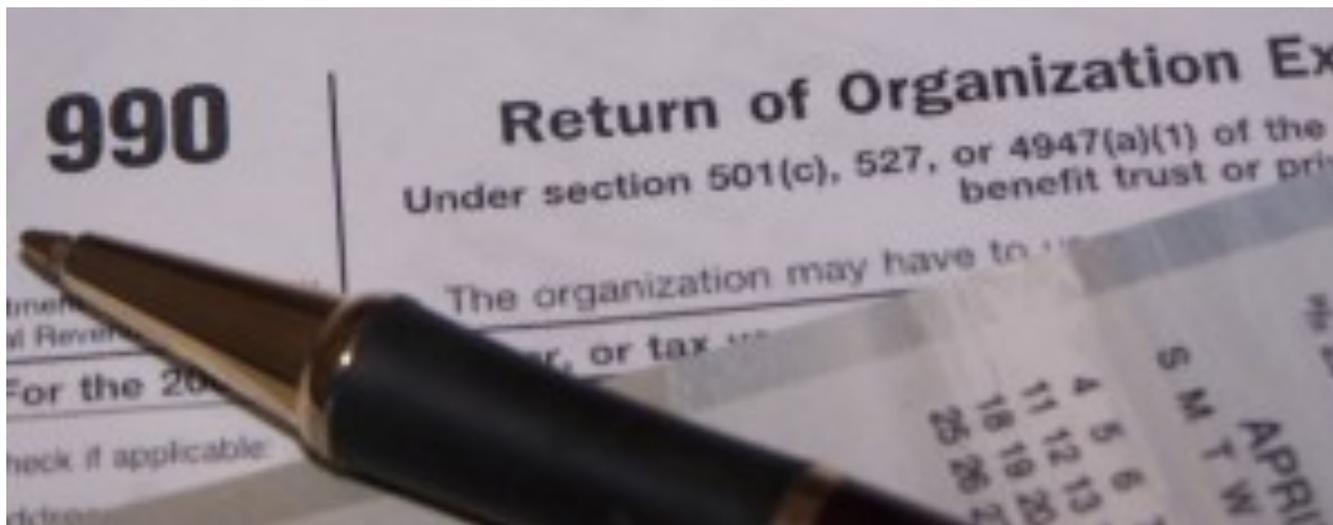




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# **EXECUTIVE REVIEW GUIDELINES** **FOR THE IRS FORM 990**



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*Material discussed is meant to provide general information and should not be acted on without professional advice tailored to your firm's individual needs.*

## **▶ EXECUTIVE REVIEW GUIDELINES FOR THE IRS FORM 990**

**by Rebekuh Eley**

In December of 2008, the IRS released what has been coined as the “New Form 990.” One of the driving forces behind the revised form included pressure on the IRS from Congress to closely monitor tax exempt organizations and gather more information for a variety of users of this publicly available document. The guiding principles for the new form were to enhance transparency, promote compliance, and minimize the burden on filing organizations.

The IRS released statements on numerous occasions indicating that a well-governed organization is more likely to comply with tax laws, follow their mission and charitable purpose, and further safeguard their assets. Recently, the IRS completed their governance study where 1,300 check sheets from 501(c)(3) organizations were analyzed. The preliminary results indicated that the group reviewed had the following factors associated with compliance:

- Written mission statement
- Use of comparability data when making compensation decisions
- Controls in place to ensure the proper use of charitable assets
- Review of Form 990 by the entire board of directors prior to filing

This manual is geared towards tax-exempt executives and board members charged with the annual review of the Form 990. Throughout the manual, readers will find IRS guidelines and helpful suggestions to assist in the review of the 990 including ways to analyze the overall health of the organization, industry standards, best practices for policies and procedures, and supplementary checklists. By fully understanding the Form 990 and industry best practices, executives will aid their organization as it grows and matures into a well-governed and financially sound nonprofit entity.

