

YH EXEMPT ORG ADVISOR

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YH Advisors is very proud to continue to publish and distribute the **YH Exempt Org Advisor**, a quarterly publication focused exclusively on the tax, legal and accounting issues of all types of exempt organizations. **YH Advisors**, located in Huntington Beach (California), is solely focused on providing value-added services to their exempt organization clientele. The firm's Shareholders, Brian Yacker and Stacey Bergman, have cumulatively worked with exempt organizations for almost 35 years.

The **YH Exempt Org Advisor** is electronically available on a complimentary basis to anyone who is included in our e-mail database. If you are forwarded a copy of this publication and would like to continue to receive future copies, please contact us with your e-mail address.

THE LEAD – *The YH Management Team Grows*

YH Advisors is excited to welcome two Managers into the fold, Melissa Roshnaye and Ruby Pradhan.

MELISSA ROSHNAYE

Melissa Roshnaye, CPA had been working with YH Advisors on a contract basis for more than two years and has recently joined our team as a full time Senior Manager, heading up the audit and assurance component of our practice. She is based in San Diego and serves YH Advisors' exempt organization clients throughout Southern California and nationwide.

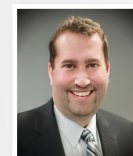


Melissa's comprehensive professional experience includes more than 10 years of accounting and audit expertise in addition to international business development experience. She worked for a regional CPA firm, specializing in exempt organization auditing. Additionally, Melissa has worked as a consultant and trusted partner to the exempt organization accounting community for many years as well. Melissa has and will continue to impact YH Advisors' clients with her practical, real world approach to ensuring exempt organizations adhere to applicable accounting standards.

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THE LEAD



RUBY PRADHAN

Ruby Pradhan, CPA joined YH Advisors this Spring as a Manager and comes to us with more than 9 years of public accounting experience, focusing on exempt organization compliance and tax information reporting.

Ruby has dedicated her career to assisting exempt organizations not only create a sound accounting infrastructure, but also to ensuring proper adherence to such. Her experiences include a full spectrum of accounting and reporting issues and has developed a hands-on, customized approach for supporting exempt organizations from start-up to multi-million dollar operations.

Ruby's expertise in exempt organization tax compliance and information reporting adds an immense amount of value to both clients and Boards of Directors alike. She has an uncanny ability to decipher information reported on exempt organization information returns and explain it in a way that is understandable and comprehensive. Ruby proactively addresses accounting and reporting issues that our clients may have otherwise overlooked, adding an immense amount of value to an otherwise tedious process.

Melissa and Ruby are wonderful additions to our growing team and we are thrilled to have them on board!! Please do not hesitate to contact Melissa Roshnaye at (619) 600-5310 or mroshnaye@yhadvisors.com and Ruby Pradhan at (310) 982-2833 or rpradhan@yhadvisors.com if you have any questions whatsoever regarding the exempt organization services which YH Advisors provides.

RIPPED FROM *the* EO HEADLINES

USC Athletic Director Could be a Self-Dealer

According to a recent story in the *Los Angeles Times*, Pat Haden, the outgoing Athletic Director at the University of Southern California, has for years been handsomely compensated by the George Henry Mayr Foundation ("Mayr Foundation"), a charitable organization that helps needy young people get an education. In and of itself, that would not be a problem, however, Mr. Haden was a voting Board member for the organization during the time he was compensated by the Mayr Foundation. Further complicating matters here is the fact that the Mayr Foundation is considered to be a private foundation and not a public charity. Accordingly, since Mr. Haden was a voting Board member for the Mayr Foundation, he is considered to be a disqualified person of the Mayr Foundation.

As a private foundation, if the Mayr Foundation compensates a disqualified person, they must do so reasonably and in exchange for the rendering of personal services by the disqualified person. If both of the foregoing are not satisfied (for example, if the disqualified person did not render personal services to the private foundation or if the disqualified person was unreasonably compensated), then a self-dealing transaction arises and the disqualified person is severely penalized by the Internal Revenue Service.

