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GET OFF TO A GOOD START IN 2020

Jason Hardy, *GYF Audit Services*
Katie Krizmanich, *GYF Tax Services*

Not-for-Profit CPE Seminar Series

January 9, 2020



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ORGANIZING YOUR FINANCIALS

General Considerations

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Organizing Your Financials

CONSISTENT AND WELL-PLANNED CLOSING PROCESS IS KEY

- Consistent monthly closes will aid in the year-end process
- Involve your entire staff in the closing process
- Incorporate achievable procedures in an accounting manual (formal or informal)
- “Audit” your own information

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Organizing Your Financials

COMPONENTS OF A QUALITY CLOSING PROCESS

- Reconciliation of bank balances and investment accounts
- Appropriate cutoff and supporting schedule for receivables/payables
- Consistent monthly entries for accruals and prepaids
- All significant balances should be agreed to agings, schedules or detail reports
- Don't forget about rolling forward of net assets and review of restricted activity

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Organizing Your Financials

COMPONENTS OF A QUALITY CLOSING PROCESS (CONT.)

- Once accounts are closed, financial statements should be prepared and reviewed
- After they are reviewed by management, financial statements should receive board approval in a timely manner
- All accounting periods should be closed and locked after financial statements are prepared and approved

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PREPARING FOR THE ANNUAL AUDIT

General Considerations

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Organizing Your Financials

GOALS FOR AN EFFICIENT & EFFECTIVE AUDIT PROCESS

- Collaborative effort
 - *Management, board/committee, and auditor*
- Reduction of cost, time and stress
- Use an audit to your advantage
- View audit as an investment in the organization

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Organizing Your Financials

DOES OUR ORGANIZATION REQUIRE AN AUDIT?

- Federal Requirement:
 - *\$750,000 in federal expenditures*
- State Requirement (PA) – New Solicitation Thresholds:
 - *\$750,000 or greater requires audit*
 - *\$250,000 to \$749,999 requires review or greater*
 - *\$100,000 to \$249,999 requires compilation or greater*
 - *Less than \$100,000 requires internally prepared or greater*

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OTHER AUDIT REQUIREMENTS

- Grant/donor requirement
- Debt/bank requirement
- Bylaws or corporate practice

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Organizing Your Financials

ROLE OF FINANCE OR AUDIT COMMITTEE

- Selection of independent accounting firm
- Oversight of audit process
- Overall responsibility for audit process and implementation of changes recommended as a result of the audit process

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Organizing Your Financials

ROLE OF MANAGEMENT

- Day-to-day accounting function and month and year-end closing
- Primary interaction with auditors

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PREPARING FOR THE ANNUAL AUDIT

Planning & Communication

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Preparing for the Annual Audit

COMMUNICATION

- Planning meeting
- Engagement letter
- Governance letter
- Continuous communication throughout audit process

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PREPARING FOR THE ANNUAL AUDIT

Getting Started

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Preparing for the Annual Audit

BEST PRACTICES TO PREPARE FOR AN AUDIT PROCESS

- Select an individual to be primary contact and delegate
- Strong monthly closing process (already discussed)
- Document internal control policies
- Prepare a pre-audit checklist (could be done monthly)

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WHAT WILL THE AUDITORS REQUEST?

- Corporation/organization documents and tax exempt letters
- Policies and procedures or controls
- Internal financial statements
- Minutes

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Preparing for the Annual Audit

WHAT WILL THE AUDITORS REQUEST? (cont.)

- Grant letters and funding contracts
- Debt and lease agreements
- Other

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POINTS TO REMEMBER

- Plan ahead
 - *“Audit” throughout the year and observe internal controls*
 - *Learn from the past and set expectations*
 - *Ask questions early and often*
- Be available during fieldwork

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PREPARING FOR THE ANNUAL AUDIT

Audit Fieldwork

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CLIENT CONCERNS

- Time – audits can be time consuming
- Obtrusiveness
- Accuracy – to the penny
- Training new auditors

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EFFECTIVE FIELDWORK

- Starts with planning
- Communication – establish lines of communication up front
- Expectations
- Respect
- Flexibility as necessary

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Preparing for the Annual Audit

WHO IS INVOLVED?

