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NOT-FOR-PROFIT ORGANIZATIONS

Recent Updates and Considerations

Not-for-Profit Seminar May 30, 2023



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MEET THE EXPERTS



Megan Troxell
 CPA
 PARTNER

TROXELL@GYF.COM



Robin Ryan
 CPA
 DIRECTOR

RYAN@GYF.COM



Jason Hardy
 CPA
 SENIOR
 MANAGER

HARDY@GYF.COM



David Swisher
 ASSOCIATE

SWISHER@GYF.COM

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INTRODUCTION

General Topics to Be Covered

- A&A Update – Overview of Timely Topics
- Practical Applications of New Lease Guidance
- Managing Fraud Risks
- NFP Tax Reporting Considerations
- Additional Questions

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A&A Update Overview of Timely Topics

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A&A UPDATE

Overview

- FASB Accounting Standards Updates
- Other Standards Updates
- Human capital & pipeline in both accounting and NFP sectors

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A&A UPDATE

FASB Accounting Standard Updates

- Reference Rate Reform (Topic 848) – various
- No. 2021-10 Government Assistance (Topic 832): Disclosures by Business Entities About Government Assistance
- No. 2020-07 Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets
- No. 2022-03 Fair Value Measurement (Topic 820)
- Topic 842: Leases

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A&A UPDATE

ASU 2021-10 Government Assistance (Topic 832)

- Disclosures as to:
 - Accounting policies
 - Statement of financial position and statement of activities line items affected
 - Significant terms and conditions
- Effective for years beginning after December 15, 2021

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A&A UPDATE

ASU 2020-07 Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets

- Requires separate presentation of contributed nonfinancial assets in the statement of activities, apart from contributions of cash and other financial assets

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A&A UPDATE



ASU 2020-07 Not-for-Profit Entities (Topic 958) Cont'd

- Disclosures
 - A disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets
 - Qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period
 - Others, including restrictions and valuation
- Effective for periods beginning after June 15, 2021

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A&A UPDATE



AICPA Statements on Auditing Standards Updates

- SAS No. 134-141
- SAS No. 142 Audit Evidence
- SAS No. 143 Accounting Estimates
- SAS No. 144 Amendments Related to the Use of Specialists and External Information Sources
- SAS No. 145 Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement

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A&A UPDATE

SAS No. 142 Audit Evidence

- Expands guidance on obtaining sufficient appropriate audit evidence
- Provides guidance on the use of automated tools and techniques used by auditors
- Incorporates the concepts surrounding professional skepticism
- Effective for periods ending after December 15, 2022

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A&A UPDATE

SAS No. 143 Accounting Estimates

- Explains the nature of accounting estimates and the concept of estimation uncertainty
- Provides guidance on scalability
- Requires a separate assessment of risk
- Effective for periods ending after December 15, 2023

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A&A UPDATE

SAS No. 145 Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement

- Sharpens focus on risk-based auditing
- Helps auditors determine which areas pose the greatest risks of material misstatement and spend more of our time performing procedures in those areas
- Enhances guidance addressing the economic, technological and regulatory aspects of the markets and environment in which organizations and audit firms operate
- “Evaluation of risks sits at the core of audit quality.” – AICPA Chief Auditor Jennifer Burns

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A&A UPDATE

SAS No. 145 Cont'd

- The standard also:
 - Includes extensive guidance regarding the use of IT and consideration of general IT controls
 - Revises the definition of significant risk
 - Includes a new requirement to separately assess inherent risk and control risk
 - Includes new guidance on maintaining professional skepticism
 - Includes a new “stand-back” requirement intended to drive an evaluation of completeness
- Effective for periods ending after December 15, 2023, with early implementation permitted

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A&A UPDATE

Other Updates

- SSAE 22 Review Engagement (effective 6/15/22)
- SSARS 25 – Materiality in a Review of Financial Statements and Adverse Conclusions (12/15/21)
- Government Auditing Standards – 2018 Yellow Book last revision