Upon a review of the 2013 Form 990-PF filed by the Mayr Foundation (obtained from GuideStar), Mr. Haden was compensated \$72,000 by the Mayr Foundation during the 2013 tax year for working 1 hour per week on behalf of the Mayr Foundation. While it is certainly possible that the Mayr Foundation conducted a Reasonable Compensation Study to support the reasonableness of the compensation paid to Mr. Haden in 2013, from the outside looking in, this does not appear to be the payment of reasonable compensation to a disqualified person. Additionally, since Mr. Haden was very busy as the Athletics Director at USC 2013, it is highly unlikely that the services he provided to the Mayr Foundation in 2013 were "personal services".

And there is still more "smoke" here, in addition to Mr. Haden being compensated by the Mayr Foundation, so to were his daughter and sister-in-law. That all being said, this could very likely be a situation that the Internal Revenue Service will soon be scrutinizing in an attempt to identify a self-dealing transaction between Mr. Haden and the Mayr Foundation.

RIPPED FROM *the* EO HEADLINES

New Federal Overtime Regulations

Regarding the new federal overtime Regulations, from the US Department of Labor, effective on December 1, 2016, such apply to employers in all sectors, including nonprofit employers. Going forward from December 1, 2016, in order for a worker to qualify as exempt (and thereby not be eligible for overtime pay), a worker must have an annual salary of at least \$47,476/year (this is a significant increase from the current federal threshold of \$23,660 per year). In addition to the salary threshold, employees must perform "executive, administrative, or professional" duties to have exempt status. The new federal Regulations have not altered the definition of exempt duties.

As relevant specifically for nonprofits, the federal Regulations set forth that "non-profit organizations are not covered entities [under FLSA] unless they engage in ordinary commercial activities" such as "operating a business, like a gift shop." That being said, we believe that most nonprofits whom we deal with would NOT be subject to these new federal overtime regulations.

However, if a nonprofit is deemed to fall under the provisions of the new Regulations, then the nonprofit might need to make some significant salary adjustments for some of their workers. For example, from December 1, 2016 onwards, if a nonprofit worker whose work is exempt (based on analysis of the work) and is currently paid \$40,000/year, the nonprofit will need to provide an annual raise of \$7,476 in order for the worker to still be considered an exempt employee.

Donald Trump and the Signed Tebow Football Helmet

Leaving politics aside, there was an article in the July 1, 2016 edition of the Washington Post which reported that four years ago the Donald J. Trump Foundation spent \$12,000 at a charity auction conducted by the Susan G. Komen Foundation to purchase a Tim Tebow autographed football helmet (Gators? Pats? Jets? Broncos?) and jersey. No, not Tom Brady or Andrew Luck or Russell Wilson, the helmet was autographed by the one and only, Tim Tebow. Which NFL team is Tebow currently on?

Regardless of the fact that Tebow is currently out of the NFL (as a player), if the Trump Foundation paid for an item that is utilized by a disqualified person (Mr. Trump) of the Trump Foundation, such would be classified as a self-dealing transaction pursuant to §4941 of the Internal Revenue Code. This begs the question regarding what the Trump Foundation is doing with the football helmet; are they displaying such in their offices, are they holding such for resale to raise funds? If the Trump Foundation is not in possession of such helmet and Donald Trump himself is, then it is very likely that a self-dealing transaction would have arisen in this situation.

More Fraud in the EO World

According to the Minneapolis Star Tribune, the former CEO of Community Action of Minneapolis (Bill Davis) recently pleaded guilty to 16 counts of theft and fraud for misspending hundreds of thousands of dollars intended to help low-income people. Specifically, it was alleged that Mr. Davis misspent thousands of dollars of the charity's funds on lavish trips, cars and other personal items. Mr. Davis admitted that he had attended a wedding with Community Action funds, paying for a hotel and meals and other expenditures. Additionally, Mr. Davis admitted using Community Action funds for a trip to the Bahamas with his fiancée. Finally, Mr. Davis also admitted to buying a car for personal use with Community Action funds and seeking authorization from his Board after the fact.

Community Action of Minneapolis is a nonprofit intended to provide energy and heating assistance and other services to low-income residents. Mr. Davis had run the organization as its CEO for more than two decades. Our question here is what level of oversight, if any, the Board of Directors for Community Action was exercising over the actions of Mr. Davis.

