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# Nonprofit Strategies



SAN LUIS OBISPO COUNTY COMMUNITY FOUNDATION

## What are nonprofits required to make public?

By Barry VanderKelen

As public corporations, what are nonprofits required to disclose?

All nonprofits must file an annual information return with the IRS and use the appropriate version of Form 990.

Anyone who requests one is entitled to receive a copy of the three most recent years' returns.

Nonprofits can charge a fee for photocopying and mailing the paper copies.

If these returns are posted on the organization's website and can be downloaded, then paper copies need not be provided.

If the organization files the long form 990, the compensation of the five highest paid employees who receive \$100,000 or more is included and is public.

Information about donors and their gifts contained in the long

form 990 sent to the IRS can be redacted from the document made available to the general public.

The California Nonprofit Integrity Act of 2004 requires nonprofits with assets greater than \$2 million to have an independent audit annually.

The audit must be completed and made available within nine months of the close of the fiscal year.

Nonprofits must make available any tax exemption applications and related correspondence as well as the determination letter from the IRS.

Many organizations will be hard-pressed to find a copy of the original application and, fortunately, most people are satisfied with the final determination letter.

Nonprofits are not required to share board meeting minutes unless they are subject to the

Brown Act regarding open meetings.

Public release of proprietary information and strategy might harm the organization's effectiveness or the privacy of any individuals involved.

The Brown Act applies if the nonprofit is created by an elected body to carry out some of its work. Or if the organization receives funding from a governmental agency and at least one elected official serves on its board.

Making information available helps build trust and confidence.

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### Resource Use

- Support nonprofit leadership
- Board development/training
- Strategic planning

### Nonprofit Business Column of *The Tribune*

Barry VanderKelen, Executive Director of the San Luis Obispo County Community Foundation writes a bi-weekly column to help strengthen nonprofit organizations in the community.

*The Tribune* publishes the column every other week in the Business section.

Each column is reprinted as a one-page handout for use by local organizations. Barry can be reached at 543-2323 or by e-mail at [barry@slocf.org](mailto:barry@slocf.org).