
EOTS NewsFlash

Exempt Organizations Tax Services

June 10, 2011

IRS invites comments on the redesigned Form 990

The IRS recently issued Announcement 2011-36, inviting public comments on transitional issues and frequently asked questions involving the redesigned Form 990. Specifically, the IRS is seeking comments regarding:

1. the use of activity codes in Part III of the core form;
2. the reporting of compensation to management companies and leasing companies owned or controlled by directors, officers, trustees, or key employees;
3. the thresholds for reporting compensation to key employees, highest compensated employees, independent contractors, and former officers, directors, trustees and key employees;
4. whether and how the reporting requirements related to revenue from governmental units should be changed;
5. whether the Net Asset Reconciliation section in Schedule D, Part XI is still needed in light of the new Part XI, *Net Asset Reconciliation*, that was added to the 2010 Form 990;
6. whether additional reporting requirements should be added to Part XII of the core form with respect to the filing organization's financial statements and whether the organization's auditor issued a qualified opinion, an unqualified opinion, an adverse opinion, or a disclaimer of opinion;
7. whether the reporting of foreign grantee names and EINs and IRS code section (if applicable) in columns (a) and (b) of Schedule F, Part II should be required or if the two columns should be deleted;
8. whether Schedule F filers should be required to report indirect foreign expenditures (e.g., the expenses of listing a "study abroad" program in a school's website or paper catalog);
9. the pros and cons of requiring reporting of certain deposits into and withdrawals from a bank account on Schedule L, Part IV or reporting deposits as loans on Schedule L, Part II;
10. whether separately organized component parts of community trusts should file separate Form 990-series returns or, if not, how to increase transparency in reporting by community trusts and their component parts; and
11. whether the scope of related organization reporting on Schedule R should be revised to increase the number of organizations excepted.

The announcement explains that comments are to be provided in writing (by post, hand delivery, or e-mail) on or before August 1, 2011, and that all comments received will be available for public inspection and copying.

Click [here](#) to access Announcement 2011-36

For additional information, please contact a National Tax Services Exempt Organizations Tax Practice representative:

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