



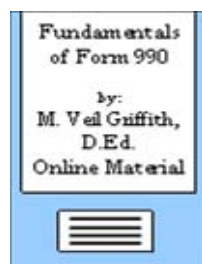
FINAL EXAM

Course # 621001 Fundamentals of Form 990

based on the electronic .pdf file(s):

Fundamentals of Form 990

by: M. Veil Griffith, D.Ed., 2012, 41
pages



4 CPE Credit Hours
Taxation

Chapter 1 -

1. Which of the following exempt organizations are not required to file Form 990?

Government unit described in §501(c)(1)

Church

A mission society

All of the above

2. Which of the following describes exempt organizations that are permitted to file Form 990-EZ?

Those with gross receipts less than \$200,000 and assets less than \$500,000

Private foundations with gross receipts less than \$250,000 and assets less than \$250,000

Large city hospitals

Black Lung Trusts

3. The university operates on a fiscal year beginning July 1st. When is its due date for the 990 return?

July 30th

November 15th

May 15th

October 15th

4. Which of the following should not be listed as program service revenue for a small liberal arts college?

Tuition

Income from performing arts series

Dorm charges

Income from catering and hall rentals for public wedding receptions

5. A large university with a budget of \$100 million has a July 1-June 30 fiscal year. It filed its 990 return by Nov 15, but reported total contributions net of the amount paid to its professional fundraising firm. What penalties could be levied upon the university?

\$20 per day up to a maximum of \$10,000

None, the return was filed on time

\$100 per day up to a maximum of \$50,000

Form 990-T was filed instead of Form 990 reporting unrelated business activities

Chapter 2 -

6. A country club received \$3 million in dues from its members, \$50,000 in initiation fees, \$100,000 from public use, and \$200,000 from investment income. What amounts are included for a gross receipts test to ascertain the club's exempt status?

3000000

3200000

3350000

100000

7. Which of the following statements describes why the IRS wants information regarding the 5 highest paid independent contractors?

Expense reimbursements must be included so these amounts can be compared to returns filed by the contractors

The information can be used to identify private benefit transactions and excess benefit transactions

To verify similar information requested on Schedule O

To determine how many contractors are being paid more than \$100,000?

8. Which of the following represent activities that trigger a supplemental schedule as in Part IV, Checklist of Required Schedules?

Engaging in lobbying activities

Reporting more than \$15,000 of gross income from

gaming activities

- Engaging in excess benefit transaction with a disqualified person
- All of the above

9. Which of the following statements describes why amounts in Form 990 may not be comparable to the support schedule in Part 1I of Schedule A?

- The same accounting method need not be used in Part II of Schedule A as in Form 990.
- Tax revenues levied for organization's benefit must be reported in Schedule A
- The value of services provided at no charge by a government unit must be reported in Schedule A
- B and C

10. How does an organization elect to be covered under §501(h) regarding precise dollar limits on permissible lobbying expenses?

- By filing Form 5768
- By filing Form 5778
- By completing Part I of Schedule A
- By filing Form 501(c)(3)

11. What is a related organization referred to in Part IV, Checklist of Required Schedules?

- One where two organizations share some element of common control, such as where one or more officials is selected by officials of the other
- One where an historic and continuing relationship exists between the two
- One where transactions, including payments for performance of services occur at FMV & at arm's length
- A or B

12. Mr. Patron paid \$400 to a university for 2 theatre tickets which have a retail value of \$200 (a quid pro quo donation). How much is tax-deductible for Mr. Patron?

- 0
- 200

400

600

13. If an organization is not required to file Schedule B, how should this be indicated?

Not filing the schedule is sufficient

Include a blank form with Form 990

Answer question in Line 2 in Part IV, Checklist of Required Schedules, which asks is the organization is required to file Schedule B.

Telephone the IRS and leave a voice mail message

14. An attorney who sits on a board also performs legal services for the organization and charges his normal hourly rate. Where should this transaction be reported?

Schedule B, Schedule of Contributors

It need not be reported because he is charging is normal hourly rate

Form 990-T

Schedule L, Transactions with Interested Persons

15. What Line should tax exempt mortgages be reported on?

Tax exempt bond liabilities-Line 20

Secured Mortgages & notes payable-Line 23

Other Liabilities-Line 25

Land, Buildings, & Equipment, Line 10a

16. Board designated quasi-endowment funds should be reported on what Line on the Balance Sheet?

Unrestricted Funds

Temporarily Restricted

Permanently Restricted

None of the above

17. A college's reservation fees and paid deposits should be reported on what Line?

Program Service Revenue

Accounts Payable

Deferred Revenue

Other Expenses

18. Which of the following is an example what should be included as "Other Assets", Line 58?

Construction in Progress

Commercial Paper

Loan Receivable from a Trustee

None of the Above

19. Vehicle expenses should be reported on what Line or Lines?

Line 11, Fees for Services

Lines 5 through 7 Employee Compensation

Line 17, Travel

B or C

20. A private college reported \$50,000 on Line 1f of Form 990 as total contributions. Which of the following donations should also be reported in Schedule M?

Cash donation of \$1,000

Common Stock worth \$15,000

A full roll of dimes in a green wrapper

All of the above

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