March 2010

Contents

Overview

MicroEdge has made several changes to FIMS that will help you to meet the latest IRS regulations regarding the Grantee and Donor 990 reports.

We have updated both of these reports, including the setup and output to meet the new standards. In addition, we have added several new fields to help you track information that was previously unavailable as standard information in FIMS.

Please refer to the following document for information about these changes and how to bring your system up to date to meet the new regulations.

990 Database Fields

Due to the latest IRS regulations, in addition to updating the output of the 990 reports, we have added several new fields to your FIMS database to track the required information.

We have provided a tool to help you mass populate these fields. Refer to the *Automatically Populating the New 990 Fields* section of this document for more information. You may also update these fields manually.

New Fields – Donors / Gifts

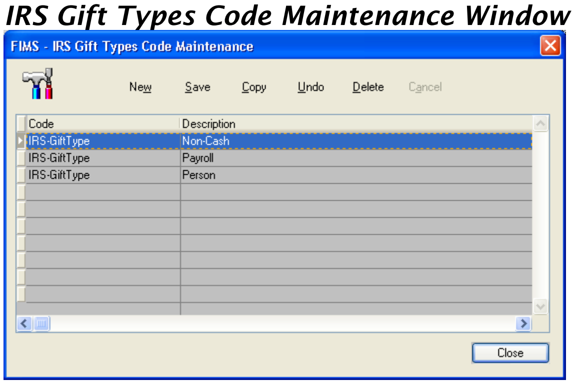
IRS Gift Type

The IRS has added a regulation requiring foundations to provide information about the types of gifts that were made during the tax year. Rather than creating a separate IRS Gift Type field and putting it on the screen, we have created an **IRS Gift Type** code table that is linked to the current FIMS **Gift Type** code. When you select a **Gift Type**, the IRS Gift Type is automatically assigned at the same time. It does not reside separately in the database.

To view the new IRS Gift Types code table:

1. Open the Donor and Gift Management module
2. Select **File Maintenance** > **Donor and Gift Code Maintenance** > **IRS Gift Types.** The IRS Gift Types Code Maintenance window opens.

IRS Gift Types Code Maintenance Window

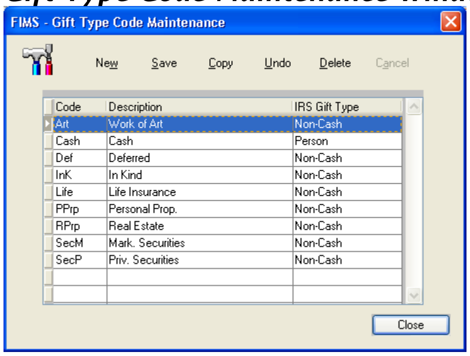


Note: You should not have to make changes to these codes for 2009 reporting, as MicroEdge has included the three codes that the IRS is requiring. The location of the code table is provided for informational purposes and in case regulations change in the future.

Do the following to map the **IRS Gift Type** codes to your current **FIMS Gift Type** codes:

1. In the Donor and Gift Management module, select **File Maintenance** > **Donor and Gift Code Maintenance** > **Gift Type.** The **Gift Type Code Maintenance** window opens.

Gift Type Code Maintenance Window



2. For each code in your code table, click the **IRS Gift Type** drop-down and select the IRS Gift Type that matches your current code.
3. Save your changes.

   The IRS Gift Type will automatically be associated with all existing Gifts based on their current Gift Type code. When you create subsequent Gifts, the system will continue to append the IRS Gift Type to the FIMS Gift Type for every new gift.

   Note: There is no separate **IRS Gift Type** field on the Gift record. This code is assigned automatically as part of the Gift Type. When you run the **IRS 990 – Donor Schedule**, the IRS Gift Type will be pulled automatically.

   Note: If you add a new Gift Type you will need to map the IRS Gift Type to it in order for the code to be displayed on 990 reports.

New Fields – Grantees / Grants

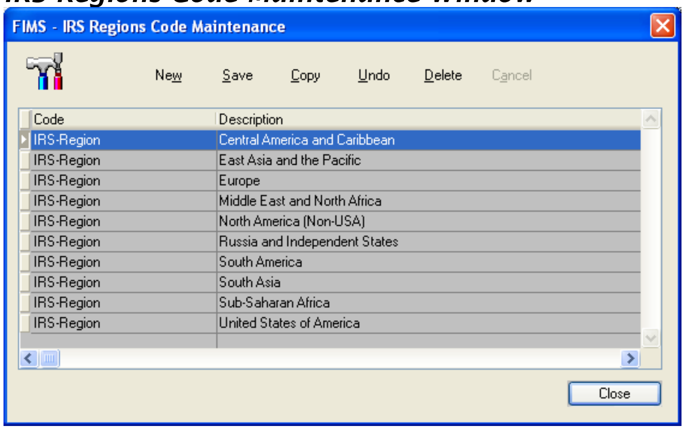
IRS Region

The IRS has provided a list of regional codes for use on 990 reports. We have mapped this code to the current Region code for Grantees. Rather than creating a separate IRS Region field and putting it on the screen, we have created an **IRS Region** code table that is linked to the current FIMS **Region** code. When you select a **Region**, the IRS Region is automatically assigned at the same time. It does not reside separately in the database.

