

## Guide for Filing Out IRS Form 990

Tax-exempt organizations are required to file an IRS Form 990-series tax return at the end of each fiscal year to maintain their tax-free status. This guide introduces you to the three (3) IRS Form 990 versions, and provides DIY tips for filing the tax returns yourself.



### 1. Select the correct form.

The IRS Form 990 return you file is based on your organization's gross income (total income before any expenses are deducted).

Form	Gross income
990N	\$50,000 or less
990EZ	\$50,001 - \$200,000 or \$500,000 in total assets
990	Over \$200,000



### 2. Gather your financial records.

#### To complete an IRS 990N return, you need:

- > the legal name of the organization
- > the name of one officer
- > the total gross receipts for the organization over the past fiscal year

#### For the IRS Form 990EZ and full 990, you also need:

- > the beginning cash & asset balance on day 1 of your fiscal year
- > the ending cash balance on the last day of your fiscal year
- > all of the income categorized and totaled by type (contributions, membership dues, revenue from tax-exempt programs, fundraising income, income from product sales, sponsorship income, and other income)
- > the donor list (list of donors and the amount of contributions by each)



### 3. File on time with the IRS.

IRS Form 990-series tax returns are due on the 15th day of the 5th month after the close of your fiscal year (e.g. May 15 for calendar year filers).

**Disclaimer:** These instructions are based on common practices for nonprofit tax-exempt 501(c) organization. RENOSI guides are not intended to provide legal or financial advice. If you have questions specific to your organization, engage professional legal, accounting or tax services. These instructions are for cash-based bookkeeping.

*"In this world nothing can be said to be certain,  
except death and taxes."*

-Benjamin Franklin, 1798

## Form 990N

The Form 990N is filed online and confirms to the IRS the current address of your organization along with certification that your gross income was under \$50,000. RENOSI files IRS Form 990N for its clients as a part of their package benefits to ensure they remain in compliance with IRS rules and do not get their tax-exempt status revoked.

## Form 990EZ – Step-by-Step Instructions

### Organization Information

Complete the basic information about your organization on the top of page 1, including your organization's name, address and EIN (employer identification number). Use your own EIN. Schedule B is always required unless the organization did not receive contributions of \$5,000 or more from any one donor.

Form <b>990-EZ</b>		Short Form Return of Organization Exempt From Income Tax		OMB No. 1545-0047
Department of the Treasury Internal Revenue Service		Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)		<b>2019</b>
		▶ Do not enter social security numbers on this form, as it may be made public. ▶ Go to <a href="http://www.irs.gov/Form990EZ">www.irs.gov/Form990EZ</a> for instructions and the latest information.		<b>Open to Public Inspection</b>
A For the 2019 calendar year, or tax year beginning		, 2019, and ending		, 20
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>Funds for Fun</b> Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>123 Funding Ave.</b> City or town, state or province, country, and ZIP or foreign postal code <b>FunderTown, FL 12345</b>	D Employer identification number <b>12-3456789</b>	E Telephone number <b>012-345-6789</b>	F Group Exemption Number ▶ <b>123</b>
G Accounting Method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual Other (specify) ▶	H Check <input type="checkbox"/> if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).			
I Website: ▶	J Tax-exempt status (check only one) – <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other				
L Add lines 5b, 6c, and 7b to line 9 to determine gross receipts. If gross receipts are \$200,000 or more, or if total assets (Part II, column (B)) are \$500,000 or more, file Form 990 instead of Form 990-EZ . . . . . ▶ \$				

## Revenue

Income must be reported by category as follows (we included only the numbered line items for which most booster clubs have revenue):

- Line 1 – Contributions, gifts, grants, and similar accounts received** – donations made to your organization for which nothing was received by the donor
- Line 2 – Program service revenue** – income from activities you conduct that are directly related to your exempt purpose (e.g. conference fees or dog adoption fees)
- Line 3 – Membership dues** – payments made by individuals or organizations to be a member of the organization
- Line 6 – Gaming and fundraising events** – gross income and related expenses for your gaming and fundraising activities (raffles, bingo, and other "games of chance")

**Practice tip: Note that many states and/or localities require a license before you may legally operate any type of gaming.** If you conduct any type of gaming activity, or raise more than \$15,000 from fundraising, you must complete Schedule G.

