

# Not-for-Profit Learning Series: A Board Member's Guide to Understanding Form 990



*Presented by:*  
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# Topics to Be Covered



- How certain pages relate to other forms or schedules
- Which questions are hot spots for the IRS
- Why specific questions are asked on the form
- What information must be included on the form in order to have a complete and accurate return

# General Overview



## Filing Requirements

- **990N** – annual gross receipts are normally \$50,000 or less – special rules apply for supporting organizations
- **990EZ** – annual gross receipts are less than \$200,000 *and* total assets at the end of the year are less than \$500,000
- **990** - all other organizations

# General Overview



## Due Dates:

- 990, 990T, 990EZ, 990N are all due the 15<sup>th</sup> day of the fifth month after year end.
  - 1<sup>st</sup> extension is for 3 months for 990, 990EZ
  - 6 months for 990T
- For years beginning after December 31, 2015, exempt organization extensions will be for 6 months rather than a first extension of 3 months and a second extension of 3 months.



# General Overview



## Penalties – Late Filing

- Organizations with \$1,000,000 or less in gross receipts is \$20/day – Maximum \$10,000 or 5% of gross receipts, whichever is less
- Organizations with \$1,000,000 or more in gross receipts is \$100/day – Maximum \$50,000
- Code Section 6652(c)(3) provides penalty abatement when reasonable cause is provided and the IRS will usually abate under a first time offense request.

# General Overview



- Penalties - Incomplete
  - The IRS treats incomplete returns as if they were filed late and apply the same penalties.

# Test Your Understanding



## Poll #1

Form **990**

Department of the Treasury  
Internal Revenue Service

# Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990)

OMB No. 1545-0047

**2014**

Open to Public  
Inspection

A For the 2014 calendar year, or tax year beginning **JUL 1, 2014** and ending **JUN 30, 2015**

B Check if applicable:

- ☐ Address change  
☐ Name change  
☐ Initial return  
☐ Final return/terminated  
☐ Amended return  
☐ Application pending

C Name of organization

**WY HOSPITAL FOUNDATION**

Doing business as

Number and street (or P.O. box if mail is not delivered to street address)

**P.O. BOX 393**

City or town, state or province, country, and ZIP or foreign postal code

**DOUGLAS, WY 82633**

F Name and address of principal officer:

D Employer identification number

**80-0309781**

E Telephone number

G Gross receipts \$

**125,915.**

H(a) Is this a group return

for subordinates? ..... ☐ Yes ☒ No

Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c)( ) (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation:

M State of legal domicile: **WY**

## Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities:	<b>PUBLIC CHARITY</b>	
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	13
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	13
	5	Total number of individuals employed in calendar year 2014 (Part V, line 2a)	5	0
	6	Total number of volunteers (estimate if necessary)	6	0
	Revenue	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a
7b		Net unrelated business taxable income from Form 990-T, line 34	7b	0.
			Prior Year	Current Year
8		Contributions and grants (Part VIII, line 1h)	70,334.	101,699.
9		Program service revenue (Part VIII, line 2g)	0.	0.
10		Investment income (Part VIII, column (A), lines 3, 4, and 7d)	17,612.	20,416.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	7,594.	2,887.	
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	95,540.	125,002.	



Form **990**

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<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>WY HOSPITAL FOUNDATION</b>		<b>D</b> Employer identification number <b>80-0309781</b>
	Doing business as		<b>E</b> Telephone number
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	
	<b>P.O. BOX 393</b>		
	City or town, state or province, country, and ZIP or foreign postal code <b>DOUGLAS, WY 82633</b>		<b>G</b> Gross receipts \$ <b>125,915.</b>
<b>F</b> Name and address of principal officer:		<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number	
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c)( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
<b>J</b> Website:			
<b>K</b> Form of organization: <input checked="" 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>WY</b>

## Part I Summary

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>PUBLIC CHARITY</b>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>13</b>	
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>13</b>	
	<b>5</b> Total number of individuals employed in calendar year 2014 (Part V, line 2a)	<b>0</b>	
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>0</b>	
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>0.</b>	
<b>7b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>0.</b>		
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b> <b>70,334.</b>	<b>Current Year</b> <b>101,699.</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	<b>0.</b>	<b>0.</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>17,612.</b>	<b>20,416.</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>7,594.</b>	<b>2,887.</b>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>95,540.</b>	<b>125,002.</b>