## Part I: Summary

The front page of the 990 was designed to provide users – foundations, donors, contract funders and the general public – with a snapshot of the organization. The summary includes the organization’s website, mission and significant activities, board members, volunteers, unrelated business income, and financial information.

### Mission and Significant Activities

The mission and significant activities section is the first statement detailing what the organization does and should be drafted in a way that captures the attention of potential donors and other users of the 990.

This section should be reviewed to ensure consistency with what is on the organization’s website and other collateral materials published by the organization, such as annual reports, brochures, and solicitation mailings. Board members and executives should cross-check the activities listed with the information they have readily available regarding the organization’s accomplishments throughout the year. If possible, the summary should be concise and fit only on page one.

### Board Representation

The first page of the Form 990 also includes information on the number of board members and independent board members at the organization. This should be reviewed for reasonableness compared to the board members explicitly listed in Part VII. There will be some discrepancies due to board member turnover throughout the year or where two members for the same director position are listed in Part VII.

The ratio of independent board members to total voting members should also be considered. The [Panel on the Nonprofit Sector](#) – a group formed by the Independent Sector that provides recommendations on improving oversight and governance of charitable organizations – determined that a best governance practice is for two-thirds of all voting board members to be independent. This reduces the risk of biased decisions made by the board of directors.

### Volunteers

The number of volunteers should also be reviewed for reasonableness. Most organizations have volunteers that are comprised of uncompensated, independent board members. Compare this to the activities of your organization which include the assistance of volunteers. A higher number of volunteers is a positive thing for the organization as it shows the organization is able to leverage its budget with unpaid volunteers carrying out its mission.

### Unrelated Business Income and Other Financial Information

The gross and net unrelated business income (UBI) should be consistent with the amounts reported on the 990-T and Part VIII of the Form 990. Executives and board members should compare the gross UBI subject to tax with the total income reported on the summary page. This will help determine if the UBI is becoming the organization’s primary activity. There is no bright line test, but executives will want to consider asking questions when gross UBI is more than 10 percent of total revenue. If the organization

has a history of producing gross unrelated business income but a net loss, the unrelated activities should be analyzed to determine if there is a profit motive. The IRS is targeting organizations with large gross receipts that consistently produce a taxable loss and has taken the position that these activities lack a profit motive and are not an unrelated business. The losses from these activities should not offset the income from profitable unrelated business activities.

The overall summary of financial data is presented as a comparison between the current fiscal year and the prior year. The two years should be compared for reasonableness. If there is a large discrepancy, which does not seem reasonable based on the activities for the year, this should be addressed with management.

## Part III: Summary of Program Service Accomplishments

Part III of the 990 goes into further detail about the mission of the organization, changes during the year that affected its ability to accomplish its goals, and specific accomplishments tied to program revenue and how it was spent. This section also provides an opportunity for the organization to highlight specific activities during the year so potential funders and other users of the 990 will see the scope of work of the organization.

### Mission Statement

The mission statement of the organization should be reviewed for consistency with other organizing and governing documents, the current and future activities of organization and public materials including the organization’s website. Inconsistency with the mission statement on the 990 compared to other public documents could confuse donors and lead to mixed messages on what the organization is trying to accomplish. Reviewing the mission statement and goals of an organization at least every five years is considered a governance best practice.

### Program Accomplishments

The program accomplishments listed should be in support of the overarching mission and provide concrete examples as to how the organization is conducting its programmatic activities. The accomplishments should be clear, concise and include some type of measurement, for example, the number of clients served. The most successful program accomplishment statements are usually written and reviewed by the program directors or those directly involved with the programs of the organization. For an executive review, make sure the messages included in this section are consistent with your understanding of the organization’s activities during the year and other public materials. This is also an opportunity for the organization to tout their accomplishments and provide greater detail on their story.

### Program Revenue and Expenses

The program revenue and expenses are also reported in Part III. The sum of program revenue in Part III should agree to the total program revenue reported later on in Part VIII, line 2, plus other amounts reported in Column B. The total expenses reported in Part III should agree to the total program expenses reported in Part IX.

