

Do Alliance Members Need to File IRS Form 990

By David Jones, LPA VP of Corporate Affairs

In recent weeks there have been many stories on the internet and in various news outlets reporting that most “faith based organizations are not required to file IRS Form 990.” This is very misleading. Most faith based organizations that are not a church need to file Form 990 or form 990-N.

A couple weeks ago I did a Google search on this matter and I was surprised to find on the internet a lot of inaccurate statements from sources that should know better. As a result, Scott Kraske, LPA controller, and I contacted our good friend Dan Busby, president of the Evangelical Council for Financial Accountability (ECFA).

Dan has written an excellent blog entitled “*Understanding the Government’s Crackdown on Form 990-N Filers.*” The Luis Palau Association (LPA) strongly encourages all of our Alliance Members to carefully read Dan’s bog. Huge numbers of mostly smaller religious organizations are at risk of losing their tax-exempt status because they have not filed a 990 the past three years. Many of them think they did not need to file. On a positive note, the government has moved its “drop-dead” deadline from May 17, 2010 to October 15, 2010. You still have time to file. Most of you must file!

Failure to file could cost you your tax-exempt status! This is very serious. You can read Dan’s blog at

<http://ecfaintegrity.blogspot.com/2010/08/understanding-governments-crackdown-on.html>

In addition you need to read the IRS’s latest announcement on this matter at:

<http://www.irs.gov/charities/article/0,,id=214479,00.html>

If you are still unclear about whether or not you need to file then please consult your tax advisor. Show your advisor Dan’s blog and the IRS site. Make sure your advisor knows you are not a church. Part of the confusion in this matter has come from secular legal and tax people who assume all “*religious organizations*” are churches.