**Line 7 – Sales of inventory** – income from the sale of products you sell all year long and for which you hold stock or inventory (e.g. branded merchandise) [Products sold only during a specific fundraising event may be included in fundraising income.]

**Line 8 – Other income** – any other type of income your organization receives (must also be detailed on Schedule O)

**Practice tip:** If you are not using bookkeeping software and therefore do not already have your income and expenses categorized, our **Guide to Getting Ready to Fill Out IRS Form 990EZ** may be helpful.

## Expenses

Expenses must be reported by type of expense:

**Line 10 – Grants** – payments, scholarships, or donations made to individuals or organizations

**Line 11 – Benefits paid to or for members** – must support the purpose of your organization, examples of this could be webinars, publications, educational materials, travel expenses, and any other benefit exclusively for members [This is an area the IRS closely scrutinizes.]

**Line 12 – Salaries, other compensation** – compensation for employees

**Line 13 – Professional fees (stipends and independent contractors)** – professional fees are usually whenever a 1099 is issued

**Line 14 – Occupancy, rent** – payments for rent and utilities

**Line 15 – Printing, publications, postage** – self-explanatory

**Line 16 – Other expenses** – any other type of expenses (must also be detailed on Schedule O)

**Practice tip:** The total expenses on line 17 may not match the total expenses on your profit/loss statement. This is because the fundraising and merchandise expenses are included above in the revenue section.

## Net Assets

This is where you include the opening cash balance, add the net income, and obtain the closing balance. The closing balance should reflect the actual balance in your bank and other accounts.

## Balance Sheet

Here you must list your beginning-of-year and end-of-year cash balances (plus any other assets your organization may own). Line 21 from the Net Assets section on the prior page must match line 27B in the Balance Sheet section. The Balance Sheet section is where we find people have the most trouble.

**Practice tip:** When the numbers do not match, there is an income or expense for your organization not counted, or the opening balance may be off, or you may have made a math error.

### **Statement of Program Service Accomplishments**

This important section is where you describe the reason your organization qualifies for 501(c) status and the three biggest accomplishments based on your three largest expense items.

**Practice tip:** Fundraising is not considered by the IRS as a tax-exempt purpose. As a result, your purpose and accomplishments should not be described as fundraising. For example, instead of stating that you “held 3 fundraisers and raised \$20,000” state that you “gave the local homeless population \$20,000 worth of food and clothing.”

### **List of Officers**

The number of hours worked by each officer may be your best guess. The IRS expects that officers and directors of nonprofit tax-exempt organizations are volunteers without compensation.

### **Other Information**

Read and answer the questions accurately. Most nonprofits can usually answer “No” to most of the questions.

### **Sign the Return**

If you are doing this on your own, you will leave the “Paid Preparer” section blank.

### **Schedules**

There are a number of schedules you may be required to complete and include with IRS Form 990EZ or the full 990. The most common schedules booster clubs complete are described here:

#### **Schedule B: Schedule of Contributors**

Organizations that receive contributions of \$5,000 or more from any one donor must complete this schedule. Both cash and in-kind (non-cash) donations must be included.

#### **Schedule G: Supplemental Information Regarding Fundraising or Gaming Activities**

Organizations that conduct any gaming activities, or raise \$15,000 or more gross income from fundraising activities, must complete Schedule G.

## Schedule O: Additional Information

Schedule O is used for all the miscellaneous information throughout the form. There are various questions that may require an explanation, the explanation should go here.

**Practice tip:** The total fundraising from Schedule G may not match the fundraising numbers from the 990EZ itself because the 990EZ reflects all fundraising income; Schedule G only reflects fundraising activities for which \$5000 or more was raised.

## Congratulations! You have finished the 990EZ!

All nonprofit organizations that raise any amount of money must file an IRS 990-series return. There is no longer an exception for small organizations that raise under a specific dollar limit. Each RENOSI client organization must file its own 990-series return.

Full-service RENOSI packages include [filing of the IRS Form 990N](#) (e-postcard).

There is a fee for RENOSI's help to file the 990EZ or full 990. [Find more information on RENOSI's 990 filing service.](#)

Where to File

[990N is e-filed online.](#)

[990EZ and 990 forms must also be e-filed online.](#) (paper filing is no longer an option)



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