



Eight priority items ‘to do’ before year end

Here is more specific information related to my previous post about the [changes to the 990](#). Everyone scrambles at the year-end. And with the changes to the 990 form, I want to be sure that you’re prepared with policies in place – in writing and implemented – before you are required to answer ‘No’ to any of the policy questions. While there are many questions on the updated forms, the following eight items are policies that require some work on your part and may sneak up on you:

1. Whistleblower policy – Legally required, you need to document the open door and protection of people in your organization who see impropriety and want to report it. (Form 990, Part VI, Section B, line 13)
2. Document retention and destruction policy – Also legally required, this written policy keeps you protected as well as organized. (Form 990, Part VI, Section B, line 14)
3. Process for determining compensation for key employees – You need review and approval from independent people and data to justify salaries and benefits. (Form 990, Part VI, Section B, line 15)
4. Conflict of interest policy – Your policy needs consistent monitoring for all key employees, officers and directors. (Form 990, Part VI, Section B, line 12)
5. Review process for Form 990 – Document the way that you distribute and collect feedback from members of your governing body. (Form 990, Part VI, Section B, line 11)
6. Gift acceptance policy – You must review any non-standard contributions before accepting a gift. For example, you need to consider how you might pay related property taxes, and make sure there are no EPA issues with potential donations of land. (Form 990, Schedule M, line 31)
7. Governance policies for chapters, branches or affiliates – Have a policy to ensure that operations are consistent across all forms of the organization. (Form 990, Part VI, Section B, line 10)
8. Joint venture policy – At no point can the profits of the joint venture take precedence over the mission of the nonprofit organization. (Form 990, Part VI, Section B, line 16)

Please call me if you need clarification or more information about these critical issues that can affect your standing with the IRS as well as potential donors.

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