<b>Form 990</b> Department of the Treasury Internal Revenue Service	<b>Return of Organization Exempt From Income Tax</b> Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations) Do not enter social security numbers on this form as it may be made public. Information about Form 990 and its instructions is at <a href="http://www.irs.gov/form990">www.irs.gov/form990</a>	OMB No. 1545-0047 <b>2014</b> Open to Public Inspection
A For the 2014 calendar year, or tax year beginning <b>JUL 1, 2014</b> and ending <b>JUN 30, 2015</b>		
B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization <b>WY HOSPITAL FOUNDATION</b> Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>P.O. BOX 393</b> City or town, state or province, country, and ZIP or foreign postal code <b>DOUGLAS, WY 82633</b> F Name and address of principal officer:	D Employer identification number <b>80-0309781</b> E Telephone number G Gross receipts \$ <b>125,915.</b> H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c)( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website:		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		
L Year of formation: M State of legal domicile: <b>WY</b>		

<b>Part I Summary</b>		
1	Briefly describe the organization's mission or most significant activities: <b>PUBLIC CHARITY</b>	
2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	
3	Number of voting members of the governing body (Part VI, line 1a)	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	13
5	Total number of individuals employed in calendar year 2014 (Part V, line 2a)	0
6	Total number of volunteers (estimate if necessary)	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	0.
7b	Net unrelated business taxable income from Form 990-T, line 34	0.
8	Contributions and grants (Part VIII, line 1h)	70,334.
9	Program service revenue (Part VIII, line 2g)	0.
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11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,887.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	125,002.



☒ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual member or director	Officer	Director/Trustee	Officer and Director/Trustee	Officer and Director/Trustee	Officer and Director/Trustee			
(1) BEN HUGHES MEMBER	1.00	X						0.	0.	0.
(2) SAM MOORE MEMBER	1.00	X						0.	0.	0.
(3) REBECCA PEYTON MEMBER	1.00	X						0.	0.	0.
(4) HOWARD MISEK MEMBER	1.00	X						0.	0.	0.
(5) MARY HARRIS MEMBER	1.00	X						0.	0.	0.
(6) ROBERT FARR MEMBER	1.00	X						0.	0.	0.
(7) KELLY SISCO MEMBER	1.00	X						0.	0.	0.
(8) JIM TWIFORD MEMBER	1.00	X						0.	0.	0.
(9) MARY WILSON MEMBER	1.00	X						0.	0.	0.
(10) DIANE HARRELL CHAIRPERSON	6.00		X					0.	0.	0.
(11) BOSS GOODMAN VICE CHAIRPE	4.00		X					0.	0.	0.
(12) LAURAN DANDY SECRETARY/TR	4.00		X					0.	0.	0.
(13) DEDDY LIONS FOUNDATION D	40.00		X					0.	0.	0.

## Director or Trustee

- Member of the governing body but only if they have voting rights
- Members of advisory boards that do not have governance authority are not considered trustees
- “Institutional Trustee” is a trustee who is not an individual or a natural person but an organization such as a bank
  - Directors/trustees/officers must be listed on the return, whether or not they were paid, if they served during the year.



# Officer



- An officer is elected or appointed to manage the day to day operation of the organization
- Officers are determined by the organizational documents, bylaws, etc.
- Can include president, vice-president, secretary, treasurer, Board Chair
- Trustee and Officer boxes are both checked when someone is a voting member of the board and an officer

- Also includes:
  - Top management official – the person who has responsibility for implementing the decisions of the governing body (i.e. executive director)
  - Top financial official – person who has the ultimate financial responsibility (i.e. treasurer or chief financial officer)
  - If the organization shares responsibility between two individuals (co-treasurer) both should be listed

# Key Employee



- Employee who is not an officer, director or trustee
- Must meet all three of the following tests –
  1. \$150,000 of reportable compensation
  2. Responsibility Test
  3. Top 20 Test – one of the top 20 employees who meet test 1 and test 2.