To view the new IRS Gift Types code table:

1. Open the Donor and Gift Management module
2. Select **File Maintenance** > **Grant Code Maintenance** > **IRS Regions.** The **IRS Regions Code Maintenance** window opens.

IRS Regions Code Maintenance Window

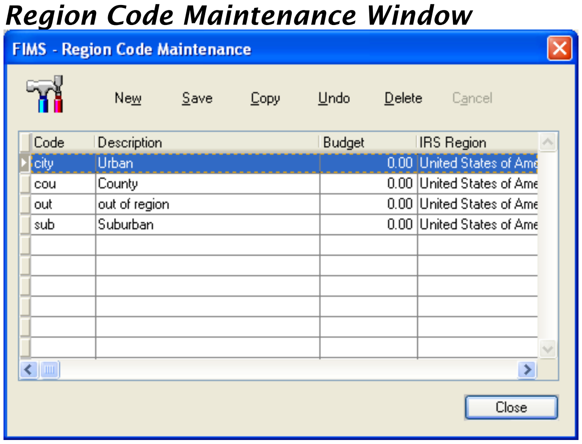


Note: You should not have to make changes to these codes for 2009 reporting, as MicroEdge has included all of the codes that the IRS is requiring. The location of the code table is provided for informational purposes and in case regulations change in the future.

Do the following to map the **IRS Region** codes to your current FIMS **Region** codes:

1. In the Grantee and Grant Management module, select **File Maintenance > Grant Code Maintenance > Region**. The **Region Code Maintenance** window opens.

   Region Code Maintenance Window

2. For each code in your code table, click the **IRS Region** drop-down and select the IRS Region that matches your current code.
3. Save your changes.

   The IRS Region will automatically be associated with all existing Grantees and Applications based on their current Region code.

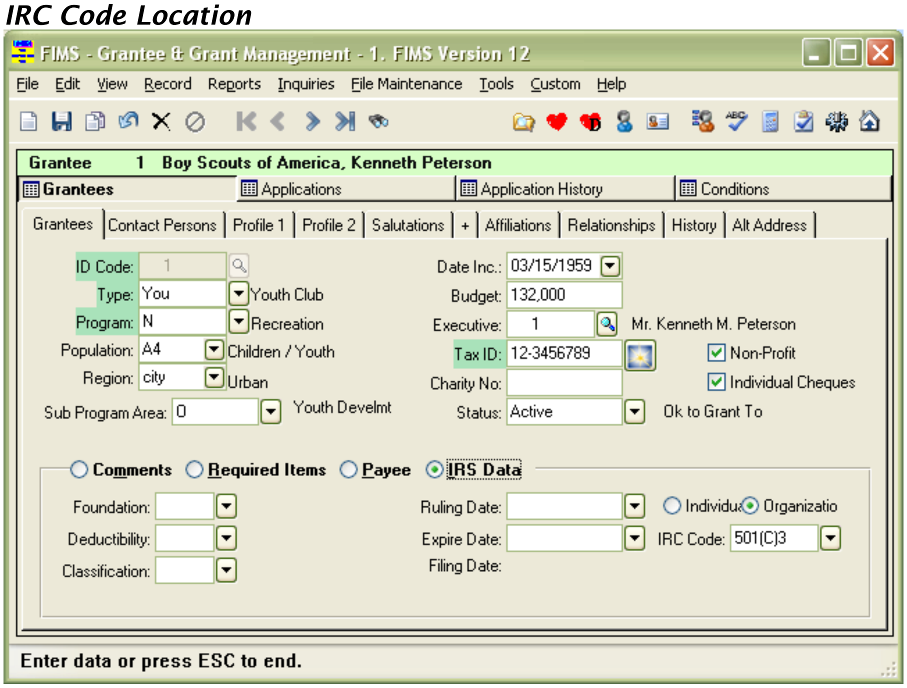
   When you create subsequent Applications, the system will continue to associate the IRS Region to the FIMS Region for every new Grantee and Grant.

