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Preparing Form 990-EZ

and Related Non-profit Topics



**REIMER
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CPAS & ADVISORS

TOPICS TO COVER TODAY

What forms do I need to prepare?

What information do I need?

What are some resources to help?

Key Points to Remember!!!



Keep good records!



Stay current with required filings!

FILING REQUIREMENTS

Form 990-N

- Gross receipts of \$50,000 or less
- “e-Postcard” return

Form 990-EZ

- Gross receipts less than \$200,000 and total assets less than \$500,000
- Slightly less complex than Form 990

Form 990

- Gross receipts more than \$200,000 or total assets greater than \$500,000

DEADLINES



- For June 30 year end, form 990 (including 990N and 990-EZ) is due November 15th. With extension, the 990 is due the following May 15th
- If filing forms 1099-MISC (more on this later) the deadline is January 31.

REMEMBER:

1. Failure to file 990 for 3 consecutive years will result in automatic revocation of exempt 501(c)(3) status. Rather troublesome to seek reinstatement.
2. Late filing of 1099-MISC starts at \$25 PER FORM and goes up to \$260 per form if really late.

Other Forms

Form W-9, Request for Taxpayer Identification Number and Certification. Obtain this from:

- ✓ all vendors (not Sam's Club)
- ✓ donors *of property* more than \$500
- ✓ Prize winners of \$600 or more

Other Forms (continued)

- Form 1099-MISC or 1099-NEC
 - Report rents and payments to vendors of more than \$600 per calendar year. Not necessary to issue to corporations.
 - Issue a 1099-MISC to someone who wins prizes more than \$600
 - Report amounts paid to law firms if greater than \$600

Donation Receipts



You need to provide receipts to donors if they make a contribution.



Required for donations of cash or property of more than \$250



Required if there's a payment received, more than \$75, that is partly for goods/services, and partly a contribution.

Donations from Fundraisers



Generally a quid pro quo to a fundraiser (except raffles)



Examples:

Golf tournament
Sale of candy



Organization has the responsibility to

Estimate fair market value of non-charitable benefits

Give acknowledgement of both total received, and non-contribution portion.

Donations from Fundraisers (continued)

- No portion of a raffle ticket is considered a charitable contribution
- If donated property is given as a prize or auctioned, the donor should give a reasonable estimate of fair market value
- If within 3 years of receipt, the organization sells property with fair market value of \$500 or more that was donated, they are required to give the donor IRS Form 8282

Exceptions:

- Marketable securities
- Donated property is consumed or distributed in exempt purpose (example - Band Boosters receive donated instruments and distributes such equipment to the band musicians)

Less Frequently Encountered Situations

Donor advised funds

Unrelated Business
Income

Conflicts of interest

Vehicle donations

Disqualified Person



Tracked and reported in the
Form 990 Schedule A



Any officer, director or trustee



Any person who donates more
than \$5,000 (provided that
this is more than 2% of the
total donations received)

Unrelated Business Income (UBI)

- Even if 501(c)(3) organization, it is still possible to owe income taxes if you engage in certain types of activity.
 - IRS wants to discourage charitable organizations from seeking profits in carrying on a business.
- Local PTO's or booster clubs generally don't have UBI.
 - Most common source of UBI might be if an organization hires a third party to solicit advertising for yearbook or sports. This would probably make this advertising income UBI and subject to income taxes.

Donor Advised Funds

If you have these, you cannot file Form 990-EZ, and instead must file the long Form 990.



What is a donor advised fund? It is where the donor has a reasonable expectation of advisory privileges in the disbursement of the fund.

Example - donor gives \$500 and directs the organization to buy football equipment for student Michael Smith.



Not donor advised funds:

Fund directed to be disbursed to a single identifiable organization.

Grants or disbursements are on an objective and nondiscriminatory basis. Example - donation to scholarship fund to be used exclusively for scholarships, provided the organization has a process to award such scholarships.

Conflicts of Interest

- Officers, directors and large donors are generally considered by the IRS as “disqualified” persons. Transactions between the organization and a disqualified person might invite IRS scrutiny.
 - Compensation and benefits
 - Purchase of assets
 - Payments for goods or services
 - Grants or scholarships
 - Leasing transactions

Form 990-N

Gross receipts are
\$50,000 or less

Online only - no paper
filing

Asks for very basic info
such as

- Tax ID number
- Legal name
- Address
- Principal officer



Sign Up

Don't have an account? Create one now.