## Part IV: Checklist of Required Schedules

This particular section lists various questions which will determine if additional schedules should be attached to the Core Form of the Form 990. The questions target key areas of operations that could potentially become a risk to an organization's exempt status and various excise taxes. The questions in this section should not only be reviewed for accuracy but also to ensure that the correct schedule is attached and filled out accurately. Below is a helpful checklist that summarizes the various schedules and requirements for completion:

Schedule	Requirement for Completion
A	IRC Section 501(c)(3) organization or 4947(a)(1) organization that is not a private foundation
B	Generally any organization that receives \$5,000 or more during the year from a single donor
C Part I	Political campaign activities
C Part II	Lobbying activities or 501(h) election for a 501(c)(3) organization
C Part III	Receipt of membership dues for 501(c)(4), 501(c)(5), or 501(c)(6) organizations
D Part I	Maintain donor-advised funds
D Part II	Receive or hold conservation easement
D Part III	Maintain collections of works of art, historical treasures, or other similar assets
D Part IV	Escrow account or custodial account liability, which includes custodial arrangements; or credit counseling, debt management, credit repair or debt negotiation services
D Part V	Assets held in endowments
D Part VI	Reported amounts for land, buildings and equipment
D Part VII	Reported amounts for investments – other securities that is 5% or more of total assets
D Part VIII	Reported amounts for investments – program related that is 5% or more of total assets
D Part IX	Reported amounts for other assets that is 5% or more of total assets
D Part X	Reported amounts for other liabilities; Footnote in financial statements that addressed FIN 48 (ASC 740), footnote is also required to be disclosed in Part XIV
D Part XI, XII, XIII	Separate independent audited financial statements
E	School described in IRC Section 170(b)(1)(A)(ii)
F Part I & IV	\$10,000 of revenues or expenses from grant making, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more
F Part II & IV	\$5,000 or more of grants to organizations or any entity located outside of the U.S.
F Part III & IV	\$5,000 or more of grants or assistance to individuals located outside the U.S.
G Part I	\$15,000 or more of professional fundraising expense
G Part II	\$15,000 or more of fundraising event income
G Part III	\$15,000 or more of gaming income
H	Operate a hospital facility (audit report is also required to be attached to the 990)
I Part I & II	\$5,000 or more of grants or assistance to governments and other organizations in the U.S.
I Part I & III	\$5,000 or more of grants and other assistance to individuals in the U.S.
J	Compensation of former officer; Compensation of \$150,000 or more to key employee or board member; Compensation from unrelated organization to key employee or board member for services to the organization
K	Tax exempt bonds issued after December 31, 2002 with an outstanding principal of \$100,000 or more
L Part I	Excess benefit transactions for 501(c)(3) and 501(c)(4) organizations
L Part II	Loans to interested persons
L Part III	Grants to interested persons
L Part IV	Business relationships between interested person and organization; Business relationship between family member of interested person and organization
M	Non-cash contributions of \$25,000 or more; Contributions of art, historical treasures and similar assets, and conservation easements
N	Liquidation, terminations, dissolutions, cessation of operations, and major dispositions
R	Related to any exempt or non-exempt organization
R Part I	Own 100% of a disregarded entity
R Part V	Transactions with related and controlled entities (controlling entity is filing organization)
R Part VI	Conduct 5% or more of activities through an unrelated partnership

## Part V: Statements Regarding Other IRS Filings and Tax Compliance

Exempt organizations are subject to various other filing requirements including those addressing payroll requirements, UBI, foreign bank accounts and donor acknowledgements. This section of the Form 990 addresses the compliance with those filing requirements. Any question that reflects non-compliance should be addressed with management.

