



## Getting Your Books and Records Organized So You Are Ready to Fill Out IRS Form 990EZ or Form 990




IRS Form 990EZ and Form 990 are tax returns that nonprofit, tax-exempt organizations must file. Failure to file means loss of IRS tax-exempt status [e.g. 501(c)(3)]. If your organization collects \$50,000 or less in gross receipts annually, you likely need to file the 990N (e-postcard) and do not need this guide.

This guide provides step-by-step instructions on how to use a spreadsheet to organize and categorize your income and expenses. The IRS Form 990EZ and 990 require that you list your income and expenses by type (e.g. donations, fundraising income, fundraising expenses, grants paid to your school, office expenses and the like).

If your organization uses accounting software, such as QuickBooks, your income and expense numbers will already be categorized and sorted. However, if you use a simple checkbook, there is preparation needed before you are ready to complete IRS Form 990EZ or 990 yourself, or hire someone else like PBUSA to complete the tax return for you. [Get more information about PBUSA's 990 preparation and other services.](#)

**Disclaimer:** This guide is for general information and is not intended to provide legal or accounting advice specific to your organization. If you or your organization need legal or accounting advice, please engage a licensed professional by written agreement and have them review your organization's situation in detail.

### To get started, you should:

-  Gather all bank statements for your organization from the past fiscal year.
-  Determine the beginning and ending bank balances for the fiscal year.
-  Collect any treasurer's reports or other financial documentation available.

## Time to Get Started!

### Step 1: Open a spreadsheet.

Open a spreadsheet using Microsoft Excel, Google Sheets, Apple Numbers or another software of your choice. Or you can simply open and use our template.

Set up your spreadsheet as shown below. Or, use our [Excel file that is ready to go!](#)

	A	B	C	D	E
1	DATE	TRANSACTION	EVENT	INCOME	EXPENSE
2					
3					

### Step 2: Enter each transaction from your bank statements into the spreadsheet.

For example, below is a sample bank statement transaction for a purchase at Sam's Club.

#### Bank Statement

Date	Invoice #	Description	Credits	Debits	Line Total
9/1/19		Sam's Club		\$ 1,970.00	\$ (1,970.00)

On your spreadsheet, enter the information as below. What is most important is the description of the expense in column C, Event.

#### Spreadsheet Layout

	A	B	C	D	E
1	DATE	TRANSACTION	EVENT	INCOME	EXPENSE
2	09/01/2019	Debit Card	Concession Supplies		\$1,970

**Practice Tip:** When describing transactions in column C, be consistent about naming. This allows you to sort on a specific name or phrase later.

**Practice Tip:** Some deposits on your bank statement may combine transactions – e.g. cash from a fundraiser plus membership dues checks. You need to separate the transactions on your spreadsheet so you can properly categorize each type of income or expense. One line from the bank statement (a deposit of multiple checks) may need to be split into multiple lines on the spreadsheet to properly classify the transactions.

### Bank Statement

Date	Invoice #	Description	Credits	Debits	Line Total
9/1/19		Checks Recieved	\$ 450.00		\$ 450.00

### Spreadsheet Layout

	A	B	C	D	E
1	DATE	TRANSACTION	EVENT	INCOME	EXPENSE
2	09/01/2019	Checks	Membership Dues	\$250	
3	09/01/2019	Checks	Donations	\$200	

After you've entered your bank statements into the spreadsheet, it will look something like this:

### Completed Spreadsheet

	A	B	C	D	E
1	DATE	TRANSACTION	EVENT	INCOME	EXPENSE
2	09/01/2018	Check Deposit	Membership Dues	\$250	
3	09/01/2018	Check Deposit	Donations	\$200	
4	09/05/2018	Sam's Club	Fundraiser 1		\$1,970
5	09/07/2018	Cash Deposit	Fundraiser 1	\$900	
6	09/07/2018	Square Reader Deposit	Fundraiser 2	\$4,000	
7	09/10/2018	CC Debit Convention Center	Banquet/Awards		\$2,000
8	09/11/2018	CC Debit Party Store	Banquet/Awards		\$400
9	09/11/2018	Check #478	Banquet/Awards		\$2,540
10	09/12/2018	Square Deposit	Banquet/Awards	\$300	
11	09/20/2018	Check #479	Meals/Travel		\$1,000
12	09/22/2018	Check #480	School Grant		\$500
13	09/23/2018	Check #481	Office Supplies		\$20

#### Step 4: Perform a balance check.

To see if you have all transactions listed, perform a balance check. Your opening balance (found on the first bank statement for your fiscal year), plus your net income, should equal your closing balance (from the last bank statement of the fiscal year).