# \$150,000 Test



- This includes reportable compensation from the organization and related organizations.
  - Reportable compensation is compensation reported on Form W-2 box 1 or 5 (whichever is higher) or on Form 1099-Misc box 7

# Responsibility Test



- A. Has responsibilities, power or influence over the organization as a whole similar to that of officers, directors or trustees.
- B. Manages a discreet portion of the organization representing 10% or more of the activities.
- C. Has or shares authority to control 10% or more of the operating budget, capital improvements or compensation.

# Five Highest Compensated Employees



- Reportable compensation is greater than \$100,000 from organization and related organizations.

# Test Your Understanding




## Poll #2

**Part III Statement of Program Service Accomplishments**Check if Schedule O contains a response or note to any line in this Part III ☐

- 1 Briefly describe the organization's mission:

PUBLIC CHARITY



- 2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No


If "Yes," describe these new services on Schedule O.

- 3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

- 4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: \_\_\_\_\_) (Expenses \$ 69,235. including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)  
THE ORGANIZATION COLLECTS AND INVESTS FUNDS TO BE PROVIDED TO SUPPORTED  
ORGANIZATIONS FOR THE BENEFIT AND PROVISION OF HEALTH CARE SERVICES





# Part IX – Functional Expenses



24	Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) .....				
a	DESIGNATIONS EXPENSE	52,674.	52,674.		
b	DIRECTOR EXPENSES	44,268.		44,268.	
c	ALLOCATIONS EXPENSE	7,500.	7,500.		
d	PROFESSIONAL FEES	2,472.		2,472.	
e	All other expenses	1,023.	1,023.		
25	Total functional expenses. Add lines 1 through 24e	115,975.	69,235.	46,740.	0.



Other Expenses should include items which do not fit in any other area on the statement of functional expenses.

- Professional expenses – should be included on line 11 a-g
- Designations and Allocations – these make me think of grants – should these be included on line 1? Also reported on Part III as a grant under schedule of program service accomplishments and Schedule I?
- Director expenses – is this a reimbursement for travel or conferences or compensation paid to the director?

# Part IV – Checklist of Required Schedules



## Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> .....	X	
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? .....	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....		X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> .....		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> .....		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> .....		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> .....		X



# Part V – IRS Filings and Compliance



Part V Statements Regarding Other IRS Filings and Tax Compliance		Check if Schedule O contains a response or note to any line in this Part V <input type="checkbox"/>	
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	0
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return	2a	0
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	X
b	If "Yes," has it filed a Form 990-T for this year? If "No," to line 3b, provide an explanation in Schedule O	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	



# Part V – IRS Filings and Compliance



7 Organizations that may receive deductible contributions under section 170(c).				
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided? .....	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? .....	7c		
d	If "Yes," indicate the number of Forms 8282 filed during the year ..... 7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? .....	7e		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? .....	7f		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? ...	7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		

Line 7 is required for all organizations which receive deductible contributions. This organization has left these lines blank.

- Line 7e and 7f are very important because they are asking about a personal benefit contract. They need to be answered NO, if no personal benefit contract exists.

# Part V – IRS Filings and Compliance



- Line 7e and 7f – What is a personal benefit contract?
  - Life insurance
  - Annuity
  - Endowment contract
    - That benefits, directly or indirectly, the transferor, a member of the transferor's family or designee, (other than the organization described in 170(c)).

# Part VI – Governance, Management and Disclosure



## Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year ..... If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1a	13	
b	Enter the number of voting members included in line 1a, above, who are independent .....	1b	13	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? .....	2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? .....	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? .....	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .....	5		X

Line 3 - Management duties – If the organization is managed by another organization - Part IX must also have an expense on line 11a for management fees.

