



**AICPA® & CIMA®**

Together as the Association of International  
Certified Professional Accountants

# 2022 Exempt Organization Tax Checklist

## Form 990-EZ (Short Form)

Organization name \_\_\_\_\_

Prepared by \_\_\_\_\_ Date \_\_\_\_\_ Reviewed by \_\_\_\_\_ Date \_\_\_\_\_

**100) General**

Yes/  
Done      No/  
N/A

▶ 101) Determine if the organization is eligible to file Form 990-EZ. If gross receipts are less than \$200,000 and the fair market value of the total assets at the end of the tax year are less than \$500,000, the organization may choose to file Form 990-EZ. Consider the following:

1. If the organization maintains donor advised funds, Form 990 must be filed.
2. If the organization operated one or more hospital facilities during the year, Form 990 must be filed.
3. If the organization engaged in a transaction with a controlled entity within the meaning of Sec. 512(b)(13), Form 990 may need to be completed rather than Form 990-EZ. See the instructions.
4. If the organization normally has annual gross receipts of \$50,000 or less and is not a Sec. 527 (political) organization or a Sec. 509(a)(3) supporting organization, Form 990-N (e-Postcard) may be completed rather than Form 990-EZ or Form 990.

▶ 102) Obtain a signed engagement letter (applicable for paid preparers).

▶ 103) Review and update items A-L in the heading of Form 990-EZ.

▶ 104) Review prior year returns, memos, workpapers, correspondence, planning suggestions and audit results.

▶ 105) Review the IRS determination letter and compare it to the Form 990-EZ, Schedule A, to confirm consistency.

▶ 106) If the organization was examined by the IRS or state tax authorities, obtain copies of the revenue agent's reports and determine if the agent's adjustments affect returns for years other than those audited.

▶ 107) Review prior years' returns and workpapers to ascertain the extent and amount of any unrelated business income (UBI) and the potential impact upon exempt status and carryovers (net operating losses (NOLs), credits, etc.).

Yes/  
Done      No/  
N/A

▶ 108) Review the organization's website for the following activities and consider implications for the organization.

1. Unrelated activities
2. Political/legislative activities
3. Activities that do not further the exempt purposes of the organization

▶ 109) If the organization received Paycheck Protection Program (PPP) funds, review the details of any loan forgiveness to determine if accounted for correctly.

▶ 110) If the organization received any other funds/loans/grants (local, state, federal or other) related to the COVID-19 pandemic and economic recovery, such as an Economic Injury Disaster Loan (EIDL), review the details to determine if accounted for correctly.

Comments/explanations

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**200) Part I: Revenue, expenses and changes in net assets or fund balances and Part II: Balance sheets**

Yes/  
Done      No/  
N/A

▶ 201) Determine whether revenue earned by the exempt organization is properly classified as contributions revenue or program service revenue.

▶ 202) Determine if non-cash contributions were received. Exclude the value of donated services or the use of facilities from contributions revenue and expenses.

▶ 203) When classifying contributions, determine that:

1. Membership dues and assessments where the member does not receive tangible benefits are reported as contributions revenue.
2. The contribution portion of receipts from fundraising activities are reported on Part I, Line 1. File Schedule G if gross income from conducting special event fundraisers exceeds \$15,000.

▶ 204) If the exempt organization is a public charity, make sure that the appropriate part(s) of Schedule A are completed.

1. Confirm that the organization's usual method of accounting was used to calculate the public support percentage on Schedule A. Sec. 509(a)(1) organizations should complete Part II; Sec. 509(a)(2) organizations should complete Part III and Sec. 509(a)(3) supporting organizations should complete Parts IV and V, as applicable.
2. Update the permanent file schedule of cumulative contributions by donors to determine excess contributors.