- Collaborative process between the audit team and management/ staff of the client
 - *Client side: CEO/Executive Director, CFO/Controller, Members of the Accounting Staff*
 - *Auditor side: Partner, Manager, Senior/In-Charge, Staff Accountant(s)*
- Interactions may vary based on the size/nature of the organization

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QUESTIONS TO CONSIDER

- Through whom should the audit team funnel questions or requests for information?
- How/when would you like questions or requests to be addressed – on an ongoing basis or at certain points in the day?
- Preferred means of communication – email, phone, in-person, other?

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TIMING OF FIELDWORK

- At the convenience of the client (usually)
- Interim fieldwork
- Final fieldwork
- How long will it take?

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THINGS TO THINK ABOUT

- When can you be ready?
- Anticipate/communicate any unusual or complex/situations
- Staffing – will the necessary staff members be available during fieldwork to answer questions or provide documentation?
- Target completion date – consider board reporting, IRS or county reporting requirements

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Preparing for the Annual Audit

AUDIT PLANNING LOGISTICS

- Audit planning allows for the most effective use of resources, including space
- On location vs. remote audits
 - *Secure transmission of audit documentation via client portals*
 - *Cloud-based software*

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Preparing for the Annual Audit

INFORMATION REQUIRED – KEY COMPONENT OF PLANNING

- Document request list
- Trial balance (CY and PY if a first-year engagement)
- Internal financial statements
- Access to G/L detail
- Permanent file documentation (already discussed)

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THINGS TO THINK ABOUT

- Significant assets/liabilities
- Sources of revenue/expenses
- People costs
- Single-audit considerations
- Risk
- Reporting requirements

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COMMON REQUESTS

- Bank statements and reconciliations
- Accounts/pledge receivables aging/detail
- Inventory support
- Investment support
- Fixed asset schedules
- Accounts payable aging

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WHAT TO THE AUDITORS DO?

- Assess areas of risk in order to plan procedures
- Formulate expectations
- Detail and analytical testing
- Inquiries of staff and management

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IN SUMMARY

- While there is a commonality to the audit process, there is no “one-size-fits-all”
 - *The procedures and inquiries are tailored to the organization*
- Advance preparation by the client allows for a more organized and effective audit
- Questions throughout the year are welcome

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IN SUMMARY (cont.)

- The more the audit team understands the organization and the people that make up the organization, the more effective and efficient the process will be
- If there are audit areas that have traditionally caused you grief, let the audit team know in advance so a plan can be worked out to prevent delays in the audit process

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PREPARING FOR THE ANNUAL AUDIT

Concluding the Audit Process

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Preparing for the Annual Audit



CONCLUDING THE AUDIT PROCESS

- Preparing the financial statements and related footnotes
- Preparing the governance letter and management letter
- Reviewing the deliverables with management and the board
- Reviewing any proposed adjustments or internal control comments

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CONCLUDING THE AUDIT PROCESS (cont.)

- Performing subsequent event and going concern evaluations
- Obtaining a management representation letter

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PREPARATION OF THE FINANCIAL STATEMENTS

- The financial statements belong to the organization
 - *Management is responsible for the preparation and presentation in accordance with GAAP*
 - *Management must still be able to accept responsibility for them*

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PREPARATION OF THE FINANCIAL STATEMENTS

- Management should carefully review the financial statements
 - *Approval of proposed audit adjustments*
 - *Agreement or reconciliation of line items to internal financial statements or general ledger*
 - *Verification of amounts and other content disclosed in the footnotes*
 - *Presentation of programs and organizational description*

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THE GOVERNANCE LETTER

- Required communication to board or other appropriate governing body
- Draws board's attention to significant elements of the financial statements
 - *Changes in accounting policies*
 - *Significant estimates*
 - *Sensitive disclosures*
 - *Impact of corrected and uncorrected misstatements*

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Preparing for the Annual Audit

THE GOVERNANCE LETTER

- Communicates any audit process difficulties or client relations matters
 - *Difficulties in performing the audit (delays in timing, access to documentation, numerous adjustments, etc.)*
 - *Disagreements with management over significant accounting or financial matters*
 - *Consultations with other accountants (opinion shopping)*

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THE MANAGEMENT LETTER

- Communicates internal control deficiencies and other opportunities for process improvements
- Required communication if the auditor identifies:
 - *Material weaknesses in internal control*
 - *Significant deficiencies in internal control*
- Auditor judgment is applied in making these assessments

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Preparing for the Annual Audit

THE MANAGEMENT LETTER

- Audit is not designed to express an opinion on internal control; deficiencies identified during the audit process
- Each comment should be reviewed with management
 - *Proper understanding of observations*
 - *Mitigating factors*
 - *Proposed resolution*

