

FORM 990 AND FORM 990-T

MY BACKGROUND

- My name is Justin Bach, and I am from New Jersey. In my free time, I enjoy spending time at the beach, playing videogames, and working out at the UA Rec Center.
- I am currently a senior at the University of Arizona studying Public Management & Policy and Criminal Justice. This semester, I am an intern at Edge and have learned about finance and policy within the non-profit sector and government.
- In my near future, I am looking to pursue either a Master's Degree in Accounting or Finance.



FORM 990

What is Form 990?

- Form 990 is an IRS form that is required to be completed by all 501(c)(3)s each year.
- The form enables the federal government to find out information about the activities of 501(c)(3)s thus increasing public transparency.
- Within the Form, it requires 501(c)(3)s to provide information regarding the governing body, its policies and procedures, and finances.

Why does Edge have to File Form 990?

- Edge is a registered 501(c)(3) thus requiring Edge to complete this form each year. If we do not complete this form annually, we will lose 501(c)(3) status.

FORM 990-T

What is Form 990-T?

- Form 990-T is a form that documents unrelated business income of a 501(c)(3).
- Like the traditional Form 990, the Form 990-T must be completed each year. However, 501(c)(3)s only complete this form if they have unrelated business income greater than or equal to \$1,000.

Why does Edge have to file the Form 990-T?

- Edge must file the Form 990-T because it has unrelated business income greater than \$1,000. This unrelated business income comes from the cell tower located on the property.
- However, we do not pay tax on the cell tower because our expenses are greater than the revenue we recognize.

EDGE'S FORM 990 HIGHLIGHTS

- Revenue
- Expenses
- Policies

While I am not going to cover Edge's assets and liabilities, it is important to note that we do transfer this information from the financial statement over to the Form 990.

TOTAL REVENUE COMPARISON

2021

In 2021, Edge's total revenue was \$2,293,694

2022

In 2022, Edge's total revenue was \$2,401,369

The Revenue increased \$107,675 (4.7%). The increase in revenue was due to the ESSER Covid-19 Relief Grant.

TOTAL EXPENSES COMPARISON

2021

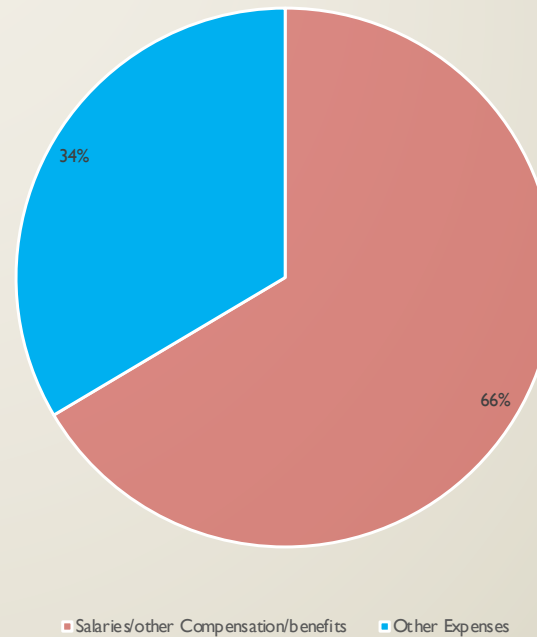
In 2021, Edge's total expenses were \$2,308,905

2022

In 2022, Edge's total expenses were \$2,362,623

Expenses increased 2.3%. The overall increase was due to salary increases.

2022 Expenses



EDGE'S POLICIES

The Form 990 asks Edge to list its various policies. Some policies adopted by Edge are required while others are recommended (best practices).

Required

Non-Discriminatory Policy: “The Edge School, Inc. does not discriminate on the basis of race, color, national origin, sex, disability, or age in its programs and activities”.

Best Practices

Conflicts of Interest Policy: “Conflicts on interest, if they occur, are disclosed at a public meeting of the governing body and recorded in the minutes of those meetings. Applicable board members must abstain from voting in situations where conflicts of interest are involved. The board also reviews financial transactions and bank reconciliations on a monthly basis to ensure that financial transactions do not involve conflicts of interest”.

Whistleblower Policy: The Form 990 requires us to click “yes” or “no” in regard to Edge having a Whistleblower Policy. Edge does have a whistleblower policy.

WHAT I LEARNED

Overall, I learned about:

- What a Form 990 and 990-T is
- Edge's sources of revenue and sources of revenue for non-profits.
 - While learning about Edge's sources of revenue, I noticed that there was a small amount of tax credit donations. Edge should encourage community members to donate their tax credit to increase annual revenue. A single person can donate up to \$200 while a married couple can donate up to \$400.
- Expenses
- Assets and liabilities
- An assortment of policies adopted by Edge and non-profits



QUESTIONS?

*Thank you
for Listening!*