Yes/ No/  
Done N/A

- ▶ 205) Confirm that Schedule B was completed using the appropriate contributor annual threshold amount. Note that per Rev. Proc. 2018-38, the names and addresses of Schedule B contributors for non-Sec. 501(c)(3) and Sec. 501(c)(27) organizations are not required to be reported.
- ▶ 206) For a quid pro quo contribution in excess of \$75 received by a charitable organization, determine that a charitable contribution acknowledgement was contemporaneously provided that informs the donor that the deductible portion of the contribution is limited to the excess of the amount contributed by the donor over the value of the goods or services provided to the donor by the organization.
- ▶ 207) If the organization made grants, confirm that they are reported on Part I, Line 10, and include the required information for each grantee on Schedule O.
- ▶ 208) Make sure that the required detail of other expenses (Part I, Line 16) is provided on Schedule O.
- ▶ 209) Confirm that Part II (balance sheets) is completed and that Part II, Line 27, agrees with Part I, Line 21 (net assets or fund balances).

Comments/explanations

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**300) Part III: Statement of program service accomplishments**

Yes/ No/  
Done N/A

- ▶ 301) Make sure that a detailed description of the organization's three most significant program service activities was provided along with a schedule listing the organization's other program services.
- ▶ 302) Determine that total grants and expenses for each listed program and all other programs have been disclosed.

Comments/explanations

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**400) Part IV: List of officers, directors, trustees and key employees**

Yes/ No/  
Done N/A

- ▶ 401) Make sure that each person who was an officer, director, trustee or key employee (see definitions in the instructions of Form 990-EZ) of the organization at any time during the organization's tax year is listed. Determine that all forms of cash and noncash compensation received by each listed officer, director, trustee and key employee is included.
- ▶ 402) Note that addresses of listed persons are not required to be included. Titles should be reported in column (a).

Yes/  
Done      No/  
N/A

- ▶ 403) Note that IRS Announcement 2021-18 revokes prior IRS Announcement 2001-33, which allowed organizations to have reasonable cause for penalty relief related to reporting of compensation of employees through management service companies.

Comments/explanations

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**500) Part V: Other information and Part VI: Section 501(c)(3) organizations only**

Yes/  
Done      No/  
N/A

- ▶ 501) Review the completeness of answers to questions in Part V and confirm answers are provided as applicable.
- ▶ 502) Confirm that information pertaining to new program services activities was disclosed on Schedule O (Part V, Line 33).
- ▶ 503) Determine if the organization made any significant changes to its governing documents. If yes, describe the changes on Schedule O (Part V, Line 34).
- ▶ 504) Consider whether the organization has UBI that is \$1,000 or more that would require a Form 990-T to be filed (Part V, Line 35). Consult the Form 990-T checklist for more information.
- ▶ 505) Confirm that the organization disclosed any significant diversion of assets that it became aware of during the year on Schedule N, as applicable.
- ▶ 506) Determine whether the organization made any political expenditures during the year (Part V, Line 37) and determine if the organization engaged in lobbying or political activities or made expenditures related to lobbying or political endeavors. Complete Schedule C and/or Form 1120-POL, if appropriate, based on the type of organization and expenditures (Lines 35c, 37, 46 and 47).
- ▶ 507) Determine if there was a liquidation, dissolution, termination or significant disposition of assets (Part V, Line 36).
- ▶ 508) Determine if the organization engaged in any insider transaction of any kind (grant, loan, sale, guarantee, payment of compensation for services not already disclosed on the Form 990-EZ, etc.) (Part V, Line 38) with a current or former officer, trustee, director, key employee, highest compensated employee or any other disqualified person or family member of any of those persons or an entity partially or completely owned by any of those persons. Complete Schedule L, if appropriate.
- ▶ 509) If the organization engaged in a Sec. 4958 excess benefit transaction, confirm that proper documentation is on file and proper forms were filed (Line 40b).

Yes/ No/  
Done N/A

► 510) Sec. 501(c)(3) organizations only:

1. Did the organization engage in any lobbying activities during the applicable year (Part V, Line 47)?
2. Confirm that Part V, Line 50 (five highest compensated non-insider employees over \$100,000) was completed.
3. Confirm that Part V, Line 51 (five highest compensated independent contractors over \$100,000) was completed.

► 511) Determine if the organization has an interest in, or signature or other authority over, a financial account in a foreign country. Confirm that FinCEN Form 114 (FBAR) has been filed electronically, if required. Note that the FBAR filing deadline is different from the Form 990-EZ filing deadline. The FinCEN Form 114 deadline is April 15 with an automatic extension to October 15.