   Note: There is no separate **IRS Region** field on the Grantee or Application record. This code is assigned automatically as part of the Region. When you run the **IRS 990 – Grantee Schedule**, the IRS Region will be pulled automatically based on the region code on the application.

IRC Code

The **IRC Code** is the Internal Revenue Code that is now required by the IRS for Schedule I of the 990 form. The **IRC Code** field is located on the **Grantees** tab, on the new IRS Data radio button on the right.

IRC Code Location



Note: The 501(c)3 and 501(c)7 codes are provided by default. If you need to add additional codes, you can access the IRC Code table by selecting **File Maintenance > Grant Code Maintenance > IRS Internal Revenue Code.**

Individual/Organization

The **IRS 990 Grantee Schedule** has two parts:

- Part 2: Grants to Organizations
- Part 3: Grants to Individuals

The Individual/Organization field on the Grantee record indicates which schedule this grantee should be shown on. The value will flow to the Application for ease of coding and can be changed if needed. For example, a hospital can be identified as an organization on the Grantee record and several of the Applications can also be Organization grants (Part 2). But grants made directly for the benefit of a particular individual, even though the hospital is the Grantee, should be recorded in Part 3 of the Grantee Schedule and thus those applications should have the Individual selected.

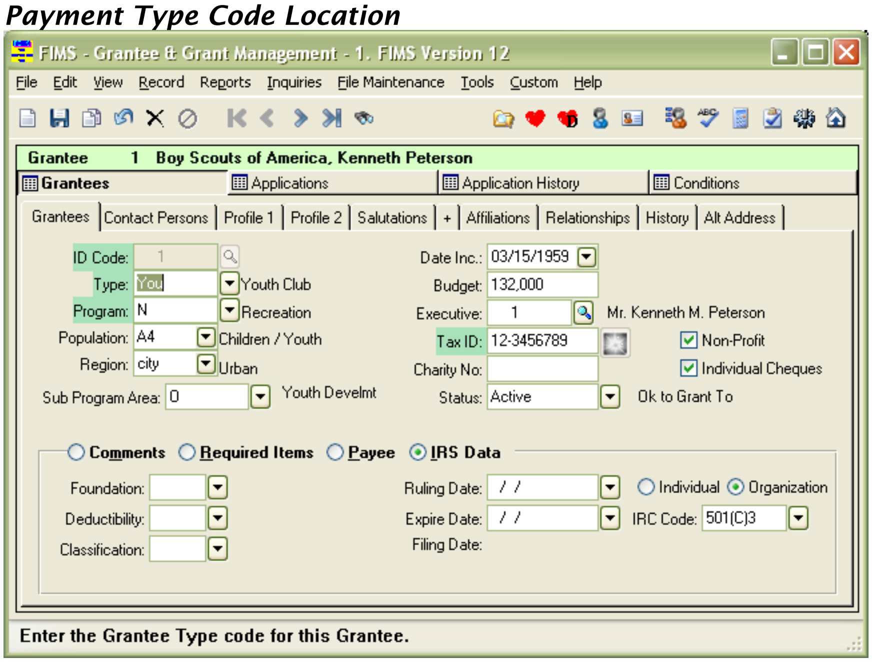
Another example is educational institutions. You can grant to the school for a new program, but also give scholarships to students where the grantee is the school. The grants are organization grants, the scholarships are individual grants.

During the application of the 990 patch, an audit will run that will automatically populate the grantee with individual or organization based on the associated profile value. This same value will move to the applications as well. The field is open and available for modification if necessary.

Payment Type

The Payment Type code is required by the IRS to determine if a grant involved a cash or non-cash payment. The **Payment Type** field is located on the **Application** (or **Application History**) tab, in the **IRS Data** section.

Payment Type Code Location

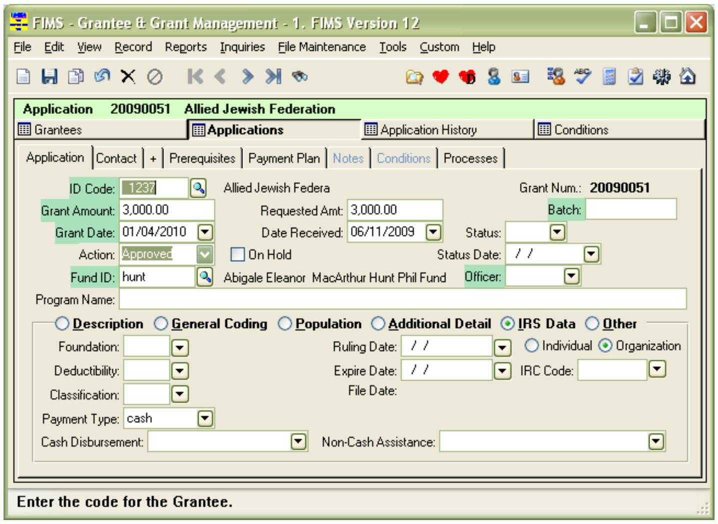


Note: **Cash** and **Non-Cash** codes are provided by default for the Payment Type field. If you need to add additional codes, you can access the Payment Type code table by selecting **File Maintenance** > **Grant Code Maintenance** > **IRS Payment Type**.

