, top management officials, and key employees include a review and approval by independent persons, comparability data, and/or contemporaneous substantiation of the deliberation and decision?
- If your organization invests in, contributes assets to, or participates in a joint venture or similar arrangement with a taxable entity during the year, has your organization adopted a written policy or procedure requiring your organization to evaluate its participation in joint venture arrangements under applicable federal law, and has your organization taken steps to safeguard your organization's exempt status with respect to such arrangements?
- Does your organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of the independent accountant?
- Does your organization follow a written policy regarding payment or reimbursement for the following types of expenses for officers, directors, trustees and key employees: first-class or charter travel, travel for companions, tax indemnification, discretionary spending accounts, housing allowance or personal-use residence, business use of personal residences, health or social club dues or initiation fees, and/or personal services?
- Does your organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director?

If your Organization cannot check “yes” for all the questions above that are applicable, you might consider implementing some of these policies and procedures. GBQ can assist you with this and increase your “yes” answers when completing the 990.