

# Telling Your Story on the 990-PF

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I remember my first request for our agency's tax filing from a reporter. I took all the contact information and delicately searched for a motive. My questions surfaced an acute interest in our program and salary expenses – both in the reporter and in myself. For the first time I read our 120-page 990 filing and discovered how poorly we were communicating the reasons for our program and administrative expenses — numbers without an explanation.

Today, the Internet has transformed the field and shifted control from the foundation to the public. But, we don't need to wait for an overhaul of the 990-PF to begin communicating. Embedded in the current 990-PF are a series of oft-neglected questions that give you an opportunity to explain how your charitable activities advance the foundation's mission and vision. Instead of using the two or three lines provided on the form, work with your preparer to include attachments that will allow you to give a more thorough explanation about the values driving your charitable work.

**Tip 1: Don't leave readers guessing about your motives and mission.** Organize your grant listings underneath a description of the foundation's program priorities and mission-driven goals. Much like an annual report, providing context to the grants by sharing the foundation's overarching priorities will enhance a reader's understanding of the intent and priorities of your small foundation. If you already have these posted on your website, simply reformat for the 990-PF and be sure to reference the website as a supplementary resource.

**Tip 2: Don't hold back on describing the purpose and benefit of your grants.** For many small foundations, charitable activity is limited almost exclusively to grantmaking. In Part XV, line 3(a) and 3(b), include a full description of the purpose of the objectives and outcomes that will be realized because of the grant support. Use

grantee feedback and reports to describe the value and benefit of your grantmaking. If you don't have documentation on file, four months before the filing deadline, query your grantees with a question such as, "how has the grant helped your agency" and use it as another opportunity to confirm that organization contact information is correct.

**Tip 3: Provide a full explanation and description of your grantmaking guidelines and include announcements and communications with grantees.** In Part XV, line 2, include supplementary information that will explain the rationale and process for selecting grant recipients and your communication strategies. Describe the outreach efforts, the review process and when possible include explicit guidelines. Engage trustees and staff in the process to ensure that the information is not merely technical, but mission-focused and clear to those unfamiliar with your foundation.

**Tip 4: Don't forget the rationale and values that drive your Direct Charitable Activities in Part IX-A.** In their instructions, the IRS provides ten examples of how foundation activities constitute direct charitable activities. For example, if your foundation officers and staff directly provide technical assistance to grant recipients or support the participation of staff service on charitable boards and working groups of other charitable organizations, instead of simply listing the activity be sure to explain how the activity advances your mission.

While this year's deadline is fast approaching don't overlook the easy ways your foundation can use the 990-PF to increase understanding about your foundation. Indeed, the new era of electronic access to the 990-PF demands another transformation – a greater willingness on our part to share and communicate the values and impact of our investments in advancing mission. ♦