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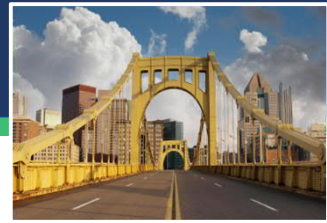
A&A UPDATE

Exposure Drafts Open for Public Comment

- 3 currently
- Proposed Accounting Standards Update – Intangibles – Goodwill and Other – Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets

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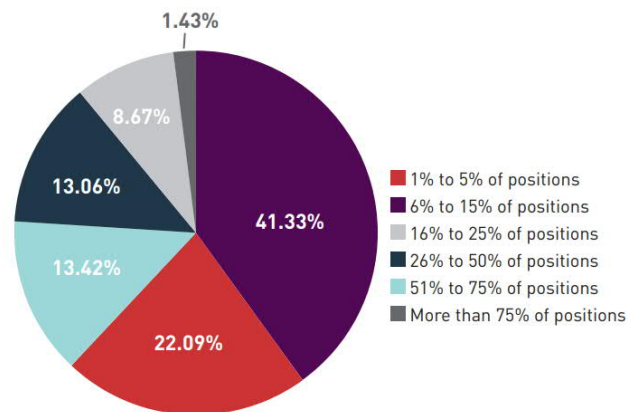
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A&A UPDATE

Human Capital in NFP Sector

- How much of a staffing shortage is your organization currently experiencing?



Source: [State of the Nonprofit Sector Report – 2022](#) (FORVIS)

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A&A UPDATE

Human Capital in Accounting Profession

- AICPA 2021 Trends Report findings
 - Undergraduate enrollment across all majors **down** over 1M students
 - Accounting grads trending **down**
 - New CPA exam candidates trending **down**
 - Estimate: ~40% of accounting grads sit for the CPA exam
 - Accounting grad hiring trending **down**

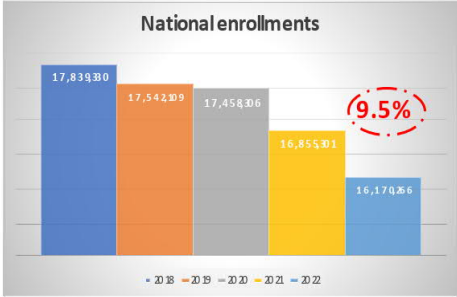
Source: [2021 Trends Report](#) (AICPA)

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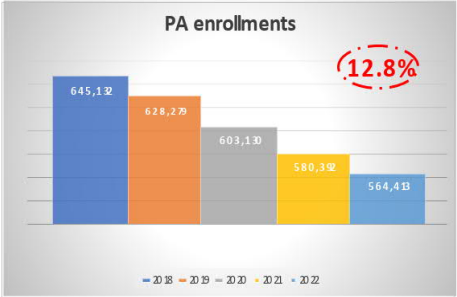
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A&A UPDATE



Spring 2023 saw 5.5% increase, with community college enrollments seeing a 2.1% increase