Please do not hesitate to contact Brian Yacker at 310-982-2803 or at byacker@yhadvisors.com if you have any questions regarding the foregoing or if you need any additional information whatsoever regarding the exempt organization tax, legal and accounting services which YH Advisors provides.



FOCUS *on the* IRS TE/GE DIVISION

Reduced User Fee for Form 1023-EZ

Effective July 1, 2016, the Internal Revenue Service has reduced the user fee for filing the Form 1023-EZ from \$400 to \$275. The Form 1023-EZ, which has been in existence for the past two years, is a streamlined alternative for smaller exempt organizations to completing the full Form 1023 federal Tax Exemption Application. To be eligible to complete the Form 1023-EZ, an exempt organization applicant must reasonably expect their annual gross receipts to average less than \$50,000 for the first three years of their existence.

Please see Rev. Proc. 2016-32 for more details regarding the reduced user fees for filers of the Form 1023-EZ. Such can be accessed [here](#).

Proposed EO Guidance

HR 5053 – Proposed in late April of 2016, HR 5053 would amend Section 6033 of the Internal Revenue Code to prohibit the Secretary of the Treasury (Internal Revenue Service) from requiring the identity of contributors on Schedule B of the Form 990. Specifically, existing §6033(n) of the Internal Revenue Code would be revised to set forth that “the Secretary may not require the name, address, or other identifying information of any contributor to any organization described in section 501(c) of any amount of any contribution, grant, bequest, devise, or gift of money or property.” HR 5053 was passed in the House, but has not yet passed in the Senate. Even if it does pass in the Senate, it is expected that President Obama would veto HR 5053.

HR 5007 – Proposed in May of 2016, HR 5007 would amend §4943 of the Internal Revenue Code to exempt private foundations from the tax on excess business holdings in the case of certain philanthropic enterprises which are independently supervised, and for other purposes. At least in our world, we rarely confront private foundations that are liable for the §4943 excess business holding excise tax.

New Notice Requirements for §501(c)(4) Organizations

As reported previously in the **YH Exempt Org Advisor**, recently enacted new legislation (Section 506 of the Internal Revenue Code) requires an organization to notify the Internal Revenue Service of its intent to operate as a §501(c)(4) organization. It was recently announced that a new IRS Form, the Form 8976, should be prepared and filed to provide the required notice. Please find following some features regarding the Form 8976:

- ▶ The purpose of the Form 8976 is to notify the Internal Revenue Service that an organization is operating as a §501(c)(4) organization.
- ▶ §501(c)(4) organizations that filed a Form 990 or a Form 1024 with the Internal Revenue Service on or before July 8, 2016 are exempt from the Form 8976 filing requirement (please see Rev. Proc. 2016-41).
- ▶ The Form 8976 can only be completed and submitted to the Internal Revenue Service electronically; there is no way to paper file the Form.
- ▶ The Form 8976 only needs to be filed once to provide the requisite notice to the Internal Revenue Service.
- ▶ Even if a prospective §501(c)(4) organization files a Form 1024 with the Internal Revenue Service, they are still also required to file the Form 8976 with the Internal Revenue Service.
- ▶ The due date for the Form 8976 is no more than 60 days after the organization is formed.

FOCUS *on the* IRS TE/GE DIVISION

TE/GE Tidbits

Please find following some tidbits regarding exempt organizations from Tammy Ripperda's June speech in Chicago:

- ▶ Form 990 will start to be made available in machine readable format for public inspection in response to a recent District Court case whereby the Internal Revenue Service was directed to make the Form 990 available in machine-readable format.

***YH Note:** Such searchable charity data is now available through the Public Data Sets area of Amazon Web Services.*

- ▶ There are no current plans to expand e-filing for the Form 990-T; unfortunately, this is because of the Internal Revenue Service's severe budgetary constraints.
- ▶ Currently, there are two EO issue snapshots available on the Internal Revenue Service's web site (lessening the burdens of government and §4942 excise taxes imposed on private foundations; the Internal Revenue Service plans to post 17 more of these EO issue snapshots in the foreseeable future.