Manner of Cash Disbursement

The **Manner of Cash Disbursement** code is required by the IRS to determine the method used to make cash payments (e.g., Cash, Money Order, Check, Wire Transfer). The **Manner of Cash Disbursement** field is located on the **Application** (or **Application History**) tab, in the **IRS Data** section and is labeled Cash Disbursement.

Manner of Cash Disbursement Location

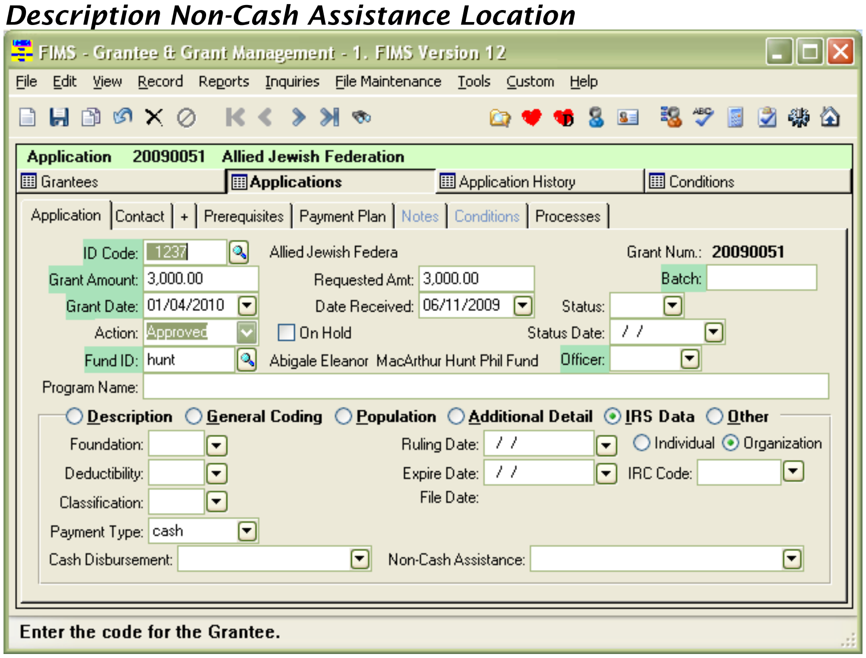


Note: The following codes are provided by default for the **Manner of Cash Disbursement** field: **Cash Payment**, **Check**, **Electronic Fund**, **Money Order**, and **Wire Transfer.** If you need to add additional codes, you can access the Payment Type code table by selecting **File Maintenance > Grant Code Maintenance > IRS Manner of Cash Disbursement.**

Description of Non-Cash Assistance

The **Description of Non-Cash Assistance** code is required by the IRS to determine the type of Non-Cash grant that was made. The **Description Non-Cash Assistance** field is located on the **Application** (or **Application History**) tab, in the **IRS-Data** section and is labeled **Non-Cash Assistance.**

Description Non-Cash Assistance Location



Note: MicroEdge has not supplied default codes for this code table, if you make non-cash grants, you will need to populate the code table with the appropriate non-cash assistance methods. You will then be able to select those codes from the **Non-Cash Assistance** drop-down. You can also manually enter information into this field.

If you need to add additional codes, which are recommended for any codes that you use frequently, you can access the Non-Cash Assistance code table by selecting **File Maintenance > Grant Code Maintenance > IRS Non-Cash Assistance**.

Automatically Populating the New 990 Fields

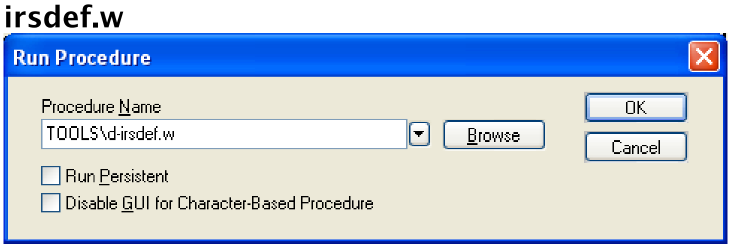
Since these 990-related fields are new to the FIMS database, MicroEdge has provided a tool to help you to populate the fields automatically. Many didn't use this process for 2008 reporting, but can use it for 2009. If you did use it for 2008, when you run it again for 2009 it will populate all the applications once again and you will lose any manual changes you made to 2008 data. Most made no manual modifications and thus will be able to run this tool again without issue. Further clarification is below. If you feel you did make modifications for 2008 reporting, we strongly suggest creating a data grid or user defined export to export the exception information so that it can be re-entered after the use of the tool. Using the tool is not required. It is there to save time by mass adding values to all grants at once.

