



How to Read an IRS Form 990

One of the most important steps in identifying potential foundations is through and thoughtful research. Included on that path is viewing each foundation's IRS PF-990. The PF-990 can provide a great deal of insight into a foundation's operations and management style as well as its grant making practices.

You can view 990s for most foundations either on Guidestar (www.guidestar.org) or the Foundation Directory Online (fconline.fdncenter.org). You will need Acrobat to view most, and they often appear one to two years in arrears. Here are some key elements of the IRS PF-990.

Official Name and Address of the Foundation

This is clearly stated at the top of the form.

Assets (Line I)

This lists the fair market value of all assets at the end of the filing year.

Grants Paid (Part I, Line 25 and 26)

This gives the total dollar amount of all contributions, gifts and grants paid as well as the total expenses and disbursements. Additional detail of these two lines is found in later sections.

Officers (Part VIII, Line 1)

This section lists the name of all officers, their status (full-time, part-time, etc) and their compensation level. This will help you determine if the foundation is heavily staffed or depends more on family members or volunteers for administration. The later often mean a longer response times, if any response at all.

Application Information (Part XV, Lines 1-2d)

This section provides important and official information about the foundation's management. Line one provides the name of the foundation manger. Line 2 is used to determine if the foundation makes contributions only to pre-selected organizations. This is often an area of discrepancy between the 990 and other sources where foundation information is reported. Call the foundation (if calls are permitted) to clarify. Items 2a-2d provide full application information (often found in attachments).

Grants Paid (Part XV, line 3a-3b)

A detailed list is provided of each organization supported, the program area (if applicable) and the dollar amount. View 990s from several years to establish a giving pattern. A list of future grants is also provided. This will allow you to see the foundation's obligations into the future. Note the total amount awarded for the most recent year and compare it to years past to determine the foundation's overall giving trend (increased giving, decreased giving or consistent giving).

In addition to the IRS 990, view the foundation's profile on the Foundation Directory or Guidestar and visit the foundation's website (if available). Make a list of conflicting information and contact the foundation for clarification.