

**Governance Project  
Guide Sheet for Completing the Project Check Sheet**

1. Enter the Agent's name and group number.
2. Enter the name of the organization examined.
3. Enter the EIN of the organization examined.
4. Enter the tax period or periods examined.
5. Enter the Form being examined (Form 990, Form 990-EZ, or Form 990-N). If different Forms were filed, enter the Form filed for the primary year under examination. If the organization was not required to file a Form 990, Form 990-EZ, or Form 990-N, select Not Applicable.
6. Enter the organization's foundation code.
7. Select Yes or No depending on whether the organization has a **written** mission statement that reflects its **current** I.R.C. § 501(c)(3) purpose(s). If the organization does not have a written mission statement, answer No. Likewise, if the organization has a written mission statement but its current activities do not reflect that mission statement, answer No even if the organization is fulfilling other appropriate I.R.C. § 501(c)(3) purposes.
8. For each item, select Yes – just officers, Yes – just directors, or Yes – both, as appropriate, based upon whether the organization's bylaws address the listed information with respect to those individuals. Select No if the bylaws do not address the listed information at all, or N/A – No Bylaws if the organization has no bylaws.
9. Select the appropriate box or boxes corresponding to those individuals or groups of individuals to whom the organization provides copies of its most recent articles and bylaws.
10. Enter the number of board members *with voting rights* as of the first date of the primary tax year under examination.
11.
  - a. Select the appropriate response (Once per year, Twice per year, Quarterly, Once per month, Twice per month, or Other) depending on the number of times the board met during the primary year under examination.
  - b. Select the appropriate response (Once per year, Twice per year, Quarterly, Once per month, Twice per month, or Other) depending on the number of times the board met during the primary year under examination. The board includes members with voting rights as well as those without voting rights. For purposes of this question, the term full board does not require that all board members actually be present.  
**Example:** If all board members were invited to attend a meeting and the board actually met, then this would qualify as a meeting of the full board.
12. Select the appropriate response (Yes-met the requirements, Yes-exceeded the requirements, No-did not meet the requirements) depending on whether the number of meetings actually held by the board met or exceeded the meeting requirements as set forth in the bylaws. For example, if the bylaws provided that the board would

meet monthly (twelve times in a year) and the board only met ten times during the primary year under examination, then the response would be No. If the board does not have bylaws, the appropriate response is N/A – No bylaws.

13. Select Yes or No depending on whether compensation arrangements for all officers, directors, trustees, and key employees are approved in advance by an authorized body of the organization composed of individuals with no conflict of interest with respect to the compensation arrangement. If anyone with a conflict of interest with respect to a particular compensation arrangement participated in the approval of that particular compensation arrangement, the appropriate response is No. Select N/A – No Compensation Provided as appropriate. For purposes of this question, officers, directors, trustees, and key employees are the same as the definitions contained under I.R.C. § 4958.
14. a. Select Always, Sometimes, or Never depending on whether the organization's authorized body relies upon comparability data in making compensation determinations. Select N/A – No Compensation Provided as appropriate.
- b. If you responded Always or Sometimes to 14a, select the appropriate box or boxes corresponding to the comparability data considered by the organization in making its compensation determinations.
- c. If the Other response is selected for 14b, please write in a brief description of the other comparability data referred to.
15. Select Yes or No depending on whether the organization contemporaneously documents the basis for its compensation determinations. For example, do the organization's meeting minutes or other documents, created at the time compensation is approved, reflect the reasons underlying particular compensation determinations? Select N/A – No Compensation Provided as appropriate.
16. a. Select Yes or No depending on whether any of the organization's *voting board members* have either a family or business relationship with any other voting or non-voting board member, officer, director, trustee, or key employee. Family relationships include those of spouses, brothers or sisters, spouses of brothers or sisters, ancestors, children, grandchildren, great grandchildren, and spouses of children, grandchildren and great grandchildren. For purposes of this question, officers, directors, trustees, and key employees are the same as the definitions contained under I.R.C. § 4958.
- b. If you responded Yes to question 16a, enter the number of such family or business relationships that exist.
- c. If you responded Yes to question 16a, enter the number of voting members with family relationships, the number of voting members with business relationships, and the number of voting members with *both* types of relationships with any other voting or non-voting board member, officer, director, trustee, or key employee. The number of family, business, or both relationships should equal the number of relationships indicated in question 16b.