Note: If you select a field to populate using this tool, it will automatically apply the same value in the field for all appropriate records in your system. You cannot choose some records to populate with one code and other records to populate with another code. For example, if you choose **Cash** as the **Payment Type** and use this tool to automatically populate the field, **Cash** will be entered in the **Payment Type** field for all of your Grants. You will have to update the code on any non-cash Grants manually.

Note: This tool is only available from the **Run Procedure** tool. Please ask your System Administrator if you need help getting access to run this tool, or contact FIMS Support for more information.

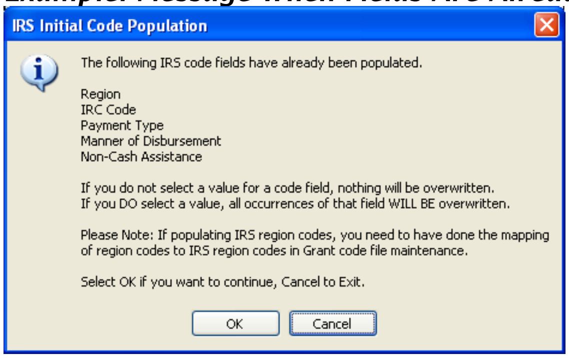
Running the 990 Field Population Tool

1. Go to **Tools > System Utilities> Run Procedure** and enter **TOOLS\d-irsdef.w**

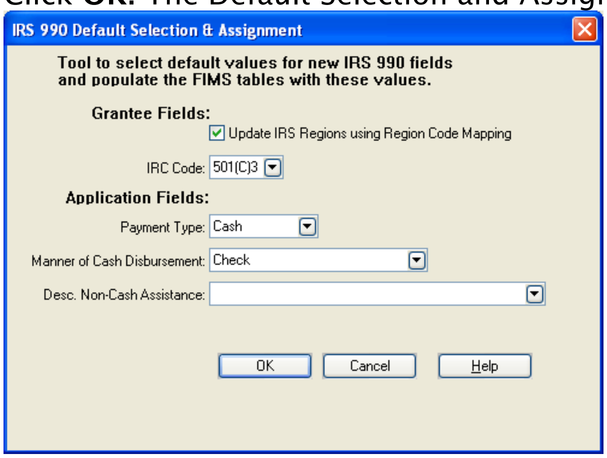


2. When you click **OK**, the tool will check to see which, if any, of the fields are already populated and will list those for you. This is a good way to check to see if someone has already run the tool.

Example: Message When Fields Are Already Populated

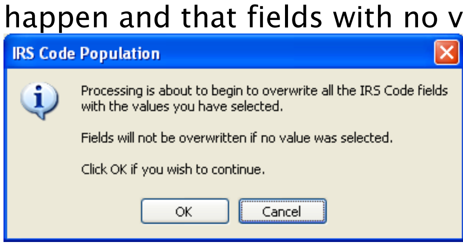


3. Click **OK.** The Default Selection and Assignment window opens.



4. *Uncheck* the Update IRS Regions using Region Code Mapping checkbox. This option does populate a field, but the field is not used in the 990 reporting.
5. Select all of the other values that you want to update by selecting from the drop-down.

   Important: If you leave a field blank in this tool that means that the field will not be updated. The tool does not clear out any fields that are already populated. But it will overwrite previously written values with the new ones.
6. Click **OK.** A confirmation message opens to tell you what is going to happen and that fields with no value selected will not be overwritten.



7. Click **OK** again. The tool runs, and provides confirmation when it's finished.

IRS 990 – Donor Schedule Report

This report provides a list of all Donors who gave a total of $5000 or more in a selected year (or who gave an amount equal to at least 2% of the amount on Line 1 of the 990 form). The report consists of the information necessary to complete parts one and two of Schedule B. Part one provides aggregate information of all giving from Donors who gave a total of $5000 or more during the selected year. Part two provides aggregate information about non-cash gifts. Both parts are generated at the same time, so there is no need to run separate reports to generate this information.

Note: You can access this report from anywhere in FIMS by selecting **Reports > Gifts > Donor Reports > IRS 990 – Donor Schedule**.