### Payroll Filing

Payroll filing requirements are addressed in questions 1 and 2. One of the considerations for these questions is whether there is proper classification of employees and independent contractors. If the number of independent contractors is relatively high compared to the number of employees, or if there are known independent contractors who function more like employees, this might be a question for management. If the total number of W-2s and 1099s exceeds 250 and the organization has over \$10M in assets, the organization is required to e-file the Form 990.

### Unrelated Business Income

If unrelated business income is reported in Part VIII and it is greater than \$1,000, a 990-T filing is required. In addition, if the unrelated business income is from a K-1, the gross receipts from unrelated activity reported on the K-1 will be used to determine if the \$1,000 threshold is met, which would require a 990-T.

### Foreign Bank Accounts

Foreign bank accounts and the proper filing requirements for these accounts is currently on the radar for the IRS. If the organization has foreign accounts, it is imperative that the Foreign Bank Account Reporting (FBAR) form is prepared and filed. There are substantial penalties associated with non-compliance with foreign filing requirements.

### Donor Acknowledgement

Section V continues with several questions related to donor notifications. These include notification of non-deductible contributions and various filing requirements with certain types of donations. The board of directors should ensure that the organization is providing the proper acknowledgement to donors and fulfilling filing requirements with certain donations. Non-compliance with these requirements could result in penalties to the organization.

## Part VI: Governance, Management and Disclosure

This section addresses the policies and procedures of the organization. While policies and procedures listed are not required by the IRS, the disclosure of this information is considered a best governing practice. The answers to the questions should be reviewed and any changes to policies or procedures from the previous year should be noted as such. If the organization does not have some or any of the policies listed in this section, the organization's board of directors should consider if the organization should implement those policies. Remember, there are many readers of the Form 990 and a perception of poor governance could influence funding

or provoke additional scrutiny to the organization by the IRS. The required descriptions for the policies and procedures should also be reviewed for accuracy.

### Conflict of Interest Policy

Organizations are strongly encouraged by the IRS and other industry groups to have a written conflict of interest policy. A well-written policy defines the conflicts of interest, identifies the classes of individuals within the organization covered by the policy, and facilitates disclosure of information that can help identify and manage a conflict of interest. The Form 990 requires a disclosure of this policy including practices for monitoring and reviewing transactions, how conflicts are annually disclosed and the resolution for those conflicts.

### Board Review of Form 990

Board review of the Form 990 is considered a best practice for not-for-profit organizations. The Form 990 should be made available to the entire board prior to filing. This shifts the responsibility for the information reported on the Form 990 to the board of directors. Many organizations have select individuals with various levels of involvement assist with the review. Most designate a representative of the board, typically the finance committee or someone within the finance committee, to perform a thorough executive level review and address any comments or concerns with management. After the Form 990 is deemed final, the entire Form is then made available through various means to the board of directors for approval prior to filing with the IRS.

### Executive Compensation

There are several questions relating to the specific procedures around an organization's compensation including compensation review and approval by independent persons, comparability data collection, and contemporaneous substantiation of the deliberation and decision. These are also the requirements listed for the rebuttable presumption of reasonable standard under IRC Section 4958. Under this standard, the burden of proof for unreasonable compensation lies with the IRS when the process includes those steps.

The description of the compensation process should include the rebuttable presumption of reasonableness standard. The description should also be for both the top management official and other key employees.

### State Registration and Compliance

Special attention should be given to the states in which the Form 990 is required to be filed. If the board is aware of any state where the organization is soliciting contributions, and it is not listed on the Form 990, the board should address this with management to ensure proper state registration and compliance.

## Part VII and Schedule J: Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees and Independent Contractors

Both the IRS and the media have, in certain instances, been paying close attention to the compensation of key executives at tax-exempt organizations. The IRS is concerned that exempt organizations are providing excessive compensation to their executives and, as a result, has taken measures to gather a vast amount of information on organizations' compensation practices.

The IRS has recently changed their approach with their interest in compensation. Their focus will include organizations reporting high gross receipts with very low compensation for officers, directors and key employees. The IRS is concerned that these organizations maybe be hiding compensation and not adhering to the transparency in which Part VII and Schedule J were designed to provide.