Summary of Recent EO PLRs / TAMs

PLR 201617012 – The Internal Revenue Service denied tax-exemption for an organization which was formed to provide information and training to baseball and softball umpires and coordinate the scheduling and assigning of umpires for little leagues and baseball/softball tournaments. Personally, I would have thought they could have qualified as an exempt organization under §501(c)(6) as a business league, but for whatever reason, the organization attempted to be recognized as tax-exempt under §501(c)(3) of the Internal Revenue Code.

PLR 201615017 – The Internal Revenue Service ruled that participating in dog shows did not qualify as an educational activity under §501(c)(3) of the Internal Revenue Code.

PLR 201615014 – The Internal Revenue Service denied a §501(c)(4) applicant of recognition of tax-exemption because they were primarily engaged in activities intended to intervene in the political process. A §501(c)(4) organization can undertake political campaign activities, however, the undertaking of such cannot be their primary purpose. Regulations are currently being drafted to define "primary purpose".

PLR 201610025 – The Internal Revenue Service revoked the tax-exemption of a private foundation which undertook substantial self-dealing transactions with disqualified persons. Please see earlier

in this issue regarding the case of Pat Haden (disqualified person) and the Mayr Foundation for an example of potential self-dealing in the private foundation context.

PLR 201609001 – The Internal Revenue Service approved a bunch of transfers from an existing private foundation to a newly-created private foundation; this was a situation whereby the existing private foundation was split-up into a bunch of different newly-created private foundations. This is actually a situation which we have dealt with quite frequently at YH Advisors.

PLR 201608016 – The Internal Revenue Service ruled that a private foundation's grant to a public charity could be classified as an unusual grant, and as such, would not adversely affect the public charity recipient's public support test calculation. One of the key factors here was the fact that the recipient public charity was not related in any way to the granting private foundation.

Please do not hesitate to contact Brian Yacker at 310-982-2803 or at byacker@yhadvisors.com if you have any questions regarding recent IRS activities in the exempt organizations sector.



EXEMPT ORGANIZATIONS A TO Z

FinCEN 114

This will be a new and continuing feature of the **YH Exempt Org Advisor**, at least for the next 20 editions. Each quarter, we will define an exempt organization term, starting with A and moving all the way to Z. As we have now reached the letter **F**, it provides the opportunity to inform exempt organizations regarding their filing obligations for the FinCEN 114.

The FinCEN 114 is an annual report filed with the United States Treasury Department to report the existence of foreign financial accounts held outside the United States. The FinCEN 114 must be filed annually by each United States person having an interest in, or a signature authority over, any financial account in a foreign country if the aggregate value of these accounts exceeds \$10,000 at any time during the calendar year. This requirement also includes exempt organizations. The FinCEN 114 is due by June 30 of the year following the year which the account holder meets the \$10,000 threshold.

The FinCEN 114 filing requirements apply to financial accounts located outside of the United States. An account maintained with a branch of a United States bank that is physically located outside of the United States is a foreign financial account. An account maintained with a branch of a foreign bank that is physically located in the United States is not a foreign financial account.

YH CASE STUDIES

Fundraising Legal Checklist

Probably the majority of our clients annually undertake some form of fundraising activity during the course of a year. That being said, we often receive queries regarding the do's and don'ts of what a charitable organization needs to do to be legally compliant in their fundraising efforts.

Please find following a fundraising legal compliance checklist which we have put together to guide charitable organizations in their fundraising efforts:

1. Take special care to ensure that ALL fundraising communications and disclosures (whether oral or written) are completely accurate, truthful and in no way misleading.
2. Make sure that the charitable organization is registered to solicit contributions in those states (including their "home" state) where the organization is receiving contributions from residents of that particular state.
3. Make sure that the charitable organization is renewing their charitable solicitation registrations in a timely fashion so they are not penalized, or worse, barred from accepting contributions from residents of a particular state.
4. Ensure that the charitable organization is legally permitted to conduct gaming activities (for example, raffle, bingo, poker night) in any state where they are doing such (please be aware that all income from conducting illegal activities is deemed to be unrelated business income).
5. Ensure that any restricted funds raised during a fundraiser are properly identified as such from an accounting perspective.
6. If working with a professional fundraiser, the charitable organization needs to be sure that such professional fundraiser is registered with a particular state if such state requires such (working with an unregistered professional fundraiser could lead to the occurrence of a private benefit transaction, or even worse).
7. Make sure that the charitable organization is knowledgeable regarding the charitable contribution acknowledgement laws and regulations so that they do not violate such.
8. If conducting a commercial co-venture with a for-profit the charitable organization needs to be sure that the required registrations have been effectuated and the required public disclosures have been made.