# Part VI – Governance, Management and Disclosure



## Line 4 – Significant changes to governing documents

- Mission or purpose
- Name
- Number, composition, qualifications, authority, duties of governing body's voting members, officers or key employees
- Role of stockholders or membership in governance
- Distribution of assets upon dissolution

# Part VI – Governance, Management and Disclosure



## Line 4 – Significant changes to governing documents (continued)

- Provisions to amend the organizing document
- Quorum, voting rights, or approval of governing body, stockholders or membership
- Policies or procedures within governing document
  - regarding compensation of officers, directors, trustees or key employees, conflict of interest, whistleblower, document retention policy or audit committee



# Part VI – Governance, Management and Disclosure



## Line 5 – Significant Diversion of Funds

Lesser of:

1. 5% of gross receipts for tax year
2. 5% of total assets as of the end of the tax year
3. \$250,000

# Part VI – Governance, Management and Disclosure



## Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

	Yes	No
10a Did the organization have local chapters, branches, or affiliates? .....		X
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? .....		
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? .....	X	
b Describe in Schedule O the process, if any, used by the organization to review this Form 990. ....		
12a Did the organization have a written conflict of interest policy? If "No," go to line 13 .....	X	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? .....	X	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done .....		X
13 Did the organization have a written whistleblower policy? .....		X
14 Did the organization have a written document retention and destruction policy? .....		X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? .....		
a The organization's CEO, Executive Director, or top management official .....		X
b Other officers or key employees of the organization .....		X
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? .....		X

# Part VI – Governance, Management and Disclosure



## Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed ► NONE
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)
- 19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20 State the name, address, and telephone number of the person who possesses the organization's books and records: ►  
DOLLY'S BOOKKEEPING - 801-397-7581  
P O BOX 1, CODY, WY 86236

Name of the organization <u>WY HOSPITAL FOUNDATION</u>	Employer identification number <u>80-0309781</u>
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FORM 990, PART VI, SECTION B, LINE 11:

THE ORGANIZATIONS CONTRACTED ACCOUNTANT WILL REVIEW THE FORM 990 FOR  
COMPLETENESS AND ACCURACY.

FORM 990, PART VI, SECTION C, LINE 19:

NO DOCUMENTS AVAILABLE TO THE PUBLIC

# Part VII – Compensation of Officers and Independent Contractors



## Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶		0

# Part VII – Compensation of Officers and Independent Contractors



- Part VII, Section B – Independent Contractors
  - Report 5 highest compensated independent contractors who received more than \$100,000.
  - Professional or other services, including professional fundraisers, law firms, accounting firms, construction contractors
    - Do not report public utilities or insurance providers or amounts paid for materials and supplies.



# Part VIII – Statement of Revenue



Form 990 (2014)

WY HOSPITAL FOUNDATION

80-0309781

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## Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a			
	b	Membership dues	1b			
	c	Fundraising events	1c			
	d	Related organizations	1d			
	e	Government grants (contributions)	1e	15,500.		
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	86,199.		
	g	Noncash contributions included in lines 1a-1f: \$				
	h	Total. Add lines 1a-1f		101,699.		
Program Service Revenue	Business Code					
	2 a					
	b					
	c					
	d					
	e					
	f	All other program service revenue				
g	Total. Add lines 2a-2f					
3	Investment income (including dividends, interest, and other similar amounts)		20,416.	20,416.		
4	Income from investment of tax-exempt bond proceeds					
5	Royalties					

# Part VIII – Statement of Revenue



		(i) Securities	(ii) Other				
7 a	Gross amount from sales of assets other than inventory						
b	Less: cost or other basis and sales expenses						
c	Gain or (loss)						
d	Net gain or (loss)						
8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a	3,800.				
b	Less: direct expenses	b	913.				
c	Net income or (loss) from fundraising events			2,887.			2,887.
9 a	Gross income from gaming activities. See Part IV, line 19	a					
b	Less: direct expenses	b					
c	Net income or (loss) from gaming activities						
10 a	Gross sales of inventory, less returns and allowances	a					
b	Less: cost of goods sold	b					
c	Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11 a							
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d						
12	Total revenue. See instructions.			125,002.	20,416.	0.	2,887.

# Part VIII – Statement of Revenue



- Part VIII, Line 1c – fundraising event donations
  - Sponsorships
  - Contribution portion of event –
    - Example is \$400 dinner where the retail value of meal and entertainment is \$160, the difference of \$240 is considered a donation and reported on line 1c. The \$160 portion is reported on line 8a.



