CLIENT ALERT ARMSTRONG TEASDALE LLP

March 2010

Filing the Form 990

Overview and Recent Changes to Form 990
Form 990 is an annual information return required to be filed with the Internal Revenue Service (the ***"IRS"***) by most organizations exempt from income tax under Section 501(a) of the Internal Revenue Code, and certain political organizations and nonexempt charitable trusts.

The IRS recently made major changes to the Form 990. The updated Form 990 consists of an 11-part core form that is required to be completed by all organizations, and 16 schedules to be completed by those organizations that satisfy the applicable requirements for each schedule. Some of the major changes in the reporting requirements include a new governance section and substantial revisions to the reporting of the organization's compensation of officers, directors, trustees, key employees and highest compensated employees. Other areas of significant change include supplemental financial statement reporting as well as reporting of fundraising, special events and gaming.

Form 990, Form 990-EZ and Form 990-N
Depending on the amount of gross receipts and assets of an organization, the organization may qualify to file short-form versions of the Form 990. During the introductory years of the updated Form 990, the IRS has made it significantly easier for most small organizations to qualify to file the Form 990-EZ, *Short Form Return of Organization Exempt from Income Tax*, rather than the Form 990. For the 2009 tax year, an organization will qualify to file the Form 990-EZ if it had gross receipts of less than $500,000 and total assets of less than $1,250,000 during the tax year. Beginning in tax year 2010, most organizations with annual gross receipts less than $200,000 and total assets less than $500,000 at then end of the tax year will have the option to file Form 990-EZ.

Small tax-exempt organizations with annual gross receipts less than or equal to $25,000 must submit Form 990-N, *Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required To File Form 990 or 990-EZ*, if they choose not to file Forms 990 or 990-EZ.

Annual Due Date
An organization must file the Form 990 by the 15th day of the fifth month after the organization's accounting period ends (May 15th for a calendar-year filer).

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