Please do not hesitate to contact Brian Yacker at 310-982-2803 or at byacker@yhadvisors.com if you have any questions regarding fundraising legal tips and guidance for charitable organizations.

YH QUICK TIPS

Preparing Schedule L of the Form 990

Schedule L of the Form 990 is generally required to be filed whenever an exempt organization undertakes a transaction with an “interested person.” “Interested Persons” are insiders of an exempt organization, such as Officers, Directors, Key employees Highly compensated employees, Relateds (those related to an insider) and Formers (former insiders).

Schedule L of the Form 990 is utilized to report transactions with insiders which allows the Internal Revenue Service and the general public to gain visibility into the dealings that exempt organizations have with those “close” to the organization.

Schedule L is a five-part Form broken down as follows:

- ▶ Part I – Excess Benefit Transactions
- ▶ Part II – Loans to and/ or From Interested Persons
- ▶ Part III – Grants or Assistance Benefitting Interest Persons
- ▶ Part IV – Business Transactions Involving Interest Persons
- ▶ Part V – Supplemental Information

Form 990 filers that respond affirmatively to any of the Questions on Form 990, Part IV, Lines 25-28 must complete and file the applicable parts of Schedule L. Form 990-EZ filers that respond affirmatively to Form 990-EZ, Lines 38a or 40b must also complete Schedule L.

Section 4958 imposes steep penalty taxes on an insider, including the organization managers (for example, Board of Directors members), if any excess benefit transaction involving the insider arises. The penalty taxes imposed start from 10% and rise up to as much as 200% if an excess benefit transaction is not corrected within the taxable period after the tax is imposed. Excess benefit transactions are generally required to be reported on Part I of Schedule L.

Gathering all the necessary information to complete Schedule L can be time consuming and costly. According to the Internal Revenue Service, it expects the exempt organization to use reasonable efforts to obtain the information needed to complete Schedule L. For example, an Officer eligible to sign the Form 990 can simply distribute a questionnaire annually to each of its current or former insiders asking for the information that needs to be reported on Schedule L.

Please do not hesitate to contact Ruby Pradhan at (310) 982-2833 or at rpradhan@yhadvisors.com if you have any questions regarding the foregoing or if you need any additional information whatsoever regarding the exempt organization compliance services which YH Advisors provides.

YH PRESENTS

“So Now You Know...”

Contrary to the perceptions of most, once an organization receives recognition of tax exempt status from the Internal Revenue Service, it does not automatically become exempt from other types of taxes, such as sales and use taxes.

Sales tax is broadly defined as a tax on the sale of merchandise or goods. Types of activities that could trigger the imposition of sales taxes are selling meals and food, selling donated items to raise money or selling items purchased by the organization. According to the laws of many states, a sale is made if the person purchasing the item is expecting merchandise in exchange for a set price and it does not matter if the item was new, used or handmade.

For example, if a local quilting group made and donated a quilt to a §501(c)(3) homeless shelter which was sold to the highest bidder for \$100 during a charitable auction, in most states, sales tax would be required to be collected and remitted to the particular state based on the sales price of \$100. If the quilt was instead purchased by the organization for \$50 and then sold at auction for \$100, sales tax would still be calculated on the \$100 sale price in most states.

Many states also impose use tax on exempt organizations operating within their state. Use tax is a tax on items purchased out of state without paying sales tax in that foreign state and that are used, consumed or given away in the exempt organization’s “home” state. An example would be the purchase of office furniture by an exempt organization from an out-of-state retailer, where no sales tax was charged, and such furniture was used by the exempt organization as part of their operations in their home state. The organization is required to pay use tax to the state where the items are being used. Again, the applicable sales and use tax regulations are dependent upon the laws of the state where the exempt organization is operating.