# Part VIII – Statement of Revenue



- Part VIII, line 1 g – non cash
  - Noncash contributions are anything other than cash, checks, money orders, credit card charges, wire transfers and other transfers or deposits to a cash account of the organization other than services.
  - Services are In-Kind transactions which are not reported on Form 990. They are backed out of both revenue and expense and reported on Schedule D, where applicable

# Part VIII – Statement of Revenue



- Program Service Revenue-
  - Tuition received by a school
  - Admissions to a concert or museum
  - Interest income on educational or low interest loans
  - Rental income from an affiliate organization
  - Sale of inventory by hospital, college or university
    - All others report these items on line 10, sale of gross inventory.

# Part VIII – Statement of Revenue



8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a	3,800.				
b	Less: direct expenses	b	913.				
c	Net income or (loss) from fundraising events			2,887.			2,887.
9 a	Gross income from gaming activities. See Part IV, line 19	a					
b	Less: direct expenses	b					
c	Net income or (loss) from gaming activities						
10 a	Gross sales of inventory, less returns and allowances	a					
b	Less: cost of goods sold	b					
c	Net income or (loss) from sales of inventory						
Miscellaneous Revenue			Business Code				
11 a							
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d						
12	Total revenue. See instructions.			125,002.	20,416.	0.	2,887.

Form 990 (2014)

# Part IX – Statement of Functional Expenses



<b>Part IX Statement of Functional Expenses</b>				
<i>Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).</i>				
Check if Schedule O contains a response or note to any line in this Part IX <input type="checkbox"/>				
<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
2 Grants and other assistance to domestic individuals. See Part IV, line 22 .....				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 .....				
4 Benefits paid to or for members .....				
5 Compensation of current officers, directors, trustees, and key employees .....				
11 Fees for services (non-employees):				
a Management .....				
b Legal .....				
c Accounting .....				
d Lobbying .....				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees .....				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)				
12 Advertising and promotion .....	4,544.	4,544.		

# Part IX – Statement of Functional Expenses



16	Occupancy .....				
17	Travel .....				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings .....				
20	Interest .....	1.	1.		
21	Payments to affiliates .....				
22	Depreciation, depletion, and amortization .....	3,493.	3,493.		
23	Insurance .....				
24	Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) .....				
a	DESIGNATIONS EXPENSE	52,674.	52,674.		
b	DIRECTOR EXPENSES	44,268.		44,268.	
c	ALLOCATIONS EXPENSE	7,500.	7,500.		
d	PROFESSIONAL FEES	2,472.		2,472.	
e	All other expenses	1,023.	1,023.		
25	Total functional expenses. Add lines 1 through 24e	115,975.	69,235.	46,740.	0.

# Part IX – Statement of Functional Expenses



Dumping “miscellaneous revenue” and “miscellaneous expenses” into one line in Parts VIII and IX.

- IRS provides guidance for grouping income and expenses – When in doubt look at the instructions!
- Expenses should be grouped in lines 1-23 where applicable. If items are needed in lines 24, items should be adequately described.



# Part IX – Statement of Functional Expenses



- Part IX, Line 24 specifically states to not include a separate entry for miscellaneous expenses, program expenses, or other expenses.
- Unrelated business income tax must be separately stated as the first item on 24a if applicable

# Part IX – Statement of Functional Expenses



## Consistency –

- If the majority of revenue comes from donations, then there should be an allocation of fundraising expenses.
- Functional expenses should agree to audited financial statements with the exception of in-kind items or items moved to the statement of revenue such as loss on sale of equipment, fundraising event expenses or cost of goods sold items.

# Part X – Balance Sheet



<b>Part X Balance Sheet</b>			
Check if Schedule O contains a response or note to any line in this Part X <input type="checkbox"/>			
		(A) Beginning of year	(B) End of year
1	Cash - non-interest-bearing .....	45,649.	147,012.
2	Savings and temporary cash investments .....	658,484.	528,955.
3	Pledges and grants receivable, net .....		
4	Accounts receivable, net .....	7,980.	28,070.
5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		
17	Accounts payable and accrued expenses .....	25.	
18	Grants payable .....		
19	Deferred revenue .....		
20	Tax-exempt bond liabilities .....		
21	Escrow or custodial account liability. Complete Part IV of Schedule D .....		
22	Loans and other payables to current and former officers, directors, trustees, .....		
27	Unrestricted net assets .....	391,571.	400,550.
28	Temporarily restricted net assets .....	34,907.	28,955.
29	Permanently restricted net assets .....	500,000.	500,000.
Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
30	Capital stock or trust principal, or current funds .....		
31	Paid-in or capital surplus, or land, building, or equipment fund .....		
32	Retained earnings, endowment, accumulated income, or other funds .....		
33	Total net assets or fund balances .....	926,478.	935,505.