All board members and executives that were on the board or employed at any time during the organization's fiscal year should be listed in Part VII. The hours and type of employee/board member should be reviewed for reasonableness. The compensation paid should be reasonable when compared to the hours worked and the job description. The compensation comparison is not limited to other tax-exempt organizations. For-profit entities with executives of similar roles and responsibilities can be used when comparing compensation.

The reported compensation is based on compensation paid to the executive(s) for the calendar year that is within the organization's fiscal year. All forms of compensation are required to be reported in Part VII. The IRS provided a compensation matrix which assists with reporting the compensation on Part VII and Schedule J. This can be found on the [IRS' instructions to the Form 990, Part VII](#).

The Schedule J is typically completed when a person listed in Part VII receives more than \$150,000. This form requires additional disclosures relating to benefits and methods of establishing benefits. Required disclosures related to certain benefits include who or what class of employees received the benefit and whether or not the benefit was included as compensation. If the benefit was not included in compensation, it is recommended that the disclosure include a statement as to why the benefit is excluded from income. The disclosures for compensation practices on Schedule J should be consistent with the narrative describing the compensation policy in Part VI.

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## Part VIII: Statement of Revenue

Revenue is segregated between program-related revenue, unrelated business revenue subject to tax and unrelated revenue which is excluded from tax. This section should be reviewed to determine the major sources of the organization's revenue and if there is a concentration which could jeopardize the revenue stream in light of a weak economy.

Program revenue should also be compared to the total revenue of the organization. This is an indicator that the organization is accomplishing their mission with program activities. Also, the

revenue from unrelated activities should be compared to the program and contribution revenue. If the organization is receiving too much revenue from unrelated activities, this could affect the organization's exempt status. The board might need to consider setting up other entities to house some of the organization's substantial unrelated activities.

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## Part IX: Statement of Functional Expenses

The expenses of the organization should be reviewed to determine the adequacy of the overall management of the organization. The IRS will scrutinize organizations that have high fundraising expenses and high officer compensation when compared to the total expenses of the organization. The ratio of program expense, management and general, and fundraising expenses over the total expenses of the organization should be reasonable when compared to similar organizations. The overall reasonableness of the overhead expenses should also be assessed during the review of this section.

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## Part X: Balance Sheet

The balance sheet of the organization can provide insight to the overall health of the organization and use of the organization's assets. The cash in interest bearing versus non-interest bearing accounts should be observed for reasonableness. If an excess of cash is in noninterest bearing accounts, this should be addressed with management and consideration should be given to moving the cash to an interest bearing account. The balances for accounts payable and accrued liabilities should be compared to last year for potential cash flow issues. Also note any loans to or from disqualified persons and address any potential conflicts or concerns. If the organization has restricted net assets, the board should inquire if the organization is adhering to those restrictions.

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## Part XI: Reconciliation of Net Assets

This section reconciles beginning and ending net assets. The differences are primarily due to the reporting differences between GAAP and tax. Some of the differences include unrealized gain or loss on investments and prior period adjustments. The reviewer should determine if the adjustments to net assets appears reasonable or if it is an item that should be included in revenue or expenses. The ending net assets on line 6 should equal the net assets reported in Part X, line 33 and also agree to the audit report.

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## Part XII: Financial Statement Reporting

This section addresses the overall basis used to prepare the financial statements; that is, if an outside party was involved with the review of the financials and if there is oversight from an outside party. The reviewer should determine if there is a group that is considered an audit committee and what their involvement was with the audit. If the oversight changed from the previous year, this will need to be disclosed on the 990. This section should also prompt the question of whether or not the financial oversight committee members received a copy of the audit report and the management letter provided by the independent auditors.

