



SAGE NONPROFIT SOLUTIONS NEWSLETTER

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THE 'DOT ONE' UPDATES FOR YEAR-END

Year-end compliance and software updates seem to go hand-in-hand. That's why Sage has introduced Sage MIP Fund Accounting **Version 10.1** Maintenance Update as well as Sage Fundraising 50 **Version 8.1**. Both contain important updates along with several customer-requested enhancements so let's take a quick look.

Sage MIP Fund Accounting Version 10.1

On the heels of Version 10 introduced in 2008, Sage has released the Version 10.1 Maintenance Update that focuses on compliance with IRS Form 990 Changes and several Ease-of-Use Enhancements.

COMPLIANCE WITH IRS FORM 990 - The IRS recently finalized significant changes to Form 990 which is a required filing by all tax exempt organizations. To minimize the impact of the changes and make filing a little easier, Sage has implemented the following changes in the Version 10.1 update:

- Choose to map your Sage MIP Fund Accounting data to the historical 2007 full Form 990 or the "new" 2008 Form 990EZ.
- Generate reports to display either set of Form 990 mapping information.

Future releases of Sage MIP Fund Accounting will continue to add functionality to help you comply with IRS Form 990 changes and threshold filing requirements.

CUSTOMER-REQUESTED ENHANCEMENTS - Sage continually solicits feedback from Sage MIP Fund Accounting customers and often implements some of the most popular enhancement requests. The following customer-requested enhancements are included in the Version 10.1 update:

- A new **Warehouse Control** report greatly improves monitoring and reordering of inventory items.
- Enhancements to the [Scheduler Module](#) include the addition of Allocation Calculation Processing and the ability to schedule calculations overnight and in a different month.
- New tax forms and updates are available for Payroll and 1099 processing. In addition, batch processing options are available for any federal or state tax form.

Sage Fundraising 50 Version 8.1

If you're using Sage Fundraising 50, you'll be happy to learn that Sage has made a significant investment in the technology used to collect and process your fundraising data. The new technology lays the foundation for substantial improvements in features and functionality in the years ahead.

With that said, Version 8.1 is now designed to run on [Microsoft SQL Express](#). SQL express improves Sage Fundraising 50 by offering additional security features, added data capacity, and far better system performance. You'll also have the option of configuring multiple databases which will make it easier to manage hands-on training, database testing, and user practice for new personnel.

In addition to the new technology of Version 8.1, several customer-requested enhancements have been added including new options for database backup and restore, log-in and security options, new reports to track volunteer activity, new export options for Donor Lists and LYBUNT reports, and improved data entry features.



Contact us if you need assistance with either Version 10.1 or Version 8.1 updates.

THE NEW FORM 990 - IS IT REALLY A 'TAX' RETURN?

In 2008, the IRS has introduced significant changes to Form 990 - the annual reporting return that most tax-exempt organizations must file. The new requirements represent some of the most significant changes in a very long time so it's worth a quick review.

Why the Change?

With a rash of financial scandals and seemingly rampant corporate misconduct, nonprofit organizations are being scrutinized more closely than ever. So it seems fitting that the redesign of IRS Form 990 is aimed at **enhancing transparency** and **ensuring compliance** through added disclosures, better accountability, and more detailed financial and operational reporting.

The changes have transformed the 990 into something that **looks less like a tax return and more like an annual report** of operations for the benefit of constituents, contributors, and other stakeholders. And while the additional reporting can be burdensome for some organizations, the new form 990 can also act as a sort of 'public relations' document that can provide an opportunity for nonprofits to demonstrate fiscal responsibility and attract potential donors.

Summary of a Few Significant Changes

COMPENSATION - The new form 990 introduces substantial revisions to reporting of compensation of officers, directors, trustees, and key employees in addition to the top 5 highest paid independent contractors. To improve transparency, compensation now looks beyond just salary and includes expense reimbursement and other allowances, contributions

to employee benefit plans, and deferred compensation. In addition, the threshold amount for reporting compensation to the highest compensated employees and independent contractors has been increased.

GOVERNANCE - A new array of governance questions explore the details of an organizations policies on conflicts of interest and document retention & destruction as well as increased disclosure of lobbying and political activities.

FORMAT - Form 990 now consists of an eleven page "Core Form" with financial information, supplemented by 16 different schedules that provide supporting detail (although not every organization will be required to complete all 16). The first page is comprised of a summary of the organization's mission statement along with key financial and governance information and a two year comparison of current and prior year's revenue and expenses.

Filing Requirements

The **new** form 990 takes affect for tax years beginning on or after January 1, 2008.

To ease the burden of the extensive new requirements, smaller organizations with **gross receipts of less than \$1 million and assets of less than \$2.5 million** may continue to use **Form 990-EZ** (short form) which remained mostly unchanged. Filing thresholds for 990-EZ have been significantly increased for 2008 and later years to allow organizations time to adjust to the new 990 requirements. Visit www.irs.gov and click on the 'Charities and Non-profits' tab for full details.



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WHAT'S NEW IN VERSION 10?

There have been some fantastic improvements in your Sage MIP Fund Accounting system over the last year or so. Version 10 was introduced in the middle of 2008 just as it seemed like the paint was drying on Version 9 (released in 2007). If you'd like to get caught up, download a copy of "What's New in Sage MIP Fund Accounting Version 10" or contact us for assistance.



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