

HIGHLIGHTS OF REDESIGNED FORM 990

The IRS has released for public comment a discussion draft of a redesigned Form 990, Return of Organizations Exempt from Income Tax, the form filed by many public charities and other exempt organizations. The draft form and instructions, as well as other key information, are available on the IRS Web site, IRS.gov/eo.

The IRS anticipates using the redesigned form for the 2008 tax year (returns filed in 2009). Questions and comments should be e-mailed to the IRS at Form990Revision@irs.gov or mailed to.

IRS

Form 990 Redesign, SE:T:EO
1111 Constitution Avenue, NW
Washington, DC 20224

Comments are due no later than September 14, 2007.

The redesign of Form 990, the first since 1979, is based on three guiding principles:

- Enhancing transparency to provide the IRS and the public with a realistic picture of the organization, along with the basis for comparison to other organizations.
- Promoting compliance by accurately reflecting the organization's operations so the IRS may efficiently assess the risk of noncompliance
- Minimizing the burden on filing organizations.

The redesigned Form 990 consists of a 10-page core form to be completed by each Form 990 filer. In addition, the redesigned form's 15 schedules are designed to require reporting of information only from those organizations that conduct particular activities.

Most organizations will not experience a material change in burden, while those with complicated compensation arrangements, related entity structures, and activities that raise compliance concerns, may see an increase in the effort required to provide information.

Among the highlights of the new form are the following:

- A summary page providing the organization's identifying information and a snapshot of the organization's key financial, compensation, governance, and operational information.
- A portion of the form requiring governance information including the composition of the board, and certain other governance and financial statement practices.
- Schedules that will focus reporting on certain areas of interest to the public and the IRS: fundraising, compensation, hospitals, tax exempt bonds and non-cash charitable contributions.