**Schedule A: Public Charity Status and Public Support**

Schedule A determines if an exempt organization still qualifies for public charity status. The reviewer should determine that the correct box is checked related to the organization's exempt status on page one. Typically 509(a)(1) organizations, which are described on lines 5 – 8, receive the majority of their revenue from contributions and are required to complete Section II for calculating the public support test. Organizations exempt under 509(a)(2), which are described on line 9, receive the majority of their contributions from program revenue. These organizations are required to complete Section III for calculating the public support test.

Public charities are required to maintain 33 1/3 percent public support or pass a “facts and circumstances test” in order to maintain their public charity status. Whether the organization completes Section II or III for the public support calculation, the reviewer should ensure the information for the current year agrees to the Core Form of the 990. The public support percentage on Schedule A should be greater than 33 1/3 percent. If the percentage is at or below 33 1/3 percent, the board should consider a plan to maintain the public support percentage or if the organization can pass the public support test under the facts and circumstances test.

**Schedule B: Schedule of Contributors**

Under the general rule, Schedule B lists all of the donors who contributed more than \$5,000 during the year. For organizations that pass the test on Part II of Schedule A, only contributions and grants greater than 2 percent of total contributions (listed on the Part VIII of the Core Form) or \$5,000 must be disclosed. Government grants are also included here. Schedule B is not open to public disclosure. The organization should have procedures in place to ensure donors' names are not made public. Schedule B is prepared on the same basis of accounting as the Form 990. The listing of donors can be compared to the amount reported in Part VIII for reasonableness.

**Schedule D: Supplemental Financial Statements**

Schedule D acts as a supporting schedule for the balance sheet and reconciles the 990 to the audit report. The amounts reported on Schedule D should agree to the total amount reported on the balance sheet in Part X. Schedule D should also agree to the revenue and expenses disclosed on the audit report. Descriptions for the supporting sections, including use of the endowment funds and the FIN 48 footnote, should be confirmed in Part XIV.

**Schedule G: Supplemental Information Regarding Fundraising or Gaming Activities**

Schedule G is used as support for professional fundraising, special event and gaming activities. It is important to note that raffles are considered a form of gaming and should be reported separately in Part VIII and Schedule G if required. Part I, professional fundraiser, information should be compared to professional fundraising expenses in Part IX, line 11 e. The total amount retained by a professional fundraiser should be reasonable when compared to the amount retained by the organization in connection with a campaign. If the amount paid or retained by the fundraiser appears excessive, this could raise a flag to various state governing authorities. The special event and gaming information totals in Part II should agree to Part VIII, lines 1c, 8 and 9. Amounts received in connection with special events that are above the fair market value of the

benefit provided to donors, such as a meal, should be extracted out of the gross proceeds as a contribution from the event. Organizations with special events should consider if they are in compliance with the quid pro quo rules, which is disclosed in Part V, question 7a of the Core Form.

**Schedule I: Transactions with Interested Persons**

This schedule reports excess benefit transactions and various other transactions with interested persons and determines if members of an organization's governing body are independent. Most transactions with interested persons are not considered a best practice. If the transaction is providing the best service available to the organization, and is not at a competitive rate approved by an independent governing body, it is not necessarily a negative for the organization. Interested persons include board members, key executives, substantial donors or any other person who has influence or control over the organization. When reviewing, confirm that transactions reported in this section were entered according to the conflict of interest policy. The language used to describe the transaction should include that the terms were either at or below fair market value and it was approved by an independent body in accordance with the conflict of interest policy.

**Schedule R: Related Organizations and Unrelated Partnerships**

This schedule is used to provide various information on related organizations, transactions with related organizations and information on unrelated partnerships through which the organization conducts significant activities. The reviewer must make sure all related organizations are reported on Schedule R. This can be accomplished by comparing the Schedule R to the entity's organizational chart.

