

---

---

# TABLE OF CONTENTS

---

---

<b>SECTION I: FORM 990</b>	<b>1</b>
<b>Chapter 1: Introduction to Form 990</b>	<b>3</b>
I. Introduction	3
II. Structure of the Form	3
III. Filing Requirements	5
IV. Form 990-PF	6
<b>Chapter 1: Test Your Knowledge</b>	<b>7</b>
<b>Chapter 1: Solutions and Suggested Responses</b>	<b>8</b>
<b>Chapter 2: The Life Cycle of a Public Charity</b>	<b>9</b>
I. Organizing the Entity	9
II. Governance Issues	14
<b>Chapter 2: Test Your Knowledge</b>	<b>21</b>
<b>Chapter 2: Solutions and Suggested Responses</b>	<b>23</b>
<b>Chapter 3: General Instructions for Form 990</b>	<b>25</b>
I. Purpose of Form	25
II. General Instructions	25
III. Calculating an Organization's Gross Receipts	30
IV. Accounting Methods and Periods	32
V. When, Where, and How to File	34
VI. Filing a Group Return	35
<b>Chapter 3: Test Your Knowledge</b>	<b>37</b>
<b>Chapter 3: Solutions and Suggested Responses</b>	<b>38</b>
<b>Chapter 4: Completing Form 990 – Summary, Signature Block and Statement of Program Service Accomplishments (Part I, II, and III of Form 990)</b>	<b>39</b>
I. General Requirements for a Properly Completed Form 990	39
II. Sequencing the Form	41
III. Heading: Items A-M	42
IV. Part I. Summary	46
V. Part II. Signature Block	47
VI. Part III. Statement of Program Service Accomplishments	48
<b>Chapter 4: Test Your Knowledge</b>	<b>53</b>
<b>Chapter 4: Solutions and Suggested Responses</b>	<b>54</b>
<b>Chapter 5: Required Schedules (Part IV of Form 990)</b>	<b>55</b>
I. Checklist of Required Schedules	55
<b>Chapter 5: Test Your Knowledge</b>	<b>65</b>
<b>Chapter 5: Solution and Suggested Responses</b>	<b>66</b>

<b>Chapter 6: Statements Regarding Other IRS Filings and Tax Compliance (Part V of Form 990)</b>	<b>67</b>
<b>Chapter 6: Test Your Knowledge</b>	<b>77</b>
<b>Chapter 6: Solutions and Suggested Responses</b>	<b>78</b>
<b>Chapter 7: Governance, Management, and Disclosure (Part VI of Form 990)</b>	<b>79</b>
I. Overview	79
<b>Chapter 7: Test Your Knowledge</b>	<b>95</b>
<b>Chapter 7: Solutions and Suggested Responses</b>	<b>97</b>
<b>Chapter 8: Compensation of Officers, Directors, and Others (Part VII of Form 990)</b>	<b>99</b>
I. Overview	99
II. Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees	100
III. Section B. Highest Compensated Independent Contractors	123
<b>Chapter 8: Test Your Knowledge</b>	<b>127</b>
<b>Chapter 8: Solutions and Suggested Responses</b>	<b>129</b>
<b>Chapter 9: Statement of Revenue (Part VIII of Form 990)</b>	<b>131</b>
I. Overview of Reporting Requirements	131
II. Line 1. In General	132
III. Line 2	136
IV. Lines 3-12	138
<b>Chapter 9: Test Your Knowledge</b>	<b>145</b>
<b>Chapter 9: Solutions and Suggested Responses</b>	<b>147</b>
<b>Chapter 10: Statement of Functional Expenses (Part IX of Form 990)</b>	<b>149</b>
I. Overview	149
II. Specific Instructions	149
<b>Chapter 10: Test Your Knowledge</b>	<b>163</b>
<b>Chapter 10: Solutions and Suggested Responses</b>	<b>164</b>
<b>Chapter 11: Balance Sheet (Part X of Form 990)</b>	<b>165</b>
I. Overview	165
<b>Chapter 11: Test Your Knowledge</b>	<b>173</b>
<b>Chapter 11: Solution and Suggested Responses</b>	<b>174</b>
<b>Chapter 12: Reconciliation of Net Assets (Part XI of Form 990) and Financial Statements and Reporting (Part XII of Form 990)</b>	<b>175</b>
I. Overview	175
II. Specific Instructions for Part XI	175
III. Specific Instructions for Part XII	176
<b>Chapter 12: Test Your Knowledge</b>	<b>179</b>
<b>Chapter 12: Solution and Suggested Responses</b>	<b>180</b>
<b>SECTION II: FORM 990 SCHEDULES</b>	<b>181</b>

