

Federal Form 990 is the ONLY information nonprofits are required to disclose to the public, and any member of the public can request a copy, so we want to make sure that what it says is not only accurate, but reflects what The Happy Angels Project wants to communicate to the public.

Form 990, is required by the IRS for all nonprofit organizations except those with annual revenues of less than \$25,000 and religious organizations, it is frequently requested by donors and grantmakers, as well as increasingly available on the web.

But many boards don't pay much attention to what's on their 990s, and The Happy Angels Project and it's board members could have a bad surprise if we haven't made sure we feel comfortable with the "story" the 990 tells about our organization.

Our organization's 990 is due on May 15 if the fiscal year ends on December 31 (990s are due on November 15 for organizations with fiscal years ending June 30--in other words, 4 and 1/2 months after the close of the fiscal year).

990s are often prepared by the organization's CPA auditor, but can be prepared by the staff or board as well. The Board of Directors shall take 15 minutes to review the 990 for the following common problems:

1. Statement of Functional Expenses (Part II): In this section the organization must classify all expenses as one of three types: Program Services, Management & General, or Fundraising. If the percentages for either Fundraising or Management & General appear too high, go back and make sure that our organizations form preparer used appropriate guidelines when classifying expenses.
2. Addresses of board members: Part V of the 990 asks for a "list of names and addresses of officers, directors, trustees, and key employees." It is NOT necessary to list home addresses, and The Happy Angels Project founding board members and staff members feel that doing so encourages invasion of privacy. It IS appropriate to use the organization's business address in this section for all board and staff members.

3. Let our work show our mission. In Part III, "Statement of Program Service Accomplishments," the 990 asks for a statement of the organization's purpose and a list of program activities (examples: public awareness campaign, community health education work, youth mentorship or tutoring program, support network services etc.) Take the time to be sure that what we say here is what we would say to the press or the public or the IRS . . . after all, that IS the audience for the 990.
4. Check the math. (Especially if for all education related programs!) In one study of 990s, 67% had significant arithmetic errors.
5. Remind staff and other board members that Section 1D of Schedule B need NOT be disclosed to the public. Schedule B (an attachment to the 990) lists the names of major donors and the amounts given. If someone asks for our organization's 990 and Schedule B, we are required by law to give it to them, but we bdo NOT need to give them Section 1D of Schedule B that has this information.
6. Finally, make sure it's filed on time. Failure to file on time results in rapidly accruing penalties, and board members could be held individually liable for those penalties (even if you have Directors & Officers liability insurance). The board president should check to be sure it is filed on or before the due date (again, 4 and 1/2 months after the close of the fiscal year).