

# *EOTS NewsFlash*

Exempt Organizations Tax Services

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## *Written policy for tax-exempt bonds required for the 2011 Form 990 (Fiscal Year 2012)*

The IRS continues to focus on post-issuance compliance for tax-exempt bonds. The 2010 Form 990 Schedule K (Supplemental Information on Tax -Exempt Bonds) asked organizations if they have adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities. For 2011, the IRS has further revised Form 990, Schedule K to include a new question regarding whether the organization has established **written** procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations. In order for an organization to answer "yes" to this question the procedures must be in place by its FY12 fiscal year end. Unlike certain other policies, in order to answer "yes", such procedure may be implemented through the organization's standard processes and does not require approval by the board or a committee of the board.

### *Form 990 Schedule K - New in 2011*

#### Part V- Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations. ☐Yes ☐No

Organizations should make sure they are reviewing their current bond policies and procedures to ensure they have procedures that cover the voluntary closing agreement program. If the organizations policies do not currently include such procedures and the organization wishes to answer "yes" to the question action should be taken to adopt such procedures prior to fiscal year end.



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

<i>Marci Krause</i>	<i>202-414-1012</i>	<i><a href="mailto:marci.k.krause@us.pwc.com">marci.k.krause@us.pwc.com</a></i>
<i>Rob Friz</i>	<i>267-330-6248</i>	<i><a href="mailto:robert.w.friz@us.pwc.com">robert.w.friz@us.pwc.com</a></i>
<i>Travis Patton</i>	<i>202-414-1042</i>	<i><a href="mailto:travis.patton@us.pwc.com">travis.patton@us.pwc.com</a></i>
<i>Gwen Spencer</i>	<i>617-530-4120</i>	<i><a href="mailto:gwen.spencer@us.pwc.com">gwen.spencer@us.pwc.com</a></i>
<i>Kaye Ferriter</i>	<i>617-530-4063</i>	<i><a href="mailto:kaye.b.ferriter@us.pwc.com">kaye.b.ferriter@us.pwc.com</a></i>
<i>Laura Parello</i>	<i>646-471-2472</i>	<i><a href="mailto:laura.j.parello@us.pwc.com">laura.j.parello@us.pwc.com</a></i>
<i>Howard Schoenfeld</i>	<i>202-414-1717</i>	<i><a href="mailto:howard.schoenfeld@us.pwc.com">howard.schoenfeld@us.pwc.com</a></i>
<i>Ron Schultz</i>	<i>202-346-5096</i>	<i><a href="mailto:ronald.j.schultz@us.pwc.com">ronald.j.schultz@us.pwc.com</a></i>
<i>Caroline Burnicki</i>	<i>617-530-5767</i>	<i><a href="mailto:caroline.n.burnicki@us.pwc.com">caroline.n.burnicki@us.pwc.com</a></i>
<i>Erin Couture</i>	<i>617-530-6179</i>	<i><a href="mailto:erin.couture@us.pwc.com">erin.couture@us.pwc.com</a></i>
<i>Larry Desalvo</i>	<i>267-330-6322</i>	<i><a href="mailto:larry.desalvo@us.pwc.com">larry.desalvo@us.pwc.com</a></i>
<i>Eric McNeil</i>	<i>267-330-6415</i>	<i><a href="mailto:eric.m.mcneil@us.pwc.com">eric.m.mcneil@us.pwc.com</a></i>
<i>Michelle Michalowski</i>	<i>202-414-1615</i>	<i><a href="mailto:michelle.g.michalowski@us.pwc.com">michelle.g.michalowski@us.pwc.com</a></i>

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