

What information is important on a form 990?

Annual 990 tax returns filed by nonprofit organizations are notable not only for their time lag -- they are filed long after the spending takes place -- but also for their lack of detail. Despite their shortcomings, though, they do provide some useful information. This list offers a start for those who are not familiar with the documents.

1) Page 1 - Summary:

Provides a wealth of quick, useful data, including:

- Employee Identification Number (EIN)
- Number of employees and volunteers
- State of legal domicile (can be -- and often is -- different from address)
- Name and address of principal officer
- Phone number of organization
- Address (and whether the address has changed)
- Fiscal year covered -- often is not a calendar year or a conventional fiscal year
- Notifications of termination, amendment, name change, and/or request for exempt status
- Totals (revenue, grants, expenditures, etc.)

2) Page 7 - Board Members

Provides salary information and the hours per week, on average, devoted to the organization. It's not, however, a complete list of individuals associated with the group.

3) Pages 3 and 10 - Political Expenses

The most detailed breakdown of the group's expenses that a 990 offers. Though it lacks crucial details, it does give the public a peek at just how a particular politically active group is defining its activities to different agencies. For example, American Action Network reported \$18.9 million in election-related spending to the Federal Election Commission (FEC) in 2010. But in its 990 filed with the IRS, it reported that \$17 million of its \$25.7 million in expenditures went towards "lobbying." Both can't be true, at least as most people would define those categories.

4) Schedule B - Donations

Groups don't have to publicly disclose where they're getting their money. But they do have to disclose that to the IRS, and they have to release to the public the pages showing donations over \$5,000, with the names and addresses redacted. This can be useful for seeing if an organization received millions from a single source, for example, or had lots of smaller donors.

5) Schedule C - Political Campaign and Lobbying Activities

If the organization answered "yes" to one or all of questions 3 through 5 on Page 3, the organization is required to file a Schedule C. Not all organizations file this schedule; some groups that spent millions in 2010, according to FEC reports, didn't report any political spending to the IRS. In addition, the totals on Schedule C forms are often very different from the totals reported to the FEC. Pay close attention to Part IV, which requires a description of the group's Schedule C-reported activities.

6) Schedule I - Grants

If the organization reported grant totals on Page 1, line 13, the recipients will be reported in the Schedule I. This is a great source of information/

7) Page 8, Section B - Outside Contractors

Nonprofits are required to report their five most highly compensated outside contractors receiving more than \$100,000. This information is often useful not only because it contains names and addresses that can advance your reporting, but it includes a (brief) description of the services provided (such as "media placement"). Though only the top five contractors are listed, section B.2 requires the organization list the total number of contractors paid more than \$100,000.

QUESTIONS? Contact us at rmaguire@crp.org.

Last updated 9/4/2015