Related organizations include disregarded entities, related exempt organizations and related for-profit organizations with one or more of the following relationships:

- Parent—an organization that controls the filing organization
- Subsidiary—an organization controlled by the filing organization
- Brother/Sister—an organization controlled by the same person or persons that control the filing organization
- Supporting/Supported— an organization that is an IRC 509(a)(3) providing support to the filing organization or the organization supported by the filing organization

To determine if an organization is related, there must be an element of control. Control of for-profit entities is determined by an ownership percentage that is greater than 50 percent. Control for exempt organizations exists if the majority of one or more persons have the power to remove or appoint the majority of an exempt organization's directors or trustees. This power can be direct or indirect. Controlled entities are considered a subset of related organizations.

All transactions with related entities are required to be reported in Part V, line 1 of Schedule R. The controlling entity must provide the value for certain transactions listed in Part V, line 1 and line 2. The controlled entity would not report the value of the transaction on line 2. The value of transfers from a 501(c)(3) exempt organization to a non-charitable exempt organization must also be disclosed.

**Form 990 Executive Review Checklist**

		Complete Y/N
Part I	Summary	
	Mission statement is positive and accurately describes the organization	
	Mission statement agrees with website and other public materials	
	Mission statement agrees with the organizing documents	
	Number of board members is reasonable when compared to Part VII	
	Number of volunteers is reasonable	
	Unrelated business income agrees to Part VIII and the 990-T	
	Financial information is reasonable compared to last year and current year's activities	
Part III	Statement of Program Service Accomplishments	
	The Mission agrees to public materials, website and organizing documents	
	The Mission is positive and agrees to the current activities of the organizations	
	Changes in activities or organizing documents is noted	
	Program accomplishments were confirmed by program directors	
	Program accomplishments are measurable	
	Total expenses agrees with Program expenses in Part IX	
	Program Revenue agrees with the program Revenue in Part VIII	
Part IV	Checklist of Required Schedules	
	The checklist questions are reviewed for accuracy	
	Supporting schedules for each question marked "yes" has been prepared	
Part V	Statements Regarding Other IRS Filings and Tax Compliance	
	All of the questions are answered correctly	
	Confirmed employee classification between independent contractor and employee	
	Return is e-filed if over 250 returns and assets greater than \$10M	
	Required foreign compliance forms have been filed	
	Donor acknowledgements written for donations greater than \$250	
	Breakout of contribution versus payments for goods and services provided to the donor if more than \$75 was received	
	Questions 3b, 6b, 7b, 7g & 7h are not answered "no"	
	Questions 5a, 5b, 8, 9a or 9b is not answered "yes"	
Part VI	Governance, Management and Disclosure	
	All of the questions are answered correctly	
	Line 1a and 1b agrees with Part I, lines 3 and 4	
	Conflict of interest policy narrative is accurate and reflects how it is consistently monitored	
	Compensation procedures provides the rebuttable presumption of reasonableness language	
	All states where the Foundation is conducting activities are listed	
Part VII	Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensation Employees, and Independent Contractors	
	All ODTK during the fiscal year are listed	
	The hours listed for each individual appears reasonable	
	Each person listed is properly classified	
	Compensation is reported on the calendar year	
	Compensation is reasonable compared to the individual's responsibilities	
	Questions are answered correctly	
Part VIII	Statement of Revenue	
	Part VIII, Column A agrees with Part I, lines 8 - 12	
	Part VIII, Column A agrees with Schedule A, Part II or III for the current year	
	Line 1c agrees with Line 8	
	The ratio of unrelated business income to total revenue seems reasonable	
	Diverse revenue stream	