**Example:** An organization has a total of ten board members. Husband and Wife both serve on the board. Wife and another board member are the sole shareholders in a

for-profit corporation. In addition, Wife and Husband are partners in a for-profit organization. For 16a, the answer would be yes. For 16b, the total number relationships would be two. For 16c, the answer would be one business relationship (the relationship between Wife and the other board member) and one for both (since Husband and Wife have both a family relationship and business relationship).

17. Select Yes or No depending on whether effective control of the organization rests with a single or select few individuals. For example, is there a single individual or small group of individuals to whom the board typically defers?
18.
  - a. Enter Yes or No depending on whether the organization has a *written* conflict of interest policy.
  - b. If you responded Yes to question 18a, select Yes or No depending on whether the conflict of interest policy addresses recusals. If you responded No to 18a, select Not Applicable.
  - c. If you respond Yes to 18a, select Yes or No depending on whether the conflict of interest policy requires annual written disclosures of conflicts of interest. If you responded No to 18a, select Not Applicable.
  - d. Select Never adhered to, Sometimes adhered to, Always adhered to, or Not Applicable depending on whether the organization's conflict of interest policy was adhered to. For example, did those with a conflict of interest on a particular matter recuse themselves from the corresponding decision making process? If you responded No to 18a, select Not Applicable. If no actual or potential conflicts of interest were disclosed during the primary year under examination, select Not Applicable.
19. Select Yes or No depending on whether the organization has systems or procedures in place intended to ensure that assets are used properly and consistently with the organization's mission.
20.
  - a. Select Never, Once per year, Twice per year, Quarterly, Once per month, Twice per month, or Other depending on how often the organization provided board members with written reports of the organization's financial activities. The board includes members with voting rights as well as those without voting rights.
  - b. Select Never, Once per year, Twice per year, Quarterly, Once per month, Twice per month, or Other depending on how often the board discussed/considered reports of the organization's financial activities. For example, look at whether the organization maintained complete, current, and accurate financial records, and whether the board had and exercised the opportunity to discuss/consider those reports and records. The board includes members with voting rights as well as those without voting rights.
21. Select Yes or No based on whether, prior to filing, the organization's Form 990 was reviewed by *either* the full board or a designated committee. Please note that the question addresses a *review* of the Form 990 prior to filing, not merely *receipt* of the Form 990 prior to filing. If the organization was not required to file a Form 990, Form 990-EZ, or Form 990-N then select Not Applicable.

- 22.**    **a.** Select Yes or No depending on whether an independent accountant’s report was prepared during the primary year under examination.
- b.** If you responded Yes to 22a, select Yes or No depending on whether the accountant’s report was discussed/considered by either the full board or a designated committee. If you responded No to 22a, select Not Applicable.
- 23.**    **a.** Select Yes or No depending on whether a management letter was prepared by an independent accountant during the primary year under examination.
- b.** If you responded Yes to 23a, select Yes or No depending on whether the management letter was reviewed by either the full board or a designated committee. If you responded No to 23a, select Not Applicable.
- c.** If you responded Yes to 23a, select the appropriate response (Yes - adopted some, Yes – adopted all, or No – adopted none) based on whether the organization adopted any of the recommendations contained in the management letter. If you responded No to 23a, select Not Applicable.
- 24.**    **a.** Select Yes or No depending on whether the organization has a written policy for document retention and destruction.
- b.** If you responded Yes to 24a, select the appropriate response (Yes – all of the time, Yes – some of the time, or No – none of the time) depending on whether the organization adhered to its written document retention and destruction policies during the primary year under examination. If you responded No to 24a, select Not Applicable.
- 25.**    Select the appropriate response (Yes – all of the time, Yes – some of the time, or No – none of the time) depending on how often the board of the organization contemporaneously documents its meetings *and* retains this documentation.
- 26.**    Select the appropriate response depending on whether your examination was hindered by a lack of necessary documentation. Consider whether documents that should have been available were never produced, prematurely destroyed, or otherwise unaccounted for.
- 27.**    Select the examination disposal code for the primary return from the drop down menu.
- 28.**    Select the principal issue codes for the primary return from the drop down menus.

# Governance Check Sheet

This check sheet is to be used by EO Revenue Agents in the examination of I.R.C. 501(c)(3) public charities. Please complete all parts of this check sheet.

