

University of Arkansas Legal e-Source

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The University of Arkansas Legal e-Source is a collaborative effort of the School of Law, School of Continuing Education and Academic Outreach, and the Survey Research Center.

Welcome, to the new Legal e-Source Newsletter

Special points of interest:

- *New video lectures posted and podcasting available on our website at <http://legalesource.uark.edu>*
- *Thanks to all who attended the presentation on 501(c) (3) at the Fayetteville Public Library on March 31.*

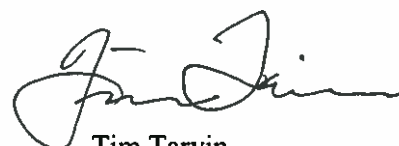
Welcome, to the new Legal e-Source e-Newsletter. Please sign up on our website to have this newsletter sent directly to your e-mail account.

The University of Arkansas Legal e-Source is a collaborative effort of the School of Law, School of Continuing Education and Academic Outreach, and the Survey Research Center.

Legal e-Source informs and educates non-profit organizations on legal issues so they may achieve and maintain legal compliance, to improve their chances for overall success. Our primary goals are: to raise awareness of the legal needs and concerns of non-profit organizations; to educate and assist these organizations with timely and relevant legal information; and to guide them toward convenient problem-solving resources.

We hope you find the information in this newsletter and on our website helpful. We wish you and your organization success in your non-profit endeavors.

Sincerely,



Tim Tarvin,
Asst. Professor of Law

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Ten New Video Lectures and Podcasting Added

We are happy to announce that ten new video lectures have been added to the website since September of 2008. The new videos are:

- **Non-profit Contracts**, by Prof. Sharon Foster, covers general contract principles that every non-profit organization needs to know.
- **Non-profit Insurance Needs & Abrogation of Charitable Immunities**, by Prof. Kathryn A. Sampson, addresses the liability of non-profit entities, charitable immunity in Arkansas, types of insurance available, and deciding whether your non-profit organization needs insurance.
- **Gift and Estate Planning**, by Prof. Jim Harris, covers the subject of planned giving, types of planned giving, and how this is an important tool for the operation and sustainability of non-profit organizations.
- **Conflict Resolution**, by Prof. Tara Mullen, discusses the different types of conflicts, conflict outcomes, constructive conflict man-



agement, and the benefits of professional assistance and mediation.

- **HIV and AIDS in the Workplace**, by Prof. D'lorah Hughes, includes basic statistics and facts on HIV and AIDS, the ADA and the Rehabilitation Act, the FMLA, Workplace Safety Standards, OSHA, the Needlestick Safety Prevention Act, Right to know vs. Confidentiality, and the benefits of a Workplace Policy.
- **Immigration Issues in Employment: The I-9 and Discrimination**, by Prof. Elizabeth Young, covers the I-9, insuring status and preventing discrimination, required documents, exceptions, minors, legally incapacitated persons, temporary employment, employment authorization document, tips for your organizations, e-verify, and discrimination.
- **The University of Arkansas Law Library**, by Prof. Randy Thompson, discusses the availability of resources for non-profit organizations at the Robert A. and Vivian Young Law Library at the University of Arkansas. A bibliography of all non-profit resources available at this library is posted on our website in the 'Local Resources' section.
- **Choosing a Lawyer**, by Prof. Michael W. Mullane, addresses what a lawyer can do for your organization, and specific qualities you should look for in choosing a lawyer such as quality, trust, cost, and personality.
- **Section 501(c)(3) Basics**, by Prof. Will Foster, includes information on Section 501(c)(3) status, benefits of this status, requirements to qualify, different types of organizations under section 501(c)(3), and the risks involved that may cause an organization to lose its tax exempt status.
- **Introduction to Federal Administrative Law**, by Prof. Christopher Kelley, discusses the basics of agency rulemaking and adjudication procedures, participating in rule making, and avoiding disputes with government agencies.

We are also pleased to provide podcasting for all videos in the lecture series. Please subscribe on our website.



The New IRS Form 990: How to Prepare for a Successful Future

The IRS recently revised the Form 990 for the first time since 1979. This major change was intended to address the public's desire for accountability, to promote transparency about programs and financial transactions among non-profit organizations, and to promote consistency in recordkeeping and accounting methods.

The changes to the new form will require significant preparation by the organization and board of directors. This is an important time to educate the staff and board members, and meet with your accountant.

Since this is quite a big change, the IRS has built in a transition period by allowing some organizations to file Form 990-EZ.

- For 2008, organizations that have gross receipts of \$1 million or more and total assets of \$2.5 million or more must file the Core Form 990.
- Organizations with gross receipts of \$25,000 or less must file the new ePostcard, Form 990-N.
- Electronic filing of Form 990 is required if an organization files at least 250 returns of any type during the calendar year and has total assets of \$10 million or

more at the end of the tax year.

- Organizations will file form 990-EZ if,

File Form 990-EZ for	If gross receipts are less than...	And if total assets are less than...
2008	\$1 million	\$2.5 million
2009	\$500,000	\$1.25 million
2010 and later	\$200,000	\$500,000

Take advantage of the transition period, if possible.

Part VI of the Form 990 covers governance issues in your organization. This section asks if your organization has adopted certain policies that the IRS considers "best practices."

These policies are:

- Conflict of Interest
- Whistleblower (Anti-Retaliation)
- Document Retention and Destruction
- Determining Executive Compensation
- Joint Venture

While adoption of these policies is not required, the IRS seems

to think adoption of these policies promotes compliance and thus, should be considered by the organization.

This section also asks whether a copy of the Form 990 was provided to the board before it was filed and requires all organizations to describe this process on Schedule O.

With so many changes, how can your organization be prepared?

- Review Form 990 with your financial staff.
- Determine what practices should be documented.
- Adopt governance policies.

What does the Board need to know?

- Review the Form 990 prior to filing.
- Several governance policies are considered "best practices" by the IRS.
- Board's compensation is clearly and publicly disclosed.

See page 4 for a list of helpful resources on the Form 990, governance policies, and tax issues. As always, consult with your accountant and attorney about tax issues.



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Resources for Understanding and Completing IRS Form 990

- <http://www.stayexempt.org>
 - Mini-courses on Form 990, step-by-step explanation of the form and schedules, tutorials on other tax aspects of exempt organizations.
- <http://www.irs.gov/eo>
 - Forms, instructions, and e-filing.
- <http://nonprofitrisk.org/tools/hallmarks/intro.shtml>
 - Risk management advice and sample policies.
- <http://legalesource.uark.edu>
 - A new video lecture by Prof. Tim Tarvin on Form 990 will be available on our website soon.