**Form 990 Executive Review Checklist (continued)**

		Complete Y/N
Part IX	Statement of Functional Expenses	
	Part IX, Column A agrees with Part I, lines 13-18	
	Part IX, Line 25, Column D agrees with Part I, line 16b	
	Ratio of officer compensation to total expenses appears reasonable	
	Expenses for overhead and consulting appears reasonable	
	Program service expenses compared to total expenses appears reasonable	
	Fundraising expenses compared to total expenses appears reasonable	
	The breakout of expenses between program, management and general, and fundraising is comparable to other similar organizations	
Part X	Balance Sheet	
	Part X agrees with Part I, lines 20-22	
	The amount of non-interest bearing cash is not excessive	
	Liabilities do not pose a concern for cash flow issues	
	Restrictions on restricted net assets are being observed	
Part XI	Reconciliation of Net Assets	
	Ending net assets agrees with the Financial Statements, Part I and Part X	
	Reconciling items appears reasonable and are described on Schedule O	
Part XII	Financial Statements and Reporting	
	Questions are answered correctly	
	Description if oversight procedures changed from last year	
Schedule A	Public Charity Status and Public Support	
	The correct box is checked on page 1	
	The current year amounts agree to Part VIII	
	The organization's public charity status is not in jeopardy	
Schedule B	Schedule of Contributors	
	Schedule was prepared on the same basis of accounting as the 990	
	Donor listing was reviewed by development	
	Listing appears reasonable when compared to Part VIII, line 1	
	Listing includes anonymous donors	
Schedule D	Supplemental Financial Statements	
	Schedule D agrees to Part X	
	Schedule D agrees to audited financial statements	
	Reconciling items to the financials appear reasonable	
	FIN 48 footnote is included	
	Other required disclosures are included	
Schedule G	Supplemental Information Regarding Fundraising or Gaming Activities	
	Part I amounts paid to fundraiser is reasonable when compared to Part IX, line 11e	
	Part II agrees to Part VIII, lines 1c and 9	
	Part II agree to Part VIII, line 8	
Schedule J	Compensation Information	
	Narrative describing benefits include if the benefit is included as compensation on the employee's W-2 or why it is excluded from compensation	
	Compensation policies and procedures agree with Part VI, line 15	
Schedule L	Transaction with Interested Persons	
	Narratives accurately represent the transaction and includes language related to below fair market value or fair market value rates, approval by an independent person, and approved in accordance with the conflict of interest policy	

**Form 990 Executive Review Checklist (continued)**

		Complete Y/N
Schedule O	Supplemental Information to Form 990	
	Narratives accurately describe the organization in a positive light	
	Narrative for the response to Form 990 Part VI, lines 11 and 19	
	Narratives are free of grammatical errors	

**Suggested Policies & Procedures**

Policy	Implemented Y/N
Code of ethics for board members	
Conflict of interest policy and disclosures	
Whistleblower policy	
Document retention and destruction policy	
Expense reimbursement policy	
Gift acceptance policy	
Process to review Form 990 before it is filed	
Executive compensation practices and policies	
Oversight of independent review of financial statements (audit)	
Procedures for selection and monitoring grant recipients	
Bond compliance policy	
Endowment spending policy	
Investment policy	
Fundraising policy	
Disclosure of governing documents and conflict of interest policy	
Review size, structure and independence of board	
Meeting minutes practices	
Joint venture and partnership policy	
Governance of local chapters, branches or affiliates	
Mission statement adoption	
Review of organizing documents and by-laws	
Conservation easement acceptance	
State solicitation registration	
Disclosures to donors of donor-advised funds	
Receipt and maintenance of collections and historical treasures	



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**Mission:** At Nathan Wechsler & Company, P.A. our mission is to provide timely comprehensive accounting, tax and business advisory services through knowledgeable, well trained professionals. We are committed to providing personal attention and adding value to entrepreneurial clients who share a passion for competency, integrity and community enrichment.

At Nathan Wechsler & Company, P.A., CPA's, your business is our number one priority, whether it be tax planning, financial statement preparation, or general business consulting. This all translates into a dedicated staff ready to meet your needs and exceed your expectations.

Nathan Wechsler & Company is one of the largest local accounting and consulting firms in New Hampshire, serving closely held, entrepreneurial entities and leading non-profit organizations throughout New England. As an independent member of the BDO Seidman Alliance, we can draw on the resources of BDO USA, LLP and its international network to help meet client needs throughout the country and around the world.

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