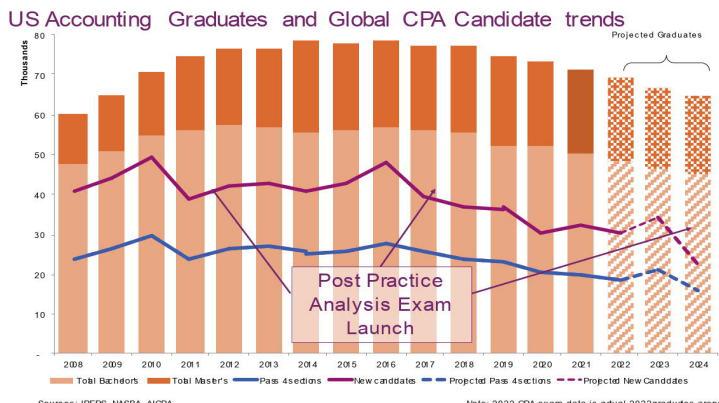


Spring 2023 saw further 5.7% decline

Source: National Clearinghouse Research Center



A&A UPDATE

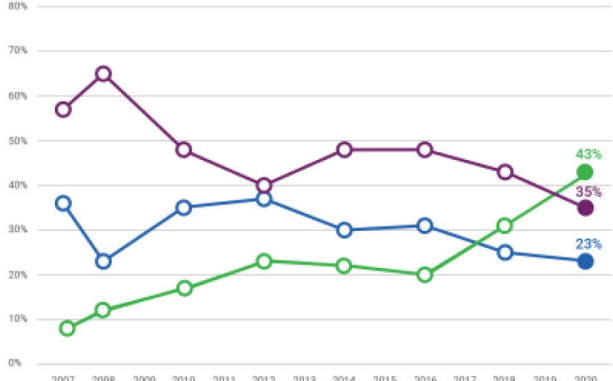


Sources: IPEDS, NASBA, AICPA. Note: 2022 CPA exam data is actual 2022 graduates are projected



A&A UPDATE

Trends in new bachelor's and master's of accounting and non-accounting graduates hired into accounting/finance functions of US CPA firms by degree type 2007 – 2020



Source: [2021 Trends Report \(AICPA\)](#)

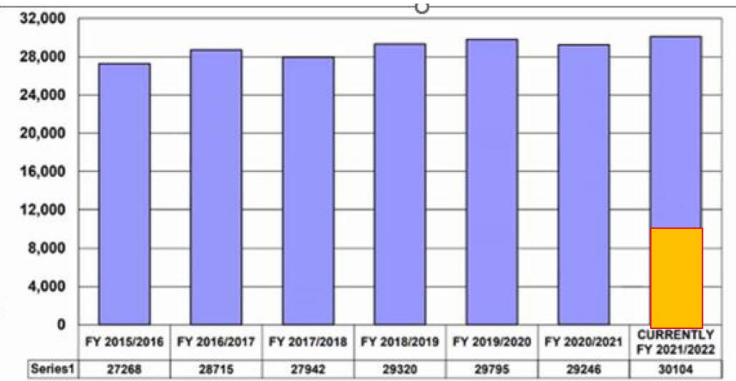
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A&A UPDATE

PA Licensees




Source: PA State Board of Accountancy

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A&A UPDATE


New CPA Exam in 2024

Source: [2024 CPA Exam Changes – CPA Evolution](https://www.uworld.com/blog/2024-cpa-exam-changes-cpa-evolution/) (uworld.com)

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A&A UPDATE

CPA Exam Evolution: Transition date – January 1, 2024

Current Exam	2024 CPA Exam Evolution
AUD <small>Sections not yet passed or where credit has expired</small>	Core: Auditing & Attestation (AUD)
FAR	Core: Financial Accounting & Reporting (FAR)
REG	Core: Taxation & Regulation (REG)
BEC	Select only one discipline Business Analysis & Reporting (BAR) Information Systems & Controls (ISC) Tax Compliance & Planning (TCP)

Source: [2024 CPA Exam Changes – CPA Evolution](https://www.uworld.com/blog/2024-cpa-exam-changes-cpa-evolution/) (uworld.com)

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Practical Applications of New Lease Guidance

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NEW LEASE GUIDANCE

Background

- Replaces ASC 840
- Aligns with international treatment
- Eliminates off balance sheet accounting for leased assets
- Applicable to public and private entities (including not-for-profits)
- Impacts both lessor and lessee accounting and disclosure

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NEW LEASE GUIDANCE

Background (continued)

- For non-public entities, applicable for years beginning after December 15, 2021
- Modifies treatment of both capital leases and operating leases
- Impacts both accounting and disclosure
- Enhances transparency into critical assets and related liabilities

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NEW LEASE GUIDANCE

Does This Impact My Organization?

- Do you have:
 - Lease any equipment, vehicles or office space/facilities?
 - Leases with an initial term greater than 12 months?

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NEW LEASE GUIDANCE

What Changes?