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THE MANAGEMENT LETTER

- Auditor may also wish to communicate other process recommendations
 - *Can be formal or informal*
- Comments should be presented to the oversight board
 - *The status of comments should be tracked from year to year*

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REVIEW WITH GOVERNING BODY

- Formal meeting to present and review the financial statements, governance letter and management letter
 - *Board should understand all key elements of the financial statements*
 - *Discuss any matters communicated in the governance and management letters*
 - *Document approval of the reports and letters*

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FINAL PROCEDURES

- Update of review for subsequent events or going concern matters
 - *Inquiries regarding new developments*
 - *Recent internal financial information*
 - *Updates to existing legal or other contingencies*
 - *Going concern is now one year from date financial statements are available to be issued*

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FINAL PROCEDURES

- Management representation letter
 - *Signed by those with knowledge of the applicable matters and appropriate responsibility for the financial statements*
 - *Management has fulfilled its responsibilities regarding:*
 - Preparation and presentation of the financial statements
 - Internal controls
 - Providing all relevant information and access
 - Recording all transactions in the financial statements

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FINAL PROCEDURES

- Management representation letter
 - *Specific representations regarding:*
 - Fraud
 - Litigation and claims
 - Estimates
 - Related party transactions
 - Subsequent events

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Preparing for the Annual Audit

TIPS FOR A SPEEDY AUDIT WRAP-UP

- Work towards a pre-established meeting date for review and approval of the audit
 - *Factor in time for management to review the information in advance*
 - *Allow for audit evidence that may take time to obtain*
 - *Timely responses to other audit requests*

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TIPS FOR A SPEEDY AUDIT WRAP-UP

- Anticipate potential audit issues and address early
 - *Accounting uncertainties and estimates*
 - *Complex or significant transactions*
 - *New disclosures*
 - *Debt covenant violations*

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Preparing for the Annual Audit

TIPS FOR A SPEEDY AUDIT WRAP-UP

- Strive for progressively improved audit results
 - *Minimize audit adjustments*
 - *Address management letter comments*
 - *Align internal financials and audited financials to facilitate management's and the board's understanding of the audit*

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Preparing for the Annual Audit

TIPS FOR A SPEEDY AUDIT WRAP-UP

- Prepare the Form 990 as the audit is concluding
 - *Presentation of the audit may be modified to better align with Form 990*
 - *Requests for information can be made at the same time*
 - *Management and the board may prefer to review both the audit and the Form 990 together*

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TAX FILING CHECKLIST

Required Filings and Forms

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Tax Filing Checklist

DIFFERENT FORMS FOR TAX-EXEMPT FILINGS

- Form 990-N
- Form 990-EZ
- Form 990
- Form 990-T

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Tax Filing Checklist

SAMPLE FILING DUE DATES

ENDING DATE OF TAX YEAR	INITIAL RETURN DUE DATE	EXTENDED DUE DATE
December 31	May 15	November 15
November 30	April 15	October 15
October 31	March 15	September 15
September 30	February 15	August 15

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission:

.....

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
 If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
 If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

.....

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>		
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?		
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		

14a Did the organization maintain an office, employees, or agents outside of the United States?	14a		
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV.</i>	14b		
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>	15		
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV.</i>	16		
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> (see instructions)	17		
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	18		
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	19		
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	20a		
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

