Audit Review Project List

8-12-13

Yvonne

Charitable contribution recognition for 990T

 Get one from at least one large grantee

 Tell Yvonne to pass them to the Finance Dept.

T&E form (pg 9)

 Add a specific line on the form for location and date where the expense was incurred

 Have Yvonne change form

Documentation

Write off

 Document-write off of Legacy – put in tax notes binder

 Document write-off of other assets- put in tax notes binder

 This is not on Lori’s list but should be addressed

Research

Depreciation

 Change in rules

 Non charitable purpose computers, for CIO, should be an expenses for net investment income (pg 27)

Hedging activities

 Confirm identification at hedge.

 Call custodian. Based on response, may have to go back to the manager.

 Look at IRS rules for documentation required.

Social club dues

 Not on the list. Look at this for W-2 implications for Dan, Mike and Bob.

Bradley Lions

 Not on the list. Discuss with Lyn regarding 1099 the value/documentation.

Tax Return Filing

File additional forms with the 990T instead of the 990PF

Form 8621

 Will be revised? Required filing for all years after March 28, 2010 (pg 11)

 File amended-revised Forms 8621 after the form is released.

 Add revised form to the next return, don’t need to go back and amend

Form 926

 Attach a statement to the return as noted in Reg sec 1.6038B (pg 11)

 Review page 12 notes, ii at the time is prepared

 Are we following instructions provided by the accountant? Are they providing instructions contrary to Lori’s advice?

 We will continue to over report

Form 8865

 Questions G6, G8, G9 do not need completion (pg 12)

 See comments on page 12 c at tax return prep time.

 Are we following instructions provided by the accountant? Are they providing instructions contrary to Lori’s advice?

 We will continue to over report

UBTI

 Allocate some investment expenses to UBTI (pg 13)

 990T prep, estimates, finance salaries, tax reviewer fees, state returns, state estimates,

 Agreement review time

 Allocate foreign taxes (may not have any) (pg 13)

 Separate out types of taxes instead of lumping them into income taxes (pg 13)

 K-1s, look for debt on the K-1

 Look for charitable contributions subject to UBTI

 May have carryovers to track in workpapers

 Include NOL carryover in tax return, I think we do this.

 Show detail of UBI reported by partnership- use numbers for partnership names (pg 14)

 Reclassify foreign taxes to Line 18 (pg 14)&(pg 29 (i))

Minimum Investment Return

 Minor adjustments to calculations (pg 17)

Rental Income/Expense (pg 20)

 Report income in Column C on tax return

 Report Expenses to the extent of income

K-1

 Pass thru charitable contributions should be listed with grants (p21)

Facilities use

 Recapture non charitable use if non exempt portion is greater than 5% (pg 21)

 Run calculation to see if expenses are below 5%

Fixed assets

 Assets purchased for non charitable use-expense (pg 27)

990PF

 Page one Part I column a should be from the financial statements (pg 27)

 Allocate custody fees related to grants if any (pg 28 3(e))

 List direct charitable activities-symposium, educational activities, discuss with Lyn (pg28 3(f))

 Grantee events, break out expenses (pg 29 (g))

Foreign taxes

 Accrual vs cash. Use one method. (pg 27)

K-1 worksheet

 Revise for better formatting and to reduce errors (pg 29) & (pg 30)

Review and Discuss with Lyn or Lori

Cash to Accrual

 Assess net effect of change (pg 26)

Bradley Prize grants

 Listed as grants. Lori and Lyn agree they are admin expenses and not grants.

 MacArthur lists them as grants on the tax return. Lori and Lyn are agreeable to keeping BP as grants.