- Operating leases historically only disclosed in footnotes are now reflected on the balance sheet
- Leases formerly classified as “Capital Leases” are now “Finance Leases”, but treatment does not change

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NEW LEASE GUIDANCE

Operating vs. Finance Leases

- Historical approach (4 bright line tests)
 - Transfer of ownership
 - Bargain purchase option
 - Lease term > 75% of useful life
 - PV of lease payments > 90% of fair value of leased asset

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NEW LEASE GUIDANCE

Operating vs. Finance Leases (continued)

- New approach
 - Transfer of ownership (no change)
 - Bargain purchase option **AND reasonable certainty of exercising option**
 - Is lease term commensurate with the major part of the remaining economic useful life of the asset?
 - Does the present value of the lease payments equal or exceed substantially all of the fair value of the asset?
 - Is the asset so specialized in nature it provides no alternative use to the lessor once the lease is complete?

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NEW LEASE GUIDANCE

Finance Lease Treatment

- No notable changes from ASC 840 to ASC 842
 - Mostly addressed in adoption footnote (regarding terminology)
 - ASC 842 allows for a practical expedient which allows grandfathering of lease classification (finance vs. operating)

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NEW LEASE GUIDANCE

Operating Leases

- Changes to statement of financial position
 - Creates Right-of-Use Asset (ROU)
 - Creates operating lease liability
 - Eliminates presentation of deferred rent or lease incentive liabilities

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NEW LEASE GUIDANCE

Operating Leases (continued)

- Lease liability
 - Represents lessee's financial obligation over the lease term
 - Calculated as the present value of future lease payments

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NEW LEASE GUIDANCE

Operating Leases (continued)

- Right-of-Use Asset
 - Represents the lessee's right to the use of the underlying asset
 - Equal to lease liability adjusted for prepaid/deferred rent, initial direct costs and lease incentives

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NEW LEASE GUIDANCE

Operating Leases (continued)

- When accounting for an operating lease, the lessee must:
 - Recognize a single lease cost allocated over the lease term, generally on a straight-line basis
 - Classify all cash payments within operating activities on the statement of cash flows

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NEW LEASE GUIDANCE

Operating Lease Example

- Facts
 - Payment Terms: \$20,000 annually
 - Start Date: 1/1/2023
 - End Date: 12/31/2026
 - Incremental Borrowing Rate: 3%

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NEW LEASE GUIDANCE

Operating Lease Example (continued)

- The PV of 4 annual payments of \$20,000 made in advance with a 3% discount rate is %\$76,572
- The annual operating lease expense is \$20,000 with no free rent periods or escalation

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NEW LEASE GUIDANCE

Operating Lease Example (continued)

Topic 842 Operating Lease Amortization Schedule After Transition

YEAR	CASH	LIAB LEASE EXPENSE	LIABILITY REDUCTION	TOTAL LIABILITY	ASSET LEASE EXPENSE	NET ASSET BALANCE	TOTAL LEASE EXPENSE
<i>Beginning Balance</i>				76,572		76,572	
2023	20,000	1,697	18,303	58,269	18,303	58,269	20,000
2024	20,000	1,148	18,852	39,417	18,852	39,417	20,000
2025	20,000	583	19,417	20,000	19,417	20,000	20,000
2026	20,000	0	20,000	0	20,000	0	20,000

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NEW LEASE GUIDANCE

Operating Lease Example (continued)

- Initial recognition entry
 - Debit ROU Asset \$76,572
 - Credit Lease Liability (\$76,572)

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NEW LEASE GUIDANCE

Operating Lease Example (continued)

- 2023 activity
 - Debit Lease Liability \$18,303
 - Debit Lease Expense \$20,000
 - Credit Cash (\$20,000)
 - Credit ROU Asset (\$18,303)

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NEW LEASE GUIDANCE

Operating Leases Complexities

- More complex examples include:
 - Lease incentives (buildout costs)
 - Covered moving expenses
 - Free rent periods

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NEW LEASE GUIDANCE

Operating Leases Complexities (continued)

- Generally, one must compare the cash payments to the straight-line treatment (total cost divided by years/months in term)

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NEW LEASE GUIDANCE

Other Matters to Consider

- Lessor Accounting Under ASC 842
 - No significant changes (see ASC 842-30)
- Practical Expedients
- Materiality
 - Should all leases be considered?