<p>27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i></p> <p>28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions, for applicable filing thresholds, conditions, and exceptions):</p> <p style="padding-left: 20px;">a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i></p> <p style="padding-left: 20px;">b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i></p> <p style="padding-left: 20px;">c A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i></p> <p>29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i></p> <p>30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i></p>	<table border="1"> <tr><td style="width: 50px;">27</td><td style="width: 50px;"></td><td style="width: 50px;"></td></tr> <tr><td>28</td><td></td><td></td></tr> <tr><td>28a</td><td></td><td></td></tr> <tr><td>28b</td><td></td><td></td></tr> <tr><td>28c</td><td></td><td></td></tr> <tr><td>29</td><td></td><td></td></tr> <tr><td>30</td><td></td><td></td></tr> </table>	27			28			28a			28b			28c			29			30		
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Part V Statements Regarding Other IRS Filings and Tax Compliance																																													
Check if Schedule O contains a response or note to any line in this Part V			<input type="checkbox"/>																																										
			Yes No																																										
<p>1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable</p> <p>1b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable</p> <p>1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?</p>	<table border="1"> <tr><td style="width: 50px;">1a</td><td style="width: 50px;"></td></tr> <tr><td>1b</td><td></td></tr> <tr><td>1c</td><td></td></tr> </table>	1a		1b		1c		<table border="1"> <tr><td style="width: 50px;"></td><td style="width: 50px;"></td><td style="width: 50px;"></td></tr> <tr><td>2a</td><td></td><td></td></tr> <tr><td>2b</td><td></td><td></td></tr> <tr><td>3a</td><td></td><td></td></tr> <tr><td>3b</td><td></td><td></td></tr> <tr><td>4a</td><td></td><td></td></tr> </table>				2a			2b			3a			3b			4a			<table border="1"> <tr><td style="width: 50px;"></td><td style="width: 50px;"></td><td style="width: 50px;"></td></tr> <tr><td>2a</td><td></td><td></td></tr> <tr><td>2b</td><td></td><td></td></tr> <tr><td>3a</td><td></td><td></td></tr> <tr><td>3b</td><td></td><td></td></tr> <tr><td>4a</td><td></td><td></td></tr> </table>				2a			2b			3a			3b			4a		
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<p>2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return</p> <p>b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to <i>e-file</i> (see instructions)</p> <p>3a Did the organization have unrelated business gross income of \$1,000 or more during the year?</p> <p>b If "Yes," has it filed a Form 990-T for this year? <i>If "No" to line 3b, provide an explanation on Schedule O</i></p> <p>4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?</p> <p>b If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).</p>	<table border="1"> <tr><td style="width: 50px;">2a</td><td style="width: 50px;"></td></tr> </table>	2a		<table border="1"> <tr><td style="width: 50px;"></td><td style="width: 50px;"></td><td style="width: 50px;"></td></tr> <tr><td>2a</td><td></td><td></td></tr> <tr><td>2b</td><td></td><td></td></tr> <tr><td>3a</td><td></td><td></td></tr> <tr><td>3b</td><td></td><td></td></tr> <tr><td>4a</td><td></td><td></td></tr> </table>				2a			2b			3a			3b			4a			<table border="1"> <tr><td style="width: 50px;"></td><td style="width: 50px;"></td><td style="width: 50px;"></td></tr> <tr><td>2a</td><td></td><td></td></tr> <tr><td>2b</td><td></td><td></td></tr> <tr><td>3a</td><td></td><td></td></tr> <tr><td>3b</td><td></td><td></td></tr> <tr><td>4a</td><td></td><td></td></tr> </table>				2a			2b			3a			3b			4a						
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Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions. Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	1a		
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.			
b Enter the number of voting members included on line 1a, above, who are independent	1b		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?	3		
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1 099-MISC)	(E) Reportable compensation from related organizations (W-2/1 099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1)										
(2)										
(3)										



Tax Filing Checklist

STATE FILING REQUIREMENTS – PENNSYLVANIA

- BCO-10, *Charitable Organization Registration Statement*
- Required for organizations soliciting charitable contributions from Pennsylvania residents, unless exempt
- Initial registration and renewal
 - *No extension required due to renewal date*

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Tax Filing Checklist

WHAT YOU NEED FOR TAX PREPARATION

- Financial Statements
- Investment Statements
- Updates to general information
- Updated Board of Directors list
- Compensation of TDOKE

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Tax Filing Checklist

WHAT YOU NEED FOR TAX PREPARATION

- List of contributors greater than \$5,000
- Detail of noncash contributions if exceed \$25,000
 - *Type of property*
 - *Method of determining amount*

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Tax Filing Checklist

WHAT YOU NEED FOR TAX PREPARATION

- Compensation to employees and independent contractors greater than \$100k based on the calendar year Form W-2
 - *Only 5 highest required*
- Detail for three largest program service accomplishments
 - *Measured by expenses*

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NEWLY-APPLICABLE TAX PROVISIONS

Relevant for Not-for-Profit Organizations

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Newly-Applicable Tax Provisions

REPEAL OF UNRELATED BUSINESS INCOME TAX

- For Qualified Transportation Fringe Benefits
 - *Provision required tax-exempt employers to increase UBTI by amounts paid for QTFs*
 - *Included:*
 - Transit passes,
 - Qualified parking near business premises, or
 - Transportation in commuter highway vehicle

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Newly-Applicable Tax Provisions