IRS 990 – Donor Schedule (Part 1)

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The Millvale Community Foundation

Donor 990 - Part I Aggregate Contributions
Donors giving $5000 or more
Tax Year 2008
Tax ID #: 01-2345678

ID	Donor ID	Name, address, and zip	Aggregate Contributions	Type of Contribution
1	133	Ms. Ruth A. Applegate 59 Lake Road Concord, NH 03301	1,060,500.00	Person
2	173	North Pole, AK 01000	50,225.00	
3	551	Ms. Kathy H. Allard and Mr. John Mathews North Main Street Suite 999 Concord, NH 03301-0123	15,500.00	Person
4	1157	Mr. Paul S. Arrigoni 78 North Main Street Millvale, NH 03342	10,000.00	Person
5	1187	Ms. Bethany D. Abelson 3407 Oak street Millvale, NH 03342	82,585.00	Person,Non-Cash
6	1189	Mr. Douglas F. Anderson and Ms. Jane I. Swans Oak Street Fairfield, CT 06712	10,000.00	Non-Cash
7	1255	Mr. and Ms. James Agard Suite 999 42 Main street Concord, NH 03301	18,950.00	Non-Cash

IRS 990 – Donor Schedule (Part 2)

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The Millvale Community Foundation

Donor 990 - Part 2, Report Non-Cash Gifts
Donors giving $5000 or more
Tax Year 2008
Tax ID #: 01-2345678

ID	Donor ID	Description of Non-Cash Property	FMV or Estimate	Date Received
5	1187	Monet sketch for 3475 and turner print for 2650	6,125.00	01/02/2008
6	1189	$10,000 sculpture by	10,000.00	02/15/2008
7	1255	Vase	8,950.00	01/02/2008
7	1255		10,000.00	11/29/2008
Total Non-Cash Contributions Received			35,075.00	

IRS 990 – Donor Schedule Fields (Part One)

Field	***Description***
ID	An incremental number that identifies each Donor in the report.
Donor ID	The Profile ID code for the Donor.
Name, Address, and Zip	An address block that includes the Donor's name and full mailing address.
Aggregate Contributions	The total Gift Amount from the Donor during the selected year.
Type of Contribution	The IRS Gift Type(s) for all Gifts from the Donor during the selected year.
Total Contributions Received	The total amount received, from all Donors, during the selected year.

IRS 990 – Donor Schedule Fields (Part Two)

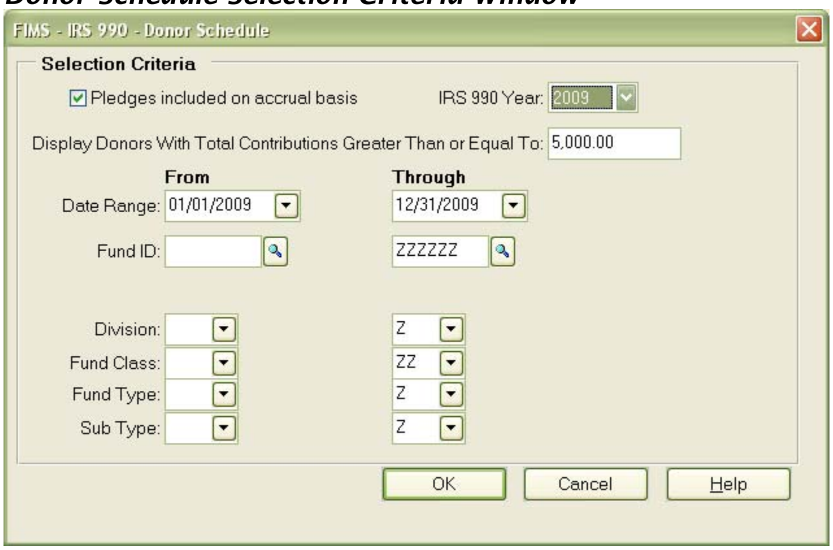
Field	***Description***
ID	An incremental number that identifies each Donor in the report.
Donor ID	The Profile ID code for the Donor.
Description of Non-Cash Property	A text description of the non-cash Gift. ***Note:*** This information is pulled from the **Comment** field on the Gift.
FMV or Estimate	The Fair Market Value (FMV) of the non-cash Gift. ***Note:*** This information is pulled from the **Amount** field on the Gift.

Field	*Description*
Date Received	The date when the non-cash Gift was received. ***Note:*** This information is pulled from the **Gift Date** field on the Gift.

Running the IRS 990 – Donor Schedule Report

1. In the Donor and Gift Management module, select **Reports** > **Donor Reports** > **IRS 990 – Donor Schedule**. The **Donor Schedule Selection Criteria** window opens.

