

Announced this week, the IRS has issued an updated version of Form 990, the return that charities and other tax-exempt organizations are required to file. The updated form was officially released December 20, 2007, with instructions expected to be released in early 2008.

The updated form was needed to reflect the way the increasing nonprofit sector operates in the 21<sup>st</sup> century, according to Steven T. Miller, Commissioner of the IRS' Tax Exempt and Government Entities division. A draft of the form was released in June, with almost 700 public comment letters flowing in.

In response to the public comments, the new form allows organizations to describe tax exempt activities and accomplishments, as well as the organization's mission. Other significant changes were made to the form's summary page, governance section, and various schedules, including those relating to executive compensation, related organizations, foreign activities, hospitals, non-cash contributions, and tax exempt bonds.

In addition to the updated form, the IRS announced a phase-in of the form's new hospital and tax exempt bond schedules. The phase-in provides that only certain identifying information will be required on the 2008 return, with full implementation of the schedules required for 2009.

AKT's Healthcare and Public Sector team are currently reviewing the updated form and are assessing the effects of the changes. We have reviewed and understand the changes, and we will be able to further evaluate once the instructions are released in early 2008. As a dedicated team, we look forward to helping our clients comply with the new changes. Continue to visit [aktcpa.com](http://aktcpa.com) for additional information.