CREATE ACCOUNT >

Log In

Already have a username? Welcome back!

Username

maxrdunlap

LOG IN >

[Forgot Username](#)

PTIN and FIRE users need a separate account in this system

Oh no!! This sounds like it's very complicated!!

It's not really daunting if you keep these two things in mind:

1. Maintain good records!!

2. File required forms on time!!



Annual Electronic Filing Requirement for Small Exempt Organizations — Form 990-N (e-Postcard)

- Individuals
- Businesses and Self-Employed
- Charities and Nonprofits**
- Exempt Organization Types
- Lifecycle of an Exempt Organization
- Annual Filing and Forms
- Charitable Contributions
- Search for Charities

Who May File Form 990-N to Satisfy Their Annual Reporting Requirement?

In general, exempt organizations have an annual reporting requirement although there are [exceptions](#).

Most small tax-exempt organizations that have an annual reporting requirement can satisfy the requirements by submitting Form 990-N, Electronic Notice (e-Postcard.) Form 990-N is submitted electronically, there are **no paper forms**.

An organization eligible to submit Form 990-N can instead choose to file Form 990 or Form 990-EZ to satisfy its annual reporting requirement.

Small tax-exempt organizations generally are eligible to file Form 990-N to satisfy their annual reporting requirement, if their annual gross receipts are normally \$50,000 or less.

- Gross receipts are the total amounts the organization received from all sources during its annual accounting period, without subtracting any costs or expenses

Charities & Non-Profits Topics

- [A-Z Index](#)
- [Educational Resources and Guidance](#)
- [Publications](#)
- [Audit Process](#)
- [Contact IRS Exempt Organizations](#)
- [About Us](#)

Individual Accounts

IRS frowns on these. Subject
to penalty.



If you need help

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return filed by its central organization does not file Form 990-N because the group return satisfies its annual reporting requirement.

Submitting Form 990-N (e-Postcard)

[Are you eligible to submit Form 990-N \(e-Postcard\)?](#)

1. [Register](#) for your account
2. Review the [submission guidance](#)
3. Gather the [information needed](#)

[Submit Form 990-N \(e-Postcard\)](#)

How to Register and Submit Form 990-N

Review the [IRS Form 990-N Electronic Filing System \(e-Postcard\) User Guide](#) for step by step instructions on how to register and submit electronic Form 990-N (e-Postcard). Most common problems can be avoided by following the User Guide

990N Easy to find

The screenshot shows a Google search interface with the query "irs efile 990n" in the search bar. Below the search bar, there are filters for "All", "News", "Shopping", "Images", "Videos", and "More". The search results are displayed below, with the first result highlighted by a red box. The first result is from the IRS website and is titled "Submitting Form 990-N (e-Postcard) - Internal Revenue Service". The second result is also from the IRS website and is titled "New Form 990-N Submission Website Now Open - Internal ...". Below the search results, there is a section titled "People also ask" with two questions: "When can I file a 990n?" and "Can I file 990n?".

irs efile 990n

Q All News Shopping Images Videos More Tools

About 5,090 results (0.67 seconds)

<https://www.irs.gov/charities-non-profits/annual-ele...>

✓ **Submitting Form 990-N (e-Postcard) - Internal Revenue Service**

Jun 17, 2021 — Small tax-exempt organizations generally are eligible to file Form 990-N to satisfy their annual reporting requirement, if their annual gross ...

You've visited this page many times. Last visit: 8/18/21

<https://www.irs.gov/charities-non-profits/new-form-...>

✓ **New Form 990-N Submission Website Now Open - Internal ...**

Apr 19, 2021 — More In File ... Form 990-N electronic submissions should now be made through IRS.gov instead of Urban Institute's website. For the filing link ...

You've visited this page 3 times. Last visit: 7/6/21

People also ask

When can I file a 990n?

Can I file 990n?

Form 990-EZ



Gross receipts are between \$50,000 and \$200,000



Form 990-EZ is four pages, but there are additional schedules to the 990-EZ



Schedule A *Public Charity Status and Public Support* (Check box 10 and go to page 3)



Schedule B *Schedule of Contributors* (if anyone gives \$5,000 or more, list their name, address and amount)



Schedule G - If you do a fundraiser you will prepare Part II



Schedule O - This is a form used to provide additional explanation for certain questions in the 990-EZ

Quick Dip in the 990 Swimming Pool



Questions?