## Part 1 - Revenue Agent and Exempt Organization Information

1. Agent Name	<input type="text"/>	Group Number	<input type="text" value="0000"/>
2. Organization Name	<input type="text"/>		
3. EIN	<input type="text"/>		
4. Tax Period(s) Examined	<input type="text"/>	<input type="text"/>	<input type="text"/>
5. Form Being Examined	<input type="text"/>		
6. Foundation Code	<input type="text"/>		

## Part 2 - Governing Body and Management

7. Does the organization have a written mission statement that articulates its current I.R.C. § 501(c)(3) purpose(s)? Select one of the options.

8. Do the organization's bylaws set forth the following information for the members of the governing body and the organization's officers? Select one of the options from each of the drop down boxes.

Composition  Duties  Qualifications  Voting Rights

9. Have copies of the most recent versions of the organization's articles and bylaws been provided to the following? Select all that apply.

All Board Members  Only Voting Board Members  General Public (by request)  General Public (online)  Not Provided

10. At the beginning of the primary year under examination, what was the number of board members with voting rights? Enter a whole number.

11a. How often did a quorum of voting board members meet during the primary year under examination? Enter a whole number.

11b. How often did the full board meet during the primary year under examination? Select one of the options.

12. Did the number of meetings referred in 11a and 11b meet or exceed the meeting requirements set forth in the organization's bylaws? Select one of the options.

## Part 3 - Compensation

13. Are compensation arrangements for all officers, directors, trustees, and key employees approved in advance by an authorized body of the organization composed of individuals with no conflict of interest with respect to the compensation arrangement? Select one of the options.

14a. Does the authorized body rely upon comparability data in making compensation determinations? Select one of the options.

14b. If "Always" or "Sometimes" for 14a, select the comparability data considered by the organization? Select all that apply.

Exempt Organizations  Non-Profit Entities Not Exempt From Tax  Governmental Entities  For-Profit Entities  Other

14c. If the "Other" box is checked for 14b, provide a brief explanation of the other source.

15. Is the basis for all compensation determinations contemporaneously documented. Select one of the options.

## Part 4 - Organizational Control

16a. Did any of the organization's voting board members have a family relationship and/or outside business relationship with any other voting or non-voting board member, officer, director, trustee, or key employee? Select one of the options.

16b. If YES to 16a, list the number of relationships between the officers, directors, trustees, or key employees.

16c. Number with Family Relationships  Number with Business Relationships  Number with Both Relationships

Total Number of Relationships (should equal the amount listed in 16b)

17. Does effective control of the organization rest with a single or select few individuals? Select one of the options.

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**Part 5 - Conflict of Interest**

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18a. Does the organization have a written conflict of interest policy? Select one of the options.

18b. If **YES** to 18a, does the policy address recusals? Select one of the options.

18c. If **YES** to 18a, does the policy require annual written disclosures of conflicts of interest? Select one of the options.

18d. If **YES** to 18a, during the primary year under examination, if any actual or potential conflicts of interest were disclosed, was the organization's conflict of interest policy adhered to? Select one of the options.

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**Part 6 - Financial Oversight**

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19. Are there systems or procedures in place intended to make sure assets are properly used, consistent with the organization's mission? Select one of the options.

20a. How often did the organization provide board members with written reports of the organization's financial activities? Select one of the options.

20b. How often did the board discuss/consider reports of the organization's financial activities? Select one of the options.

21. Prior to filing, was the Form 990 reviewed by the full board and/or a designated committee? Select one of the options.

22a. During the primary year under examination, was an independent accountant's report prepared? Select one of the options.

22b. If **YES** to 22a, was the accountant's report discussed/considered by the full board and/or a designated committee? Select one of the options.

23a. Was a management letter prepared by the independent accountant? Select one of the options.

23b. If **YES** to 23a, was the management letter reviewed by the full board and/or a designated committee? Select one of the options.

23c. If **YES** to 23a, did the organization adopt any of the recommendations contained in the management letter? Select one of the options.

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**Part 7 - Document Retention**

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24a. Does the organization have a written policy for document retention and destruction? Select one of the options.

24b. If **YES** to 24a, does the organization adhere to its written policy for document retention and destruction? Select one of the options.

25. Does the board contemporaneously document its meetings and retain this documentation? Select one of the options.

26. Was your examination hindered by a lack of necessary documentation? Select one of the options.

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**Part 8 - Disposition**

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27. Examination Disposal Code for Primary Return

28. Principal Issue Codes for Primary Return

First Issue

Second Issue

Third Issue

Fourth Issue