

IRS Issues Draft Instructions for Form 990

On April 15, 2008, the Internal Revenue Service (IRS) released draft instructions for the redesigned Form 990, which was unveiled in December 2007. Form 990 must be filed annually by tax-exempt organizations, including nonprofit charities, hospitals and universities. The new Form will need to be filed starting with 2008 tax years, and it will require more disclosure about matters such as executive compensation and program service accomplishments.

The draft instructions include general instructions for Form 990 followed by specific instructions for each part of the Form. There is a list detailing the order in which each of the parts of the Form should be filled out. The draft instructions also outline the types of organizations that have to file a Form 990, a Form 990-N, a Form 990-EZ or none of the aforementioned.

The IRS has also released a list of the highlights of the instructions included with the general draft instructions which can be viewed on the tax-exempt area of the IRS website at <http://www.irs.gov/charities>. The IRS is seeking public comment on the draft instructions, and will accept comments until June 1, 2008. Comments can be emailed to the IRS at Form990Revision@irs.gov.

We will keep you updated on any developments on the redesigned Form 990 and the corresponding instructions. If you have any questions regarding the Form or the instructions, please feel free to contact us.