#### Opening Balance + Net Income = Closing Balance

Let's say your opening balance was \$3,000. In the example below, you had a loss of \$2,780 for the year. Your closing balance should be \$220.

If the closing balance on your bank statement is lower than expected, your spreadsheet likely is missing an expense or there is a mistake in an entry. If your closing balance is higher than expected, you may be missing one or more deposits.

	A	B	C	D	E	F
1	DATE	TRANSACTION	EVENT	INCOME	EXPENSE	TOTALS
2	09/01/2018	Check Deposit	Membership Dues	\$250		
3	09/01/2018	Check Deposit	Donations	\$200		
4	09/05/2018	Sam's Club	Fundraiser 1		\$1,970	
5	09/07/2018	Cash Deposit	Fundraiser 1	\$900		
6	09/07/2018	Square Reader Deposit	Fundraiser 2	\$4,000		
7	09/10/2018	CC Debit Convention Center	Banquet/Awards		\$2,000	
8	09/11/2018	CC Debit Party Store	Banquet/Awards		\$400	
9	09/11/2018	Check #478	Banquet/Awards		\$2,540	
10	09/12/2018	Square Deposit	Banquet/Awards	\$300		
11	09/20/2018	Check #479	Meals/Travel		\$1,000	
12	09/22/2018	Check #480	School Grant		\$500	
13	09/23/2018	Check #481	Office Supplies		\$20	
14	<b>TOTAL</b>			<b>\$5,650</b>	<b>\$8,430</b>	<b>(\$2,780)</b>

#### Step 5: Sort your spreadsheet.

Next you need to sort your spreadsheet to group together "like" transactions. For example, all income from Fundraiser 1 needs to be grouped, all membership dues deposits grouped, etc. Similarly, all expenses from each fundraiser or other activity need to be grouped.

## Sorted Spreadsheet

	A	B	C	D	E	F	G
1		DATE	TRANSACTION	EVENT	INCOME	EXPENSE	TOTALS
2	INCOME						
3		09/01/2018	Check Deposit	Membership Dues	\$250		
4		09/01/2018	Check Deposit	Donations	\$200		
5		09/07/2018	Sam's Club	Fundraiser 1	\$2,200		
6		09/07/2018		Fundraiser 2	\$2,700		
7		09/12/2018		Banquet/Awards	\$300		
8	TOTAL INCOME						\$5,650
9	EXPENSES						
10		09/05/2018	Sam's Club	Fundraiser 1		\$1,970	
11		09/10/2018	CC Debit Convention Center	Banquet/Awards		\$2,000	
12		09/11/2018	CC Debit Party Store	Banquet/Awards		\$400	
13		09/11/2018	Check #478	Banquet/Awards		\$2,540	
14		09/20/2018	Check #479	Meals/Travel		\$1,000	
15		09/22/2018	Check #480	School Grant		\$500	
16		09/23/2018	Check #481	Office Supplies		\$20	
17	TOTAL EXPENSES						\$8,430
18	NET INCOME						(\$2,780)

**Practice Tip:** Individually name and track fundraisers separately on your spreadsheet so you can obtain a total income and expense number for each fundraiser. This allows you to know which fundraisers were successful. In addition, there are times fundraisers must be listed separately on the IRS Forms 990EZ and 990.

**Congratulations!** You've organized your financial transactions and are ready to start your 990. Check out our [guide to completing IRS Form 990EZ](#) or 990 or use [PBUSA's 990 filing service](#) and we'll file for you. We encourage all our members to [use financial software](#) to better track their income and expenses.