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NEW LEASE GUIDANCE

Adoption and Post-Adoption Considerations

- Calculation and tracking tools
- Disclosures
- Lease modifications

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NOT-FOR-PROFIT ORGANIZATIONS

Managing Fraud Risks

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MANAGING FRAUD RISKS

Organizational Risks

- One of the roles of management and the board of directors is to evaluate and mitigate risks
 - Operational
 - Environmental
 - Economic
 - Financial
 - Political

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MANAGING FRAUD RISKS

Financial Risks

- Real-dollar cost to the Organization
- Organizational risk
- Reputational cost
- Relationships
- Trust

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MANAGING FRAUD RISKS

Financial Cost of Fraud

- \$3.6 Billion (2,220 cases/133 countries)
- ACFE estimates that organizations lose 5% of revenue to fraud each year
- Organizations with the fewest employees had the highest median loss



Source: [ACFE 2022 Report to the Nations](#)

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MANAGING FRAUD RISKS

Prevention and Detection – Risk Assessment

- Should be performed to identify specific areas of organizational focus
 - Evaluating an organization's current situation
 - Determining where fraud could possibly occur
 - Identifying controls that could (or already do) mitigate risk of fraud
- Organizations of different sizes tend to have different fraud risks

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MANAGING FRAUD RISKS

Prevention and Detection – How Could This Happen?!

- Size and staffing considerations
- Lack of understanding or focus on controls
- Too much responsibility assigned to one person
- Too much trust
- Not enough oversight

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MANAGING FRAUD RISKS

Prevention and Detection – Weaknesses in Internal Controls


- ACFE Report attributed primary weaknesses to:
 - Lack of internal controls (29%)
 - Override of existing controls (20%)
 - Lack of management review (16%)

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MANAGING FRAUD RISKS


Why People Commit Fraud

- Fraud Triangle (Donald R. Cressey)
 - 3 factors must be present for a person to commit fraud:
 1. Pressure
 2. Opportunity
 3. Rationalization




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MANAGING FRAUD RISKS

Introduction – Common Indicators of Possible Employee Fraud


- Increased standard of living
- Aggressive work style
- Financial difficulties/
sudden need for cash
- Excessive control of duties
- Family/divorce/addiction problems
- Negative attitude (defensive/suspicious)
- Close relationships with customers and/or vendors

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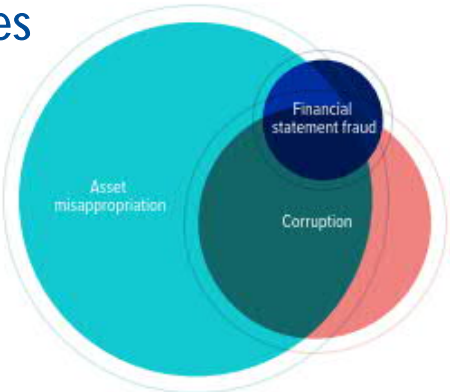
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MANAGING FRAUD RISKS


Fraud – Techniques and Schemes

- The ACFE Report identifies three common categories of fraud
 - Financial Statement Fraud
 - Corruption
 - Asset Misappropriation




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MANAGING FRAUD RISKS

Fraud – Techniques and Schemes

- Asset Misappropriation
 - Most common (86%) with smallest losses (\$100,000)
- Corruption
 - Present in 50% of cases; median losses = \$150,000 (up from 33% in 2012)
- Financial Statement Fraud
 - Least common (9%) but largest losses (\$593,000)

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MANAGING FRAUD RISKS

Financial Statement Fraud

- Deliberate misrepresentation of financial information via intentional misstatements or omissions
- Committed by misstating assets and revenues and/or liabilities and expenses
- Often does not directly or solely benefit perpetrator

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MANAGING FRAUD RISKS

Financial Statement Fraud – Possible Motivations

- Achieving financing or meeting compliance requirements
- Meeting Board/Funder expectations
- Earning performance bonuses
- Covering up asset misappropriation

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MANAGING FRAUD RISKS

You've Heard of "Cooking the Books"

- Falsifying bank records
- Manipulating inventory records
- Presenting multiple financial statements
- Falsifying debt records
- Appropriate treatment of capital assets