Donor Schedule Selection Criteria Window



2. if you have the Pledge Module there is a new box entitled **Pledges included on accrual basis**. If checked, new pledges made for the selected dates will be included in the report. If not checked, pledge payments will be included. See below for more information.
3. Select the **IRS 990 Year** that you want to generate the report for.
4. The report automatically includes all Donors who have given \$5000 or more during the selected year. If you want to change this filter, enter a different amount in the **Display Donors With Total Contributions Greater Than** field.

   Note: IRS requirements require you to provide information about Donors who contributed more than \$5000 or 2% of the amount on line one. The default for this report is \$5000, but you may change it as necessary to meet your reporting needs.
5. Enter the **Date Range** that you want to include in the report.

6. (Optional) Enter the **Fund ID** range that you want to include in the report.
7. (Optional) Enter the **Division**, **Fund Class**, **Fund Type**, and **Sub Type** ranges that you want to include in the report.
8. Click **OK.**
9. Verify the **Send To** destination, and then click the **Run Report** button.

More Information on the New Pledge Option:

Many organizations report the pledge income with the gifts as donations in the year the pledge is received (accrual based accounting) and not the pledge payments. This new option allows you to include the pledge income with the gift income in determining the donors to be reported on this schedule. The box is checked by default since most organizations practice accrual accounting.

If the box is unchecked, the report will include pledge payments (and not new pledges) in determining the donors to be reported. This is the way the report worked in previous versions.

If you do not have the Pledge Module, the box should not appear.

IRS 990 Grantee Schedule Report

This report lists Grantees that require an IRS form 990 with their full address, cash and non-cash Grants, and information about the purpose of the Grant.

Note: You can access this report from anywhere in FIMS by selecting **Reports > Grants > Grantee Reports > IRS 990 Grantee Schedule.**

IRS 990 Grantee Schedule Report

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Grantee 990 - Part 2 Organizations
Grantees receiving $5000 or more
Tax Year 2002
Region: USA

Name, address, and zip	EIN	IRC Code	Cash Grant	Non-Cash Grant	Valuation Method	Descr Non-cash Assistance	Purpose of Grant or Assistance
Girl Scouts 877 North Shore Road Millvale, NH 03342		501(C)3	8,000			Food Donation	Youth Dvlpmnt
Griffin Hospice 567 First Avenue Millvale, NH 03342		501(C)3	30,000			Food Donation	Health
Keene State University 446 University Avenue Keene, NH 03303		501(C)3	20,000			Food Donation	Education
Millvale Arts Council 10085 LaSalle Concord, NH 03301		501(C)3	6,000			Food Donation	
Millvale Arts Council 10085 LaSalle Concord, NH 03301		501(C)3	1,000			Food Donation	Arts, Culture
Millvale General Hospital 78 East Street Millvale, NH 03342		501(C)3	20,000			Food Donation	Health
Millvale Players Little Theatre 375 Main Street Millvale, NH 03342		501(C)3	10,000			Food Donation	Arts, Culture
Millvale Players Little Theatre 375 Main Street Millvale, NH 03342		501(C)3	1,000			Food Donation	Arts, Culture

IRS 990 Grantee Schedule Fields (Part 2)

The information for Part 2 is based on the new Individual/Organization field on the application. If the application is identified as an Organization, it will fall into Part 2.

Field	***Description***
Name, Address, and Zip	An address block that includes the Grantee's name and full mailing address.
EIN	The Grantee's EIN (Tax ID).
IRC Code	The Internal Revenue Code that is required by the IRS for Schedule I of the 990 form.
Cash Grant	The amount of the cash Grant. ***Note:*** This information is pulled from the **Amount** field on Applications with an **IRS Payment Type** of Cash.
Non-Cash Grant	The amount of the cash Grant. ***Note:*** This information is pulled from the **Amount** field on Applications with an **IRS Payment Type** of Non-Cash.
Valuation Method	For non-cash Grants, the method used to determine the value of the Grant.
Description of Non-Cash Assistance	Description of the assistance provided for any non-cash Grants. ***Note:*** This information is pulled from the **Desc. of Non-Cash Assistance** field on the Application record.
Purpose of Grant or Assistance	The purpose for which the Grant was given. ***Note:*** This information is pulled from the **Program Code** on the Application record.
Totals	The total amount given in both cash and non-cash Grants during the selected year.

