

FORM 990: The Board Member's Guide

Serve on a nonprofit board? The annual Form 990 is a useful way to gauge financial well-being and regulatory compliance. Here's a page-by-page guide to an efficient and effective review of your nonprofit's core Form 990.

Page 1: Nonprofit Snapshot

Look for: Discrepancies in the two-year comparison of financial info

Page 2: Statement of Program Service Accomplishments

Look for: Accurate recap of mission and achievements, including robust description of organization's impact and accomplishments

Pages 3-4: Checklist of Required Schedules

Look for: Any YES responses require a schedule attachment

Page 5: Other IRS and Tax Filings

Look for: Compliance with any other required filings (1099, payroll, etc.)

Page 6: Governance, Management and Disclosure

Look for: Accuracy in governing board info and policies in effect – consider public perception and prioritize strategies to mitigate negative responses

Pages 7-8: Board List and Compensation

Look for: Compensation and fringe benefits for the calendar year; make sure to list top five vendors paid more than \$100,000

Page 9: Statement of Revenue

Look for: Differences between categories of revenue (some exempt and some taxable) – use financial statement as a guide

Page 10: Statement of Functional Expenses

Look for: Accurate breakdown of program service, management and fundraising expenses and monitor overall allocation being spent on non-program activities

Pages 11-12: Balance Sheet and Net Asset Reconciliation

Look for: Reconcile Form 990 to financial statement – common item: unrealized gains or losses on investments (if applicable)



Note on schedules: The Form 990 contains a number of questions that can trigger the need for schedules to substantiate reported info. Contact your RKL advisor for more info or assistance completing the necessary schedules.