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MANAGING FRAUD RISKS

Financial Statement Fraud – Examples

- Understating or overstating reserves
- Revenue recognition
- Recording fictitious sales and receivables
- Capitalizing rather than expensing costs
- Concealing or failing to disclose liabilities

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MANAGING FRAUD RISKS

Financial Statement Fraud – Risk Mitigation

- Exhibit integrity from the top
- Lessen situational pressures
- Reduce opportunity
- Require timely financial reporting (monthly)
- Analyze income statement relationships and fluctuations
- Maintain regular management/Board oversight and evaluation

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MANAGING FRAUD RISKS

Corruption

- Generally associated with bribery (the giving or receiving anything of value to influence an official act)
- Often involves collusion between employees and vendor, and can also occur outside of the organization
- Difficult to prevent/detect because it occurs outside of the accounting records – internal controls may be insufficient

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MANAGING FRAUD RISKS

Corruption

- Best deterrent is a knowledgeable and active manager or other appropriate level of oversight
- Competitive bidding and multiple people involved in purchasing can also effectively prevent corruption
- Mitigated by regular review of invoices, especially on construction projects, by an individual not overseeing the project

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MANAGING FRAUD RISKS

Asset Misappropriation

- A scheme in which an employee steals or misuses an employing organization's resources (e.g. cash, inventory)
- May involve multiple people, including those outside the company
- Directly benefits the perpetrator(s)

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MANAGING FRAUD RISKS

Misappropriation, by any other name, is still theft

- Transferring cash to personal accounts
- Falsifying payroll
- Checks written to cash or “petty cash” with no receipts
- Forgery
- Credit card fraud

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MANAGING FRAUD RISKS

Asset Misappropriation – Most-Prevalent Schemes

- | | |
|---|---------------------------|
| 1. False billings | 4. Expense reimbursements |
| 2. Non-cash
(inventory, customer info, etc.) | 5. Check tampering |
| 3. Skimming | 6. Payroll |
| | 7. Larceny |

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MANAGING FRAUD RISKS

Asset Misappropriation – Risk Mitigation

- Strong internal control system
 - Segregation of duties
 - Management review and oversight
 - IT controls

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MANAGING FRAUD RISKS

Asset Misappropriation – Suggested Controls

- Timely and accurate monthly financial reporting
- Monthly review of bank reconciliation
- Regular review of credit memos, inventory adjustments or other account balance write-offs
- Review of check runs and related invoices
- Regular review of payroll registers

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MANAGING FRAUD RISKS

Prevention and Detection – Implementing Controls

- Tone at the top of an organization is paramount
- Controls should be clearly understood by personnel, and personnel need sufficient time to perform the controls
- All personnel should have an avenue for expressing concerns and/or potential issues

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MANAGING FRAUD RISKS

Prevention and Detection – Implementing Controls

- Quality of both the design and the effectiveness of a control environment should be periodically monitored and updated
- Custody of an asset should be segregated from recording related transactions, which should be segregated from authorization of a transaction

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MANAGING FRAUD RISKS

Prevention and Detection – Implementing Controls

- The perception of detection can be powerful; can be accomplished via:
 - Management oversight
 - Internal audit, including an element of surprise
 - Hotlines providing the opportunity for employees to report known/suspected issues, along with whistleblower protection
 - An active audit committee

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MANAGING FRAUD RISKS

Most Common Anti-Fraud Controls in Small Organizations (<100)

- External audit of financial statements
- Code of conduct
- Management review
- Management certification of financial statements
- External audit of internal controls

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Other Opportunities for Controls in Small Organizations (<100)

- Data monitoring and analysis
- Surprise audits
- Hotlines
- Fraud policy/fraud training

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General Anti-Fraud Controls – Tips/Hotlines

- Tips are the primary means of fraud detection
- Training increases the likelihood of detection by tip
 - 47% cases detected with training vs. 37% without training
- Existence of hotlines increases the use of tips
 - Fraud was detected in 47% of cases with a hotline vs. 32% without one

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General Anti-Fraud Controls – Tips/Hotlines