<b>Chapter 13: Public Charity Status and Public Support (Schedule A)</b>	<b>183</b>
I. Overview	183
II. Part I. Reason for Public Charity Status	184
III. Part II. Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)	192
IV. Part III. Support Schedule for Organizations Described in Section 509(a)(2)	199
V. Part IV. Supporting Organizations	206
VI. Part V. Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations	212
VII. Part VI. Supplemental Information	224
<b>Chapter 13: Test Your Knowledge</b>	<b>233</b>
<b>Chapter 13: Solutions and Suggested Responses</b>	<b>235</b>
<b>Chapter 14: Schedule of Contributors (Schedule B)</b>	<b>237</b>
I. Overview	237
II. Contributors to Be Listed on Part I	238
III. Specific Instructions	240
<b>Chapter 14: Test Your Knowledge</b>	<b>247</b>
<b>Chapter 14: Solution and Suggested Responses</b>	<b>248</b>
<b>Chapter 15: Political Campaign and Lobbying Activities (Schedule C)</b>	<b>249</b>
I. Overview	249
II. Specific Instructions	256
<b>Chapter 15: Test Your Knowledge</b>	<b>277</b>
<b>Chapter 15: Solutions and Suggested Responses</b>	<b>278</b>
<b>Chapter 16: Supplemental Financial Statements (Schedule D)</b>	<b>279</b>
I. Overview	279
II. Specific Instructions	279
<b>Chapter 16: Test Your Knowledge</b>	<b>297</b>
<b>Chapter 16: Solution and Suggested Responses</b>	<b>298</b>
<b>Chapter 17: Schools (Schedule E)</b>	<b>299</b>
I. Overview	299
II. Specific Instructions for Completing Schedule E, Part I	299
III. Part II. Supplemental Information	304
<b>Chapter 17: Test Your Knowledge</b>	<b>307</b>
<b>Chapter 17: Solution and Suggested Responses</b>	<b>308</b>
<b>Chapter 18: Statement of Activities Outside the United States (Schedule F)</b>	<b>309</b>
I. Overview	309
II. Specific Instructions	311
<b>Chapter 18: Test Your Knowledge</b>	<b>325</b>
<b>Chapter 18: Solution and Suggested Responses</b>	<b>326</b>

<b>Chapter 19: Fundraising and Gaming Activities (Schedule G)</b>	<b>327</b>
I. Overview	327
II. Specific Instructions	328
<b>Chapter 19: Test Your Knowledge</b>	<b>339</b>
<b>Chapter 19: Solutions and Suggested Responses</b>	<b>340</b>
<b>Chapter 20: Hospitals (Schedule H)</b>	<b>341</b>
I. Background	341
II. Overview	342
III. Specific Instructions	344
IV. Worksheets	368
<b>Chapter 20: Test Your Knowledge</b>	<b>393</b>
<b>Chapter 20: Solutions and Suggested Responses</b>	<b>395</b>
<b>Chapter 21: Grants and Other Assistance to Organizations, Governments, and Individuals in the U.S. (Schedule I)</b>	<b>397</b>
I. Overview	397
II. Specific Instructions	398
<b>Chapter 21: Test Your Knowledge</b>	<b>405</b>
<b>Chapter 21: Solution and Suggested Responses</b>	<b>406</b>
<b>Chapter 22: Compensation Information (Schedule J)</b>	<b>407</b>
I. Overview	407
II. Specific Instructions	407
<b>Chapter 22: Test Your Knowledge</b>	<b>425</b>
<b>Chapter 22: Solutions and Suggested Responses</b>	<b>427</b>
<b>Chapter 23: Tax-Exempt Bonds (Schedule K)</b>	<b>429</b>
I. Overview	429
II. Specific Instructions	430
<b>Chapter 23: Test Your Knowledge</b>	<b>443</b>
<b>Chapter 23: Solutions and Suggested Responses</b>	<b>444</b>
<b>Chapter 24: Transactions with Interested Persons (Schedule L)</b>	<b>445</b>
I. Overview	445
II. Specific Instructions	446
<b>Chapter 24: Test Your Knowledge</b>	<b>457</b>
<b>Chapter 24: Solutions and Suggested Responses</b>	<b>459</b>
<b>Chapter 25: NonCash Contributions (Schedule M)</b>	<b>461</b>
I. Overview	461
II. Specific Instructions	461
III. Part II. Supplemental Information	467
<b>Chapter 25: Test Your Knowledge</b>	<b>471</b>
<b>Chapter 25: Solution and Suggested Responses</b>	<b>472</b>

<b>Chapter 26: Liquidation, Termination, Dissolution, or Significant Disposition of Assets (Schedule N)</b>	<b>473</b>
I. Overview	473
II. Specific Instructions	474
<b>Chapter 26: Test Your Knowledge</b>	<b>483</b>
<b>Chapter 26: Solution and Suggested Responses</b>	<b>484</b>
<b>Chapter 27: Supplemental Information About Reporting Organization (Schedule O)</b>	<b>485</b>
I. Overview	485
II. Specific Instructions	485
<b>Chapter 27: Test Your Knowledge</b>	<b>491</b>
<b>Chapter 27: Solution and Suggested Responses</b>	<b>492</b>
<b>Chapter 28: Related Organizations and Unrelated Partnerships (Schedule R)</b>	<b>493</b>
I. Overview	493
II. Specific Instructions	498
<b>Chapter 28: Test Your Knowledge</b>	<b>515</b>
<b>Chapter 28: Solutions and Suggested Responses</b>	<b>516</b>
<b>SECTION III: FORM 990-T</b>	<b>517</b>
<b>Chapter 29: Completing Form 990-T</b>	<b>519</b>
I. Overview	519
II. Specific Instructions	526
III. Specific Instructions – Schedule A (Form 990-T)	540
<b>Chapter 29: Test Your Knowledge</b>	<b>575</b>
<b>Chapter 29: Solutions and Suggested Responses</b>	<b>577</b>
<b>Appendices</b>	<b>581</b>
<b>Glossary</b>	<b>607</b>
<b>Index</b>	<b>620</b>
<b>Final Exam Copy</b>	<b>622</b>