

# Significant Changes to the Form 990 to Watch For

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Though I hate that I'm just getting around to posting this, there have been a few changes made to the 990, its instructions and Schedules that readers will want to take note of. Especially since there are a few confusing terms and questions that have been clarified as well as the inclusion of more examples to show what it is the agency is asking for. I've addressed a few of these briefly below, broken into the respective forms.

## Form 990 and its Instructions

Amongst many things, the changes to the 990 and its instructions make it clear that:

- Organizations must take it upon themselves to retrieve the necessary information from third parties to fill the form out completely.
- An organization required to file a Form 990 for a given tax year must do so even if the 1023 or 1024 hasn't been filed.
- A Schedule F (Statement of Activities Outside the U.S.) must be filled out if grants are received from outside the U.S. or for foreign activity inside the U.S.
- There are key changes in the Governance, Management and Disclosure Section that further define a "governing body" and "executive compensation". Notably, the agency also makes it clear that an organization merely making its 990 available for review by the board is not the same as providing everyone a 990 (which an organization must state has been done).
- Record-keeping for text message donations is addressed in more detail.

## Form 990EZ and its Instructions

Changes to the 990EZ are:

- Clarifications made as to what "governmental units" must file a 990.
- The elimination of the need to provide addresses for officers, directors, trustees and key employees.
- The definition of "related entities" in Part V has been made much broader.
- The agency has added discussion on the rules governing tax-exempt organizations and contributions.

There were also changes to almost all of the Schedules including more clarifications, the removal of obligations and actual changes to what is being asked for by the agency.

As a parting thought, anyone who has had to prepare a 990 can appreciate how important reading the instructions are. Unlike Ikea furniture (we all know we don't read that little pamphlet) failing to read the instructions can be far more detrimental than a few left over screws and a lop-sided bookcase. It could lead to delays, requests for clarifications and all kinds of hassles that could easily be avoided. And seeing as how many of the changes made are an attempt to make the whole process easier it is definitely worth the 10-15 minutes to read over the [chart](#) the IRS created detailing the changes. The agency has also provided a video and a link to the instructions for those of you ~~stuck~~ lucky enough to be preparing this year's form.

Organizations might be interested to know that the IRS is currently surveying random organizations to gauge the potential burden the Form 990 is having on them. More information can be found [here](#).