



Published on National Council of Nonprofits (<https://www.councilofnonprofits.org>)

Original URL: <https://www.councilofnonprofits.org/running-nonprofit/fundraising-and-resource-development/what-look-when-reviewing-irs-form-990-filing>

## **What to look for when reviewing the IRS Form 990 before filing**

Ideally, just by reading a nonprofit's publicly-posted IRS Form 990, donors, members of the public, and government officials will see an accountable, transparent, and trustworthy organization that is making a positive impact as it advances its mission.

The Form 990 doesn't explain all the ways a nonprofit is accountable to its various stakeholders. It does, however, offer a vehicle for being transparent about the practices described on the Form, as well as disclosing information about the composition and compensation of board members and staff. Board members reviewing the Form will want to pay special attention to responses about themselves, since they have a personal interest in the Form's accuracy and clarity. For those signing the Form: remember that your signature attests to the accuracy of all information submitted.

When reviewing the form, make sure the mission is described in plain language. The mission description and Section III, "Program Service Accomplishments," are opportunities to educate potential donors about your nonprofit's work. Section III is also where your nonprofit should describe new directions it's taking (see questions 2, and 3 of Section III). Another important section to tell your nonprofit's story is Part VI on Governance, Management, and Disclosure. This section offers the chance to demonstrate that the nonprofit follows sound governance practices. Can the

nonprofit answer “yes” to the questions in Part VI about good governance? If not, that signals the need to refocus the nonprofit’s energy on building [good governance practices](#) to ensure that answers in the future will be, “Yes.”

There are many reasons why your entire board of directors should review your organization’s draft [IRS Form 990](#) before it is filed. Of course, the most important reason is to ensure its accuracy.

Another reason for the full board to review the Form before it’s filed with the IRS is to help ensure that the nonprofit’s story will emerge clearly. One board member may immediately look at the numbers on the first page showing revenue, expenses, contributions, assets, and liabilities. Someone else may flip first to Section III to read about how the nonprofit accomplishes its mission, and another may be curious about what the form reveals about board members.

If the nonprofit’s chief executive, the person responsible for finances, and each board member takes the time to review the organization’s Form 990 with fresh eyes, each of you is likely to see different things emerge from the form. A review by multiple people who are familiar with the nonprofit’s activities will help make sure this publicly-available document tells your nonprofit’s best, most accurate story.

## Additional Resources

- Guidestar’s [video tutorial](#) breaks down various parts of the IRS Form 990 and addresses frequently asked questions.
- [Making the most of your Form 990: A red flag guide for nonprofits](#) is a recording of a webinar hosted by *Nonprofit Quarterly* with Chuck McLean of GuideStar.
- When you review your draft Form 990 before it gets filed, look through the eyes of various perspectives, from donor to potential board member. This article addresses [what readers look for on Form 990](#) (source: Journal of Accountancy).

*Disclaimer: Information on this website is provided for informational purposes only and is neither intended to be nor should be construed as legal, accounting, tax, investment, or financial advice. Please consult a professional (attorney, accountant, tax advisor) for the latest and most accurate information. The National Council of Nonprofits makes no representations or warranties as to the accuracy or timeliness of the information contained herein.*