- Hotlines provide additional avenues for detection that may not be covered through the internal control system
 - 42% of all frauds were detected through a tip (3x more than next method)
- Hotlines do not prevent fraud, but can reduce its effects
 - Losses were 50% smaller at organizations with hotlines
- Email and web-based reporting both surpassed telephone hotlines
 - 40%, 33% and 27% respectively

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COVID Considerations

- Organizational staffing changes – 42%
- Operational process changes – 40%
- Internal control changes – 39%
- Shift to remote work – 38%
- Also, changes to strategic priorities, technologies, anti-fraud programs and supply chain disruptions

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Other Fraud Considerations

- IT issues (internal and external threats)
- Cybersecurity
- Ransomware
- Cryptocurrency
- Phishing schemes

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MANAGING FRAUD RISKS

Concluding Thoughts

- Fraud occurs at organizations of all sizes and industries
- Proactive detection methods are vital to catching fraud and limiting losses
- Many cost-effective anti-fraud controls are overlooked by smaller companies

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MANAGING FRAUD RISKS

Concluding Thoughts

- External audits have a greater detection rate at smaller organizations and often prompt the company to employ other internal controls and detection methods
- Review of existing internal control policies (design and execution) can be worthwhile as anti-fraud control

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MANAGING FRAUD RISKS


Resources

- ACFE 2022 Report to the Nations
<https://legacy.acfe.com/report-to-the-nations/2022/>
- ACFE Fraud Risk Resources & Tools
<https://www.acfe.com/fraud-resources>
- Nonprofit Risk Management Center Resources
<https://nonprofitrisk.org/resource-library/>

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NOT-FOR-PROFIT ORGANIZATIONS

NFP Tax Reporting Considerations

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NFP TAX REPORTING

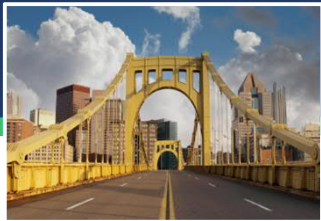
Overview of Topics

- Mission, Vision, and Values
- Types of Filing Forms
- Form 990
- State Filings and Requirements

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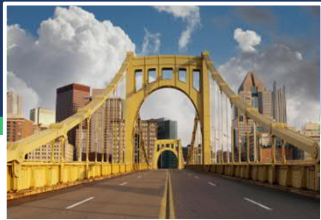
Mission, Vision, and Values

- Why is this important?
- How does this impact the Form 990?

Part I		Summary
Finance	1	Briefly describe the organization's mission or most significant activities: _____ _____ _____



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Organization Mission

Since its founding in 1881 by visionary leader Clara Barton, the American Red Cross has been the nation's premier emergency response organization. We bring shelter, food and comfort to those affected by disasters, large and small. We collect lifesaving donated blood and supply it to patients in need. We provide support to our men and women in military bases around the world, and to the families they leave behind. We train communities in CPR, first aid and other skills that save lives. And we assist our neighbors abroad with critical disaster response, preparedness and disease prevention efforts. We are able to do all this by mobilizing the power of volunteers and the generosity of donors. [\(Less\)](#)



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What Type of Return Should My Organization File?

Type	Gross Receipts Limit	Total Assets Limit
Form 990-N	≤ \$50,000	N/A
Form 990-EZ	< \$200,000 AND	< \$500,000
Form 990	≥ \$200,000 OR	≥ \$500,000
Form 990-PF	Private foundation - regardless of financial status	
Form 990-T	Unrelated Business Income over \$1,000	

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What Are Common Revenue Streams for NFPs?

- Program Revenue
- Contributed Support
 - Gifts & Contributions
 - Fundraising Events
 - Donor Advised Funds

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What Are Common Revenue Streams for NFPs?

- Grants
 - Government Grants
 - Federated Campaigns

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Which Contributions Need to Be Separated on the Form 990?

- Grants and Contributions from each individual greater than \$5,000 or contributions greater than 2% of Total Contributions, Gifts, Grants & Other Amounts
- Requested Items for Preparing the Form 990
 - Name, Address, and Amount Contributed

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What Are the Public Support Tests?

