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The IRS has issued final 2009 versions of Forms 990 and 990-EZ, as well as their instructions. The IRS has also provided a [detailed explanation](#) of significant changes to the forms.

Form 990, *Return of Organization Exempt From Income Tax*, was extensively revised for 2008. The new Form 990 is designed to promote more uniform reporting by exempt organizations, and it uses questions and answers to offer assistance and clarification. Some of the new features include a glossary of terms, a sequencing list, a compensation table and many illustrative examples.

The IRS said the changes to the 2009 form include:

- The filer must report significant changes in program services in Part III of the form (Statement of Program Service Accomplishments), rather than in a letter to the IRS' Exempt Organizations Determinations office.
- Part IV of the form includes more-detailed trigger questions to help the filer determine whether it needs to complete various parts of Schedule D, *Supplemental Financial Statements*.
- Part IV also explains how revenues or expenses from foreign investments affect whether the filer meets the \$10,000 filing threshold for Schedule F, *Statement of Activities Outside the United States*.
- The form clarifies that the filer must report the number of its employees reported on Forms 1099, 1098, 5498, W-2G and W-3 by its reporting agents.
- It also clarifies that, if two officers, directors, trustees or key employees of the filer serve in similar positions with another tax-exempt organization, that involvement does not create a reportable business relationship between the two.
- The filer must report significant changes to its organizational documents on its Form 990, Part VI, and in Schedule O, *Supplemental Information to Form 990*, rather than in a letter to EO Determinations.
- The current five highest compensated employees that must be reported do not include officers, directors, trustees or key employees.
- Part VII of the form clarifies that the key employee responsibility test may be met at any time during the tax year and that if a person is a key employee for only part of the tax year, the filer must report that person's entire compensation for the calendar year ending with or within the tax year.
- Part VII also explains how compensation paid by common paymasters and other reporting and payroll agents should be reported on the form.
- The Form 990 glossary includes new definitions of "audit," "fair market value" and "principal officer," as well as other terms.
- Schedule B, *Schedule of Contributors*, explains that the filer should specifically identify a donor, rather than reporting the donor as anonymous, if the filer knows the donor's identity.

Most tax-exempt organizations must file an annual information return with the IRS. Exceptions to this rule include churches and certain political organizations. Form 990 must be filed by any organization that is exempt from tax under IRC § 501(a) that has gross receipts of \$500,000 or more or total assets of \$1.25 million or more at the end of the tax year. Organizations with smaller gross receipts and assets can choose to file Form 990-EZ. Those with gross receipts under \$25,000 can choose to file Form 990-N, *Electronic Notice (e-Postcard) for Tax-Exempt*

Organizations Not Required to File Form 990 or 990-EZ. An organization that fails to file an annual return or notice for three consecutive years, as required by federal law, will lose its tax-exempt status.

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