In most states, the obligation to remit sales and use tax resides with the organization that is selling and/or consuming the

YH PRESENTS

taxable items. In the case of sales tax, the ability to charge the customer for sales tax reimbursement is a courtesy extended by the state. If sales tax is not charged and collected by the customer, the organization is still responsible for remitting the applicable amounts.

The sales tax rate charged is based on the state, county and local jurisdiction where the sale or transaction takes place. For example, if an exempt organization resides in one city, but their fundraising event takes place in the next city over, there may be a different rate that needs to be used due to the event's location. There are however many situations where an exempt organization is not required to remit sales or use tax; it is certainly advisable for the exempt organization to look into their particular state's sales and use tax laws and regulations.

Just as an exempt organization is not always exempt from sales and use taxes, they are also not exempt from sales and use tax audits and are probably more likely to be audited than a for-profit business. Compliance audits by government agencies, such as sales and use tax audits, can be cumbersome and costly for an exempt organization, especially one already operating on limited resources. The best way to avoid a sales tax audit is to understand your particular state's regulations and laws in regards to the imposition of sales and use taxes.

So now you know that exempt organizations are not automatically exempt from the payment of sales taxes just because they have been recognized as an exempt organization by the Internal Revenue Service.

Please do not hesitate to contact Melissa Roshnaye at 619-600-5310 or mroshnaye@yhadvisors.com if you have any questions regarding the foregoing or if you need any additional information whatsoever regarding the exempt organization services which YH Advisors provides.

THE EO ACCOUNTING SPOTLIGHT

FASB Not-for-Profit Reporting Project Update

For those that have been following along with the reporting framework changes currently in the pipeline, exempt organization reporting requirements are in the midst of a fairly significant update. The FASB Board officially announced that Phase 1 of the most recent standard affecting exempt organizations "went to print" mid-June 2016. The final standard is expected out in August of this year. The overarching theme, as set forth by the FASB, is the improvement of reporting and presentation as well as enhancement to information included in exempt organization financial statements.

Included in the Phase 1 final standard are the following key changes to the exempt organization financial statement reporting requirements:

- ▶ Net asset classification requirements will decrease from three categories as required in the current framework (unrestricted, temporarily restricted and permanently restricted) to two (with or without donor restrictions)
 - Included in the net asset reporting modifications are requirements for calculating, reporting and disclosing of underwater endowments
- ▶ Additional disclosure requirements surrounding liquidity/availability of funds as well as specific operating measures
- ▶ Expansion of expense reporting
 - Exempt organizations will now be required to include both the natural and functional classification of expenses, either directly on the face

of the Statement of Activities or on a separate Statement of Functional Expenses

- Included as well are additional, more in depth disclosure requirements surrounding indirect expense allocation methodology

- ▶ Preparation of the Statement of Cash Flows will now be permitted via either the direct or indirect method of reporting

The FASB is set to reconvene on Phase 2 deliberations later this year. Topics expected to be addressed include the discussion of reporting based on specific operating measures, changes to the presentation of transfers between operating activities and the potential realignment of the Statement of Cash Flows to the Statement of Activities. The FASB Board is also considering whether or not to include changes to segment reporting as part of the Phase 2 deliberations or include that in the Financial Performance Reporting Project (FPR) which is currently in the research phase with FASB staff members.

Phase 1 of the NFP Financial Reporting Project will be effective for fiscal years beginning after December 15, 2017 (calendar year 2018 or fiscal year 2018-2019).

Please do not hesitate to contact Stacey Bergman at 310-982-2805 or sbergman@yhadvisors.com if you have any questions regarding the foregoing or if you need any additional information whatsoever regarding the exempt organization accounting and attestation services which YH Advisors provides.



