

# NONPROFIT GOVERNANCE & THE REVISED IRS FORM 990

## A SERIES OF FIVE WEBINARS DESIGNED TO HELP YOU FILL IN THE BLANKS

Form <b>990</b>	<b>Return of Organization Exempt From Income Tax</b> Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)	OMB No. 1545-0047 <b>2008</b> <b>Open to Public Inspection</b>
Department of the Treasury Internal Revenue Service	▶ The organization may have to use a copy of this return to satisfy state reporting requirements.	
<b>A</b> For the 2008 calendar year, or tax year beginning _____, 2008, and ending _____, 20		
<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite City or town, state or country, and ZIP + 4	<b>D</b> Employer identification number _____ <b>E</b> Telephone number ( ) _____ <b>G</b> Gross receipts \$ _____
<b>F</b> Name and address of principal officer: _____ _____ _____		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
<b>I</b> Tax-exempt status: <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	<b>H(c)</b> Group exemption number ▶ _____	
<b>J</b> Website: ▶ _____	<b>K</b> Type of organization: <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ _____	<b>L</b> Year of formation: _____ <b>M</b> State of legal domicile: _____
<b>Part I Summary</b>		
<b>1</b> Briefly describe the organization's mission or most significant activities: _____ _____ _____		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.	
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) . . . . .	3

Join us for a five part series on how your organization can adopt the best practices for nonprofit governance.

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Ellin & Tucker, Chartered

# **NONPROFIT GOVERNANCE & THE REVISED IRS FORM 990**

## *A SERIES OF FIVE WEBINARS*

Your organization's Form 990 is one of your most important documents. It is the world's window into your organization. The IRS, donors, funders and the press review your Form 990 to determine such information as:

- Do you have an independent board of directors overseeing your operations?
- Does your organization maintain high ethical standards and a culture of transparency for your donors, volunteers, clients and employees?
- How much of each donation does your organization pay its outside fundraisers and how much does it keep for its mission?
- Is your executive compensation in line with organizations in your area of similar size and with a similar mission?

In recent years the IRS has adopted a specific focus on nonprofit governance as part of its oversight of nonprofits exempt under Section 501(c)(3) of the Internal Revenue Code. The revised Form 990 requires nonprofits to describe in detail their governance practices, including such issues as how the nonprofits manage conflicts of interest and set executive compensation.

Each webinar in this series will discuss in-depth one of the new disclosure requirements. It will assist you in developing policies and procedures that will allow your organization to follow best practices and help inspire confidence in your funders and the general public that your organization is well run.

This series is designed for members of the board of directors and senior executives of nonprofits, as well as attorneys that counsel nonprofit organizations on governance matters.

## Schedule of Webinars

**Moderator for each webinar: Henry Lesser, Special Counsel, DLA Piper LLP (US)**

**December 2, 2009 - Building an Independent Board.** This webinar will give an overview of the new information required to be reported on the Form 990 and when those requirements are first applicable. It will also focus on what new information must be disclosed about your directors; what determines whether a director is independent; how to maintain that independence; and the types of relationships between board members that have to be disclosed. Finally, it will discuss the role of the independent director in managing the affairs of the nonprofit.

**Presenters: Jason Harmon, Partner, DLA Piper LLP (US)  
Lisa Merrill, Partner, DLA Piper LLP (US)**

**January 6, 2010 - Managing Conflicts of Interest.** The Form 990 now asks a nonprofit:

- if it has adopted a written conflict of interest policy,
- whether it requires its officers, directors and key employees to disclose annually interests that could give rise to conflicts, and
- to describe what steps it is taking to monitor compliance with the policy.

This webinar will discuss best practices for drafting and implementing a conflicts of interest policy and developing an annual disclosure form for officers, directors and key employees.

**Presenters: Lisa Merrill, Partner, DLA Piper LLP (US)  
Dennis Wilson, Partner, DLA Piper LLP (US)**

**February 3, 2010 – Setting Executive Compensation.** The Form 990 asks about the nonprofit's process for determining the compensation of senior management and what information was used to set the compensation. This webinar will discuss the IRS's rules for how an organization should set executive compensation, including:

- Determining the senior managers that are subject to the policy,
- The persons the board should designate to set compensation,
- The comparability data the organization should use to establish what level of compensation should be paid, and
- The documentation and disclosure requirements for executive compensation.

It will also discuss how to determine your organization's compensation philosophy and how to select the peer organizations used to determine comparability.

**Presenters: Shane Hamilton, Member, Miller & Chevalier  
Judith Stein, Senior Principal, Quatt Associates**

**March 3, 2010 – The Role of the Board and Audit Committee in Supervising the Independent Audit and Reviewing the Form 990.** In Part VI of the Form 990, the nonprofit must disclose the process the nonprofit uses to review the Form 990 and what role the board plays in its review. In Part XI of the Form 990, the nonprofit must disclose whether it has a board committee that assumes responsibility for oversight of the organization's independent audit and the selection of an independent auditor.

This webinar will discuss the importance on an independent audit, the role of an audit committee in supervising the audit, other important duties for the audit committee to perform, and who should serve on an audit committee. It will also discuss best practices that the nonprofit should adopt in reviewing the Form 990.