REPEAL OF UNRELATED BUSINESS INCOME TAX

- “Parking tax” repealed December 20, 2019, *retroactive* to the date of enactment
 - *Amended Form 990-T should be filed to claim refund for any taxes paid related to nondeductible QTFs*

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Newly-Applicable Tax Provisions

MANDATED ELECTRONIC FILING

- For organizations with tax years beginning on or after July 2, 2019
- No change to the electronic filing requirements for tax years beginning before July 2, 2019
 - *Required for organizations with total assets greater than \$10M at the end of the tax year*

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Newly-Applicable Tax Provisions

MANDATED ELECTRONIC FILING

- Exceptions for new mandate:
 - *Name change (Form 990, Item B checked)*
 - *Short period return for accounting period change, excludes initial and final year returns*
 - *Application for exemption is “pending”*

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Newly-Applicable Tax Provisions

2020 STANDARD RATES AND CONTRIBUTION LIMITS

- Standard mileage rate of 57.5 cents per mile for business uses (e.g. reimbursements)
- Retirement Contributions
 - *Traditional and Roth IRA – \$6,000 with \$1,000 catch-up (phase-out)*
 - *401(k) and 403(b) – \$19,500 with \$6,500 catch-up*

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Newly-Applicable Tax Provisions

INFORMATION RETURN REMINDER

- Filing Forms W-2 and W-3 with the Social Security Administration
 – *Due January 31, 2020*

a Employee's social security number		b File accurately, FAST! Use Visit the IRS website at www.irs.gov/efile	
b Employer identification number (EIN)		1 Wages, tips, other compensation	2 Federal income tax withheld
c Employer's name, address, and ZIP code		3 Social security wages	4 Social security tax withheld
		5 Medicare wages and tips	6 Medicare tax withheld
d Control number		7 Social security tips	8 Allocated tips
		9	10 Dependent care benefits
e Employee's first name and initial Last name		11 Nonqualified plans	
		12a See instructions for box 12	
f Employee's address and ZIP code		13 Salary continuation payments, lump sum, severance pay, etc.	12b
		14 Other	12c
15 State Employer's state ID number		16 State wages, tips, etc.	17 State income tax
		18 Local wages, tips, etc.	19 Local income tax
			20 Locality rate

Form **W-2** Wage and Tax Statement **2019** Department of the Treasury – Internal Revenue Service

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Newly-Applicable Tax Provisions

INFORMATION RETURN REMINDER

- Filing Forms 1099-MISC and 1096 with the IRS
 - *Payments greater than \$600*
 - *Due January 31, 2020 for nonemployee compensation*
 - *Due February 28, 2020 for other payments*

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OTHER TAX CONSIDERATIONS

Personal Income Tax Filings

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Personal Income Tax Filings

CHECKLIST

- Organize your tax records and deduction receipts
 - *Most forms required to be provided to you by January 31, 2020*
- Access personal tax information on file with IRS
 - *IRS.gov/account*

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Personal Income Tax Filings

DEDUCTIONS

- Itemized Deductions
 - *Medical expense deduction of 7.5% of AGI extended*
 - *SALT deduction of \$10,000*
 - *Miscellaneous Itemized Deductions still no longer applicable*
- Standard Deduction
 - *Married Filing Jointly \$24,400 (Single \$12,200)*

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Personal Income Tax Filings

WITHHOLDING

- Check for correct amount
 - *Updated Form W-4, Employee's Withholding Certificate*
 - *Tax Withholding Estimator*
 - <https://www.irs.gov/individuals/tax-withholding-estimator>

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Personal Income Tax Filings

OTHER PLANNING NOTES

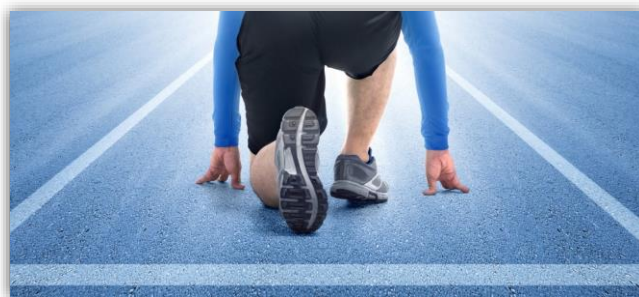
- Notify the IRS of address change
- Notify the Social Security Administration of name change
- Check/update personal federal tax information
– *IRS.gov/account*

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QUESTIONS?

Thank You for Attending!

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