CALIFORNIA CORNER

Alphabet Soup: The CA AG and Schedule B

In April of 2016, it was reported that the US District Court ruled that the California Attorney General was not entitled to receive a complete copy of Schedule B along with the rest of the Form 990 required to be attached to an organization's annual Form RRF-1 filing with the California Attorney General. Most charitable organizations operating in California (except for churches, schools and hospitals) are required to annually file the Form RRF-1 with the California Attorney General. As part of such filing, the charitable organization is required to attach a complete copy of their Form 990, including a complete Schedule B without any redactions. This case challenged whether the California Attorney General was entitled to receive the full unredacted version of Schedule B.

The District Court based their ruling on their conclusion that the California Attorney General had not demonstrated a compelling need for the donor information contained on Schedule B in order to investigate charity wrongdoing. Additionally, the District Court cited numerous breaches of contributor confidentiality by the California Attorney General (approximately 1700 schedules B were improperly posted online by the California Attorney General) and violations of First Amendment free speech rights.

Currently, other similar cases are winding their way through various federal courts, including a challenge to the state of New York's requirements to receive an unredacted version of Schedule B from charitable organizations operating within their state.

Please do not hesitate to contact Brian Yacker at 310-982-2803 or at byacker@yhadvisors.com if you have any questions regarding the foregoing or if you need any additional information whatsoever regarding California laws and regulations applicable to exempt organizations operating within California.

YH RESOURCES, NEWS & UPDATES

The YH EO Resource Alert

As a regular feature of the **YH Exempt Org Advisor**, we continue to highlight different exempt organization resources free of charge in the public domain. This quarter we are highlighting the two EO issue snapshots which are currently available on the Internal Revenue Service's web site:

Lessening the Burdens of Government as Basis for §501(c)(3) Tax-Exemption

\$4942 Excise Taxes on Failure to Distribute Income

Upcoming Presentations

Please find following a listing of the presentations which YH Advisors has presented, or will present, during the August – November 2016 time period. Please do not hesitate to contact us for more information if you have interest in receiving the presentation materials or attending any of the upcoming presentations.

Aug 11, 2016 | Irvine, CA
Interpreting the Form 990 and EO Financials for a PF

Aug 15, 2016 | Fullerton, CA
Common Financial Statement Deficiencies

Aug 15, 2016 | Fullerton, CA
Reporting Differences: GAAP v. Form 990

Aug 18, 2016 | Missoula, MT
Form 990 Core Form

Aug 18, 2016 | Fullerton, CA
Form 990 Basics

Aug 24, 2016 | Chula Vista, CA
Form 990 Basics

Sept 12, 2016 | Salt Lake City, UT
Nonprofit Accounting Update

Sept 13, 2016 | Salt Lake City, UT
Form 990 Schedules

Sept 19, 2016 | Webinar
Common Form 990 Errors

Sept 20, 2016 | Reno, NV
Form 990 Core Form

Sept 21, 2016 | Las Vegas, NV
Form 990 Core Form

Sept 29, 2016 | San Diego, CA
Tax Issues for §501(c)(6) Associations

Oct 5, 2016 | Maryland
Form 990 Core Form

Oct 18, 2016 | Las Vegas, NV
Common Form 990 Errors

Oct 19, 2016 | Las Vegas, NV
Election Year Issues for EOs

Oct 28, 2016 | Sioux City, IA
Nonprofit Accounting Issues

Nov 4, 2016 | Boise, ID
Advanced Form 990 Issues

Nov 8, 2016 | Milwaukee, WI
Nonprofit Accounting Issues

Nov 9, 2016 | Milwaukee, WI
Advanced Form 990 Issues



YH RESOURCES, NEWS & UPDATES

Upcoming YH Webinars

YH Advisors will continue to periodically conduct (about 8 times per year) 100-200 minute interactive technical webinars focusing on the tax, legal and accounting issues most relevant to exempt organizations. Please find following our upcoming YH Webinar schedule (please be aware that this is of course subject to change):

September 7, 2016

Most Glaring Form 990 Schedules Errors

Late October 2016

Common Financial Statement Reporting Deficiencies

December 2016

EO Reporting: GAAP v. Form 990

February 2017

Contributions Revenue

April 2017

2017 EO Update

June 2017

Other Exempts

August 2017

Private Foundations

Offsite Presentations

Approximately a half dozen times a year, YH Advisors is engaged to provide customized exempt organization tax, legal and/or accounting presentations to a firm, association or company. For example, in July of 2016, YH Advisors conducted a full-day nonprofit accounting presentation for a CPA firm located in Northern California and also conducted a two-hour presentation for a California private foundation regarding how to interpret an exempt organization's financial statements and Form 990.