# Part XII Financial Statements and Reporting



## Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII ☐

	Yes	No
1 Accounting method used to prepare the Form 990: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other		
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?		X
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:		
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
b Were the organization's financial statements audited by an independent accountant?		X
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:		
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?		
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		



# Part XI – Reconciliation of Net Assets



## Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	125,002.
2	Total expenses (must equal Part IX, column (A), line 25)	2	115,975.
3	Revenue less expenses. Subtract line 2 from line 1	3	9,027.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	926,478.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	935,505.



# Part XI – Reconciliation of Net Assets



- Part XI, Line 5 – Report unrealized gains/losses – this means this information needs to be tracked and reported separately from realized gains/losses and investment fees.
- Part XI, line 9 – Other changes, including losses on uncollectible pledges, refunds of contributions and program service revenue, reversal of grant expenses and any difference between FMV and Book value of property given as an award or grant.

# Data-driven Approach to Exam Selection



- Organization reporting a mortgage on Part X and receives rental income Part VIII but does not file Form 990-T
- Failure to complete return
- Answer yes to significant diversion of funds, Part VI, line 5
- Answers yes to prohibited political campaign activity, Part IV, line 3

# Data-driven Approach to Exam Selection



- Have unrelated business income in column C, Part VIII but no 990T is filed
- Answer yes to excess benefit transactions, Part IV, line 25a and 25b
  - Our software leaves this blank – you must physically answer no for these questions
- Outstanding loans from officers, etc./disqualified persons does not decrease from prior year, Part X, line 5-6)

# Data-driven Approach to Exam Selection



- Substantial fundraising income but little or no fundraising expense noted on Part IX, Statement of Functional Expenses
- UBI – Failing to file a 990T in current year, when one was filed in the past.
- UBI – Organization with substantial gross UBI where no income tax was due for the past 3 years.

# Disabled Police and Sheriffs Foundation—Any Issues?



		Prior Year	Current Year
<b>8</b>	Contributions and grants (Part VIII, line 1h) . . . . .	1,512,475	1,365,334
<b>9</b>	Program service revenue (Part VIII, line 2g) . . . . .		0
<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 7d ) . . . . .	23	12
<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		0
<b>12</b>	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	1,512,498	1,365,346
<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1–3 ) . . . . .	19,899	20,025
<b>14</b>	Benefits paid to or for members (Part IX, column (A), line 4) . . . . .		0
<b>15</b>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	107,674	68,916
<b>16a</b>	Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	1,360,202	1,231,737
<b>b</b>	Total fundraising expenses (Part IX, column (D), line 25) <u>1,243,190</u>		
<b>17</b>	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) . . . . .	36,357	48,809
<b>18</b>	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,524,132	1,369,487
<b>19</b>	Revenue less expenses Subtract line 18 from line 12 . . . . .	-11,634	-4,141
		<b>Beginning of Current Year</b>	<b>End of Year</b>
<b>20</b>	Total assets (Part X, line 16) . . . . .	34,155	6,935
<b>21</b>	Total liabilities (Part X, line 26) . . . . .	37,079	14,000
<b>22</b>	Net assets or fund balances Subtract line 21 from line 20 . . . . .	-2,924	-7,065



# Test Your Understanding



## Poll #3

# Questions?



Please use the  
Chat Pane  
to submit your  
questions.

# Contact



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Join PB Mares for the remainder of our  
Not-For-Profit Learning Series!

## **#2: A Board Member's Guide to Charitable Giving Strategies**

September 28, 2016, 10 – 11:00am EST

## **#3: A Board Member's Guide to FASB Changes**

November 2, 2016, 10 – 11:00 am EST

Visit [www.pbmares.com/events](http://www.pbmares.com/events) to register!