**Presenters:** **Richard Marks, Partner, DLA Piper LLP (US)**  
**Carl Kampel, CPA, Director, Ellin & Tucker, Chartered**

**April 6, 2010 – Developing a Culture of Transparency.** Throughout the Form 990, the IRS asks a series of questions dealing with corporate transparency, including:

- Does the nonprofit have a whistleblower and record retention policy?
- Does the nonprofit comply with the public disclosure requirements for the organization's application for tax exemption and Form 990s? If so, how?
- How much does the nonprofit pay its officers, directors and key employees and what types of deferred compensation and perquisites does it provide?
- How much does the nonprofit pay its outside fundraisers and how much in contributions does the nonprofit receive from the fundraisers' efforts?

This webinar will discuss how to develop and maintain a culture of transparency. It will also discuss such topics as adopting a record retention and whistleblower policy, and providing for public disclosure of the nonprofit's tax records, compensation practices and fundraising efforts.

**Presenters:** **Sheldon Krantz, Partner, DLA Piper LLP (US)**  
**David Williams, CEO of Make-A-Wish Foundation of America**

*Each webinar will start at 12 noon Eastern Time  
and last 60 minutes.*

*To register, click here: <https://www1.gotomeeting.com/register/598666041>. If you have any questions, please contact Lauren Paley at: [lpaley@dcbbar.org](mailto:lpaley@dcbbar.org)*

## Speaker Bios

**Shane Hamilton** is a member of Miller & Chevalier and is one of the country's leading practitioners in the area of tax-exempt organizations. He has counseled tax-exempt entities on a wide range of day-to-day operational issues involving the unrelated business tax, excess benefit transactions, the private inurement rule and other requirements for initial and ongoing qualification for tax-exempt status. Mr. Hamilton has counseled a number of hospitals, religious organizations, churches, private schools and social welfare organizations on their tax-exempt legal issues.

**Jason Harmon** is a partner in DLA Piper's Baltimore office. Jason practices in the area of corporate law. He advises clients on such matters as securities laws, corporate governance and other corporate matters. Mr. Harmon also regularly provides pro bono counsel to tax-exempt clients with respect to corporate governance, and complying with Sarbanes-Oxley and the new disclosure requirements of the IRS Form 990.

**Carl Kampel** is a CPA and is the Director in charge of professional standards at Ellin & Tucker. He has overall responsibility to ensure that the services provided to clients are in accordance with professional standards. Carl is a member of the Financial Accounting Standards Board (FASB) Emerging Issues Task Force (EITF). As part of his practice, Carl is involved in the audits of many tax-exempt clients.

**Sheldon Krantz** is a partner at DLA Piper's Washington, D.C. office. He specializes in legal ethics and internal investigations. His clients include health care providers, internet companies and corporations with environmental matters. In 2008, he was named one of D.C.'s "Super Lawyers." Mr. Krantz was also named the 2004 Pro Bono Lawyer of the Year by the D.C. Bar, and since 2005 he has been Director of New Perimeter, DLA Piper's affiliated nonprofit organization that provides global pro bono services.

**Henry Lesser** is a senior counsel at DLA Piper's East Palo Alto office. He specializes in mergers and acquisitions and corporate governance, and has been recognized as one of the best lawyers in America by Chambers USA. Mr. Lesser is a member of DLA Piper's Pro Bono Committee and serves as general counsel to The Global FoodBanking Network, as well as two Silicon Valley-based nonprofits. In 2008, Mr. Lesser was named one of DLA Piper's Pro Bono Partners of the Year.

**Richard Marks** is a partner at DLA Piper's Washington, D.C. office who specializes in corporate transactions. He represents public and private companies in their acquisitions, mergers, financings and corporate franchising operations. Mr. Marks also serves on the office's Pro Bono Committee and has an extensive nonprofit practice, providing legal assistance to such clients as Rebuilding Together, and serving on the D.C. Bar Pro Bono Program's advisory committee for the Community Economic Development Project.

**Lisa Merrill** is a partner in DLA Piper's San Diego office. Ms. Merrill specializes in federal income taxation. She has extensive experience in the formation, operation, merger and termination of tax-exempt organizations, including charities, private foundations, civic leagues and trade organizations. Ms. Merrill regularly provides advice on matters relating to unrelated business income, excess benefit transactions, deferred compensation as well as state law compliance.

**Judith Stein** is a senior principal with Quatt Associates, one of the leading human resource consultants for nonprofit organizations. Her practice includes the design and implementation of human resource strategies, strategic planning, organizational assessment and executive coaching. Ms. Stein has assisted numerous clients in such matters as developing compensation practices, performance management, career development and succession planning. Her clients have included Habitat for Humanity International, the Humane Society, YMCA of Metropolitan Washington and the National Council of La Raza.

**David Williams** is the CEO of Make-A-Wish Foundation of America, the largest wish granting charity in the world with 65 local chapters in the U.S. Prior to becoming CEO in 2005, he was with Habitat for Humanity International for 10 years. He served as the COO and was responsible for the day-to-day management of the organization. David began his nonprofit career by serving for 11 years as the Executive Director of the Houston Food Bank, one of the largest food banks in the United States. During that time he also served on the Board of Directors of Feeding America.

**Dennis Wilson** is a partner at DLA Piper's Chicago office who specializes in corporate transactions and real estate matters. He represents developers, purchasers and lenders in major real estate transactions. Dennis also has an extensive pro bono practice, representing several nonprofit organizations.