

Can a Form 990 Be Amended?

06.13.17 | Linda J. Rosenthal, JD



Until some major tax legislative changes in 2006, the Form 990 – the information return for exempt organizations – applied to far fewer organizations than now. Generally, mandatory filing was required only for groups that “brought in a lot of donations or held significant assets.”

Under post-2006 rules, though, most exempt organizations must file one of the forms in the 990 series – that is, 990, 990-EZ, 990-PF, or 990N.

The annual information return is a big deal. First, it provides the IRS (as well as the general public) with critical details about the nature and scope of operations. Second, (for most organizations) failure to file the required return for three consecutive years results in automatic loss of tax exemption. Reinstatement is a costly and totally avoidable hassle.

By the way, BoardSource, a national resource for “excellence in nonprofit governance and board and staff leadership,” has published a free, downloadable guide: “The Board’s Role in Reviewing Form 990, A Checklist.”

As explained on the cover page:

”

To help your board review the completed form, BoardSource provides the following checklist pertaining to governance. If your board members flag any of the items on the checklist, address them before filing the form with the IRS...

Form 990 Filing Deadlines

For many organizations – those with a calendar-year accounting period – the May 15 filing deadline for 2016 just passed. Form 990 information returns are due on the 15th day of the fifth month after

the end of the taxable year.

For taxable years beginning before January 1, 2016, exempt organizations requesting extensions of time to file their Form 990-series returns were required to file separately for two 3-month extensions, with the first being an automatic 3-month extension of time to file and the second being in the form of an application for an additional (not automatic) 3-month extension of time to file.

For taxable years beginning after December 31, 2015, such organizations now need only file one request and will receive a single, automatic 6-month extension of time to file by filing Form 8868, Application for Extension of Time to File an Exempt Organization Return, by the initial due date.

Amending the Information Return

“The return preparation and filing process is complex and cumbersome. Information must often be obtained from numerous sources, reviewed and coordinated into a return subject to strict filing deadlines....It is not uncommon for good faith mistakes to occur....”

”

Mistakes may occur for a variety of reasons: oversight, – whether by oversight, mathematical miscomputations, erroneous legal or factual assumptions, improper characterization of certain items [or so forth]. In such situations, the Treasury Regulations provide that taxpayers “should” (rather than “shall” or “must”) file amended returns in certain circumstances.

If you need or want to make corrections, file an amended return including any required schedules.

“The amended return must provide all the information called for [originally], not just the new or corrected information.”

Conclusion

Of course, while filing the amended return as soon as possible is the goal, take the time necessary to make sure that the amended filing is correct and complete. If a copy of the previously filed return is needed, use Form 4506, Request for Copy of Tax Return.