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How to Share Your 990 with Your Board

Nonprofit boards are responsible for protecting the organization's mission, managing its finances, and maintaining the public's trust. One of the most important documents for fulfilling that responsibility is the IRS Form 990, yet many boards engage with it only superficially until a problem arises.

Sharing the Form 990 thoughtfully is not simply a compliance exercise; it is an opportunity to strengthen governance, transparency, and strategic oversight.

Understanding Why the 990 Matters to Boards

The Form 990 is often described as a nonprofit's "public financial story". Unlike audited financial statements, which are aimed primarily at accountants and funders, the 990 is designed for regulators, donors, journalists, and the public.

For boards, it serves several governance functions:

- **Accountability:** It demonstrates compliance with federal reporting requirements.
- **Transparency:** It provides insight into compensation, governance policies, and program priorities.
- **Reputation Management:** Since the 990 is publicly available, inaccuracies or red flags can damage credibility.

- **Strategic Oversight:** It connects financial data with mission-related outcomes.

Timing: When to Bring the 990 to the Board

Many organizations wait until the filing deadline approaches. A more effective practice is to integrate the 990 review into the board's annual governance calendar.

A strong timeline might include:

1. **Early Draft Review** (before filing)
 - Board members can flag inconsistencies or reputational concerns.
2. **Post-filing Transparency Discussion**
 - Boards should understand what has been publicly disclosed.
3. **Annual Governance Reflection**
 - Use the 990 as a tool to evaluate policies and board practices.

Proactive timing reduces risk and encourages shared responsibility.

Preparing the Board: Context Before Content

A common mistake is distributing the full 990 without explanation. The document is lengthy, technical, and unfamiliar to many trustees.

Before asking the board to engage, provide:

- **A short primer** on what the 990 is and why it matters
- **A glossary of key terms** (e.g., functional expenses, related-party transactions)
- **A roadmap of sections** that boards should focus on

This approach turns the discussion from simply reviewing a form into using it as a tool for effective governance.

What Sections Should Boards Focus on?

Not every part of the 990 requires board attention. To keep the review meaningful, highlight areas most connected to oversight responsibilities.

Organizational Snapshot

This summary offers a quick overview of revenue, expenses, and mission.

Broad takeaway: Does this align with what we believe our organization is doing?

Program Service Accomplishments

This section describes mission-driven outcomes.

Broad takeaway: Are we presenting our impact clearly and accurately?

Governance, Management, and Disclosure

This section covers:

- Board independence
- Conflict of interest policies
- Document retention practices
- Whether the board reviewed the 990 before filing

Broad takeaway: Are governance practices consistent with best standards?

Compensation

Compensation disclosures often attract public scrutiny.

Broad takeaway: Are compensation practices defensible, documented, and aligned with comparability data?

Public Support Test

This section is critical for organizations relying on charitable contributions.

Board takeaway: Are we maintaining our public charity status?

Presenting the 990: Moving Beyond “Approval”

Boards should not simply “rubber-stamp” the form. Instead, frame the discussion around inquiry and learning.

A useful board presentation might include:

- Key financial trends compared to prior years
- Governance disclosures that may raise questions
- Public-facing narratives about mission and impact
- Any areas where judgment calls were required

Transparency as Board Leadership

Sharing Form 990 with your board is more than a compliance step. It is an act of transparency and responsible leadership. When presented thoughtfully, the 990 can deepen board understanding of finances, governance, and public accountability. With Tax990, you can share the completed form directly from the system, making board review simple, timely, and secure. Ultimately, this ease of access reinforces transparency, supports informed decision-making, and strengthens the partnership between leadership and the board.

[\[Get started on your Form 990 today!\]](#)