Comments/explanations

**600) Other tax compliance matters**

Yes/ No/  
Done N/A

► 601) Determine if any of the following schedules are applicable and necessary to file for the organization:

1. Schedule A, *Public Charity Status and Public Support*
2. Schedule B, *Schedule of Contributors*
3. Schedule C, *Political Campaign and Lobbying Activities*
4. Schedule E, *Schools*
5. Schedule G, *Supplemental Information Regarding Fundraising or Gaming Activities*
6. Schedule L, *Transactions with Interested Persons*
7. Schedule N, *Liquidation, Termination, Dissolution or Significant Disposition of Assets*
8. Schedule O, *Supplemental Information to Form 990 or 990-EZ*

► 602) Determine if all required state returns (filing nexus) and registration statements (due to solicitation activities) were prepared. Review exposure from pass-through entities.

► 603) Advise the organization to notify the IRS of any change in address by either checking the box in Section B or submitting file Form 8822-B, *Change of Address or Responsible Party – Business*.

► 604) Reconcile income and expenses between the books and the return.

► 605) Determine if Form 8282, *Donee Information Return*, is required for sales of donated tangible property.

▶ 606) Determine if electronic deposits of taxes are required.

▶ 607) Determine if Form 5500, *Annual Return/Report of Employee Benefit Plan*, is required for retirement plans or for Sec. 501(c)(9) and (17) organizations.

▶ 608) Inquire if the organization filed all required information returns (Forms 1098, 1099, W-2, 941, etc.).

1. Note the requirement to report cash transactions of more than \$10,000 on Form 8300, *Report of Cash Payments over \$10,000 Received in a Trade or Business*.

▶ 609) If the organization deferred the deposit and payment of its share of Social Security tax for any quarter in 2020 (per the CARES Act), review payroll tax returns to confirm the final payment of the deferred taxes (due 50% in 2021 and 50% in 2022).

▶ 610) Advise the organization of criteria for determining if a service provider is an employee or an independent contractor.

▶ 611) Confirm that the organization used Form W-9 to obtain taxpayer identification numbers (TINs) for recipients of prizes or awards and nonemployee compensation.

▶ 612) For Sec. 501(c)(3) organizations, determine that contemporaneous substantiation of contributions of \$250 or more was provided to the donors.

▶ 613) Determine that the organization makes its annual Form 990-EZ returns ("Public Inspection Copy") available for public inspection for three years from the filing date (Regs. Sec. 301.6104(d)(3), (4) and (5)).

▶ 614) Determine that the organization has its exemption application and related documents available for public inspection.

▶ 615) Advise the organization that it must furnish a copy of its exemption application or information returns for the last three years to anyone who requests so in writing (see the regulations cited above if the organization thought it was subjected to a harassment campaign).

▶ 616) Confirm that there are no Social Security numbers on the return.

▶ 617) Note that for tax years beginning on or after July 2, 2019, Form 990-EZ is required to be filed electronically, with very limited exceptions.

Comments/explanations

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**700) Professional responsibilities and reminders applicable for paid preparers**

Yes/  
Done      No/  
N/A

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- ▶ 701) Confirm that you/your firm have met all professional responsibilities as outlined in the AICPA Code of Professional Conduct, AICPA Statements on Standards for Tax Services and federal and state authorities, such as Circular 230. Consider potential conflicts of interest and preparer penalties.

Note the AICPA hosting services interpretation ([ET Sec. 1.295.143](#)) became effective July 1, 2019 and consider its applicability to your clients.

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- ▶ 702) Determine if requirements for avoiding penalties for improper disclosure or use of taxpayer information by tax return preparers imposed under Sec. 6713 and Sec. 7216 have been met.

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- ▶ 703) Prepare filing instructions and a transmittal letter.

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- ▶ 704) Provide your client with complete federal and state returns, including copies of any disclosure consent form(s) and advise your client to retain copies for at least six years. Return original documents to your client and provide other documents/support, as applicable.

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Comments/explanations

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