

Sequencing Form 990 Preparation

By Dennis Walsh CPA

Those of you who prepare a Form 990 manually or without the benefit of guided software may find the document below helpful in ordering its newly revised parts and schedules. The revised Form 990 is effective for fiscal years beginning in 2008.

The following steps are adapted from the Form 990 instructions. It helps minimize jumping from one part of the form to another to make a calculation or determination needed to complete an earlier part. Certain later parts of Form 990 must first be completed in order to complete earlier parts.

Sequencing List to Complete Form 990 and Schedules

In general, first complete the core form, and then complete alphabetically Schedules A–N and Schedule R, except as provided below. Schedule O, which is used to detail supplemental information, should be completed as the core form and schedules are completed.

1. Complete lines A through F and H(a) through M in the Entity section of Form 990, on page 1.
2. See the instructions for Schedule R and determine the organization's related organizations required to be listed in Schedule R.
3. Determine the organization's officers, directors, trustees, key employees, and five highest compensated employees required to be listed on Form 990, Part VII, Section A.
4. Complete Parts VIII, IX, and X of Form 990.
5. Complete line G in the Entity section of Form 990, on page 1.
6. Complete Parts III, V, VII, and XI of Form 990.
7. See the instructions for Schedule L (Form 990) and complete Schedule L (Form 990) (if required).
8. Complete Part VI of Form 990. Transactions reported on Schedule L (Form 990) are relevant to determining independence of members of the governing body under Form 990, Part VI, line 1b.
9. Complete Part I of Form 990 based on information derived from other parts of the form.
10. Complete Part IV of Form 990 to determine which schedules must be completed by the organization.

11. Complete applicable schedules (for “Yes” boxes that were checked in Part IV). Use Schedule O (Form 990), to provide required supplemental information and other narrative explanations.
12. Complete Part II, Signature Block, of Form 990.

TIP: A public charity described in section 170(b)(1)(A)(iv) or (vi) or section 509(a)(2) that is not within its initial five years of existence should first complete Part II or III of Schedule A, Public Charity Status & Public Support, (Form 990 or 990-EZ) to ensure that it continues to qualify as a public charity for the tax year. If it fails to qualify as a public charity, then it must file Form 990-PF rather than Form 990 or Form 990-EZ.

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