Additionally, in the past, we have conducted full-day customized presentations (for which CPE can be awarded) for firms, associations or companies in the following subject areas:

- Form 990: What Your Need to Know
- Form 990: The Schedules
- Form 990-PF Primer
- Advanced Private Foundations Issues
- The Unrelated Business Income Tax
- Advanced Exempt Organization Issues
- Nonprofit Accounting, Part I
- Nonprofit Accounting, Part II

Finally, we can conduct shorter presentations (half-day, 2 hours, 60 minutes) for which CPE can be awarded for firms, associations or companies in the following subject areas (certainly not an all-inclusive listing):

- Reporting of Special Events
- The Schedule A Public Support Test
- What Charity Board Members Need to Know
- Tax & Legal Issues for 501(c)(6) Business Leagues
- How to Avoid the Ire of the IRS + Attorney General

Next Issue of the YH Exempt Org Advisor

The Fall 2016 edition of the **YH Exempt Org Advisor** will be published in November, most probably soon after we get past the very busy November 15 deadline for filing extended information tax returns for June 30 year-ends and final returns for calendar-year exempt organizations.

Where to Find YH Advisors in the Social Media World



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Please connect with Brian Yacker and Stacey Bergman



YH RESOURCES, NEWS & UPDATES

YH Webinar Recordings Available to Purchase

To date, we have conducted 26 different exempt organization webinars. We record each of the webinars which we conduct and we are now making each of our webinar recordings available for purchase. Please find following a listing of each of the different webinar recordings which we have available for purchase:

#	Webinar Title	Date Conducted	Duration (Minutes)	Recording Cost
1	The Essential Documents for any Exempt Organization	03/08/12	60	\$99
2	Charity Fundraising Special Events: A Case Study Approach	05/08/12	100	\$179
3	2011 Form 990 Update: What's New, What's Not & What's Hidden	07/19/12	100	\$179
4	The Hottest "Hot Button" Issues in EO Compensation	10/04/12	100	\$179
5	The Most Perilous Traps & Pitfalls for Private Foundations	12/18/12	100	\$179
6	Ask the EO Experts	02/12/13	60	\$99
7	2012 Form 990 Update	05/08/13	100	\$179
8	Tips and Tricks to Avoid the Unrelated Business Income Tax	12/10/13	100	\$179
9	Demystifying the Public Support Test	01/22/14	100	\$179
10	Dirty Dozen Transgressions of Private Foundations	02/27/14	100	\$179
11	EO Tax/Legal Update: The Good, Bad & Ugly	05/06/14	100	\$179
12	Guided Tour of the Form 990 Core Form	07/08/14	200	\$249
13	Form 990: The Schedules	07/15/14	200	\$249
14	Form 990-PF Primer	07/22/14	200	\$249
15	Private Foundation Excise Taxes	07/29/14	200	\$249
16	A Case Study Approach to the Unrelated Business Income Tax	10/01/14	100	\$179
17	Avoiding Trouble when Conducting Charitable Gaming Activities	12/09/14	100	\$179
18	Best Practice Tips for Exempt Organizations re Internal Controls	01/20/15	100	\$179
19	2015 Exempt Org Update (Form 990 + A Whole Lot More)	04/29/15	100	\$179
20	Revealing the Hidden Elements of the Form 990 + EO Financials	06/14/15	100	\$179
21	Functional Expense Allocations + Joint Costs	08/13/15	100	\$179
22	The Unrelated Business Income Tax from an Internal Controls Perspective	10/28/15	100	\$179
23	The Schedule A Public Support Test Made Easy	12/17/15	100	\$179
24	The Essential EO Ratios + Benchmarks	02/10/16	100	\$179
25	Exempt Organization Tax, Legal & Accounting Update	04/21/16	100	\$189
26	The Most Glaring Form 990 Core Form Errors	7/14/16	100	\$189

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