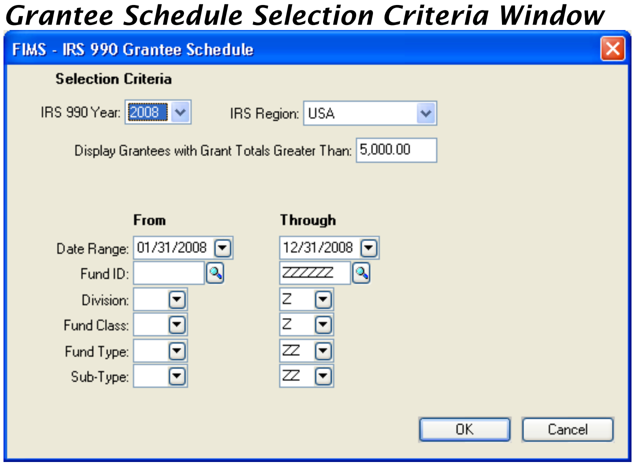
IRS 990 Grantee Schedule Fields (Part 3)

Note: Part 3 information is related to Individual (non-Organization) Grantees. If you do not grant to individuals (e.g. scholarships where the grantee is the student), you might not have any data in this section of the report. The content of this data is once again based on the Individual/Organization field value. If the value on the Application is Individual, the Application values will flow to Part 3. During the audit that is run when these fields are added, all Scholarships will be assigned a value of Individual. Keep in mind that this field will flow from the Grantee record and thus coding your schools as Individual on the Grantee tab might be the best approach. This way the Individual value will flow to the Application. You can manually change the value on the Application to Organization if an Application for a school is not a Scholarship.

Field	***Description***
Type of Grant	The type of Grant that was given. ***Note:*** This information is pulled from the **Program Code** on the Application record.
# Recipients	The total number of individual recipients of Grants related to the selected Program Area.
Amount of Cash Grants	The sum of all **Amoun**t fields on the Grant Application for all cash grants to individuals for the selected Program Area.
Amount of Non-Cash Assistance	The sum of all **Amoun**t fields on the Grant Application for all non-cash grants to individuals for the selected Program Area.
Valuation Method	For non-cash Grants, the method used to determine the value of the Grant.
Description of Non-Cash Assistance	Description of the assistance provided for any non-cash Grants. ***Note:*** This information is pulled from the **Desc. of Non-Cash Assistance** field on the Application record.

Running the IRS 990 Grantee Schedule Report

1. In the Grantee and Grant Management module, select **Reports** > **Grantee Reports** > **IRS 990 Grantee Schedule**. The **Grantee Schedule Selection Criteria** window opens.
   Grantee Schedule Selection Criteria Window



2. Enter the **IRS 990 Year** that you want to use as the basis for the report.
3. Click the drop-down in the **IRS Region** field and choose the region that you want to use as a filter on the report results.

   Note: The IRS requires you to separate Grant information for Grants made in the United States and Grants made in Non-US countries. This *IRS Region* is mapped to the Region code on the Grantee record.

   Tip: If you don't make any Non-US grants, leaving the selection as All Regions will capture all your applications regardless of whether the application region code is filled out or not.
4. Enter the **Date Range** that you want to include in the report.
5. Enter the **Fund ID** range that you want to include in the report. If want to include all Funds, keep the default values in these fields. If you want to report on a single Fund, enter the same Fund ID in both fields.
6. Enter the Fund Code range(s) that you want to include in the report. If you want to include all Funds, keep the default values in these fields. If you want to report on Funds that share a single code, enter the same code in both fields. Available Fund Codes include: **Division**, **Fund Class**, **Fund Type**, and **Sub-Type**.
7. Click **OK**.
8. Verify the **Send To** destination, and then click the **Run Report** button.

Export Option:

There is a new option to export the data for this report that can be helpful in making sure your data is coded correctly. On the **Send To** tab, choose **Spreadsheet** as the output option. Three files will be exported.

- First file: This will include the data for Part 2. Additional fields have been added to the export to aid in reconciliation and trouble-shooting.
- Second file: Part 3 data as shown in the regular displayed report.
- Third file: Line item detail that supports the numbers in Part 2 and the displayed report.

If you find that information is in Part 3 that should be in Part 2 find the Application(s) in FIMS, change the Individual/Organization value, then rerun the report or export.

On the first run of the report, you may find that data provided in the Part 3 report has been accumulated incorrectly. The IRS is asking for a count of individuals in the various categories (Education being the most common). FIMS is accumulating the information based on the Grantee id. For many organizations this will mean that 100 Scholarships given to students attending the local state university will be counted as one since the Grantee is the same for all. Thus, it is quite likely that you will be using the exported data in the Part 3 detail to sort and count the unique students involved. We have provided you with enough data to get a more accurate number for your reporting if necessary.

Organizations who grant to the students (and not the schools) should get an accurate count on the report.