



This article presents general guidelines for Georgia nonprofit organizations as of the date written and should not be construed as legal advice. Always consult an attorney to address your particular situation.

Filing Your Form 990: Avoiding Penalties, Interest and Loss of Exemption

What is Form 990?

Form 990 is the annual tax information return that 501(c)(3) tax-exempt organizations must file with the IRS each year. Georgia 501(c)(3)s must also file their Form 990s with the Georgia Department of Revenue. The form is published online and must be made available to the public upon request. Filers should therefore make sure there are no social security numbers on the form.

Who must file a Form 990?

Almost all 501(c)(3) tax-exempt organizations must file an annual Form 990. Some organizations, mostly churches and select organizations affiliated with churches or religious organizations, are exempt from filing. Even organizations that have not yet filed for 501(c)(3) status but intend to do so, or that have filed for 501(c)(3) status but have not yet received it, are required to file an annual Form 990.

Which version of Form 990 do you file?

There are three versions of the Form 990 ranging from very short (the Form 990-N) to quite lengthy (the Form 990). Your organization's gross receipts and total assets will determine which one of the three forms your organization is required to file:

- **Form 990-N (e-Postcard):** Organizations with \$50,000 or less in gross receipts
- **Form 990-EZ:** Organizations with gross receipts under \$200,000 and total assets under \$500,000
- **Form 990:** Organizations with \$200,000 or more in gross receipts, **OR** \$500,000 or more in total assets

An organization that is required to file a Form 990-N may choose instead to file a Form 990-EZ or Form 990; but an organization that is required to file a Form 990 may not file a shorter version. Similarly, an organization that is required to file a Form 990-EZ can choose to file a longer Form 990 but may not file a Form 990-N.

When to file your Form 990?

Your organization must file its Form 990 by the 15th day of the 5th month after your organization's accounting year end. For example, if your organization has a calendar year accounting period, ending December 31st, then your organization must file by May 15th.

You may get a three month extension, without showing cause, by filing Form 8868 before the due date. You may request an additional three-month extension using Form

Dated: 11/27/2013

www.pbpatl.org

© 2013 Pro Bono Partnership of Atlanta, Inc.

8868 if the organization shows reasonable cause why the return cannot be filed by the extended due date.

Why is it so important to submit a *complete, correct, and timely* Form 990?

Your organization's Form 990 must be filed on time to avoid penalties. Be sure to file the version of the Form 990 that is required for your organization (see above).

Incorrect or incomplete filings are considered failures to file and will also be subject to penalties. Make sure you attach all required documents; forgetting to attach a required schedule is one of the most common reasons a Form 990 is considered incomplete!

What are the penalties for failure to file your Form 990?

There are serious penalties for **failure to file** and for **incomplete or incorrect** filings. If your organization fails to file its Form 990 by the deadline (including any extensions) or files an incomplete or incorrect Form 990, your organization will be penalized \$20 per day. The maximum penalty is \$10,000 or 5% of the organization's gross receipts, whichever is less. If your organization has over \$1,000,000 in gross receipts, the penalty is \$100 per day up to a \$50,000 maximum.

In addition to the monetary penalties, failure to file for three consecutive years will result in a revocation of your organization's tax exempt status.

For more information:

<http://www.irs.gov/Charities-&-Non-Profits/Form-990-Resources-and-Tools-for-Exempt-Organizations>

Dated: 11/27/2013

www.pbpatl.org

© 2013 Pro Bono Partnership of Atlanta, Inc.