



## **Board Transparency Attracts Future Donors**

There's a silver lining to the cloud of the IRS' revised form 990. The additional amount of information required gives a fuller, more complete picture of your organization. And, donors frequently use Form 990 to assess an organization's merits before making a charitable contribution.

Board members now need to be more involved in the compliance process due to the significant changes. Expansion of information about governance, management and disclosure are required, often in narrative form. The form asks pointed questions to ensure that policies are in place regarding conflict of interest, document retention, whistleblowers, and more. Appropriate policies must be in place before the end of your tax year to claim compliance.

Compensation disclosure and operational information also require more detail. Organizations must reveal the methods used to establish compensation for key positions. They must answer questions about fringe benefits such as travel, tax indemnification and club dues. Operational information includes fundraising, foreign activities, tax-exempt bonds and business transactions with persons related to or close to the organization.

Stay focused on the ultimate benefit of a clear picture of your organization as being worthy of significant contributions. Be prepared for the IRS by seeking outside counsel to increase efficiency, avoid errors and minimize costs.

For more information, contact Lisa Potter CPA and 990 expert at [lpotter@sstcpa.com](mailto:lpotter@sstcpa.com).

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