- Organization receives at least one-third of its support from contributions from the general public or 10% Facts and Circumstances Test
- Organization receives more than one-third of its support from contributions from general public and/or from gross receipts from activities related to its tax-exempt purposes

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What Are Donor Advised Funds?

- Separately identified by reference to contributions of a donor
- Owned and controlled by a sponsoring organization
- Donor maintains advisory privileges

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How Do DAFs Affect the Public Support Tests?

- Considered public support and not subject to the limitation
- DAFs offer a way for donors to make recommendations to the organization without negative impact to public support test

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Statement of Functional Expenses (SoFE)


- Three Major Categories
 - Program Expenses
 - Management & General Expenses
 - Fundraising Expenses

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Form 990 (2022)
Page **10**


Part IX Statement of Functional Expenses
 Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).
 Check if Schedule O contains a response or note to any line in this Part IX

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.				
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				

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How Does the SoFE Differ from Financial Statements?

- Presentation of the Organization’s SoFE versus the Form 990’s SoFE
 - Organization’s statement can either be more broad or more specific than the statement on the Form 990
- While total expenses should be reported in column (A) using the same method the organization uses for its books, expenses may be segregated into columns (B), (C), and (D)

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What Line Items Are Commonly Different?

- Donated Services
- Unrealized Gains and Losses
- Investments
- Special Events
- Compensation

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What Are Relevant Compensation Considerations?


- How much of annual revenue is going towards officers' salaries and bonuses?
 - Donors will review Form 990 to see if their donations will support the mission, vision, and values of the organization
- Management's compensation reported to the public

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Revenue

Contributions, Grants, Gifts	\$809,308,000
Program Services	\$1,935,273,000
Membership Dues	\$0
Special Events	\$0
Other Revenue	\$124,210,000
Total Revenue	\$2,868,791,000

Expenses

Program Services	\$2,711,950,000
Administration	\$103,527,000
Fundraising	\$177,041,000
Payments to Affiliates	\$0
Other Expenses	\$0
Total Expenses	\$2,992,518,000

Assets

Total Assets	\$3,049,904,049
---------------------	------------------------


Liabilities

Total Liabilities	\$1,607,739,689
--------------------------	------------------------


Fund balance (EOY)

Net Assets	\$1,442,164,360
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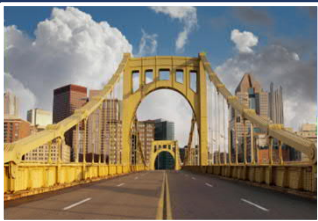
How Do Officers Affect Compensation Reporting?

- Officers involved with multiple entities in an organization
 - Must report compensation of \$10,000 or more for each separate organization in addition to their compensation from the filing organization
- Officers and Key Employees issued W-2s or 1099-NECs on calendar year

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Michael S. Linnington, Chief Executive Officer
 \$281,594 (0.10% of Total Expenses)

Jennifer M. Silva, Chief Program Officer
 \$315,189 (0.11% of Total Expenses)


Eric S. Miller, Chief Financial Officer
 \$295,911 (0.10% of Total Expenses)

Gary A. Corless, Chief Development Officer
 \$289,193 (0.10% of Total Expenses)


Current CEO and Board Chair can be found in the [Leadership & Adaptability report](#) below.

Source: IRS Form 990 (page 7), filing year 2020

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Should My Organization Consider State Filing Requirements?

- Actively soliciting funds
- Different filing requirements for each state

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What Does My Organization Need to File in Pennsylvania?

- BCO-10
- Required level of reporting

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Gross Annual Contributions	Type of Financial Statements Required
\$25,000 or less	Internally Prepared, Compiled, Reviewed or Audited
\$25,000 to less than \$100,000	Internally Prepared, Compiled, Reviewed or Audited
\$100,000 to less than \$250,000	Compiled, Reviewed or Audited
\$250,000 to less than \$750,000	Reviewed or Audited
Greater than \$750,000	Audited

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Other Items to Consider

- Payroll Taxes
- Sales & Use Tax Returns

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QUESTIONS?

Thank You for Attending the Program!

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